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Are Global Framework Agreements Changing Industrial Relations?

- A critical study of labour regulation regimes

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Abstract

As the numbers of multinational corporations (MNCs) steadily increases production becomes more and more global. Today, production can easily be moved from one corner of the world to another if corporations find this to increase their profit. This puts trade unions in front of a new challenge as they now have to find strategies in order to promote and secure labour rights on a globalized labour market. One strategy chosen by global trade unions are to, together with MNCs, sign so called global framework agreements (GFAs). Agreements aiming to improve labour standards and regulate labour employer relations.

In this thesis I am trying to answer why global trade unions are turning to GFAs as global strategy for strengthening labour rights. I am also discussing whether GFAs can be considered progressive and whether GFAs are changing industrial relations. The findings show that trade unions foremost understands GFAs as a tool for strengthening the position of trade unions, to give trade unions legitimacy as labour representatives and to ensure labour-business dialogue. Whether or not GFAs can come to be a tool for changing industrial relations will in large extant depend on trade union ability to mobilize internally and whether this mobilization can be considered as progressive; to stand for values rooted in internationalism, egalitarianism, and moral economy.

KEYWORDS: Global Framework Agreements, Industrial Relations, Corporate Social Responsibility, Labour Rights, Structural Change

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1. Introduction

1.1. Production, Class and Trade Unionism

Industrial relations are of great importance if we are interested in development, human wellbeing, and in making sure that all humans get access to economical welfare, security, power and influence. Work is much more than just the actual act preformed or its role in the economy (Ben Israel 2001). Our civilization is structured around the concept of work and during the last two hundred years work has become more and more influential when it comes to shaping the status and identity of people. Work and production should therefore not only be viewed in terms of economic growth and GDP. Values such as economic- and human dignity are closely connected to industrial relations.

As industrialization took off and as capitalism spread, the mode of production became more and more characterized by bipolarity, on one side the capitalists, the employers and on the other side the wage labour, the employee, whose time and efforts are compensated with money (Tilly & Tilly 1998:25). As the labour market as we know it today took form, as the labour force was growing, the common interest among the group of wage labours became more obvious. The creation of the labour markets enabled the labour movement and as the labour movement developed, demands for both better working conditions and political influence were raised.

Labour movements and trade unions can have an important and profound impact on development in the world. Trade unions are organizing the labour force (a necessity for production to take place) and have therefore a chance to act as a “voice for change”. Labour movements have throughout history in their demands for equality, liberty, democracy, and redistribution in many ways been successful in raising their claims and shaping policies. But this influence has not been constant over time and space. Many are those claiming that we since the 1980's can see a decline both in trade union activity, influence and achievements (Ben

Israel 2001:2-3, Riisgaard 2004:1, Griffiths 1999:117). In the years since the cold war we can see a number of changes in the labour market. At the same time as we can see a worldwide decline in trade union density and bargaining power, multinational corporations (MNCs) are today a driving force in integrating local and national economies into a global production network. As this happens, as MNCs grow stronger at the same time as trade unions globally are losing members, trade unions are facing new challenges and therefore need to look beyond state borders in order to secure, protect and defend their interests. Although internationalist ideology and strategy is nothing new for the labour movement global trade unions are today finding new ways in order to meet these challenges. One way in which trade unions have done this is by trying to stimulate and demand agreements between global trade unions and MNCs. These agreements are known under the names global framework agreements (GFAs) and international framework agreements (IFAs).

1.2. Industrial Relations and Social Responsibility

Global framework agreements are not the only tool for regulating labor on an international level. Today we can find a number of attempts to organize and regulate labour and improve working conditions. These attempts take the form of governmental legislation, voluntary joint agreements as well as collective social movement action. Codes of conducts, the work of ILO and OECD, the UN global compact, and global framework agreements are all examples of attempts to regulate labour on a global level. What is common in different labour regulation regimes is the notion that production and trade entail a responsibility for the welfare and wellbeing of the employees. The view on how far this responsibility stretches can, and is, of course discussed. But what the discussion on *decent work* and the number of labour regulation regimes that exist today indicates is that the social responsibility of corporations is taken more seriously today than before. The notion that the market on its own does not provide decent protection and worker rights becomes more mainstream.

1.2.1. Decent work

When taking the discussion of social responsibility and applying it to the labour market we come across the term *decent work*. The term decent work implies that employers have some responsibilities in their role of employers and that employees, or workers, have some rights in their role as workers. And as the market on its own does not seem to fulfill these responsibilities there is a need for market and labour regulation.

Decent work can be described as work offering not only good and safe working conditions but as work that also provides the necessities for a good and safe life. The call for decent work can be described as stretching beyond the actual situation in the work place and incorporates the whole experience of a working person's life. The concept, as defined by ILO (1999), includes four components; employment, social protection, workers' rights and social dialogue. The term employment does here include all forms of work. Also unregulated workers, self-employed and home workers are here to be considered as workers. Social protection includes social security and income security in accordance with the capacity of each society. Workers rights aim at fundamental rights at work; freedom of association, nondiscrimination at work, and the absence of forced labour and child labour. The purpose of focusing on social dialogue is to highlight the need for workers representation, the need for workers to present their views and defend their interests. In other words, decent work includes the right of workers to "defend their interests and engage in discussions to negotiate work-related matters with employers and authorities" (Ghai 2003:113).

Decent work can be seen as a way to admit and emphasize the inequalities inherent in how production is organized and at the same time declare that corporations have responsibilities and duties towards their employees. The call for decent work is a call for morality as it provides a moral argument for the implementation of ILOs core conventions¹, something that, according to its

¹C-29 Forced Labour Convention, 1930

C-87 Freedom of Association and Protection of the Right to Organise Convention, 1949

C-98 Right to Organise and Collective Bargaining Convention, 1949

C-100 Equal Remuneration Convention, 1951

C-105 Abolition of Forced Labour Convention, 1957

C-111 Discrimination (Employment and Occupation) Convention, 1958

C-138 Minimum Age Convention, 1973

C-182 Worst Forms of Child Labour Convention, 1999

advocators, in the longer run will lead to a fairer and more equally developed world. This is expressed by ILO in the following words:

Work is central to people's well-being. In addition to providing income, work can pave the way for broader social and economic advancement, strengthening individuals, their families and communities. Such progress, however, hinges on work that is decent. Decent work sums up the aspirations of people in their working lives.

(ILO:a)

Decent work [...] involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

(ILO:b)

1.2.2. Labour Regulation Regimes

As production have become more and more globalized the need for global regulations has increased and the demand for social responsibility is vocalized by an increasing number of actors. One of the perhaps most clear examples of this is the United Nations Global Compact. The objective of the compact is to build a sustainable and inclusive global economy. This is to be done through the cooperation of business and non-business entities seeking to “ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere” (UN Global Compact) by addressing a wide variety of issues such as human rights, labour, environment, and anti-corruption.

ILO has since it was founded in 1919 worked with issues concerning labour and development. ILO was founded on the notion that lasting peace must be built upon social justice. It is, unlike other UN agencies, built upon tripartism and includes governments as well as employers and labour (Maupain 2009). The conventions of ILO regulate labour and assigns rights and protection to workers on an international level. Also OECD is working with questions regarding labour and has also produced a number of documents touching upon labour rights and good business practices (Stevis 2010:1). OECD is promoting democracy and market economy and many of the OECD writings and recommendations regarding labour regulation take their starting point from the core conventions of ILO and

the notion of decent work. Also UN Global Compact is referring to the ILO core conventions when discussing the connection between labour rights and development.

But even if many of the ILO conventions functions as a foundation upon which other labour regulation regimes are built one must still question the impact of the work of ILO as their attempt to create a “social dimension” to globalization have not been too successful (Müller, Platzer & Rüb 2008). Even if labour is represented in these organizations the power and influence of labour movements and their views are limited. The impact and effectiveness of these organizations can also be questioned as they are voluntary in their nature and states and corporations cannot be forced to comply with these writings. On the other hand, the voluntariness could perhaps indicate that when implemented there is a greater will to live up to the commitments.

However, even if the efforts of ILO in many ways only have had a limited direct effect on the labour situation on a global level the efforts made by the organization and the documents produced have in many ways had a greater influence when it comes to how labour rights are viewed today. Many definitions and understandings of labour rights are built upon the ILO core conventions and the efforts of ILO can therefore be said to have been setting the norm for what rights to include in documents and other attempts to regulate labour. In the different recommendations directed to employers the common ground of ILO, OECD, and UN Global Compact becomes clear. The call for decent work implies that corporations and employees have a social responsibility and in accordance with this call many corporations (especially MNCs) have today incorporated labour issues into their code of conducts². Corporate social responsibility is today not as a controversial question as in earlier times. It is fair to say that in the beginning of the 1990s the labour movement was standing more or less on their own when it comes to defending and propagate for labour rights. Ten years later the pictured had changed and today fair trade groups, women’s groups, consumer groups, development agency etc. are next to trade unions standing up for labor rights and demanding regulations of the labour market (Shaw 2004:169f).

The rise of codes of conducts can be explained partly as a response to bad publicity following in the footstep of civil society involvement in questions

² Corporate social responsibility documents making ethical statements on how production and trade should be carried out.

regarding for example labour rights, consumer safety, and environmental issues. In the 1990s corporations was, as a result of emerging “campaigns of embarrassment” (Shaw 2004:170) and the media coverage that followed, forced to admit at least some responsibility concerning these issues. As civil society actors started to pinpoint companies whose products were produced under poor working conditions corporations was forced to answer for the working conditions of their employees as well as the working conditions of their contractors and subcontractors.

Two major criticism of codes of conducts as a way to improve the working conditions of the world can be found. The first criticism is concerning the question of how to make sure that the codes of conducts are implemented and how to monitor that they are followed (Shaw 2004). One other important criticism is raised by those viewing codes of conducts as fitting too comfortably within the neo-liberal consensus and that labour standards runs the risk of becoming “privatized” (Shaw 2004:1). For example, Ronaldo Munck (2002) raises the rhetorical question of how progressive civil society can be when supported by institutions such as the World Bank. The same question can be raised here. How well does a code of conduct represent the needs and wants of workers when formulated by corporations? However, the only problem with the documents are not whether they are improving the labour situations and the environment or not, nor if they are built upon and reinforcing neo-liberal values. To the skepticism and criticism I would also like to add that codes of conducts are lacking a dialogue on what to include, a lack of democratic structures in the creation of the documents. When regulating labour rights the ones whose rights are discussed are left outside of the discussion. I would say that the biggest fear is not whether the end result is to be considered a neo-liberal but rather if no other opinions and values are even “permitted” in the discussion leading up to these codes. Codes of conducts can at best improve labour situations. However, it cannot be seen as a tool for changing industrial relations.

1.3. Aim and Research Question

How production is organized has great influence on development in multiple ways, both in terms of economic growth, distribution of wealth, and social well-

being. The number of social movement questioning the prevailing order, the economic system and the organization of production are many. So also are the number of international agreements and institutions concerning the area of trade, production and labour. Labour movements and trade unions have for decades struggled both for labour rights and for social and economic change. The strategies and methods used in order to increase trade union influence have shifted. In the “era of globalization” the number of multinational companies has increased and therefore trade unions have once again been faced with new challenges and opportunities. Internationalism and international cooperation is neither on an ideological nor on a strategic level something new for the labour movement. What is new is the emerging arena of global governance and the possibilities for civil society influence this arena is claimed to have.

My main purpose is not to question earlier studies but to contribute to the understanding of how trade unions themselves understand and describes GFAs and to from a critical perspective, investigate if and to what extent global framework agreements can be considered progressive. Whether they are, or have the possibility to become, a tool for changing industrial relations and achieving social and economic change.

RESEARCH QUESTIONS:

1. Why are trade unions turning to Global Framework Agreements?
2. (In what ways) Are Global Framework Agreements progressive?
3. Can Global Framework Agreements change industrial relations?

2. Theoretical Framework

The theoretical framework will be based on thoughts on the role of work and production, theories on political and social change, and discussions on how production and industrial relations define our time and shape our lives. In order to better understand the structures in which social movements (and in this case trade unions) operate I will discuss collective social and political agencies and how the concept of international civil society can be understood in relation to structural change and development. Thereafter, the debate on global governance as a road to power sharing and public influence will be commented on. The chapter will end with a text trying to define the term Progressive and why progressive social movements are important for studies of social change.

2.1. The Role of Work and Production

When discussing and analyzing industrial relations and efforts to regulate the labour market it is important to first define the role of power, work and production. This as the understanding of these terms and how they are intertwined to a great extent will influence the results of the study.

Our role in production and how production is organized does not only determine our material standard of living. Work is also closely connected to our identity, how we view ourselves and how we are perceived by others. The implication of how production is organized has therefore greater effects than pure economical. In a capitalistic world economy our relation to production are in many ways defining our power over our own lives, our future, and our possibilities to influence policies and politics. This as production, social relations and power is closely tied together. Even though modes of production differs and change, it can be said that it is through work that our relationship to the production is manifested. As our society is produced and reproduced (both in terms of “necessities” such as food

and in terms of consumer goods, culture, and structures) through production our relationship to the mode of production is of vital importance both if we want to understand our reality and if we want to know how we can change it.

Robert W. Cox defines work as “actions towards the transformation of nature for the purpose of satisfying human needs and desires” (Cox 1987:13). As human beings are transforming the nature, i.e. producing physical objects in order to satisfy their needs and wants, they are also producing a society and the structures defining this society. Work is production, and production can both take form of manufacturing of physical objects and in form of production of symbols, social institution, morals etc. Production and industrial relations have an obvious connection to development as it is through work and production humans are satisfying their needs and wants. The concepts are connected both when it comes to the level of development reached by a society and when it comes to how this development is divided among the members of society. How production is organized and what is produced have great influence on both society and individuals.

2.2. Political Economy

One of the more well known statements made by Cox is that theory is always for someone and for some purpose (Cox 1995:31). This statement points out that in order to fully understand any theories we need to know in which context the text is born as well as the aim of the theory, if the theory is aiming for change or if the aim is to preserve the existing order (Cox 1995:31). By considering the origins and the aims of theories we can reach a better understanding of the questions raised, the answers given, and the areas ignored.

When taking point of departure in critical theory, focus lie in trying to understand how the existing order came to be and how it can be changed on a structural level instead of focusing on specific problems and specific solutions to these problems. If historical and contemporary change is the area of study and the goal for our understanding we ought to go beyond traditional actor oriented economic and political science and instead turn to political economy (Cox 1995). Political economy is to be preferred as these theories are “concerned with the historically

constituted frameworks or structures within which political and economic activities take place” (Cox 1995:32).

The view on how change can be studied and understood derives from the historical dialectic approach. In all times and in all structures we can find coherence, contradictions, and conflicts. If we are interested in change, our focus should lie on the conflicts and contradictions within the structure as it is within the points of conflict alternative structures arise. “[Each] successive historical structure generates the contradictions and points of conflict that bring about its transformation” (Cox 1995:35).

2.2.1. Identifying the Conflict in Production

One answer to where we can find the conflicts defining the world of today would be that there is a conflict inherent in how production is organized (Cox 1987). As industrial relations are of great significance for social- and power relations it is important to understand how and why production is organized. Organization of production generates social relations. Social relations set up the terms for power relations. And power relations and access to power have, in its turn, a strong influence on how production is organized (Griffiths 1999:115). Production, social relations and power relations are all closely connected and interdependent.

The main conflict found in production, on the labour market, is the classical conflict between the classes. “Class is to be understood as a real historical relationship” (Cox 1987:355) and not merely as an analytical category. Even though the requirements for the formation of classes are created in the process of production it is social practices that shape people. Events generate experience and it is in the common experience of people we can see class take shape. It is through these common experience class identity is formed and progressive collective action is made possible (Cox 1987:355). Practices of common identity can be found in the creation of social movements, one example of this is the creation of class identity and the formation of trade unions.

It is often claimed that we live in a globalized world today, and that globalization have altered the fundamental structures of society. It is not unusual to claim this change to be so profound that it has had a deep effect on international and industrial relations (Scholte 1997). However, a globalized labour market, increasing international trade or increasing numbers of MNCs do not have to

mean that the conflict found in the organization of production no longer have the same significance. Reading Alejandro Colás (2002) give support to the idea that the globalization seen today foremost is a capitalist globalization and therefore should not be understood as a new world system but rather as a new phase of capitalism. Even though we can see some signs of globalization in the economic sphere this does not mean that other spheres follow the same pattern. Just because production is becoming more globalized this does not mean that structural change has occurred or that the basic conflict in society have changed per se.

