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Stefan Rüb

***World Works Councils
and Other Forms of Global
Employee Representation
in Transnational Undertakings***

Arbeitspapier 55

World Works Councils and Other Forms of Global Employee Representation in Transnational Undertakings

A survey

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Translated by Pete Burgess

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1 Introduction

Global corporate strategies are having an increasingly direct and palpable impact on employees, employee representatives and trade unions, putting national systems of industrial relations under pressure and rendering them increasingly ineffective. Adopting transnational approaches is an almost unavoidable necessity for trade union and employee representatives if they want to be able to match the reach of corporate managements. The particular conditions which apply within the European Union have enabled a substantial number of European Works Councils (EWC) to be established. However, given the logic of corporate internationalisation, EWCs can only represent an intermediate step. What is needed is the construction of transnational structures of industrial relations embracing all the operations of an undertaking – transnational industrial relations on a global scale. ‘Only by establishing World Works Councils will the organisational structure for the employee side achieve congruence with the decision-making structure of the employer’ (Schmierl, 1999, p. 577). In line with this, Klaus Volkert, chair of the Volkswagen World Group Council, sees this body as ‘the response to the growing global integration of the undertaking’ and regards ‘isolated trade union action as simply no longer tenable’ (VW-Magazin, 3/1998, p. 74).

Evidence of initiatives to build global structures of employee representation remains fairly sparse.¹ This applies both for agreements which apply across undertakings world-wide as well for organisational structures for global employee representation, which are the main focus of this paper.

The scope of initiatives for global enterprise-based employee representation can be demarcated as follows. On the one hand, there are transnational structures of communication and cooperation (regular meetings, institutions) and on the other, transnational agreements.² In some cases, the former may be based on agreements. Structures and agreements can be regional or transnational/global in scope. In contrast to some world regions, Europe – with 600 EWC agreements – has seen the most marked development of transnational industrial relations. In addition, there are a number of other agreements on industrial relations which apply across Europe. Transnational activities in the sphere of industrial relations in other regions of the world, such as regional world employee conferences (as at Nestlé), are much less common – albeit with the proviso that since information on other regions tends to register less interest in Europe, it can be harder to track down for a researcher based in Europe.

Four forms of transnational/global structure for employee representation at undertaking level can be distinguished:

1. World Company or Group Councils (or committees) or company-based trade union networks,
2. World Works Councils,
3. extended European Works Councils, and with some provisos,
4. Information Committees dealing with particular issues.

World Company or Group Councils (sometimes also called simply ‘World Councils’) are meetings of enterprise-based and trade union employee representatives organised and largely financed by the International Trade Secretariats.³ In some instances, representatives of central management are willing to take part in such meetings and report on the company’s global strategy. ICEM (International Federation of Chemical, Energy, Mine and General Workers) is somewhat less ambitious in its terminology referring not to World Company Councils but rather to global networks based on the development of IT-based information and communication. Global meetings are primarily intended to prompt and consolidate these.

1 The research for this paper was conducted between May and September 2000.

2 That is, the strategy of concluding effective and binding agreements at European or national level: one prime example is the agreement of a code of conduct between IFBWW and IKEA [see Appendix].

3 International Trade Secretariats have agreed to rename themselves ‘Global Union Federations’: this text retains the previous designation, abbreviated to ITS.

In contrast to this, World Works Councils are based on a written or oral agreement between employee representatives and the central management of an undertaking or group and operate through the establishment of a representative body. Central management enters into a number of commitments, typically, at the least, covering a portion of the costs and agreeing to provide information to the forum.

The extension of EWCs to include non-European participants is a third option for building global employee representation. This process can be based on an agreement with central management (for internal and plenary EWC meetings) or on an independent decision of the employee side (solely for internal meetings).

Information committees offer a limited form of global employee representation. Establishing them is part of an agreement applicable to the entire undertaking worldwide on a specific range of issues. The committees themselves serve as control forums for the substance of the agreement and, as a consequence, are tied to a selected range of issues. Moreover, in accordance with its aim, the membership of this control body is also limited to a few employee representatives. This form is included here as it might represent an intermediate stage on a path to more developed arrangements. Such committees, at the least, mark initial acceptance of the development of global employee representative structures on the part of management.

