European and international framework agreements: Practical experiences and strategic approaches

Executive summary

were signed by companies having their headquarters in continental Europe, particularly in Germany and France. Many IFAs are also meant to be applied to suppliers and subcontractors, although the implementation of these principles varies considerably.

EFAs are more heterogeneous than IFAs, both in terms of content and procedure. EWCs play an important role not only in the negotiation and signature of EFAs (they have signed a large majority of them), but also in the implementation and monitoring processes of a growing number of them. EFAs cover a great variety of issues, including restructuring, social dialogue, health and safety, human resources management and data protection. Fundamental social rights play only a minor role in EFAs, whereas they are the predominant issue in IFAs.

Key findings

Almost 70% of the existing IFAs mention suppliers and subcontractors. Half of the agreements oblige companies to inform and encourage their suppliers to adhere to the IFA, 14% actually contain measures to ensure compliance by suppliers, and 9% are to be applied to the whole supply chain, with the transnational company assuming full responsibility.

Most IFAs stipulate the formation of a joint body consisting of employee and management representatives in order to ensure the implementation of the agreement. The employee-side delegation usually comprises company-level representatives and a representative from the GUF and from the union of the company’s home country. Sometimes a representative of the EWC is involved as well. In other cases, no such joint body is set up and the annual meeting of the EWC is used to communicate the
The rationale for taking the initiative to negotiate IFAs can be traced back to the effects of the globalisation of production structures and human resource strategies. Following on from these developments, the national unions and structures of interest representation perceived the need to develop transnational representation structures and to sign IFAs in order to develop a capacity to act globally. From the management point of view, IFAs could contribute to facilitating the introduction of transnational policies, thereby avoiding time-consuming processes of conducting parallel negotiations in the individual countries.

The cases analysed indicate the potential of IFAs as a tool for solving local conflicts. The application of IFAs in the EU15 countries illustrates that this so-called ‘soft’ tool can also help to resolve conflicts in highly institutionalised industrial relations contexts. The cases show that the coordination between GUFs and local actors can play an important role in the process of solving local conflicts by gathering and communicating information on the cases concerned and by verifying the solutions to the problem.

IFAs serve to promote key features of the respective national models of social partnership and cooperative industrial relations. This implies that IFAs are clearly present in TNCs whose headquarters are located in social market economies characterised by collective interest representation as the basis for the regulation of work and the labour market, while there are only a few examples of IFAs in liberal market economies.

The spread of IFAs, particularly among TNCs from outside continental Europe, has so far remained quite limited and it is probably unlikely that the situation will change in the near future given the evolution of the strategies of the social partners at global level. In that event, the existing IFAs might just remain a significant but restricted number of positive cases. Thus, because of their limited spread, not to mention their relatively short existence, the contribution of IFAs to the internationalisation of industrial relations has so far been slight.

Further information


Christian Welz, Research Manager, IRWD Unit
christian.welz@eurofound.europa.eu