Each time and each society consist of a number of parallel and connected types of production and relations towards the production (Cox 1987:5). A society can for example both entail open-labour-market relations, self-employment and household production. Production in itself does not have to be problematic, but in a capitalist society the relation to, the influence over, and the gains from production is everything but equal. Our position in the production is of great importance when it comes to the possibilities accessible for us as individuals. The hierarchies that capitalist production reproduces creates a divided society as the surplus of production is unequally distributed. It is not only the surplus that is unevenly distributed. Also the power over the production is affected by the hierarchies. Not everyone have the same say when it comes to determine what to produce and how to produce it (Cox 1987:11-12). These basic characteristics of a capitalist economic system is still present even though production no longer is as tied to a certain geographical space as before.

2.3. Actors for Change

In order to get a comprehensive understanding of world politics international relations must break away from the grip of realism and open up for more than state actors. Colás argue for the need and relevance of a “voluntary, non-state, collective social and political agency in international relations” (Colás 2002:1).

However, viewing all non-state actors as merely non-state or private actors would not be fair. When comparing multinational companies to international trade unions this comes clear (Colás 2002:7-8). These two actors represent different values and are driven by different motives. Their place within the capitalist structure is different and consequently the power and possibilities of these actors

will also differ. However, even if we can raise criticism towards transnationalism³ we do not have to reject the understandings and concepts presented by scholars involved within transnationalism. What Colás (2002) think is missing (and therefore himself tries to develop) is a theory viewing and explaining transnational actors and phenomena's of transnational character without ignoring the structures and hierarchies (capitalism and state centrism) that affect and influence these actors.

In order to understand the forces at work in world politics and to be able to evaluate their influence it is necessary to view the international society as a bi-product of capitalism and to notice that collective agency (as well social as political) is expressions of class antagonism. Both the structures that exist and the agents acting within these structures do so in relation to interests and power relations that is stipulated by the capitalist world system. International socio-political agency is facing structural limitations. These limitations do not hinder but delimits the possibilities of social movements (Colás 2002:17, 65). Even though we must be aware of the inequalities and limitations created by the structures at work we should not ignore the changing power inherent in society. Social order is produced by human activity and there are no structures “outside” human activity (Colás 2002:84) “[People] do not marry to reproduce the nuclear family, or work to reproduce the capitalist economy. But it is nevertheless the unintended consequence (and inexorable result) of, as it is also a necessary condition for, their activity” (Roy Bhaskar cited in Colás 2002:88). However, individuals refusing to participate in the reproduction of these structures are not enough to change them. In order for structural change to occur the necessary relation between capitalism and state sovereignty must be challenged.

[International] social movements can helpfully be understood as mediating agents of international change in so far as they simultaneously challenge the dual structures of the modern international system, and incorporate new collective agents into the broader structural relations of this system.

(Colás 2002:99)

³ At the same time as Colás join the voices propagating for a more nuanced understanding of the international sphere he raises criticism towards classical transnationalism as he sees it as descriptive; lacking a clear notion of agency; lacking a coherent theory of society, failing to consider the interrelationship between state and society; and, unable to account for hierarchies and structures (Colás 2002:9).

As social movements can be seen as an expression of class relations they should be considered as agents for change. However, even though class is a “real” structure existing regardless of whether we acknowledge it or not, class formation will not happen if we as individuals do not recognize and identify class relations and class as a common denominator. The structural capacity (Callinicos 2004) of an individual or group is foremost determined by their relation to production.

“Men make history, but they do not make it just as they please: they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past” (Marx cited in Callinicos 2004:1). Class structures does not constrain in a way that it makes social mobility impossible for individuals but rather because it makes social mobility impossible for the whole “working class” at once. Individual freedom can therefore not be the answer to structural oppression and injustices as it neither solves the underlying problems nor pay attention to structural divergence. This is not to reduce actors to certain roles but to admit that agents are restrained by social relations. As well as structures are “real” so is agency. Agents do have a role to play but to study agency without paying attention to the explanatory power of structures would be to ignore how the world is organized and the great differences in access to power.

This way of viewing structure and agency can bridge the notion of the two concepts in order to reach a fuller and more inclusive understanding of the limitations and potential assigned to international civil society in general and to progressive social movements in particular

2.3.1. Civil Society

In the mainstream understanding of the term civil society there is a close connection between civil society and the liberation of individuals from tyrannical rulers (Howell & Pearce 2001). It is understood as a sphere separated from the state and ruler with the purpose of securing individual freedom from oppression. However, this mainstream view of civil society is being criticized (Colás 2002; Howell & Pearce 2001).

Being critical of the mainstream definition of civil society does not have to imply that one wants to modify the types of agents included in the concept but rather to modify how these agents relate to other fields of social life. Civil society can be understood “as an arena of antagonistic class relations where conflicting socio-

economic interest and rival political programmes contend for power” (Colás 2002:167). This arena is constrained by the structures of capitalism and state sovereignty. And as globalization should not be seen as structural change but rather as a new expression of capitalism, the social relations characterizing the capitalist system are still dominating. Same oppressions and inequalities found a century ago is still present today.

Civil society can not only be seen as separated from the state, as insurance against oppression and for freedom, as it is closely connected to the modern state, to the bourgeois society (Colás 2002:49-50). The power of the concept of civil society lies “in its reference to an arena of social life differentiated from state while simultaneously revealing its complex *interaction with the state*” (Colás 2002:26). Furthermore, civil society should not be viewed as a given or as static, it is produced and reproduced by collective human agency and is as affected by structures and hierarchies as any other parts of society or social life. Colás formulate this notion in the following words:

I do not consider civil society as being beyond the power relations that characterize the state or the market, but rather as a domain where the class antagonisms inherent in the structural power of both state and market play themselves out, chiefly through the medium of social movements.

(Colás 2002:43)

Civil society offers an arena separate, but not independent, of the state and market. On this arena individuals and collectives have the opportunity to thorough mobilization “realize the full potential of modern liberal citizenship” (Colás 2002:43).

2.3.2. Social Movements

Social movements can be understood as a manifestation of civil society. As civil society is generated by capitalist structures the actions of social movements must be understood as expressions of this system, as an expression of class relations (Colás 2002). This however, does not mean that all social movements take the same expression, that all social movements are representing the same (class)interests or ideology. What it means is that social movements should be seen as a collective mobilization of ideas found in the notion of common interests, interests that for most of the time can be seen as international. This means that the

interest of a certain social movement, for example women's movement, socialist movement, liberal groups or human rights groups, extend outside the member of the movement, to all women, all workers or all human beings etc (Colás 2002:49,62). It is as a result of this inherent universalism that civil society have the possibility to act as a legitimate voice of political and economic change through social movements.

Not all social movements are progressive, but still:

If international civil society is to be considered as a possible site of progressive world politics, it would seem more appropriate to fix such hopes on the agency of social movements which at least enjoy some democratic legitimacy, rather than on organizations that fail to identify the sources of their political accountability.

(Colás 2002:62-63)

However, even though social movements is a preferred and possible actor for change it is important to still keep in mind that social movements act within a dual structure (capitalism and state sovereignty) and that this duality creates a hierachic system (Colás 2002:91). The structural position of an actor determines "the causal power of their actions" as "the dual structures of the international system generate[s] obvious hierarchies of power" (Colás 2002:89).

Even though a large amount of the social movements of today can be considered to have "international dimensions" not all of these are *international social movements*. International social movements are movements that can mobilize across state boundaries and has a program seeking to transcend national boundaries (Colás 2002:76). In order to be considered a international social movement a organization have to both make universal claims (make statements covering all humans) *and* act across state boundaries.

2.4. Global Governance and Public Participation

Although the term global governance have made its way into both academic writing and world politics there is no clear consensus to what global governance is and how the term should be used (Grugel & Piper 2007:2). The concept of global governance is closely linked to two other concepts; globalization and democracy.

It is linked to globalization as it often is described as a way to secure order and control in a world so complex and interconnected that it makes no sense for states (if it even is possible) to govern separately. The link to democracy can be seen on the notions saying that the arena of global governance gives room for a larger number of opinions and actors as it open up for non-state actors to participate in regulation and policy making. Both concepts have gain importance during the last two decades (Stevis & Boswell 2007:10) and are playing an important role when studying global political trends and when wanting to understand the role played by, and the degree of influence assigned to, different actors on the international arena.

However, what many times is claimed to be global governance is only governance of the globe with the assertion that interests of the whole globe is taken into consideration (Grugel & Piper 2007:11). This is done without increased public participation and can rather, still, be described as governance by the powerful. The term global governance can be concretized as a set of rules that:

... extend or can extend over the whole globe, cover all relevant parties, and are supranational, that is, in which members give up some of their national authority to a global entity or process. What most distinguishes global governance from its alternatives – intergovernmental, regional, and national governance – is the relinquishing of some national autonomy.

(Stevis & Boswell 2007:18)

Global governance can be divided into two spheres, global public and global private governance (Stevis & Boswell 2007). Public governance refers to interstate cooperation and state driven governance on the international level. But as state policies often are aiming to strengthen the realm of the private the term global governance cannot be limited to the sphere of states (Stevis & Boswell 2007:39). Private governance refers both to the ways in which private actors such as corporations influence public governance and to the ways private actors formulates social policies.

Munck (2006) post the question of whether global governance and global civil society is the road to democratization and market regulation or if it simply is a slippery path steering social movements into a sphere where even critical voices become a tool for stabilizing the existing capitalist structures. The promotion of global governance and civil society organizations could be understood as a method of control rather than as a method for democratization, participation and

change. If not global civil society had existed it had been invented by the likes of WTO, IMF & the World Bank in order to legitimize global governance and their thoughts and visions of world economy. International NGOs do have a cosmopolitan grand vision and do aim at building a global civil society. However, this project will in all likelihood not generate consensus and support from groups and individuals finding themselves excluded from the benefits of globalization (Munck 2002). A truly democratic civil society cannot be created by powerful institutions devoted to liberal market solutions. “When the World Bank becomes a fervent supporter of ‘civil society’ (and ‘social capital’ as well), we can safely assume it is not because of its radical anticapitalist potential” (Munck 2002:355). The major global governance institutions (such as the World Bank and the IMF) speak, in first hand, for neo-liberalism and structural adjustment without regards to the human costs (Stevens & Boswell 2007:15-17). Civil society participation on the global governance arena can be described as an essentially neo-liberal project in disguise (Munck 2010). It is claimed to give voice to the people as an attempt to give global governance a “human face” and through that legitimize the capitalist system and silence voices pointing out the inhumanities, injustices and inequalities caused by these structures. As civil society and global governance cannot be conceptualized as a space of equals neither can the claims made in this space be said to fairly represent all views and groups equally. Individuals and groups looked upon as too critical runs the risk of not being let in to the sphere of global governance (Grugel & Piper 2007:9-10). Just to include no-state actors or social movements in the governance of the globe is not per se a sign of either democracy or of alternative voices being heard.

One can also question in what ways and even if globalization and global governance at all should be associated with civil society. The existence of civil society actors pre-dates the existence of globalization. And therefore:

[Contrary] to the claims of most globalization theorists, the concept of international (or global) civil society should not be exclusively or even principally associated with globalization and the accompanying notions of global governance and cosmopolitan democracy.

(Colás 2002:138)

Further on, many civil society organizations are neither democratic in their organization or in their ideology and cannot be used as a guarantee for democratic values or public participation. Colás do not dismiss the existence of global

governance. Neither does he deny that authority has been transferred from the state to international multilateral institutions or that the numbers of NGOs and their influence have increased (Colás 2002:147). What is questioned is whether this development has meant increasing influence of “alternative” and critical voices. Further on, these developments do not indicate the disappearance of neither state sovereignty nor capitalism. The emerging global governance regime is to a great extent founded on the same ideology and principals as the bourgeois state. The mere existence of international social movements cannot be said to define a new era as social movements driven by an internationalist ideology is nothing new. As I read Colás, global governance should be seen as neither an alternative nor progressive way to regulate social, political, nor economic issues. If wanting to reach development focus must lie on redistribution, and in order for redistribution and changes in industrial relations to be a genuine possibility one must turn to those progressive agencies/movements offering alternative ideas of how to organize the world.

Theories of global governance seldom highlight the hierarchies and inequalities faced by social movements. It is therefore important to notice that not all NGOs have the same impact or influence neither when it comes to raise questions, identify problems and injustices nor when it comes to propose solutions. For example western based NGOs have had a larger impact than NGOs from the third world (Colás 2002:154). Hierarchies are as present within civil society as it is in other spheres and one cannot automatically view civil society as a voice of marginalized or as a voice of the people (Colás 2002:152). Even if some sort of popular participation is reached through the increase of NGO-influence it is important to see that not all parts of civil society have the same impact. This is a result of structures and relations, of the hierarchies inherent in the capitalist system, but also of the fact that NGOs and social movement participation in many ways are “granted” by states or state organizations.

Even if globalization has changed the political expressions of class struggle the structures determining this struggle are intact. “[Global] governance mostly serves to resolve domestic class struggles through a recourse to international norms, which are in turn legitimated by nationally based class forces” (Colás 2002:168). The transnational cooperation defining global governance does not transcend class interests and as long as globalization is an expression of capitalism rather than an alternative to capitalism these structures will be more or less intact. NGOs and social movements representing a different world view can have some influence in

policy and norm making, but still, global governance do not constitute structural change. Even so, civil society and international social movements should not be excluded from studies of international relation. International social movements have been a part of structural change throughout history and if we are interested in the possibilities and probabilities for structural change in the future, if we are interested in transcending capitalism, we should start our search in studies of progressive international social movement and their activities.

Just because global civil society has been co-opted by “neoliberal global capitalism” does not have to mean that it is impossible for civil society to have radical or reformist potential. Globalization has generated the potential for a workers movement stronger than ever before (Munck 2002, 2010). At the same time as global governance builds liberal hegemony through the encouragement of global civil society the arena for contesting views are growing and the possibilities for subaltern groups to organize increases (Munck 2002:356), global governance does allow social movements back in (Munck 2007:13).

The development of a sphere of global governance and the call for civil society participation within these regulation regimes post a dilemma for progressive social movements (Munck 2007:13-14, Stevis & Boswell 2007:40-41). To either stay out on the streets protesting or entering the buildings and conference rooms of “global governance” and big business. Of course this is more of a theoretical than practical dilemma. Nothing says that social movements cannot do both and noting says that social movements always are let in to the “decision making rooms” they wish they had access to. Still, it provide social movements with (at least) two possibilities; to seek to change from within, and hope that their view are given room and not silenced; or, to stay on the outside and hope that by raising awareness of the issue will lead to such attention that the disparities no longer can be legitimated and that this will lead to change.

2.5. Defining Progressive

If we are interested in equality, justice and development for all we should take a closer look at those social movements that can be labeled as progressive. It is the progressive movements that both points out the problems of today and present an alternative to the prevailing system. Progressiveness can perhaps be described as

the key concept when analyzing social movements, their strategies and actions taken, whether these actions can be described as signs of an alternative world view and in the longer run as a step towards equality, justice and development. How do we know when a social movement are progressive, and how do we know when the actions taken by civil society actors can be described as signs of an “alternative” view? What does the term progressive really include? I will extract three themes which are of major importance when trying to define whether a social movements or an action is to be considered as progressive. These themes are *internationalism*, *egalitarianism* and *moral economy*.

My hope is that viewing trade union ideology and actions from these tree perspectives can be help full when analyzing whether these actions and movements can be seen as aiming for change or modification. If they are focusing on the underlying causes for injustices and inequalities or if they should be understood as attempts to handle problems and injustices within the prevailing system. To modify the system of today in order to reduce unwanted consequences or to offer an alternative world order.

2.5.1. Internationalism

The significance ascribed to internationalism as a guiding principle of progressive social movement ideology and activity can be found in Cox (1992a, 1992b, 1997) call for a bottom-up democratic multilateralism, in Colás (2002) quest of defining a new transnationalism, in Munch’s (2010) texts when arguing for a global labour movement, as well as in the writings of Stevis and Boswells (2007) calls for cosmopolitanism and when warning for Eurocentrism. What they all have in common, even though approaching the subject form slightly different angels, is their acknowledgement of universal values and their view that progressive ideology and political struggle should be based on this notion. In order for a civil society organization to be considered progressive their claims have to go beyond the members of the organization. The claims have to be universal in their nature and include all humans regardless of time and space.

At the same time as universalism strengthens the claims of social movements it also calls these progressive movements to move beyond the local and national level and to enter the international level. As capitalism is global so are the problems and inequalities inherent in the capitalist system and civil society actors opposing this development therefore also have to act on a global level.

Internationalism should be seen as the guiding principle in order to translate the thought of universal values and solidarity into concrete strategies and actions. For trade unions the notion of internationalism is not a new concept even if the internationalist claims sometimes have been emphasized more and sometimes less. The founding notion of trade unionism is to identify common interests and to unify around these interests. But internationalism does not only mean that trade unions should lift the local struggle up to the international level. The notion of internationalism must also be the guiding principle when organizing internally. When acting on an international level and claiming to represent all the workers of the world the internal relations must also be characterized by the values (such as equality, empowerment, and democracy) they are striving to introduce at the labour market.