The establishment of World Works Councils (as bodies in their own right or as extensions of EWCs) is still in its infancy. Whether this will develop into a significant movement is not yet certain. As a result of initiatives taken by the International Trade Secretariats, there at present there are World Company Councils or networks in more than 20 undertakings – at least on paper. Some of these have only met once or twice before lapsing into quietude; in a few instances, the most recent meeting was as much as a decade ago. In contrast, others have been established much more recently and their prospects cannot yet be precisely determined.

| | Regional | Transregional |
|--|--|--|
| Organisational structures | <p>European Works Councils (over 600)</p> <p>Regional employee conferences/networks (Nestlé, Barclays, BASF)</p> | <p>World Works Councils (VW, SKF, National Westminster Bank)</p> <p>Extended EWCs (Danone)</p> <p>World Company Committees and group-wide networks (FIAT, Ford, GM, Honda, Mazda, Mitsubishi, Nissan, Renault, Toyota, Volvo, Alcatel, ABB, Electrolux, Ericsson, GE, Matsushita, Northern Telecom, Siemens, TCE, Alfa Laval, SKF, Caterpillar, Nestlé, Bridgestone, Goodyear, Rio Tinto)</p> <p>Information committees on specific issues (Statoil)</p> |
| Agreements | <p>EWC agreements (over 600)</p> <p>Agreements applying to a region of the undertaking (Ford, Deutsche Bank, Nestlé, ENI, Cardo)</p> | <p>World Works Council and extended EWC agreements (VW, SKF, National Westminster Bank, Danone)</p> <p>Other agreements applying to the whole undertaking (Accor, Artsana, Danone, Faber-Castell, Freudenberg, Hartmann, Hochtief, Hyder, IKEA, ISS, Statoil, Suez Lyonnaise des Eaux, Telefónica, Vivendi)</p> |
| <i>Source: author's research⁴</i> | | |

4 The research cannot make any claim to completeness. The author would welcome any comments, pointers or corrections.

The historical development and current position of international employee representation at undertaking level have been neither fully documented nor researched. This also applies to the first wave of such bodies in the late-1960s and early-1970s, for which there are a number of studies (Ettly, 1978; Tudyka et. al., 1978; Rowan et. al., 1982; Rowan et. al., 1983; Rütters, 1989), and specifically to developments following the mid-1970s. In particular, there has been no satisfactory treatment of why the dynamics of World Company Councils, which were set up with very high expectations, slackened so markedly (cf. Tudyka, 1986) and nor have more recent developments been subject to academic study. As a consequence, World Company Councils have not had a particularly high profile in the more recent literature (Reutter, 1996, p. 590 and idem, 1998, pp. 293ff).

The growth in the importance of multinational companies and the establishment of the first World Company Councils, with their associated high expectations, hopes and uncertainties, led to the international trade union movement, and with this the establishment of World Company Councils, being a focus of academic research in the 1970s and early-1980s. This changed once it became evident that these institutions could not match the high expectations placed on them. However, research into this first phase of the development of World Company Councils was also unsatisfactory in a number of respects. No case-studies were conducted on how the committees actually operated. Nor does the available literature offer a solid basis for judging the extent to which World Company Councils were constituted, what obstacles this process faced, the type and scale of internal conflicts, and what services they actually performed.⁵

The second wave of the establishment of global structures for employee representation has not yet been comprehensively dealt with. As a consequence, simply determining the existence of such arrangements is a substantial task in itself, and one which entails not a few difficulties.

5 This was accomplished to some degree for the organising area of the International Union of Foodworkers (IUF) by Peter Rütters (1989, pp. 216ff).