When acting on a global level, when trying to strengthen global labour rights, the needs of the most “oppressed” can not only be taken into consideration but should instead serve as the point of departure. Solidarity in ideology and thoughts alone is not enough in order for trade unions to be considered as progressive. The call for internationalism implies more than ad hoc arrangements. It requires that trade unions from different parts of the world work together. This as the strength of trade unions is in their ability to stick together and unite as, if not as one actor, than at least as many actors making the same claim. For a social movement to legitimize their actions, the change they are calling for must be supported by the people they are claiming to represent. In the case of trade unions and their attempts to govern and reform the labour market this means that their legitimacy and possibility to act as a voice for change is depending on their ability to act as one and on their ability to uphold a democratic and egalitarian organization.

2.5.2. Egalitarianism

For a social movement to be progressive it is not enough that they are universal in their claims and international in their action. They must beside this also stand for egalitarianism. The reason for this is that universalism and internationalism on its own does not state what kind of values and rights that are to be universal. It only says that the citizenry for which the claims are made should include “all humans”. Adding the call for egalitarianism to the definition of a progressive social movement is to state that the goal for the actions should be to create a more equal world. The capitalist economy have created a class system in which the majority of the people of the world find them self in a position of less power and

possibilities. A progressive social movement should strive for a world where class, sex, ethnicity, sexual orientation etc. do not hinder individuals.

2.5.3. Moral Economy

Egalitarianism can be seen as to define the core values on which a progressive movement should rest. Internationalism on the other hand guides a progressive movement and tells where to find allies and how to organize internally. However, being progressive in ideology and organization is not enough. Egalitarianism and internationalism are vital for the possibility to compose an alternative to the hegemonic powers but it does not state how the future should be organized. It does not state what structures are to succeed the capitalist system. As the aim of a progressive social movement is change their thoughts on how the world ought to be is of great importance. To just state that transcending capitalism is not enough as hierarchies and oppression are not unique for the capitalist mode of production. It may very well be present within other structures and systems as well. By adding the call for a moral economy to the definition at a progressive movement this is made clear and what it means is that the in order for an “alternative economic system” to be progressive it ought to rest on fairness and justice and sustainability. A moral economy is a sustainable economy, sustainable both in environmental and social terms.

This is not to say that being progressive is to have an already finished blueprint of how the future ought to look like. On the contrary, it is more important to reach a understanding of the processes at work and how change comes by then focusing on how the perfect world should be organized. However, if a social movement does not sign in on the claims of moral economy, of the need for production to be organized in accordance to values such as justice and equality they ought not to be considered as progressive.

2.6. Identifying Progressive Social Movements

The reasons for progressive and social forces to find themselves concerned by globalization is not the fact that politics and economy is becoming globalized but rather that it does so without equal social provisions (Stevens & Boswell 2007:24).

The role of progressive social movements is therefore to demand social justice and equal access to welfare. But how do we know if a social movement stands for the notion of equality and redistribution that is propagated for? How the organization is built up, how it functions internally, and how the organization views the “outside world” are factors deploying how effective and progressive social movements are (Stevis & Boswell 2007:31). As internal factors organizational characteristics, constituency choice, and membership can be mentioned. External factors are the world view of the movement, the ideological base on which it is founded and the overall views regarding for example equality and nationalism. For a social movement to be seen as progressive it must be founded on a cosmopolitanism that notice and estrange the relationship of power and wealth.

Progressive actors are actors in favor of a world in which the wealth of the world is more evenly distributed. Wanting to end poverty and for development and wellbeing to reach all can of course not be said to be an opinion exclusively represented by progressive movements. However, what differentiate progressive actors from for example liberal agencies whishing for global development is that progressive movements rather than trusting in capitalism, economic growth and trickle-down effects promote equality through redistribution. Supporting redistribution as the mean for reaching equality is however not enough. Authoritarian redistribution, either in the form of authoritarian states or when instituted by foundations as charity, can be considered standing for progressive values. Thus, for globalization to become a progressive force it must both include redistribution and democracy as “democracy at any level must not only include broad participation or voice but must also allow the translation of that participation into policy choices that go against the grain of structural inequalities” (Stevis & Boswell 2007:37).

2.7. Progressive Trade Unionism

For trade union activity to be successful and for it to stand for progressive values a number of criteria must be met. It is important that global and local trade unions avoid becoming eurocentric when striving for global agreements and the spread of labour rights (Stevis & Boswell 2007:27,125). “If global agreements are to

become a means toward global unionism, rather than an European strategy, there must be participation from unions throughout the world, and that participation has to start at the planning stage” (Stevis & Boswell 2007:128). It is important to notice that it have been signs of indifferences and even hostility towards these agreements within unions outside of Europe. If trade unions interested in and affected by the agreements are excluded, either consciously or unconsciously, there is a risk that they become. Therefore, full participation by all affected by the agreements are of importance and this thoughts must be incorporated both in theory and practice.

The continuing rise of social movements can serve as insurance against eurocentrism and as a guarantee for egalitarianism. Other progressive social movements can come to help in two ways. They can function as watch dogs observing and vocalize when trade unions violates egalitarian values. But they can also be of help as they lift questions regarding for example racism and sexism and therefore force trade unions to take stand and (hopefully) to become more egalitarian (Stevis & Boswell 2007: 154). This “partnership” can take two forms; through alliances or through internalization. By building alliances with other progressive social movements such as environmental movements, women movements etc. or by including environmental and gender concerns into trade unions own program. The best solution is a combination of the two (Stevis & Boswell 2007:154). Internalization is needed in order for trade unions to become democratic organization. Alliances can gather more people and legitimacy and therefore increase the possibilities to voice demands and to reach results.

When trying to reach change and influence trade unions runs the risk of ending up involved in less efficient collaborations and institutions where they are not able to reach the goals aimed for. Just because you are open to collaboration it does not means that you have access to the most powerful policymaking institutions or that the institutions accessible can deliver the desired results (Stevis & Boswell 2007:42-43). It is also important to weight the influence gained against the loss in trustworthiness, truthfulness to ideology or future possibilities to reach more far-reaching agreements. This to be able to estimate whether to take that road or to stand by and wait for better chances. When is it a stepping stone to something more, and when is it to be seen as a dead end (stealing time and effort for truly progressive strategies). The overall goal for trade unions must be binding industrial relations rather than social dialogue (Stevis & Boswell 2007:131). This leads us to a call for reforms rather than regulations. In order to really challenge

the capitalist structure an alternative to private ownership must be given as private “corporate authority cannot be democratized while remaining private” (Stevis & Boswell 2007:139). Labour rights, corporate responsibility and other questions concerning production should not be understood as a “private” question. It is not a question only concerning management. Therefore, at least as a first step, GFAs have to develop into binding industrial relations instruments. This in order to avoid becoming a footnote in the history of global union policies and to still be legitimate in the future. A note of caution is that even though trade unions might look upon GFAs as an industrial relations instrument and as a first step to global industrial relations, there are indications that corporate actors do not share this view (Müller et.al. 2008).

Trade unions should perhaps not only focus on the company level. They need to also go beyond corporations and start to focus on the capital in order to offer an alternative to a globalization promoting liberalism and capitalism. Trade unions have to also attack the idea that private bureaucracies are neither inevitable nor preferable⁴. Only focusing on single corporations can be successful for some unions and groups but cannot in the long run be viewed as internationalist or egalitarian or as an strategy taking the formation of binding industrial relations based on justice and equality seriously (Stevis & Boswell 2007:138-139). For GFAs to become a part of this grand vision Stevis and Boswell would rather see few and strong agreements then many and week. It is better to deepen and develop a smaller number of agreements than signing as many agreements as possible as agreements standing on their own are not that progressive (Stevis & Boswell 2007:140).

“An organization that wants profound change but only seeks the approval of the entities it wishes to change either is lying to itself or does not have another option”

(Stevis & Boswell 2008:41).

⁴ Signs of this can for example be found in the formation of Committee on Workers Capital trying to marshal the massive amounts of labour pensions invested throughout the global economy and in trade union influencing OECD guidelines.

3. Methodology

3.1. Choice of Subject

Studies of international relations (IR) have traditionally been dominated by state-centered perspectives and theories. These theories have foremost focused on how to understand and smoothly navigate within the existing system. The goal or purpose of traditional IR theories was not to challenge the prevailing order or to uncover the conflicts within this order. However, during the years more and more scholars are arguing that there are more actors than state actors worthy of attention. During the last 30 years, civil society actors, such as NGOs, have moved from a somewhat secluded existence within mainstream IR theory to becoming natural actors on the international arena, both cooperating with the state and being in opposition of the state (Howell & Pierce 2001). But even if non-state actors in the costume of civil society have entered the field of international relations one can still find gaps to be filled when it comes to the theoretical understanding and explaining of the actual power of non-state actors.

Most studies of civil society actors and social movements have focused on women movements, environmental movements and human rights issues (Stevis & Boswell 2008). Even though some of these movements most likely could be included under the “progressive” social movement umbrella it is still possible to state that studies concerning social and economical change have been underrepresented in the field of international relations. This can be seen as a shortage in two ways. Firstly, it excludes many social movements from the field of study and therefore ignoring the experience of these actors. Secondly, and perhaps more importantly, it hinders international relations theories from answering the question of civil society influence. By not studying NGOs and social movements aiming for structural change we cannot fully answer any questions regarding the possibilities for social movements to influence politics and policies. If we want to understand societal relations, possibilities for change, empowerment, and “public” influence, we must go beyond studies of change

within the system and add studies of social movements opposing the prevailing order and movements aiming to change this order.

By studying global trade unionism as actors for change, and global framework agreements as a method for this change, my aim is to reach a better understanding of progressive social movement actors' possibilities to reach structural change; what the result and implications have been for trade unions deciding to work *with* and *within* the system they are opposing.

3.2. Critical Thinking

In traditional thinking the genesis of facts and the conceptual systems from which these facts are grasped are seen as external to theoretical thinking (Horkheimer 2003:218). Critical theories question this position and uphold that theory is essential for all our understanding of social phenomena, as all our observations are theory driven. We cannot study a phenomenon without having any prior understanding (Alvesson & Deetz 2000:43-44). Different theories direct attention to different phenomena and will consequently arrive at different interpretations, understandings, and suggestions. It is not possible to enter a situation without preconceptions. Therefore, researchers should enter all investigations with their assumptions and theoretical backgrounds displayed, in order to avoid confusion concerning epistemological and political baggage (Kincheloe & McLaren 2005:305-306). Knowledge is not produced in a vacuum. It is depending on, and determined by, both structures and history.

The main concern of critical theory can be understood as finding ways for empowerment of individuals and groups in order to transcend the restraints of race, class, and gender (Creswell 2007:27). This notion can be traced to philosophical outlines suggesting the liberation of mankind, "that man can be more than a manipulable subject in the production process of class society" (Marcuse 2003:225). This liberation is said to be impossible within the established social order. In this way, as a new social order is called for, critical theory can be seen as utopian. However, these abstractions, this utopianism, should not be seen as limitations, as critical theory does not end up in descriptions of future worlds (Marcuse 2004:226).

Critical theory can rather be described to play “a role in the interdisciplinary interrelation of social sciences, as a placeholder of social scientific problems, or as a repository of normative visions and imaginative vanishing points” (Delanty & Strydom 2003:208). Positivism and its fixation on the given and its claim of objectivity, neutrality and value-freedom is criticized (Delanty & Strydom 2008:208, Marcuse 2003:226-227). Instead, critical perspectives points to the importance of identifying and questioning “common” knowledge and assumptions; to admit and show the influence history, culture, and social position have over understandings and actions; to imagine and explore alternatives to the existing order; to pay attention to obvious and subtle expressions of social dominance; and to be skeptical of all knowledge or solutions claiming to be the ultimate truth or the only alternative (Alvesson & Deetz 2000:12). This means that critical social science is more dedicated to questioning, rather than explaining, the already established, and to expose injustices and inequalities in order to find areas for change and development - to open up society for alternative views and ideas (Alvesson & Deetz 2000:13,20).

3.3. Research Design

The essential features of qualitative research are “the correct choice of appropriate methods and theories; the recognition and analysis of different perspectives; the researchers’ reflections on their research as a part of the process of knowledge production; and the variety of approaches and methods” (Flick 2009:14). Recognizing the multiple perspectives, approaches, and methods offered by qualitative research can be of great value to this study as the purpose is to both understand why global trade unions turned to global framework agreements; to highlight trade union influence over labour regulations; and to discuss possibilities for change in industrial relations.

Qualitative research makes studies of complex phenomena possible. These methods can be used when the purpose of the research is to go beyond theory testing or verification. By using qualitative methods the researcher can instead discover and develop new empirically grounded theories (Flick 2009:15). The validity of qualitative research depends on if the methods are appropriate for the study, how they are applied and whether the findings are grounded in the

empirical material. For this thesis this means that it is possible to study a phenomenon (industrial relations and global framework agreements) and from the empirical evidence given by the study reach a wider and deeper theoretical understanding of how actors interact and how this interaction is affected by and in turn affecting the structures of society. As qualitative methods can acknowledge contextual issues and place the studied object in a wider social setting they are a good tool for capturing “meaning, process and context” (Devine 2002:199).

This thesis is built upon three research questions. In order to be able to answer the *first question*, why trade unions are turning to GFAs, I will focus on the historical processes and relationships leading up to the decisions of turning to GFAs. My hope is that earlier research and the interviews conducted will provide an answer to this question. The *second question*, whether GFAs can be seen as progressive, will be answered by comparing GFAs with other attempts to improve labour situations and to find out in what ways GFAs are different. When answering the *third question*, whether GFAs challenges the prevailing structures, I will use the definitions of the term *progressive* as an ideal for social movements aiming for structural change. The understanding and definitions of trade unionism and GFAs derived from answering the two former questions will be compared to this ideal type in order to find out to what degree GFAs can, could and should be understood as a strategy or method for changing industrial relations.

My hope and aim is that this will end up in a better understanding of the role of civil society and to what extent alternative/progressive representatives of civil society are let in to the sphere of global governance and where structural change can come from within.

3.3.1. Case Study

The area of research and the research question should not only guide the researcher when choosing theoretical framework, it should also be considered when choosing what methods to use (Flick 2009:98). Not all methods can answer all questions. For the researcher to be able to draw any conclusions from the study and for these conclusions to be valid and reliable there is a need to consider how the studied area, the research question, the theoretical framework, and the methods work together.

A case study can be a good alternative when trying to understand complex social phenomena and when “a ‘why’ or ‘how’ question is being asked about contemporary set of events, over which the investigator has little or no control” (Yin 2009:13). Case studies are most often in-depth studies of one or a few cases where the data analyzed can be described in terms of unstructured or bounded data (Hammersley & Gomm 2009:3, Creswell 2007:73). A common misinterpretation of case studies is that it can only serve as a exploratory stage of other types of methods or as a type of participant-observation data collecting technique. It is true that case studies do not exclude methods for data collection or even methods for analyzing this data. However, this fact should not be seen as a weakness but rather as a strength, as a way of backing up the results and as a technique for approaching the area of study from different angles (Yin 2009:17f).

When conducting a case study it helps to look at the research process as a logical sequence connecting the empirical data to the research question and to its conclusions. The research design should be designed in such a way that the researcher can use it as a “blueprint” when figuring out what areas to study, what kind of data that is relevant, the type of data to collect and how the findings can be analyzed (Yin 2009:26f). If this is properly done the researcher can avoid situations where the data gathered cannot answer the question asked. Yin (2009:27) mentions five components of a research design that are especially important. These components are:

- a study’s question
- its propositions, if any
- its unit(s) of analysis
- the logic linking the data to the propositions
- the criteria for interpreting the findings

For this thesis this means that conducting a case study makes sense when it comes to answering the 'why' and 'how' question; why trade unions are turning to GFAs and how this is affecting trade union influence.

The propositions of this study is that structural injustice and inequalities in the world today makes equal distribution of power and influence impossible, and for this to change marginalized, excluded, and discriminated groups and individuals

must be empowered and the prevailing structures must be changed. For structures to be changed they need to be challenged and an alternative must be offered. Progressive social movements founded in internationalistic ideology and practice can play a major role in offering this alternative.

In a case study the units of analysis should be a real life phenomenon and not an abstraction, topic, argument or hypothesis (Yin 2009:32). Defining the unit of analysis is not always easy and it can be good to keep in mind that the unit of analysis might change during the research project. The areas of interests in this study are labour regulation regimes and progressive social movements. These are represented by global framework agreements and trade unions.

The methods for data gathering used in case studies vary and as Yin (2009) points out, different sorts of data have different advantages. However, a research design should not only tell what data to collect and how to collect it, but also include how to handle this data after the gathering (Yin 1984:35). The purpose of the data gathering is that a detailed description of the case should emerge and that the researcher, out of this description, can choose a few themes aiming to increase the complexity of the case (Creswell 2007:75) and then, in a logical way, link the data to the proposition.

3.4. Material

The primary sources that will be used are foremost guidelines, statements and published text written by IKEA representatives and by Swedish and global trade unions. Interviews with trade union representatives have also been conducted. Secondary sources will be literature and research concerning GFAs and trade unions but also studies concerning social movement's role in global governance. The analytical framework has been built out of literature on civil society participation and trade union strategies. Texts written by Ronaldo Munck and "Globalization and Labour" by Stevis and Boswell (2008) have served as a point of departures.

3.4.1. Documents

Documents in the form of written data such as notes, case reports, contracts, diaries, letters, expert opinions, etc are of relevance to almost all case study topics (Yin 1984:79). The documents used in this thesis are documents that Yin (2009:103) describes as:

- administrative documents – proposals, progress reports, and other internal documents
- formal studies or evaluations of the same “site” under study
- newsclippings and other articles appearing in the mass media or in community newspaper

Documents do not lack bias and are not necessarily "accurate" and should not be seen as literal recordings of events (Yin 1984:80-81). However, with this kept in mind, documentation can be of great use in the case study. Documents can, besides offering information and data, have at least one additional advantage. When comparing documents with other sources of information it can either corroborate or contradict the evidence. If the documents contradict other findings the researcher has reason to conduct further inquiries.

When analyzing documents it is important to keep in mind that they are produced by someone and for some purpose (Yin 1984:81). Therefore, documents should always be seen as means of communication and the researcher should ask who has produced the document, for what purpose and for whom to read (Flick 2009:257).

3.4.2. Interviews

Conducting interviews can be an essential source of information and is one of the major methodological approaches in qualitative research (Flick 2006:204). When interested in subjective knowledge, in the interviewee's complex stock of knowledge of the studied subject, the semi-standardized interview can be of asset (Flick 2006:155). However, even if material derived from interviews can be of asset, interviews should still be considered as verbal reports. The responses are subject to the problem of bias, poor recall and poor or inaccurate articulation (Yin 2009:108-109).

The interviews in this study can be classified as semi-structured expert interviews. A semi-structured interview is characterized by introducing “topical areas and by the purposive formulation of questions based on scientific theories on the topic” (Flick 2006:157). In order to still have some structure for the interview the interview guide is structured around some topics and themes that should be investigated. The topic of the interview is carefully planned and thought out, but room is made for complementary questions and topics. In a expert interview the focus are on the interviewee as a carrier of knowledge from a certain field of activity and the answers should be seen as representing a group rather than a single person (Flick 2009:165).

An interview with Marie Kihlberg Nelving, international secretary at the Swedish trade union organization Unionen (the trade union for professionals in the private sector) was conducted. This interview served as an introduction to the field. The focus of the interview was to get a better picture of how the negotiation phase looke like and the dilemmas, problems and possibilities faced by trade unions when negotiating with MNCs and when trying to reach international “unification” among trade unions. The answers given during this interview were used in further contacts with trade union representatives.

One e-mail interview was conducted with Anita Normark, former General Secretary of NBTF (The Nordic Building and Woodworker Confederation) and former General Secretary of BWI (The Building and Woodworkers International). The global framework agreement signed by IKEA and BWI was initiated by The Swedish Forestry and Woodworkers Union and NBTF.

A second e-mail interview was conducted with Kjell Dahlström, former chairman of the Swedish Forestry and Woodworker Union (today named the Swedish union of forestry, wood and graphical workers). Kjell Dahlstöm has knowledge of the BWI-IKEA agreement as he was a member of the reference group monitoring and developing the agreement from 1998 until 2009.

4. Global Framework Agreements

Global framework agreements (GFAs) are agreements negotiated between multinational corporations (MNCs) and Global Union Federations (GUFs). GFAs are instruments with the purpose of ensuring and improving labour standards on an international level, for all the employees regardless of where they are employed. They do not regulate issues such equal pay for all employees⁵. Instead they are focusing on questions of rights and duties of employers and employees and sets up rules for the employer-employee relationship.

Global framework agreements can be described as a post-cold war phenomenon as the end of the cold war opened up for the international agreements in at least four ways (Riisgaard 2004). Firstly, the end of the cold war ended the liberal (western) and communist (eastern) division of trade unions and cooperation among trade unions was now more likely. Secondly, capitalist economic relations became the global norm and therefore the problems and challenges faced by trade unions and workers became more uniform (Wingborg 2007; Müller, Platzer & Rüb 2008). As new markets now were available for MNCs “western” trade unions had an interest to propagate for labour rights beyond the state border in order to reduce the economic benefits of moving production. The call for international labour rights can be seen as a way of reducing the risk of losing local production, as an attempt to secure one’s own job, to hinder a “race to the bottom”. This is confirmed in the interviews with Swedish trade union representatives (Dahlström 2011, Wingborg 2007). Finally, from the perspective of many developing countries the end of the cold war also meant that state was no longer a guarantor for labour rights as the spread of liberalism and capitalism also spread the capitalist mode of production and “conflict” on the labour market. This development created a need for approaching these issues in a new way.

⁵ Even if some agreements guarantees “living wages” or that the company pays the local by law stipulated minimum wage etc.

Even though global framework agreements in many ways are a product of a post cold war world the first GFA was signed as early as in 1988. It was signed by the French food and nutrition corporation BSN (renamed Danone in 1994) and International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association⁶ (IUF). The Danone/IUF "Common Viewpoints" established a formal relationship between the parties and recognises the importance of constructive workplace relations and have in some respects served a model for later agreements of global trade union federations and MNCs (Tørres & Gunnes 2003). The second global framework agreement was signed in 1995 by French Accor and IUF. The agreement signed by IKEA and Building and Wood Worker's International⁷ (BWI) was the third global framework agreement and was signed in 1998 (Wingborg 2007). In the year of 2007 62 GFAs had been signed (Papadakis 2008:2) and today (spring of 2011) the number of MNCs that have signed agreements is around 70-90⁸ (Global Unions Web Page, Stevis 2010:2).

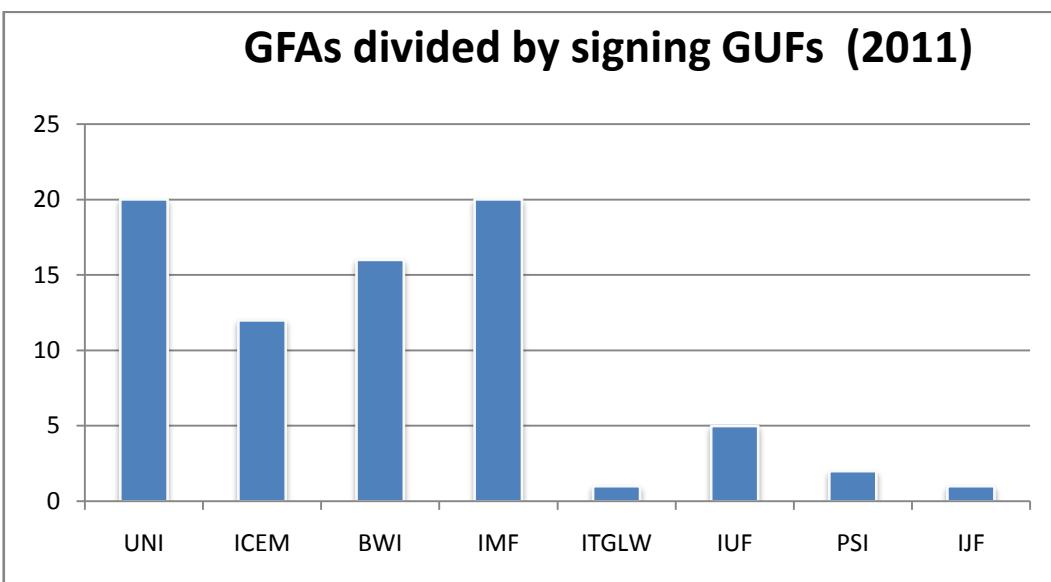
When viewing the GFAs signed until today one can see that they are far more common in some industries than in others. Four out of ten trade union federations are standing for a clear majority of the agreements. These federations are Union Network International⁹ (UNI), International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM), International Metal Workers Federation (IMF) and BWI. Together they make up almost 90 % of the agreements.

⁶ "There has been some speculation as to why Danone was the first company to agree to an IFA of this nature. The personal views of Antoine Riboud, its founder and CEO until 1996, were undoubtedly an important factor. Riboud, who died in 2002, was a progressive Catholic with links to the French Socialist Party and viewed trade unions as legitimate counterparts at all levels. As he declared in a meeting with an IUF delegation, he wanted strong unions in his company because he could not imagine leading his company against its employees and without respecting their rights. There is no doubt that this was his sincere belief. Riboud was a man of honour." (Gallin 2008:29)

⁷ At that time named International Federation of Building and Wood Workers (IFBWW)

⁸ Data on the number of agreements existing in 2010-2011 vary between around 70 and 90. Some MNCs have signed agreements with more than one GUF and perhaps this can explain some of the differences. Another explanation is the lack of definition of what to label GFA. According to www.global-unions.org 87 global agreements had been signed and four out of these was "negotiated by affiliates covering core principles and processes of global agreements".

⁹ UNI member organizations come from a wide range of industries: Cleaning, Security, Commerce, Finance, Gaming, Graphical & Packaging, Hair & Beauty, IT & Services, Media - Entertainment & Arts, Post & Logistics, Social Insurance, Sport, Telecom, Tourism, Temp & Agency Workers

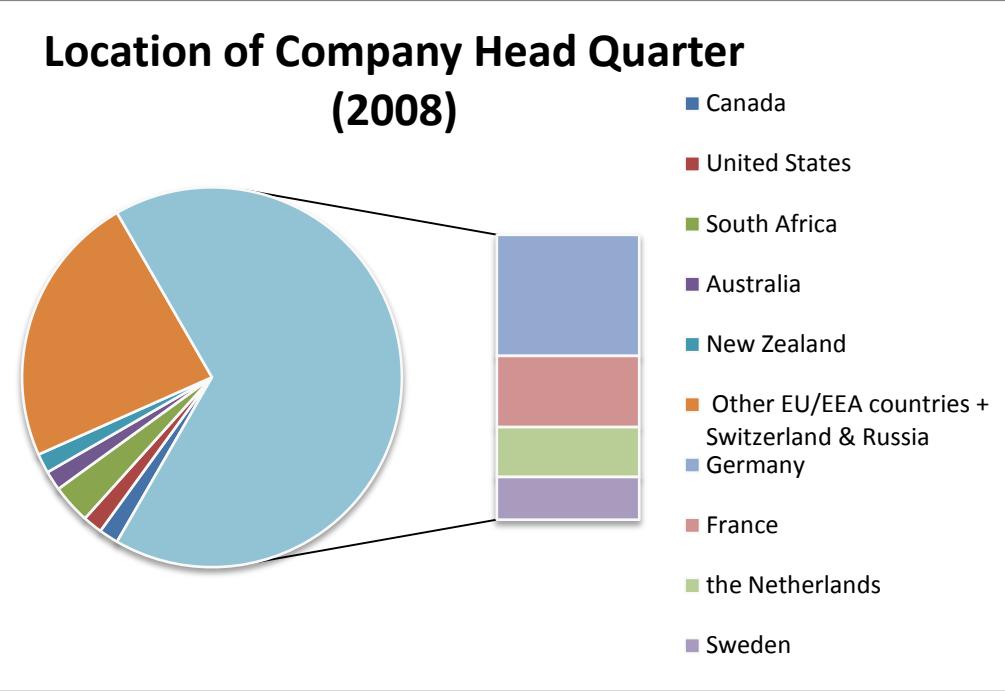


(Global Union Web Page)

Two GUFs are not represented in the chart. This is the Education International that has not signed any global agreements. Excluded is also the International Transport Workers' Federation which has neither signed any GFAs but instead they have signed the first and so far only global collective contract (Stevis 2010:3).

Out of the 62¹⁰ GFAs signed in 2008 a clear majority was signed by MNCs having their head quarter in Europe. Out of the 54 agreements signed by corporations from the EU and EEA around three out of four was signed by MNCs seated in Germany, France, the Netherlands or Sweden (Müller, Platzer & Rüb 2008).

¹⁰ The number of agreements sorted by country of company head quarter 2008: Germany (17), France (10), the Netherlands (7), Sweden (6), Spain (5), Norway (5), Italy (5), Denmark (2), South Africa (2), Belgium (1), Greece (1), Portugal (1), Switzerland (1), Russia (1), New Zealand (1), Australia (1); Canada (1), and USA (1) (Müller, Platzer & Rüb 2008).



The overwhelming majority of GFAs are still today signed in cooperation with European companies. However, during the last years they have spread to both Asia (Japan) and South America (Brazil). The number of non-European companies signing GFAs had increased from five in 2005 to 12 in 2010 (Stevens 2010:3f). Resistance towards GFAs has been more profound in some countries than in others. But during the last years agreements have been signed by companies situated in countries where business-trade union cooperation is less widespread or common and where GUFs have had difficulties reaching agreements. Great Britain is one example of such a country and the agreement signed by G4S and UNI can be seen as a break with old patterns. The development during the later years has also meant that GFAs have started to spread outside the developed world as corporations in Brazil, Russia and South Africa have signed agreements with global unions.

The vast majority of the GFAs existing today include the ILO core labour standards. Around 50 % of the agreements do also refer to further ILO conventions. A large number does also refer to other documents regulating rights and relations on the labour market, such as Global Compact, OECD guidelines and UN Declaration on Human Rights. Other issues that can be addressed in the agreement are issues concerning workplace health and safety, decent wages,

training and education, and environmental concerns (Müller et.al. 2008). The agreements do also often specify how the agreement should be monitored and followed-up and how the agreements should be communicated to the employees and to the suppliers.

However, all GFAs do not follow the same pattern. All of them do not include the same topics and do not always regulate the same issues. What is common for all GFAs thought is that they are built upon social dialogue. The fact that GFAs are formulated in dialogue between labour and corporation representatives is pointed out as one of the strengths of the agreements (Kihlberg Nelving 2011). But this is nothing that is exclusive for only GFAs. Also other labour regulation regimes are built upon and include dialogue between the stakeholders. For example the work and writings of ILO, OECD and UN Global Compact involve to some extent labour representation. What makes GFAs unique according to Stevis (2010:5) is that by signing a GFA the MNCs recognizes “a global actor that represent workers”. The fact that GFAs acknowledge and legitimize trade unions as a partner is something that is pointed out in all three interviews.

4.1. Case Study: The IKEA-BWI Agreement

When discussing the problems and difficulties surrounding the negotiation, signing, and compliance of the agreements I will do so by referring to the IKEA-BWI agreement. The reason is that even though many of the GFAs signed today have many common dominators the problems faced are not always the same. Not all companies and trade unions behave the same and not all industries are in need of the same regulations. By taking a closer look at one specific GFA I hope to grasp a better understanding of the actions taken by trade union representatives both when faced with a company neglecting to live up to the agreement and when the agreement is followed.

The reason for choosing the IKEA-BWI agreement is that IKEA was one of the first MNCs to sign a GFA and that the agreement have been renegotiated ones. The fact that it was a Swedish trade union that negotiated with IKEA made it easier for me to come into contact with the trade union representatives who negotiated, signed and works with the follow-up.