2 The first wave of World Company Councils: an historical episode

The establishment of World Company Councils was discussed as early as the 1950s within the US United Automobile Workers union (UAW). A proposal submitted to the International Metalworkers Federation (IMF) Auto Council in 1953 for 'sub councils' for a number of companies bore fruit more than a decade later, in 1964, in the decision by the delegates at the Fifth IMF Auto Conference to establish World Councils for the two largest car manufacturers, General Motors and Ford. Two years later, in mid-1966, the first conference of the 'IMF World Auto Councils' was held at the UAW's head office in Detroit, attended by 34 union representatives from 14 countries. The delegates set up three working parties: the councils for General Motors, for Ford, and for Chrysler/Fiat/Simca/Rootes. The conference discussed issues of concern for all the plants: working conditions, social facilities, training, protection for employee representatives, solidarity action in the event of industrial disputes, information sharing, and the role of the IMF. On the last day of the four-day conference, there was an – expressly informal and non-binding – meeting between the newly-established councils and the managements of General Motors and Ford. Chrysler management was not willing to meet. In November 1966 a further council was established for Volkswagen/Daimler-Benz. Group management of Volkswagen AG was prepared to discuss working conditions in operations outside Europe with the newly-established council. In the early-1970s, five more World Councils were established in the automotive industry: at British Leyland, Fiat/Citroën, Renault/Peugeot, Nissan/Toyota (all in 1971) and Volvo/Saab (1973).

World Councils were also established in other sub-sectors of the metalworking industry by the corresponding working groups within the IMF:

- in the electrical and electronic industry at General Electric (1966), at ITT, IBM, Westinghouse, Hitachi (as a joint committee with other Japanese undertakings), AEG/Siemens, Philips, and Thomson CSF (all within the context of a joint conference of the sectoral committee, 1971), at Honeywell (1971) and Singer;
- in agricultural machinery at Caterpillar, John Deere and International Harvester;
- in mechanical engineering at Brown Boveri (1970) and SKF (1975).

Nothing is known of how these committees operated, and in many cases little may have happened beyond the initial meeting. Only very few met regularly.

In the chemical industry, 26 World Company Councils were established between 1969 and 1977 at the instigation of the then General Secretary of the International Chemical Workers' Federation (ICF), Charles Levinson: these included Bayer, Hoechst and BASF in 1977.⁶ Tudyka's assessment of the operation of these bodies, in view of the high expectations and wide publicity attached to them, is negative in the extreme: '...on the other hand, not least as a consequence of economic developments, the ICF's World Company Councils and their interventions, once hailed as a "success", have lost much of their fascinating sheen and with hindsight and on closer examination have even turned out to be a fiction' (Tudyka, 1978, p. 121).⁷

In the organising sphere of the International Union of Foodworkers (IUF), a wide-ranging action programme against multi-national companies was developed in the early-1970s, and World Company Councils were established for Nestlé, Oetker, W.R.Grace, and Unilever. In 1973, the working group for the tobacco industry in the IUF established a joint World Council for undertakings in the branch. 'Only the Nestlé Council continued in existence for any period of time; the co-ordination forums for W.R.Grace and Oetker ceased operations in 1973 and the ICF withdrew from the Unilever Council in 1976 (it was revived by the IUF in 1980)' (Rütters, 1989, p. 231). However, the Unilever Council could not sustain itself following its re-establishment.

6 The ICF became the International Chemical and Energy Workers Federation (ICEF) in 1976, and was extended to mining in the 1990s, becoming ICEM.

7 The works council chair at BASF, Volker Obenauer, is no less trenchant in his views of the BASF world company council (see IV.3.3).

Rütters attributes the short life of the IUF World Company Councils in particular to internal trade union factors (ibid., p. 213f).

In contrast, FIET pursued a strategy initially of building up regional company councils and then moving on to World Company Councils. No other International Trade Secretariats established comparable bodies.⁸

The first wave of establishing World Company Councils was primarily a US initiative, with the Industrial Union Department (IUD) of the AFL-CIO playing a key role in the early-1970s together with the IMF and ICF International Trade Secretariats which were strongly dominated by the AFL-CIO.⁹

The process was set in motion at a time when the post-war economic 'Golden Age' was running into difficulties for the first time, and when the establishment of foreign plants by US companies began to threaten the domestic workforce. US trade unions responded not with demands for protectionism in the traditional sense of the term, but with a strategy of raising wages in foreign subsidiaries to the level of US plants in order to minimise competition on the basis of wage costs. In view of the positive experiences in the US itself, they placed great hopes on being able to move swiftly to company-wide collective bargaining.¹⁰ A number of authors (Etty, 1978; Hildebrandt/Olle/Schoeller, 1976; Tudka/Etty/Sucha, 1978) pointed to the additional motive that US trade unions would be able to use these institutions to advance their own notion of trade unionism; in particular they wanted to block the expansion of communist- or socialist-oriented trade unions.