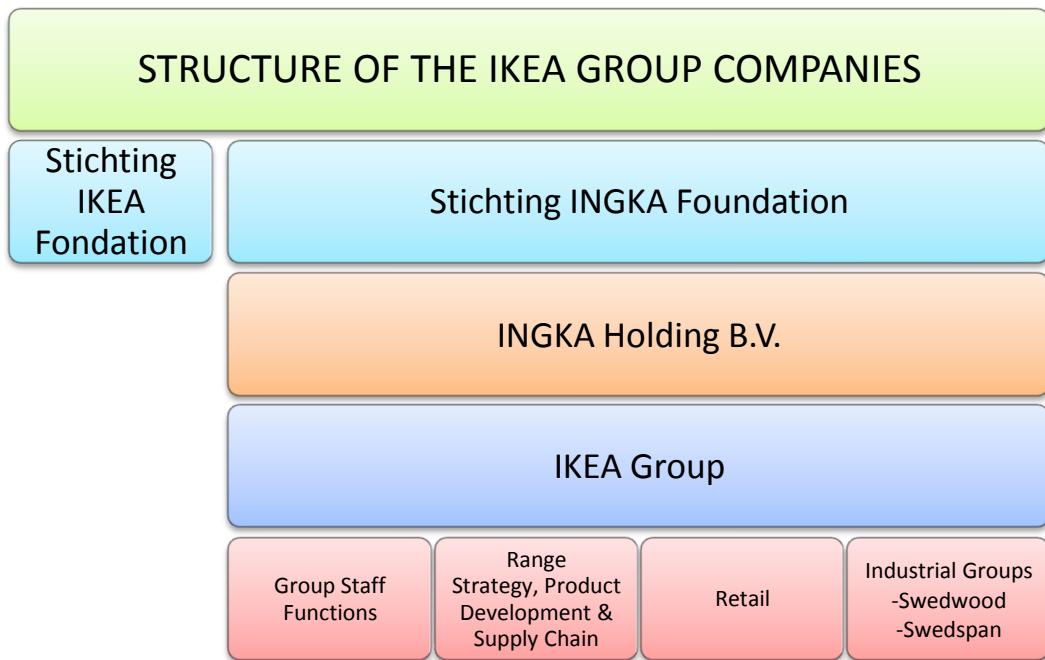
The IKEA-BWI agreement is also interesting as IKEA is a company that have both been praised and blamed when it comes to questions of social responsibility. When reading the reports and statements made by the IKEA Group themselves it is easy to get the idea that IKEA is a company acknowledging their social and environmental responsibilities and is making great efforts in these areas (IKEA 2010, IKEA 2011). The company claims to have great interest in their employees' wellbeing and is referring to the people working in the company as coworkers rather than employees. However, this does not mean that there are no problems when it comes to working conditions and labour rights within the IKEA Group. For example, as of today there is an ongoing conflict between workers and management regarding working conditions and the right to establish trade unions at the Swedwood¹¹ factory in Danville, Virginia, USA¹² (Elghorn 2010).

4.1.1. IKEA in Numbers

IKEA was founded in the 1940 by Ingvar Kamprad who still today owns the IKEA Group through the Stichting INGKA Foundation (established in 1982) registered in the Netherlands. The Stichting INGKA Fondation is the sole owner of the INGKA Holding B.V., the parent company of all IKEA Group Companies. Today the IKEA Group works in four basic areas; range strategy and product development, production, supply, and retail (IKEA 2011).

¹¹ Swedwood is supplier to IKEA and is owned by the IKEA Group

¹² In July 2011, after years of struggle, a voting was finally held among the workers at the Danville factory. “In a secret ballot election conducted by the National Labor Relations Board, an agency of the United States Federal Government, workers at Swedwood’s operation in Danville Virginia voted to be represented by the International Association of Machinists and Aerospace Workers (IAMAW), and affiliate of the Building and Wood Workers International (BWI)” (BWI)



(IKEA 2011:10)

In addition to Stichting INGKA Foundation we find Stichting IKEA Fondation. The reasons for establishing of the Stichting INGKA Foundation were, according to the corporation itself, to secure a lasting and sustainable production and business. This is to be done through reinvestment in the IKEA Group, and, secondly, by founding charity through the Stichting IKEA Foundation.

In the year of 2010 the IKEA Group employed 127 000 persons worldwide (IKEA 2011). The vast majority was working in Europe (103 500), but the company also had employees in North America (15 500) and in Asia and Australia (8 000). Over 75% of the employees were working in “Retail” (96 500). The rest of the employees are divided quit evenly between “Purchasing, distribution, wholesale, range and other” (14 500), and Swedwood/Swedspan (15 500 + 500).

Beside the number of employees hired by the different IKEA Group companies IKEA is depending of a large number of suppliers. In 2010 IKEA had 1 074¹³ home furnishing suppliers operating in 55 countries around the world, 251 IKEA transport service providers, 90 IKEA Food suppliers, and 39 IKEA Catalogue suppliers (IKEA 2010:37).

¹³ Including Swedwood and Swedspan

4.1.2. Social Responsibility

The vision and business idea of the IKEA Group is expressed in the following words:

Our Vision: To create a better everyday life for the many people.

Our Business Idea: To offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

(IKEA 2010:6)

By “the many people” IKEA refers to consumers, employees, and people that produce their products. And even if the business idea is to produce low price home furniture products they state that “low prices – but not at any price” (IKEA 2008:2). In order to do god business low prices cannot be achieved at the expense of people or the environment.

However, in the mid 1980’s and early 1990’s IKEA was on several occasions heavily criticized in media for both poor working conditions and for lacking environmental concerns and neglecting environmental laws. In for example Denmark IKEA was faced by a public campaign and sales dropped temporarily by 20%. As IKEA received bad publicity NBT (The Nordic Building and Woodworker Confederation) and the Swedish Forestry and Woodworker Union decided to turn to IKEA in order to propose an agreement based on ILO conventions in order to come to terms with some of the problems receiving public attention (Normark 2011). The result of these negotiations was the first Global Framework Agreement signed by BWI and IKEA in May of 1998. This first global framework agreement can be understood as an acknowledgment of the urgent need for the IKEA Group to set up basic requirements for their suppliers (Wilke et. al. 2008:8). During the following two years it enforced IKEA to develop a social and environmental policy, their code of conduct the *IWAY – the IKEA way on Purchasing Home Furnishing Products*.

In 2001 the global framework agreement was revised, and today it also includes IWAY¹⁴, the IKEA code of conduct. IWAY communicates the “minimum requirements for environment and social & working conditions when purchasing

¹⁴ See Appendix

products, materials and services” (IKEA IWAY Standard) from suppliers¹⁵. Consequently, the documents do not regulate working conditions or social or environmental concerns for the vast majority of the IKEA Group employees. It is rather a document regulating and setting up a minimum standard for employees of suppliers and in some cases also subcontractors. The IWAY Standard has been constantly revised and in the document from 2008 the guiding principal for IKEA is described in the following words.

At IKEA we recognise that our business has an impact on social and environmental issues, in particular people's working conditions, as well as the environment, both locally and globally.

We also strongly believe that we can do good business while being a good business. This is a pre-condition to our future growth, a growth that will be achieved along with suppliers that share the same vision and ambition.

Our guiding principals when working with these issues are:

- What is in the best interest of the child?
- What is in the best interest of the worker?
- What is in the best interest of the environment?

Through these principles we continue to follow our sustainability direction; “the IKEA business shall have an overall positive impact on people and the environment”.

[...]

IWAY is based on the eight core conventions defined in the Fundamental Principles of Rights at Work, ILO declaration June 1998, the Rio Declaration on Sustainable Development 1992, The UN Johannesburg Summit on Sustainable Development and the Ten Principles of the UN Global Compact 2000.

(IKEA 2008b:1)

After stating the principals on which IWAY is based the documents continuous by stating the different requirements that have to be met by all IKEA suppliers. The requirements can be divided into two groups. The first group is the start up requirements so called “IWAY Musts”. These requirements must be met by the supplier at the time of signing a contract with the IKEA Group. The IWAY state that:

¹⁵ Including Swedwood and Swespan

- Suppliers are not to use any form of child labour.
- Suppliers shall not make use of forced, prison, bonded or involuntary labour.
- Suppliers shall prevent severe environmental pollution.
- Suppliers shall prevent workers from exposure to severe safety hazards.
- Suppliers shall maintain a transparent and reliable system for records on working hour and wages.
- Supplier shall provide accident insurance covering medical treatment for work related accidents to all workers.

The IWAY Standard continues by stating what they require by their suppliers in the following areas:

- Environment – Air, Noise, Water and Ground
- Chemicals
- Hazardous and Non-Hazardous Waste
- Fire Prevention
- Worker Health & Safety
- Housing Facilities
- Wages, Benefits and Working Hours
- Child Labour
- Forced & Bonded Labour
- Discrimination
- Freedom of Association
- Harassment, Abuse and Disciplinary Actions

In each chapter the responsibilities of the supplier is stated. It is also stated what the supplier must and must not do in order to fulfill these requirements (See Appendix 2).

There is two monitoring system set up in order to make sure that the IWAY is followed by all suppliers and subcontractors. The first monitoring system is set up by IKEA internally. This starts already before the time of signing a contract with suppliers in order to make sure that the “IWAY musts” are followed. This is done through meetings with the factory management, through factory tours, documents review, and confidential employee interviews. If the auditing group find any non-conformances a written action plan is required within two weeks. IKEA will thereafter verify whether corrective actions have been made. After the signing

IKEA reserves the right to do unannounced inspections and will be performing re-audits at least every second year (Wilke et.al. 2008:9).

The second monitoring system is a joint reference group consisting of trade union representatives from both NFBWW and BWI as well as IKEA representatives. The task of this group is to assist in the development of IKEA policy and standards “for ensuring the implementation of internationally accepted labour standards and to develop good industrial relations between the suppliers and the BWI member unions” (Wilke et.al 2008:10).

The IWAY is not the only document produced by the IKEA Group stating their ideas and visions in the areas of social responsibility and ethical business. In 2010 IKEA developed a “Sustainability Direction for 2015” outlining the priorities for the company until the year of 2015. These priorities are supposed to influence the whole chain “from product design and development to the very end of a product’s life” (IKEA 2010:8). The priorities outlined are:

- 1) Offering a range of products that are more sustainable
- 2) Taking a leading role towards a low carbon society
- 3) Turning waste into resources
- 4) Reduce water footprint
- 5) Taking social responsibility

When viewing IWAY, the Sustainability Declaration for 2015, and the visions and ideas upon which the IKEA Group base their business it becomes clear that IKEA is a company that shows strong support for social responsibility when it comes to environmental concerns and safe and fair working conditions. It would not be fair to say that IKEA do not take their environmental and social responsibility seriously. However, the conflict at the Swedwood factory in Danville shows that when local employers and employees find themselves in a conflict, or when they have different views on the local working conditions there are no guiding paragraphs in the IWAY Standard. When, as in the Danville case, the conflict is about both working conditions and the right to freedom of association the workers will have a hard time to get their voices heard. The employer-employee relationship cannot be described as a relationship of equals. As trade union representatives are not involved directly in the monitoring of the actual working conditions the IKEA organization has problems when it comes to transparency.

4.2. Opportunities and Challenges

4.2.1. Social Dialogue

In the conducted interviews a number of reasons for signing GFAs can be detected. One reason is that agreements take the discussion of moral and ethics in business beyond the conference table (Kihlberg Nelving 2011). It forces corporations to take the issues of labour rights seriously. One can perhaps say that it concretizes the discussion on decent work. GFAs were born in a time when corporations' environmental and social responsibility was acknowledged both through in mass media and by other civil society organizations mobilized around these questions. By signing agreements trade unions were able to preserve and put in print this engagement.

Codes of conducts and GFAs can be built upon and include the same points, for example the ILO conventions. However, in the interviews it comes clear that trade union representatives fear that codes of conducts are not serious attempts to improve the conditions and rights of workers (Kihlberg Nelving 2011). It is feared that they foremost are a PR tool, a way for corporations to silence criticism raised by consumers. It is said that GFAs on the other hand are built upon criticism from the workers themselves and are therefore a much better alternative if wanting to strengthen labour rights and conditions. What separates GFAs from codes of conducts is the fact that a GFA is created in negotiation with a Global Union Federation (GUF) while a code of conducts as well as UN Global Compact more can be seen as a one-way communication and includes neither enforcement mechanisms nor opportunity for dialogue and mediation (Kihlberg Nelving 2011, Tørres & Gunnes 2003).

As the agreements define a "lowest level" it provides trade unions with a point of departure for further negotiations. The agreements should not be seen as an end product but rather as a common ground and an acknowledgment of the fact that production includes two parties. The interest of both these parties must be taken into consideration if wanting to introduce moral industrial (employer-employee) relations and to conduct ethical and sustainable production. By including questions such as for example working conditions in the GFA the MNC is admitting that this is a question for two-part discussion. The company cannot claim that working conditions is an issue that the management on their own can

decide over. A GFA provides local trade unions with a document stating their legitimacy as labour representatives and their right to be included in decisions concerning the issues included in the agreement. GFAs should therefore be seen as a point of departure for further local and national negotiations as they are acknowledging and strengthening the rights of local unions (Dahlström 2011, Kihlberg Nelving 2011). Furthermore, GFAs give trade unions a possibility to supervise that national labour law are followed (Normark 2011).

To conclude, according to the interviewees, the first objective when signing GFAs is to legitimize trade unions as a lawful representative for labour and thereby give the labour collective through trade unions a natural place in the “decision-making room of business”. The goal with signing GFAs are neither to guarantee fair pay nor employment security. The main object and the strength of the agreements is that they stand for a continuing social dialogue. They are making room for negotiations between management and trade unions at a national and local level. It is this dialogue that in its turn will lead to improved labour conditions. However, is this dialogue enough? The expectations among the interviewees are that GFAs will acknowledge that workers do have rights and cannot be excluded from decisions concerning production, business and trade. Returning to the case of the IKEA-agreement we can see that these expectations perhaps are not fulfilled. As of today there is a set structure for management-trade union dialogue on “top” level in forms of joint monitoring and yearly meetings. This is fine, and the fact that the first GFA quite soon was replaced by a more extensive agreement should imply that the negotiations have had at least some success. On the other hand, if studying the Danville case, it stands perfectly clear that dialogue have been missing on local level. Also international (BWI) trade union representatives states that it in this case had been problems when it came to communications and dialogue. From IKEA headquarters it was stated that the conflict in Danville was a local conflict and that it had to be resolved locally. The management at the Swedwood factory in its turn referred to local legislation and claimed they were just following the law and did not break any agreements. For real social dialogue to take place and for this dialogue to be fruitful for all parties a frame must be set. Binding relations and institutions are necessary. Otherwise there is an imminent risk that when facing a conflict, whatever little dialogue there is between labour and management at local level will die out as there is no standardized forms for discussion and as all discussions and negotiations are depending on the good will of the management. Off course, these are huge demands. It is no easy task for

trade unions negotiating GFAs to make this a part of the agreements. And to actually construct the structures needed would, at least in short-term, be an overwhelming task. However, if wanting GFAs to lead to dialogue and participation I would say it is necessary for trade unions both on national and international level to at least discussing these questions and starting to develop the internal structures needed for such a task.

4.2.2. When GFAs are violated

A problem brought up in the interviews is how to increase the knowledge of the agreements among employees (Normark 2011). Knowledge about the agreements (the fact that they actually exist and what they include) is reasonably high among trade unions on national level but considerably lower among the employees and even lower among employees of subcontractors. The fact that the knowledge is so low would indicate that it is hard for both local and global trade unions to make sure that the agreements are not violated and to reach knowledge when violations occur. Some agreements do state that the MNC have a responsibility to make the employees aware of the agreements and the rights given to them as workers (Normark 2011). Many times this is not done, and how trade unions should act in order to make the MNC to take this responsibility is not developed in the interviews. Another thought presented is that the knowledge of GFAs and the possibility to make them better known perhaps would increase if the legitimacy of agreements in the future would be acknowledged by international institutions and organizations such as OECD and WTO (Kihlberg Nelving 2011).

In the interviews (Normark 2011, Kihlberg Nelving 2011, Dalhström 2011) the low levels of knowledge is emphasized as one of the major challenges faced by trade union. But even so, no clear answer was given on how to solve this problem. It was indicated that trade unions on local and global level could and perhaps should cooperate and make use of the capacity and knowledge of other social movements working with question concerning “general CSR” (Kihlberg Nelving 2011).

The fact that GFAs are voluntary agreements should imply that MNCs are interested in following them as they have invested time and efforts in these agreements. However, as GFAs are voluntary they are not legally binding and there is nowhere for trade unions to turn in order to force MNCs to comply with their undertakings if they are choosing not to do so. (The conditions are of course

the same if the situation is reverse, if trade unions are violating the agreements.) When violations occur trade unions are faced with a dilemma of how to act. Normark (2011) and Dahlström (2011) present three strategies for trade unions when MNCs are violating GFAs. The first step is to intensify discussions and negotiations with the MNC. If this does not help, trade unions have the option to try to involve the mass media in order to build up a public opinion supporting the claims of the trade unions. The last option is to terminate the agreement. As of today, no agreements have been terminated so perhaps this last alternative should more be viewed as rhetoric than an actual last resource. There is nothing that indicates that trade unions today are willing to take this last step. However, if, as Dahlström (2011) suggests, the main reason for MNCs to sign GFAs in the first place is that they see GFAs as a road to “goodwill” and their fear that bad publicity would result in lower sales and profit the threat of bad publicity should be an effective weapon for trade unions.