Tudyka's assessment of the 'success' of the first wave of World Company Councils, made in the mid-1980s, is as follows:

The formation of these international organs was part of a strategy of building transnational mutual industrial relations and having these regulated by World Company Councils. This attempt did not come to pass and can be seen as having failed. Although there are still a large number of World Company Councils, they have not advanced much further than being infrequently meeting working groups of the International Trade Secretariats' (Tudyka, 1986, p. 325).

World Company Councils of this initial phase remained an episode and have not become the 'third international trade union pillar' (Piehl, 1974, p. 261), alongside the International Trade Secretariats and the world confederation (ICFTU). The reasons why World Company Councils did not become bodies which met regularly and operated on a continuous basis have not as yet been satisfactorily explored. Tudyka (1986, p. 328) cites social, legal, and economic obstacles. Cultural and national social differences hampered mutual understanding and interaction (social); and differences between legal systems, and labour-, company-, and trade union law (legal) as well as differences in economic power and the general labour market crisis (economic) restricted the scope for joint, transnational trade union activity.

What may have been crucial is the overestimation of the scope for quick successes and the underestimation of the obstacles and limitations. In particular, given the large number of World Company Councils that were set up, the International Trade Secretariats must have rapidly reached the limits of their financial and operational capacities.

In the mid-1990s, Reutter summed up the activities of World Company Councils as follows:

The limited financial resources, management opposition, language difficulties, poorly-defined powers etc. [led], however, to the fact that established World Company Councils were not able to develop a broad range of activities. They met irregularly and could, at best, exercise an information and consultation function (...) At present such bodies play an insignificant role (Reutter, 1996, p. 590).

8 One exception is the International Federation of Petroleum and Chemical Workers, which played a highly suspect role and which ceased to have any significance by the late-1970s (Tudyka, 1978, pp. 126ff).

9 For the IUF sector, Rütters (1989, p. 217) notes that the initiative for establishing enterprise-based structures came from the British Tobacco Workers' Union (TWU).

10 'Just as the Autoindustry Councils, the councils for the electrical and electronic industry want international collective bargaining. However, just as in the automotive sector, initial optimism that this was "just around the corner" soon yielded to a more modest version. Despite this, senior officials within the Industrial Union Department of the AFL-CIO, which dealt with the large electrical companies, still believed that international negotiations were a probable possibility in the medium-term. Such negotiations, in their view, were simply an extension of the American procedure...' (Tudyka et al., 1978, p. 115).

3 The current situation of global employee representation in transnational undertakings

The International Trade Secretariats continue to play a major role in the development of global enterprise-based arrangements for employee representation. However, there are marked differences between their organising spheres and industries.¹¹

On the one hand, the textile industry has seen no practical experience in this field. Although US and Swedish trade unions called for World Company Councils to be established, this was rejected by the International Textile Garment and Leather Workers Federation on financial grounds. On the other hand, the most wide-ranging quantitative and qualitative initiatives have been in the metalworking industry.

To the author's knowledge, there are no activities in the construction industry which extend beyond Europe, aside from Suez Lyonnaise des Eaux and Vivendi. At Suez Lyonnaise des Eaux there have been informal international global meetings of workplace representatives and full-time union officials for some years. The EWC at Vivendi has organised a seminar on health and safety which drew delegates from across the world and led to a global agreement with management on this issue.

The current position in the four most active areas is detailed below.

3.1 Initiatives within the sphere of FIET

As far as FIET¹² is concerned, the establishment of World Works Councils is a priority, but one which cannot be realised in the short-term and which requires a number of intermediate steps. More than other International Trade Secretariats, FIET sees the development of cross-border employee representation in other world regions as a necessary stage on the path to global structures. As a consequence, it is attempting to make use of the experience derived from EWCs in other world regions, and in particular Africa, and to push forward the establishment of transnational employee representative structures based on these: that is, Regional Works Councils (RWC) for Southern Africa and African Works Councils (AWC) for Africa as a whole. These are intended to facilitate an exchange of ideas and sharing of experiences between the different regional structures. For example, Afro-FIET would like to initiate meetings between the chairs of EWCs and their African colleagues and counterparts (FIET, 1998).