When taking a closer look at the different documents produced by the IKEA Group with reference to the company’s responsibility regarding labour rights, as well as social and environmental responsibility it is easy to get the impression of a company strongly dedicated to social responsibility. However, when adding the views of trade union representatives the situation is perhaps not as positive. Even though it is stated that all suppliers must ensure that workers are not prevented from associating freely this is one of the more wide-spread problems according to the interviewed trade union representatives. Problems of free association are most likely to occur in countries with weak labour rights, where business-trade union relations are strained, and where the core conventions of ILO are not ratified (Normark 2011). The only weapon for workers and trade unions in these situations (besides further negotiations) are, once again, the threat of bad publicity. However, in the Danville case the threat of bad publicity did not help, at least not in the first stage. There have been complaints from both American and Swedish trade union representatives for years. Both when it came to the actual working conditions and especially when it came to the management’s attitude towards trade unions. Whether or not the fact that the employees voted for being represented by IAMAW and BWI will make any difference is yet too early to say. The fact that a local trade union now is being organized must be seen as a good sign at the same time as we should remember that the reason for trade unions turning to GFAs in the first place was partly to avoid conflicts as the one in Danville. If we understand GFAs as a map pointing out problems and possible

conflicts inherent in today's production rather than as a way to secure labour rights or point out corporations social and environmental responsibility we might perhaps come closer to what GFAs actually can achieve as of today.

The fact that it seems like it is more difficult to make corporations respect agreements regarding free association compared to other questions regulated in GFAs does not have to mean that question like these are not fit for these kinds of agreements. However, it indicates that more efforts have to be made in order to make sure that these rights are not violated. As monitoring that the agreements are followed on local level can be difficult trade unions should perhaps, as Stevis and Boswell suggests, build alliances with other civil society organizations and social movements. By building alliances the number of organizations and individuals willing to act when labour rights are violated grows and so does the risk of the company receiving bad publicity. Alliances with social movements sharing basic values would also mean that trade unions gain when it comes to input of ideas. The interests of trade unions are not unique in ways that make cooperation neither impossible nor unfruitful. For example human rights groups, environmental movements, consumer groups and trade unions all have interest that cut one another. Questions regarding for example discrimination, pollution and safe products are questions where trade unions ought to look for support outside their own organizations.

4.2.3. The future of GFAs

When it comes to the future for GFAs as a tool for labour regulation the interviewees offered a number of suggestions on how trade unions should go on and in which direction GFAs ought to develop. Kihlberg Nelving (2011) stated that it is important to continue to sign more agreements as a growing number of agreements in itself are positive. Growing numbers of agreements would "normalize" GFAs. And this in turn could lead to a situation where social and environmental sustainability becomes a natural part of business. I would say that, even though there is some truth to this claim, it is important to remember that more of the same sometimes just means more of the same. For a growing number of GFAs to have a normalizing effect it is important to make sure that the agreements signed is followed. It is also important that, when agreements are violated, trade unions have worked out effective responses. If not, there is a risk that GFAs becomes nothing more than "good" codes of conducts, a document

with paragraphs that trade unions can sign in on but not a document representing an ongoing dialogue.

It is also said that it is important to reach some kind of agreement regarding what issues to include in GFAs (Dahlström 2011). To find a framework for the framework agreements in order to insure the “quality” of GFAs and to make sure those agreements including “less” is not viewed as a GFA. A clearer trade union agenda in these issues would increase the possibilities to “force” MNCs to accept GFAs as a tool for organizing industrial relations and therefore strengthen the influence of labour movements and labour representation. By signing weak agreements the possible power of GFAs as a way to reach economical and social change would be undermined.

When reading trade union documents and when listening to the interviewed trade union representatives one can see that it is noticed that a large majority of agreements originate in Europe. However, there are different opinions whether or not this constitutes a problem. According to Normark (2011) efforts are being made in order to also sign agreements with MNCs from developing countries but so far no agreements have been signed by BWI and non-European corporations. Kihlberg Nelving (2011) states that one always have to start somewhere and that the fact that GFAs are signed at all should be seen as a progress. However, trade unions should in the future work in order to spread GFAs outside the European context (Normark 2011, Dahlström 2011). In order for such an expansion to be able to lead to change it is important not to let this expansion take place at the expense of clarity or dept. As Kihlberg Nelving points out, the right to labour representation and influence over production and industrial relations is the most important.

One way to make GFAs “more global” would be to include non-European trade unions in the negotiation phase to a larger extent¹⁶. But as Dahlström (2011) points out, not even many European trade unions are particularly powerful and the situation for trade unions in many non-European countries is at times even worse. Of course the involvement of GUFs counts for something and it would not be fair to describe GFAs as a pure European affair. However, if these issues are not considered I would say that the agreements in the longer run risk losing their legitimacy as agreements between labour and corporation and will become

¹⁶ Today most GFAs are negotiated between the corporation and the national trade union (with the support of regional and global trade unions) of the country in which the head quarter is seated.

agreements between *some* labour and corporations. Even though GFAs might encourage and stimulate MNCs to work with the issues included in the agreements and to improve the working situation of the employees I would suggest that if trade unions want GFAs to be a vital force when it comes to change industrial relations in the future these questions must be taken seriously.

5. Conclusion

Global framework agreements can be seen as an attempt by trade unions to formalize discussions on corporate social responsibility. By signing agreements with MNCs trade unions are gaining (at least some) access to the decision-making rooms of corporations. The “cost” of this access is that trade unions are signing on that the MNC in question is a company that take their social responsibility seriously and conducts “good business”. Their production does not violate the rights of their employees. Signing agreements means that attention is paid to the circumstances under which goods and services are produced. Hopefully this means that questions regarding labour rights and other questions regarding production will gain in status. If a corporation is violating the rights of their employees, as stipulated in the GFA, trade unions have a forum for addressing these violations.

GFAAs can be seen as a method for approaching questions of labour rights from within, without questioning or challenging the actual existence of the current, capitalist, system. Therefore one can see GFAs to as a sign of private global governance. However, even though it is not stated in the BWI-IKEA agreement the interviews show that trade unions see GFAs as a first step in heading for a new approach toward production, an approach characterized by social dialogue and sustainable production. It is therefore important that trade unions continuous to have an open dialogue concerning labour rights and industrial relations. Trade unions have to continuously vocalize if and when agreements are violated and when labour rights are being ignored. Otherwise there is a risk that GFAs ends up as “human faces”, that the labour-business dialogue achieved by signing GFAs end up as legitimizing the current order.

The interviewed trade union representatives are of the opinion that the reasons for MNCs to sign GFAs are the PR benefits it gives. It is important that trade unions notice and pay attention to this. Otherwise there is an imminent risk that GFAs will not develop into something more. That it will end as a document stating that

the MNC in question are proclaiming their attention to follow for example ILO core conventions. If this would be the case, GFAs will not be much different from codes of conducts and other documents set up by corporations on their own.

If wanting GFAs to be, or have the possibility to become, a toll for changing industrial relations towards becoming more progressive it is important to notice not only the changing power of the agreements but also the structures that the agreements create. As the name “global framework agreement” indicates, the agreements are signed on global level between the management and global trade unions. And at the same time as this is a strength it can also be a weakness. It is an obvious strength as it will assign rights also to workers in countries and industries where labour rights are week and where corporations otherwise easily can neglect their social responsibility. However, when agreements are violated the violations occur on the production sites, in the local factories. GFAs do not assure dialogue or access to decision-making rooms on the local level. It is therefore of utmost importance that GUFs, when signing GFAs, work together with regional, national and local trade unions in order to set up an internal organization and network in order to be able to react and act when violations occur.

In the interviews it is stated that the only weapons trade unions can use when an agreement is neglected are; further negotiations, threats of bad publicity, or to end the agreement. As it has been showed, negotiations cannot be seen as a strategy when the actual violation is the neglect of dialogue. If the only place of dialogue and negotiation is at “headquarters”, trade unions will be facing large problems. When choosing the second strategy, threats of bad publicity, trade unions have much to gain from working closely together with other progressive social movements as this can be favorable and constructive on both strategic and ideological levels.

As well as not all social movements can be labeled as progressive so can neither all trade unions. In order to make sure that GFAs have a possibility to become a “strategy” for progressive change and for changing industrial relations it is important that GFAs does not become a top-down instrument. The perhaps best way to avoid this is, once again, to focus on internal structures. It is important that a strong global organization is not developed on the costs of local trade unions. For empowerment to take place a bottom-up perspective is important. Without participation of the workers whose labour situation the GFA is suppose to regulate GFAs cannot be said to change industrial relations. For GFAs to become a

progressive tool for labour and trade unionists it is not important to settle with less. Having some global union representation when MNCs are discussing questions of corporate social responsibility is perhaps a first step but not enough. Unions have to be strengthening on all levels. For this to happen it is important to not only focusing on being viewed as a legitimate representative for the labour collective in the eyes of business, corporations, and management. More importantly is to focus on receiving this legitimacy from below, from the labour collective. For trade unions to become this “voice of labour” it is important that they face the fact that the membership have declined on a global level. As it besides membership in numbers also is important *whom* is a member trade unions would have a lot to gain from recruit from groups that have been underrepresented, such as for example women and migrant workers.

Global trade unions and GFAs can be criticized for not being progressive enough, for not working hard enough to avoid becoming Eurocentric or for not really offering an alternative to the capitalist economic system. Nevertheless, GFAs is in fact translating global trade union agenda to at actual strategy. A strategy, though having its weak spots, converts the *discussion* on corporate social responsibility into *practice*.

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Appendix 1 - BWI – IKEA Global Framework Agreement

The IKEA Group is one of the world's leading home furnishing companies, with procurement in some fifty countries and retailing in presently twenty-two countries. The IKEA Group is faced everyday with cultural differences and diverse economic and social conditions.

The International Federation of Building and Wood Workers (IFBWW) is an international trade union organisation organising building, wood and forestry workers world wide. IFBWW's primary task is to promote and protect worker's rights in the aforementioned industries.

Both parties appreciate that the agreement signed in May 1998 between IKEA and IFBWW had the purpose of achieving certain minimum standards based on the ILO Declaration on Fundamental Principles and Rights at Work (eight core conventions). Both parties note that IKEA's wood suppliers' employment terms and conditions have been further expressed and developed into the "The IKEA Way on Purchasing Home Furnishing Products", attached hereto as Annex 1. "The IKEA Way on Purchasing Home Furnishing Products" includes provisions mainly based on the UN Declaration of Human Rights, 1948, the ILO Declaration on Fundamental Principles and Rights at Work (eight core conventions), 1998, and the Rio Declaration on Sustainable Development, 1992.

IKEA wants to influence and support their suppliers to achieve the requirements stated in "The IKEA Way on Purchasing Home Furnishing Products". A contract based on "The IKEA Way on Purchasing Home Furnishing Products" has been introduced world-wide and is being implemented in relation to all suppliers of IKEA products. IKEA has established a compliance organisation with the task to support and monitor the compliance work.

Both IKEA and IFBWW appreciate the value of a continued co-operation and henceforth see it beneficial to have a joint group that will meet twice per year, one meeting being organised by IKEA and the other by IFBWW. IKEA will inform IFBWW of the progress of the implementation of "The IKEA Way on Purchasing Home Furnishing Products" for advice and comments from the group. Should the IFBWW become aware of any contravention of "The IKEA Way on Purchasing Home Furnishing Products", IFBWW will report this to the group which will review the matter and propose appropriate measures. Furthermore, the parties will at such meetings exchange general information and experiences within the field of subjects covered by the "The IKEA Way on Purchasing Home Furnishing Products".

This Agreement fully replaces the agreement signed in May 1998.

Leiden, 17 December 2001

IKEA Services B.V

Anders Dahlvig

Geneva, 19 December 2001

International Federation of Building and Wood Workers

Anita Normark



Minimum Requirements for Environment and Social & Working Conditions when Purchasing Products, Materials and Services.

Issued By:
KEA Supply AG

Approved By:
INGKA Holding B.V.

Date:
2008.06.04

Edition:
4

Introduction

Guiding principles

At IKEA we recognise that our business has an impact on social and environmental issues, in particular people's working conditions, as well as the environment, both locally and globally.

We also strongly believe that we can do good business while being a good business. This is a precondition to our future growth, a growth that will be achieved along with suppliers that share the same vision and ambition.

Our guiding principals when working with these issues are:

- What is in the best interest of the child?
- What is in the best interest of the worker?
- What is in the best interest of the environment?

Through these principles we continue to follow our sustainability direction; “the IKEA business shall have an overall positive impact on people and the environment”.

The fundamentals

The IKEA Way on Purchasing Products, Materials and Services (IWAY) is the IKEA supplier Code of Conduct. It comprises the IKEA minimum requirements relating to the Environment and Social & Working Conditions (including Child Labour).

IWAY is based on the eight core conventions defined in the Fundamental Principles of Rights at Work, ILO declaration June 1998, the Rio Declaration on Sustainable Development 1992, The UN Johannesburg Summit on Sustainable Development and the Ten Principles of the UN Global Compact 2000.

IKEA recognises the fundamental principles of Human Rights, as defined by the “Universal Declaration of Human Rights” (United Nations 1948) and adheres to UN decisions regarding trade boycotts and embargoes.

Legal compliance and IKEA requirements The IKEA supplier shall always comply with the most demanding requirements whether they are relevant applicable laws or IKEA IWAY specific requirements.

Should the IKEA requirement be in violation with national laws or regulation, the law shall always be complied with and prevail. In such cases, the supplier shall immediately inform IKEA.

Confidentiality

IWAY and all of its activities are dependent upon co-operation, mutual trust and respect between the supplier and IKEA. All observations, discussions and written information received from the supplier are to be treated confidentially by IKEA, its employees and any third party organisations appointed by IKEA.

Business ethics

The values of trust, integrity and honesty are at the foundation of IWAY and are keys to its sustainable implementation. It is on this basis that we begin the relationships and through continued respect of these values that it will grow.

It is important that all IKEA co-workers and external business partners understand the IKEA position on corruption and its prevention. This has been established in the IKEA Corruption Prevention Policy and The IKEA Rules on Prevention of Corruption and communicated in the IKEA Way of Doing Business and the vendor letter which shall be signed by all business partners.

Definitions

The term “IKEA Supplier” in this document refers to any company, corporation or individual supplying and/or delivering products, components, materials or services to the IKEA Group of companies. This definition is applicable to all IWAY related documents.

The term “Worker” in this document includes own hired workers as well as on-site temporary workers, piece rate workers, contracted workers, trainees and workers on trial or probation.



IWAY Standard - General Section

- 1. Start-up Requirements, IWAY Musts**
- 2. General Conditions**
- 3. Environment – Air, Noise, Water and Ground**
- 4. Chemicals**
- 5. Hazardous and Non-Hazardous Waste**
- 6. Fire Prevention**
- 7. Worker Health & Safety**
- 8. Housing Facilities**
- 9. Wages, Benefits and Working Hours**
- 10. Child Labour**
- 11. Forced & Bonded Labour**
- 12. Discrimination**
- 13. Freedom of Association**
- 14. Harassment, Abuse and Disciplinary Actions**

References



1. Start-up requirements (IWAY Must)

The requirements in this chapter, Chapter 1, must be complied with before signing a business contract. Additional start-up requirements may also be included in specific IWAY sections regarding Forestry etc.

1.1 Prevention of child labour

IKEA does not accept child labour. All measures to prevent child labour shall be implemented taking into account the best interests of the child.

IKEA suppliers shall not make use of child labour and take the appropriate measures to ensure that no child labour occurs at their own place of production or operations or at their sub-contractors' place(s) of production or operations.

The IKEA supplier shall abide by the United Nations Convention on the Rights of the Child (1989), and comply with all relevant national and international laws, regulations and provisions applicable in their country of production or operations.

The IKEA supplier shall obtain documentation to legally prove the date of birth for all their workers. A Labour force register carrying all such records shall be maintained by the IKEA supplier.

All IKEA suppliers are obliged to keep IKEA informed at all times about all places of production or operations, including their sub-contractors where production or operations for IKEA takes place.

Clarifications:

- Child labour is defined as work performed by children, which interferes with a child's right to healthy growth and development and denies him or her the right to quality education.
- According to ILO Minimum Age Convention no. 138 (1973), a child is defined as any person less than fifteen years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If the local minimum working age is set at fourteen years of age in accordance with exceptions for developing countries, the lower age will apply.

1.2 Forced and bonded labour

The IKEA supplier shall not make use of forced, prison, bonded or involuntary labour.

Clarifications:

- Forced labour is understood as all work or service that a person is compelled to carry out under any threat of punishment or confiscation of any personal belongings, such as ID card, passport etc., and for which work the person has not offered him/herself voluntarily.
- Bonded labour is understood as labour not only physically bonded, but also bonded by financial debts, loans or deposits.
- The IKEA supplier shall not:
 - Use any prison workers.
 - Use any military personnel employed as part of their active service.
 - Require any deposits.
 - Withhold wages, ID cards, passports, or other personal belongings.
 - Delay payments of workers' salary more than one month on a regular basis.
- The IKEA supplier shall allow its workers to freely leave the factory premises when their work shifts end.
- If employment contracts are terminated according to agreed notice time, the IKEA supplier shall not make any salary deductions for workers who leave.
- If guest workers or temporary labour are employed on a contractual basis, such workers shall never be required to remain employed against their own will for any period beyond the agreed time of the contract. The IKEA supplier shall pay all commissions and other fees to the recruitment agency in connection with their employment.
- IKEA supplier's loans to workers shall not exceed the amount of three month's salary.