On the other hand, an agreement establishing a global information and consultation forum (NatWest Group Staff Council) was agreed at the National Westminster Bank in April 1996 – in other words, a World Works Council. The agreement states that it may be regarded as an agreement under Article 13 of the EWC Directive; however, in fact it embraces 'the entire workforce of all the Group's businesses worldwide' (Article 2, Scope and Objectives) and, as well as representatives of group management and up to four trade union officials consists of 'staff members elected from NatWest Group permanent employees worldwide (Article 4, Composition).¹³ As such the body is a voluntarily-agreed European Works Council, extended to a global scale.

11 The interesting developments in the transport and logistics industry were not researched in the context of this study. Since 1966 there has been a global agreement covering cabin staff at United Airlines concluded between the company and the AFA (Association of Flight Attendants – an AFL-CIO union) (cf. Rüb, 2001). And in 1997, a world trade union council was established for employees of United Parcel Service in Latin America, North America and Europe (ITF News, 2/1997).

12 Now part of Union Network International.

13 The text is available on the website of the European Foundation for the Improvement of Living and Working Conditions in Dublin: www.eurofound.eu.int. According to Lionel Fulton (Labour Research Department, London), the practice of the forum has not developed very far. The takeover of Natwest by the Royal Bank of Scotland has also placed some uncertainties over the future of the body.

3.2 Initiatives in the scope of the International Union of Foodworkers (IUF)

There are two instances of global employee representation within the organising sphere of the IUF: at Nestlé and Danone. These are exceptions to the rule of transnational representation which is confined at best to individual regions.

The establishment of global structures by the IUF has failed for two main reasons: costs and the refusal of managements to establish global forums on a voluntary basis and cover at least some of the costs.

3.2.1 IUF Global Meeting at Nestlé

In view of its enormous economic importance and its early international orientation, Nestlé was always a type of “prestige company” for the trade unions, and as a consequence has been the object of a fairly long tradition of international trade union activity. Up until the present day the IUF secretariat in Geneva has continued to play a crucial role. In 1972, the IUF organised the first Nestlé trade union conference which led to the establishment of the “Nestlé World Company Council” and explicitly pursued the aim of developing internationally co-ordinated collective bargaining for all Nestlé affiliates. Although it quickly became apparent that this was not a realisable objective, the involvement of the IUF contributed to the fact that trade unionists at Nestlé – more than in any other food company – were able to meet at an international level and share experience and information. Moreover, the IUF’s ‘Nestlé Information Bulletin’, which was produced once or twice a year, ensured a fairly steady flow of information on the economic, social, and trade union situation at individual Nestlé companies.

Following the realisation that the idea of ‘World Company Councils’ was too expensive and politically too cumbersome, the initiatives were closed down in the late-1970s. For more than a decade, there was scarcely any noteworthy international contact within Nestlé, and a revival only took place in the late-1980s when the IUF began to organise a larger number of regional Nestlé meetings. The first initiatives were taken by IUF affiliates in the US and Canada, which established a North American Nestlé Council in 1987 which has since met once a year. This was followed by regional Nestlé meetings in Europe (1990), Africa (1991), South East Asia (1992) and Latin America (1993). However, all these initiatives took place without the involvement of Nestlé management which refused on principle to meet employee representatives and trade unions beyond the national level (Schulten, 1996, pp. 46f).

Since Schulten produced this overview of the development of international trade union work at Nestlé up to the mid-1990s in 1996, regular regional meetings have taken place for North America, South East Asia, Latin America and Europe. Moreover, two further global meetings of lay and full-time union officials at Nestlé have been held.

The first meeting took place in May 1993 on the fringe of a IUF conference in Stockholm. The agenda included training measures in Africa, Asia, and Latin America, the position of Nestlé employees in Europe, and finally the question as to how international co-operation could be strengthened. However, it was essentially intended to set the process in train, and the concrete results were meagre.