1.3 Severe Environmental pollution

The IKEA supplier shall prevent severe environmental pollution.

Clarifications:

Severe Environmental Pollution is to be understood as pollution that is likely to spread widely from the site and where the effects will be very difficult or expensive to correct.

Examples:

- There is a direct discharge of untreated wastewater from production processes. Example: surface treatment, tanning, dyeing and printing processes etc.
- The emissions from industrial on-site boiler or kiln are not within the legal standard or a legally required emissions permit does not exist.

1.4 Severe safety hazards

The IKEA supplier shall prevent workers from exposure to severe safety hazards. .

Clarifications:

- Severe workers safety hazards are to be understood as safety hazards that are likely to pose an immediate risk to the workers' life or permanent injury.

Examples:

- Fire fighting equipment is to a critical extent unavailable, ineffective or malfunctioning.
- There is only one emergency exit for workplaces larger than 250 m² or where highly flammable or explosive materials are used.
- There is a dormitory located in buildings where flammable, explosive or highly toxic materials are used or stored.
- In dormitories with more than one floor there is only one available emergency exit (legal exceptions excluded).
- Appropriate safety guards are not in place for dangerous processes such as: sawing, pressing, metal surface treatment and conveyor systems etc.

1.5 Records on working hours and wages.

The IKEA supplier shall maintain a transparent and reliable system for records on working hour and wages.

Clarifications:

- It shall be easy to follow all steps in the calculation of the workers wages and working hours.
- The records shall include all workers and reflect the reality of the operations.

1.6 Workers' accident insurances.

The IKEA supplier shall provide accident insurance covering medical treatment for work related accidents to all workers.

Clarifications:

- The insurance shall, as a minimum, cover the costs for medical treatment connected to work related accidents. Should stricter legal demands or local agreements (e.g. with the Workers Union) exist, these demands apply.

2.

General Conditions

2.1 IWAY Compliance Commitment

The IKEA supplier shall acknowledge and accept the IWAY requirements by signing the IWAY Compliance Commitment document.



2.2 IWAY Responsibility

The IKEA supplier shall appoint one or several persons who shall have defined responsibilities and the authority to ensure compliance with requirements relating to the environmental, social and working condition requirements as specified in this document.

The responsible person(s) shall have the necessary competence and knowledge about issues related to his/her area of responsibility and type of business.

Clarifications:

- The names, responsibilities and positions shall be identifiable. A job description is not required.
- These responsibilities may be included in existing Health, Safety, Environmental and Human Resource positions.

2.3 IWAY communication to sub-suppliers

The IKEA supplier shall communicate the IWAY requirements to its suppliers, involved in production or operations for IKEA. The IKEA supplier shall ensure that its suppliers have signed a document where they acknowledge and accept the requirements.

Clarifications:

- Requirements do not need to be communicated to partners that e.g. provide electricity, fuel, office material or other services that are not connected to production or that provide production equipment e.g. machinery or tools.

2.4 IWAY communication to workers

The IKEA supplier shall communicate the IWAY requirements to all its workers.

Clarifications:

- The complete IKEA requirements shall be made available in a place where all workers have access e.g. on notice boards, in a file or on an internal web-site in a language understood by the workers.
- In addition to the above, a simplified version of the IWAY requirements may also be communicated through posters or during introductory training.

2.5 Internal IWAY audits

The IKEA supplier shall at least once every 12 months perform an internal IWAY audit. The results from the audits and any corrective actions shall be documented, and on request provided to IKEA.

Clarifications:

- The internal IWAY audits can be included in other internal review processes providing that the intentions of all IWAY requirements are covered.
- If, during the course of an IKEA conducted IWAY audit, several deviations that obviously existed at the time of the internal audit are identified, the supplier internal audit procedure shall be improved.

2.6 Update of laws and regulations

The IKEA supplier shall have a routine in place that ensures they are continuously updated with applicable laws and regulations relating to the requirements included in IWAY.

Clarifications:

- The routine can be explained through examples etc. with references to sources of update information and recent changes that have occurred. Example: The IKEA supplier can demonstrate an internet based service that is used.

3.

Environment

3.1 Environmental classification, reporting and inspections

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to environmental protection including environmental classification, reporting, and inspections by authorities. The required corrective actions from such inspections shall be documented and completed within the set time frame.



IWAY Standard

Minimum Requirements for Environment and Social & Working Conditions when Purchasing Products, Materials and Services.

Clarifications:

If the IKEA supplier is legally required to be inspected, but no inspection has been carried out, the IKEA supplier shall as a minimum send the relevant authority a written request to be inspected.

3.2 Outdoor Air pollution

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to emissions to the air and, if required, obtain the necessary permits and test reports.

Clarifications:

- A permit stating that the IKEA supplier is complying with laws and regulations relating to emissions to the air is not necessarily enough. Should other indications of excess emissions such as a strong smell or dark smoke etc. be found during an audit, verifying tests might be required.

3.3 Outdoor Noise pollution

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to noise pollution and, if required, obtain the necessary permits and test reports.

Clarifications:

- A permit stating that the IKEA supplier is in compliance with laws and regulations relating to noise pollution is not necessarily enough. Should high noise levels be found during an audit, verifying tests might be required.

3.4 Ground and Water pollution

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to discharges to ground and water and, if required, obtain the necessary permits and test reports.

Effluent treatment plants (ETPs) shall be properly operated and maintained and be appropriate for the type of effluents generated from the operations. Staff operating the ETP must have the appropriate competence.

Clarifications:

- A permit stating that the IKEA supplier is in compliance with laws and regulations relating to water discharge is not necessarily enough. Should the waste water not appear properly treated, verifying tests might be required.

3.5 Ground contamination

The IKEA supplier shall ensure compliance with applicable laws and regulations regarding ground contamination. The IKEA supplier shall investigate and assess the possible risks of ground contamination, due to previous or ongoing activities on the site.

Clarifications:

- Ground contamination does not always require extensive cleanup. This shall be decided in dialogue with the relevant authorities and IKEA.

3.6 Energy Reduction

The IKEA supplier shall measure and record energy consumption for all buildings and processes. Targets for reductions shall be set annually.

3.7 Reduction of Other Environmental Impacts

The IKEA supplier shall have practical plans in place to reduce the environmental impact from the production and operations.

Clarifications:

- The plans shall be in writing and include measurable goals and time frames.
- The plans shall reflect the current environmental impacts from the production and operations.
- Environmental impacts could include: use of raw materials, water usage, waste, use of chemicals etc.



4.

Chemicals

Definition

By chemicals we mean chemical substances and products including but not limited to: lubricant oil, diesel, glue, lacquer, solvents, paints, dyes, hardeners, stains, waxes, acids, salts, additives, gases etc.

These requirements apply to all chemicals in buildings where IKEA products are produced and areas where chemicals used in the production, operation or maintenance of IKEA products are stored..

4.1 Legal compliance

The IKEA supplier shall ensure compliance with applicable laws and classification regulations relating to purchasing, storage, handling, use and transportation of chemicals. The requirements stipulated in 4.1 - 4.6 are applicable for all chemicals used in production, operations and maintenance.

The IKEA supplier shall have a valid permit for chemicals that are legally restricted or controlled. The IKEA supplier shall demonstrate compliance with those permits.

4.2 List of chemicals with valid MSDS's

The IKEA supplier shall establish and maintain an updated list of all chemicals, including the name of the chemical product, the purpose/area of use and a reference to an MSDS used in production, operations and maintenance.

Clarifications:

- In offices where only common cleaning chemicals and office materials are used a list is not required
- An MSDS shall always be obtained from the supplier/manufacturer of all chemical products. Exceptions:
 1. For pure chemical substances (i.e. which have a CAS number) MSDS from public sources, e.g. the internet, can be used
 2. For some other chemical products with minor and well-known risks we can accept that an MSDS is not provided, or that an MSDS for an equivalent mixture is used. The following categories are included in this exception: Gasoline, Diesel, Grease and Lubricant oils with only non-hazardous additives and white glue not used in the IKEA article.
- The exception regarding MSDS is not valid for any chemicals which remain in the final IKEA product.

4.3 Procedure for chemicals

The IKEA supplier shall have documented procedures for the purchasing, storage, handling and use of chemicals.

Clarifications:

- In offices where only common cleaning chemicals and office materials are used a documented procedure is not required.
- For certain types of operations with a limited use of low risk chemicals, clear safety instructions to the workers can replace the requirement of a documented procedure (e.g. sewing machine oil, lubricants, diesel oil, grease, white glue).

4.4 Competence and training

The IKEA supplier shall ensure that workers that purchase, store, handle and use chemicals have the right competence and are adequately trained before starting work. Records of the training shall be kept by the IKEA supplier including names of participants, dates of the training and an overview of the training content.

Clarifications:

- MSDS safety information shall be used when developing training material and include the hazards of the chemical, danger symbols, how it shall be handled (stored, mixed, applied etc), protective and first aid measures.
- Introductory training shall include relevant information on chemicals to be used during daily work. The training shall be given before the start of work.
- For certain types of operations with a limited use of low risk chemicals clear safety instructions to the workers can replace the requirement on training/records (e.g. sewing machine oil, lubricants, diesel oil, grease, white glue).



4.5 Storage, handling and transportation of chemicals

The IKEA supplier shall store, handle and transport chemicals in a way that prevents emissions to air, ground and water, prevent risks of ignition/explosion and ensure workers health and safety.

Applicable information regarding the risks and safe handling of chemical compounds and substances shall be displayed at storage areas and in operations areas where the chemical is used.

Clarifications:

- The information can be either the MSDS itself or specific instructions for safe handling and use (taken from the MSDS). The information shall be in a language understood by the workers.
- Containment of liquid chemicals shall be able to hold the volume of the largest barrel/tank.
- Indoor and outdoor chemical storage facilities shall have a floor with a hard surface.
- Chemical containers shall be protected from sunlight, rain and snow. Unopened chemical containers and tanks can be stored outdoor without rain protection as long as this does not lead to corrosion of the containers.
- Storage tanks equal to or larger than 1.5 m³, as well as all underground storage tanks, shall be inspected for corrosion and other damage either according to a legally defined inspection procedure involving certified inspection bodies, or at least once every five years. For above-ground storage tanks an internal and external inspection shall be made. For underground tanks a pressure test shall be made.

4.6 Labelling of chemicals

The IKEA supplier shall ensure all containers of chemicals, including temporary containers, are properly labelled with appropriate danger symbols and chemical names to ensure that the contents are known and the potential risk minimised.

Clarifications:

- Examples of symbols to be used are including but not limited to: Flammable, Explosive, Oxidizing, Irritating, Corrosive, Harmful, Toxic and Dangerous for the environment.

5. Hazardous and Non-Hazardous Waste

5.1 Legal compliance

The IKEA supplier shall ensure compliance with applicable laws & regulations relating to handling, storage, transportation, recycling and disposing of hazardous and non-hazardous waste, and if required obtain the necessary permits and demonstrate compliance with those permits.

5.2 List of waste

The IKEA supplier shall establish and maintain a list of hazardous and non-hazardous waste in order to monitor the type and quantity that is generated. The list shall clearly show which type of waste is hazardous and which is not, and be continuously updated.

Clarifications:

- The quantity specified in the list may be estimated as long as it can be clearly described how the estimation has been done.
- When classifying hazardous waste refer to local legislation and the IKEA Hazardous Waste Guidelines.
- In offices where only common cleaning chemicals and office materials are used a list is not required.
- Empty barrels, containers etc. with residue that is dry and not containing heavy metals or similar hazardous substances may be considered as non hazardous waste if in accordance with MSDS and local legislation.

5.3 Procedure for waste

The IKEA supplier shall establish a procedure for the handling, storing, transportation and disposal of hazardous waste that prevents harmful emissions to air, ground and water, prevent risks of ignition/explosion and ensure workers health and safety.



5.4 Competence and training

The IKEA supplier shall ensure that workers handling hazardous waste have the right competence and are adequately trained. Records of training shall be kept by the IKEA supplier.

Clarifications:

- If only non-hazardous waste is generated, or the only hazardous waste is light tubes, batteries, printing cartridges etc. in annually small quantities, the training can be replaced by a simple instruction.
- The training shall include:
 - Risks involved in the handling of hazardous waste.
 - Handling instructions for hazardous waste, including emergency provisions in case of an accident.
 - Relevant MSDS information.
 - Information about danger symbols.
- The records shall include a description of the content and the date of the training and the names of the participants.

5.5 Storage, handling and transportation of waste

The IKEA supplier shall store, handle and transport waste in a way that prevents contamination to air, ground and water, ensure workers health and safety and facilitates recycling when possible.

Clarifications:

- Different categories of hazardous waste shall not be mixed.
- Hazardous waste and non-hazardous waste shall be kept separate.
- Areas for sorting and/or storage of waste shall be marked and barrels/containers properly labelled.
- Safety information from MSDS shall be used when developing handling instructions for hazardous waste originating from chemical products.
- The site shall give a good impression, hazardous and non-hazardous waste of any kind shall not be stored in disorder.

5.6 Licensed contractors

The IKEA supplier shall ensure that their contractors for transport, storage and final disposal of hazardous waste are licensed according to applicable legislation.

Clarifications:

- The IKEA supplier shall have copies of its waste contractors' licences.
- If appropriate licensed contractors, transport companies or end disposal companies do not exist, the IKEA supplier shall ensure that the hazardous waste is kept in storage until appropriate final disposal can be assured.
- Should the transport company and the end-disposal company not be the same, licenses from both are required.
- Empty barrels, containers etc. that are returned to the supplier for refill are not considered waste, therefore no licence is needed unless legally required.

5.7 Incineration / landfill on site

Hazardous waste shall not be land-filled or incinerated on-site.

If non-hazardous waste is land filled or incinerated on-site all relevant legal requirements shall be fulfilled.

6.

Fire Prevention

6.1 Fire classification, reporting and inspections.

The IKEA supplier shall ensure compliance with applicable laws and regulations relating to fire protection including fire classification, reporting, and inspections by the fire authorities. The required corrective actions from such inspections shall be documented and completed within the set timeframe.

Clarifications:

- If there is a legal requirement to be inspected, but no inspection has been carried out, the IKEA supplier shall as a minimum send the relevant authority a written request to be inspected.



6.2 Fires

The IKEA supplier shall document any fires and serious incidents that can cause a fire, including corrective and preventive actions. If required by law, a report shall be sent to the authorities.

6.3 Competence and training

The IKEA supplier shall have an adequate number of workers trained to use the fire fighting equipment in each work area, covering all shifts. Records of the training shall be kept by the IKEA supplier including names of participants, dates of the training and an overview of the training content.

All workers shall be made aware of basic safety issues before starting work through introductory training.

Clarifications:

- Introductory training shall at a minimum include the proper procedure for evacuation, location and activation of the emergency alarm.

6.4 Fire fighting equipment

The IKEA supplier shall have the appropriate fire fighting equipment. Placement and maximum distance between fire extinguishers shall comply with applicable laws and regulations and/or specific approvals from the fire authorities.

The fire fighting equipment shall be easily accessible and identifiable, also from a distance. It shall be maintained, kept unlocked and inspected at least every 12 months.

Clarifications:

- The IKEA supplier shall have an internal review process to check that fire fighting equipment is functioning with documented maintenance records and/or stickers/tags placed on the equipment.

6.5 Escape routes and emergency exits.

Emergency exits and routes shall ensure a fast and safe evacuation of all workers. The IKEA supplier shall, as a minimum, have two independent emergency exits per working area and ensure all emergency exits and access routes are free from obstruction.

All emergency exits and routes shall be marked with luminescent or illuminated signs and shall be visible from the main aisles.

Clarifications:

- Emergency exits shall open outwards unless exceptions are specifically stated under local legislation..
- Sliding doors shall be easily opened in an emergency or shall be equipped with an encased, built-in exit door.
- It can be acceptable to have an emergency exit locked, if the key is easily accessible, is next to the exit and in a clearly marked container.
- It can be acceptable for rooms to have only one exit if the number of workers, the size of the room, the level of risk and the arrangement of the workplace allows all workers to evacuate quickly and safely during an emergency.

6.6 Evacuation alarm

The IKEA supplier shall have an independent and functioning evacuation alarm with continuous sound to notify all workers about an emergency situation and to ensure a fast and safe evacuation of the IKEA supplier's facility(s).

The alarm shall be able to be manually activated and shall after activation evoke a continuous signal by itself. The alarm button shall be clearly marked and function also during power-outages.

Clarifications:

- The decision for determining a proper and suitable evacuation alarm is based upon; the IKEA supplier's field of business, the size of the workplace as well as the extent and ease that the workplace can be evacuated and the risk that a fire will spread to adjoining buildings.
- In noisy environments the sound signal could be complemented by a light signal. The signal shall be possible to hear or observe in all areas at risk.



6.7 Evacuation drills

The IKEA supplier shall perform evacuation drills at least once in every 12 months. These drills shall involve all shifts and departments and as many workers as possible. In case of an evacuation, the IKEA supplier shall ensure that designated persons are responsible for performing a head count to ensure all workers have evacuated the building.

Records of evacuation drills shall be maintained.

Clarifications:

- Information about evacuation shall be covered in introductory training.
- Minimum requirements of recorded information:
 - 1) The time it took to evacuate.
 - 2) Date of drill.
 - 3) The results of the drill and any corrective actions needed.

7.

Worker Health & Safety

7.1 Health & Safety classification, reporting and inspections

The IKEA supplier shall ensure compliance with applicable laws & regulations relating to health and safety issues including classification, work place risk analysis, reporting and inspections by authorities. The required corrective actions from such inspections shall be documented and completed within the set timeframe.

Clarifications:

- If there is a legal requirement to be inspected, but no inspection has been carried out, the IKEA supplier shall as a minimum send the relevant authority a written request to be inspected.
- Should there be an exemption from authorities, this shall be in writing and if required include a plan for improvement.

7.2 Accidents and incidents

The IKEA supplier shall maintain records of work incidents and accidents including corrective actions. If required by law the accidents shall be reported to the authorities.

Clarifications:

- An incident is an event in the workplace that could have caused an accident.

7.3 Health & safety training

Workers shall be given the necessary and adequate safety training before operating machines, equipment or carrying out potentially hazardous operations. Records of the training shall be kept by the IKEA supplier including names of participants, dates of the training and an overview of the training content.

Clarifications:

- If there is a legal requirement on special competence or a specific training/license for a working task, the IKEA supplier shall secure that this is complied with.
- Introductory training shall include relevant information on health and safety aspects of daily work. The training shall be given before the start of work.

7.4 Machine safety devices

The IKEA supplier shall ensure all machines and other equipment used in production and operations are equipped with the necessary and required safety devices in order to prevent work injuries.

Clarifications:

- Machines and other equipment marked with CE-labels or similar and that have not been tampered or modified are to be considered as fulfilling the IWAY requirement on machine safety devices

7.5 Safety instructions

If there is a risk for health or risk of injuries, the IKEA supplier shall ensure that safety instructions and/or warning signs are clearly and visibly posted at designated work area(s), in close proximity to machines and other equipment, and at entrances to such area(s) where such machine(s) or equipment are used.



Clarifications:

Risks and hazards can either be described in the form of figurative signs or described in a written instruction or procedure in a language understood by the workers.

7.6 Safety hazards

The IKEA supplier shall ensure that other hazards in the workplace of an immediate nature are avoided.

Clarifications:

- Examples of other occupational hazards of an immediate character include but not limited to:
 - Severely damaged staircases.
 - Dangerous electrical wires or ungrounded machines.
 - Holes in the floor.
 - Unsafe storage of gas or similar extremely flammable products.
 - Gas-tubes standing loose on the floor and without collars around the valve.
 - Open containers with hazardous chemicals which easily splash into the work environment.
 - Unsafe storage of goods.

7.7 Personal protective equipment

The IKEA supplier shall, free of charge, provide the appropriate Personal Protective Equipment (PPE) and specific protective clothing to all workers and visitors in any harmful or potentially risky work area(s). The IKEA supplier shall ensure the PPE is available, maintained and used.

Clarifications:

- PPE is to be as understood protective equipment for head, eyes, hands, feet, hearing, body and breathing.
- The IKEA supplier shall strive to reduce the need of PPE by reducing noise levels, improve machine safety, use safe work procedures and improve air quality.
- Areas where PPE is needed shall be clearly marked (e.g. symbol for helmet, ear protection, gloves, mask, goggles, boots etc.).

7.8 First aid equipment

First aid equipment shall be adequately stocked and available to workers during all shifts. The extent of the first aid equipment shall be based upon the size of the facility, the extent of the activities performed as well as the potential risk of injury. Each floor and each building shall have at least one first-aid box placed in a designated area which is clearly marked.

Clarifications:

- It can be acceptable to have first aid boxes locked, if the key is easily accessible to all, is next to the box and in a clearly marked container.

7.9 First aid trained persons

The IKEA supplier shall have at least one first aid trained worker present during working hours covering all shifts. First aid trainers shall be certified trainers, doctors or nurses.

7.10 Internal air quality

The IKEA supplier shall comply with all relevant and applicable laws, legislation and regulations relating to internal air quality (fumes, solvents, particles and appropriate ventilation).

Clarifications:

- If there is an uncertainty regarding the internal air quality, tests might be required.

7.11 Temperature

The IKEA supplier shall comply with all applicable laws and regulations relating to temperature levels in the workplace.

Clarifications:

- In tropical or sub-tropical areas, the outside temperature is acceptable as the workplace temperature, provided there's a roof that provides shade and protection from sunlight. Fans shall be used to ease the heat.



7.12 Workplace noise

The IKEA supplier shall comply with all applicable laws and regulations relating to noise levels in the workplace.

Clarifications:

- If there is an uncertainty regarding the workplace noise levels, tests might be required.

7.13 Workplace light

The IKEA supplier shall comply with all applicable laws and regulations relating to lighting levels.

Clarifications:

- If there is an uncertainty regarding the workplace light levels, tests might be required.

7.14 Drinking water

The IKEA supplier shall provide clean drinking water to all workers. Clean drinking water shall be provided, free of charge and within a reasonable distance of the work area(s). Water dispensers shall be appropriately maintained.

7.15 Hygiene

The IKEA supplier shall ensure an adequate number of washing and toilet facilities are available for both men and women, and ensure they are appropriately maintained.

Clarifications:

- Washing and toilet facilities shall be clean and in good condition.

7.16 Canteens – food services

All areas where food service is provided or consumed shall meet local sanitation and hygiene regulations.

Clarifications:

- If there is a legal requirement to be inspected, but no inspection has been carried out, the IKEA supplier shall as a minimum send the relevant authority a written request to be inspected.
- Canteen facilities shall be clean and in good condition.

7.17 Health and Safety Committee

The IKEA supplier shall have a Health & Safety Committee working to reduce the number of incidents and accidents and increase workers involvement in improving their working environment.

Clarifications:

- The Health & Safety Committee shall include workers as well as management, with at least 50% participation of workers. It shall have regularly scheduled meetings at least once every quarter. The results of the meetings shall be documented and made available for all workers.
- The Health and Safety committee can be replaced by a similar process or routine that secures dialogue between workers and management on improving Health and Safety issues in the workplace.
- For companies consisting of offices only and with less than 50 workers in place, a health and safety committee is not required.

8.

Housing Facilities

8.1 Requirements for housing

The IKEA supplier shall comply with relevant legal requirements for housing facilities.

The IKEA supplier shall also ensure reasonable living space, cleanliness, privacy, quietness, safety, personal hygiene and access to drinking water. The infrastructure of the buildings shall ensure the personal safety of the residents.

Requirement on Fire Safety for Housing Facilities are the same as per section 6 in this document.



Clarifications:

- No restrictions shall be applied which interfere with the worker's right to leave the housing facility during their free time.
- Workers, for whom accommodation is provided, shall be provided with their own individual bed/mattress or sleeping mat.
- Separate accommodations, toilets and washing facilities shall be available for men and women respectively.

9. Wages, Benefits and Working Hours

9.1 Contracts

Workers at the IKEA supplier shall be employed according to applicable laws and regulations and there shall be a contract (offer or appointment letter) written accordingly. The IKEA supplier shall, prior to employment, provide written information to the workers regarding wages and the terms of employment.

Clarifications:

- A written contract shall contain everything specified in local legislation, and as a minimum the following: name of employer, name of worker, birth date, position, salary, working hours, overtime compensation, benefits and notice time.
- Information about working hours, overtime compensation, benefits and notice time can instead be described in a Workers Handbook or similar.

9.2 Payrolls and attendance records

The IKEA supplier shall maintain payroll and attendance records relating to the documented payment of wages and working hours for each worker.

Clarifications:

- The attendance records and payrolls shall be made available during the course of an IWAY Audit.

9.3 Working hours and overtime

The IKEA supplier shall not require their workers to work more than sixty (60) hours per week on a regularly scheduled basis, including overtime. Working time shall not exceed the legal limit. Overtime hours shall be on a voluntary basis.

Clarifications:

- IKEA can, under certain circumstances well defined in the local legislation and/or agreed with local trade union, accept that overtime hours may be mandatory and decided by the management of the supplier.

9.4 Wages

The IKEA supplier shall pay wages to its workers, including compensation for overtime, and working hours in accordance to legal requirements.

Clarifications:

- Workers shall receive details of wages on pay-slips, including information regarding overtime hours and any legal or agreed deductions.
- Pay-slips could be replaced by other methods of informing the worker, e.g. letting the worker sign a paper containing the above stated information when receiving the payment. Records of the payment details shall be kept by the IKEA supplier for at least 3 years.
- Deductions shall never exceed 20% of the wage and shall never result in a wage paid out that is below the legal minimum wage.
- Wage advances paid out shall never exceed the amount of three months' wages.

9.5 Overtime compensation.

Workers shall be compensated for all overtime hours worked according to the legal requirements.



9.6 Regular payments

Wages shall be paid at regular intervals and on time with respect to work performed, according to local legislation.

Clarifications:

- The IKEA supplier shall not withhold workers' salary.
- Wages shall be paid at least monthly.

9.7 One day off in seven

Workers shall have at least one day off in seven.

Clarifications:

- One day off in seven is defined as 24 consecutive hours, not one calendar day.

9.8 Leaves

Workers shall have time off from their job according to applicable legislation, local traditions and standards (e.g. sick/medical leave, annual/earned leave, maternity leave, national holidays etc.).

9.9 Breaks

The IKEA supplier shall provide its workers with appropriate time off for meals and breaks.

Clarifications:

- At least one break per day and shift shall be 30 minutes or more, if not otherwise agreed in writing between the IKEA supplier and the workers (e.g. through an agreement with the local union or workers representatives).

9.10 Benefits

The IKEA supplier shall provide its workers with all legally mandated benefits to which they are entitled.

Clarifications:

- These legally mandated benefits could be medical insurance, social insurance, pensions etc.

10. Prevention of Child Labour

10.1 Prevention of child labour

IKEA does not accept child labour. All measures to prevent child labour shall be implemented taking into account the best interests of the child.

The IKEA supplier shall not make use of child labour and take the appropriate measures to ensure that no child labour occurs at their own place of production or operations or at their sub-contractors' place(s) of production or operations.

The IKEA supplier shall abide by the United Nations Convention on the Rights of the Child (1989), and comply with all relevant national and international laws, regulations and provisions applicable in their country of production or operations.

The IKEA supplier shall obtain documentation to legally prove the date of birth for all their workers. A Labour force register carrying all such records shall be maintained by the IKEA supplier.

The IKEA supplier is obliged to keep IKEA informed at all times about all places of production or operations, including their sub-contractors where production or operations for IKEA takes place.

Clarifications:

- Child labour is defined as work performed by children, which interferes with a child's right to healthy growth and development and denies him or her the right to quality education.



According to ILO Minimum Age Convention no. 138 (1973), a child is defined as any person less than fifteen years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If the local minimum working age is set at fourteen years of age in accordance with exceptions for developing countries, the lower age will apply.

- If child labour is found in any place of production or operations, IKEA will require the IKEA supplier to implement immediately a corrective and preventive action plan. The action plan shall take the child's best interests into consideration, i.e. family and social situation and level of education. Care shall be taken not merely to move child labour from one supplier's workplace to another, but to enable more viable and sustainable alternatives for the children.

10.2 Young workers

IKEA supports the legal employment of young workers.

The IKEA supplier shall protect young persons of legal working age, until the age of 18, from any type of employment or work which by its nature or circumstances in which it is carried out, is likely to jeopardise their health, safety or morals.

The IKEA supplier shall ensure that young workers are treated according to law. This includes measures to avoid hazardous jobs and night shifts and to ensure minimum wages.

Clarifications:

- In accordance with the UN Convention on the Rights of the Child, 1989, IKEA believes that young workers have a right to work as long as all requirements in International Conventions and local laws are met.

11. Forced and Bonded Labour

11.1 Forced and Bonded Labour

The IKEA supplier shall not make use of forced, prison, bonded or involuntary labour.

Clarifications:

- Forced labour is understood as all work or service that a person is compelled to carry out under any threat of punishment or confiscation of any personal belongings, such as ID card, passport etc., and for which work the said person has not offered him/herself voluntarily.
- Bonded labour is understood as labour not only physically bonded, but also bonded by financial debts, loans or deposits.
- The IKEA supplier shall:
 - Not use any prison workers.
 - Not use any military personnel employed as part of their active service.
 - Not require any deposits.
 - Not withhold wages, ID cards, passports, or other personal belongings.
 - Not delay payments of workers' salary more than one month on a regular basis.
- The IKEA supplier shall allow its workers to freely leave the factory premises when their work shifts end.
- If employment contracts are terminated according to agreed notice time, the IKEA supplier shall not make any salary deductions for workers who leave.
- If guest workers or temporary labour are employed on a contractual basis, such workers shall never be required to remain employed against their own will, for any period beyond the agreed time of the contract. The IKEA supplier shall pay all commissions and other fees to the recruitment agency in connection with their employment.
- IKEA supplier's loans to workers shall not exceed the amount of three month's salary.



12.

Discrimination

12.1 Discrimination

The IKEA supplier shall not discriminate with regards to workers based on race, religion, beliefs, gender, marital or maternal status, age, political affiliation, national origin, disability, sexual orientation or any other basis.

Clarifications:

- The IKEA supplier shall, as a general principle, base decisions relating to hiring, salary, fringe benefits, promotion, termination on workers individual skills and ability to do the job.

13.

Freedom of Association

13.1 Freedom of association

The IKEA supplier shall ensure that workers are not prevented from associating freely.

13.2 Collective bargaining

The IKEA supplier shall not prevent workers from exercising collective bargaining activities.

Clarifications:

- Collective bargaining is defined as negotiations between employer and worker representatives (freely and independently chosen by the workers).

14.

Harassment, Abuse and Disciplinary Actions

14.1 Punishments and appeal

The IKEA supplier shall not engage in or support the use of corporal punishment, threats of violence or other forms of mental or physical coercion. The IKEA supplier shall not make use of public warning and punishment systems.

Clarifications:

- Reprimands for breach of duty or misconduct shall be a private matter between the employer and the worker and/or his/her representative.
- The worker at the IKEA supplier shall have the right to appeal reprimands/disciplinary actions/dismissal. These appeals shall be recorded.

14.2 Harassment and Abuse

The IKEA supplier shall not engage, support or allow any form of harassment or abuse in the workplace

Clarifications:

Harassment can be any offensive act, comment or display that humiliates, insults or causes embarrassment, or any act of intimidation or threat. This includes but is not limited to:

- Serious or repeated rude, degrading or offensive remarks.
- Displaying sexist, racist or other offensive pictures, posters.
- Threats, intimidation or retaliation.



IWAY Standard

Minimum Requirements for Environment and Social & Working Conditions when Purchasing Products, Materials and Services.

International References

- R 1 The Universal Declaration of Human Rights (UN 1948)
- R 2 Convention on the Rights of the Child (UN 1989).
- R 3 Minimum Age Convention and Worst Forms of Child Labour Conventions (ILO Conventions 138 and 182).
- R 4 Fundamental Principles and Rights at Work (ILO 1998).
- R 5 Forced Labour Convention and Abolition of Forced Labour Conventions (ILO Conventions 29 and 105).
- R 6 Equal Remuneration Convention and Discrimination (Employment and Occupation) Convention (ILO Conventions 100 and 111).
- R 7 Freedom of Association and Protection of the Right to Organise, Right to Organise and Collective Bargain Convention (ILO Conventions 87 and 98).
- R 8 Occupational Safety and Health Convention (ILO Convention 155).
- R 9 The Ten Principles of the UN Global Compact Framework (UN 2000).
- R10 The Rio Declaration on Environment and Development (UN 1992).
- R11 The Johannesburg UN World Summit on Sustainable Development (UN 2002).

IKEA References

- R12 The IKEA Way on Purchasing Home Furnishing Products.
- R13 The IKEA Way on Distributing Home Furnishing Products
- R14 The IKEA Way on Purchasing Materials and Services.
- R15 The IKEA Way on Purchasing Food.
- R16 The IKEA Way on Preventing Child Labour
- R17 Rules on Prevention of Corruption