In early-December 1999, a further two-day Nestlé conference was held in Manila, chaired by the IUF co-ordinator and chair of the Nestlé EWC, the NGG¹⁴ full-time secretary Jörg Lindner. This was the result of extending the regional meeting for the Asia-Pacific area into a global meeting. A substantial proportion of the costs of the meeting was borne by the Norwegian union confederation LO, which – with other Scandinavian unions – had sponsored other regional conferences in the Asia-Pacific region.¹⁵

The substance of the Manila meeting was, firstly, information exchange on the specific problems of the world regions which – as was found – were not quite as specific as thought, and secondly the idea was

14 The German union for the food, drink, tobacco and catering sector.

15 This support was linked by the LO with a study on the possibilities and prospects for global co-operation.

developed and set in train of adopting a 'Manila Declaration' enshrining basic employee rights (such as recognition of trade union rights).

For the first time, a representative of Nestlé group management (the Vice President for Human Resources, Paul Broeckx) attended a Nestlé regional/world meeting.¹⁶ Previously central management had refused to send a representative, fearing that this could become a permanent obligation and trigger further demands, such as for financing. Although the management representative merely presented the company's position, this can be interpreted as a small step towards management recognition of the forum. Moreover, in the view of the IUF co-ordinator the meeting strengthened the management's confidence in the trade unions as it proved to be both disciplined and to-the-point. Conversely, the existence of the EWC, which gave European representatives a privileged position, invoked a degree of envy on the part of representatives from other regions, who demanded the attendance of management representatives for their regional meetings based on the European precedent.

Although group management may appear to have begun to shift, the assessment made by Roland Hohenstein, chair of the central works council at Nestlé AG in Germany and a member of the EWC, still seems appropriate:

All efforts to organise regional works councils and events with Nestlé management outside Europe have so far been fruitless, as in North America, where trade unions and IUF representatives are experiencing major problems in conducting discussions and negotiations with US management above plant-level. Nestlé continues to reject a world works council. Discussions on the part of the IUF or national trade union representatives in the Nestlé EWC on this issue are always brought to an abrupt halt by Nestlé. At this point in time, the Nestlé world works council is still a distant hope, fulfilment of which will take some considerable time'

(Hohenstein, in Deppe et.al., 1997, pp. 213f).¹⁷

3.2.2 The extended EWC at Danone¹⁸

A World Company Committee for the French food group Danone, organised and financed by the IUF, was established as early as 1981. In the mid-1980s an agreement on setting up an EWC was reached by means of written correspondence between the IUF and Danone's central management. Based on the stance adopted by the company's president, who was receptive to trade union interests, the EWC and its development took on a particular importance for the trade unions which wanted to develop and generalise the forum as an example of best practice. By the 1990s they had been able to reach agreement on the participation – on an informal basis – of regional union secretaries from other world regions at annual EWC meetings. In 1996, this informal arrangement was formalised in an agreement on a 'Danone Joint Information and Consultation Committee'.¹⁹

The IUF celebrated the agreement in a press statement (15 April 1996) as a 'breakthrough for global industrial relations' and 'a signpost to future international agreements'. According to the press release, the agreement had global scope, in accordance with the global activities of Danone and the international scope of the IUF.

16 This does not, of course, apply in the case of Europe where management was obliged to attend meetings and disclose information in accordance with the EWC agreement. The IUF co-ordinator for the Nestlé group sought, unsuccessfully, to persuade Nestlé central management to attend the 1998 Asia-Pacific meeting.

17 According to the IUF secretary Paul Garver, the IUF's priority is to create a worldwide trade union network. The IUF is seeking to bring together employee representatives in such global concerns as Nestlé, Unilever, Coca Cola or Accor. However, structures for this have not yet been created and would have to be improvised (contribution at consultative seminar held in Brussels, February 1998).

18 The following is based on the author's research on the EWC at Danone, together with a discussion with Jörg Lindner, who is a member of the extended Danone EWC as a consequence of his task as national co-ordinator for Danone Deutschland.

19 See Appendix.

The agreement can also be read in a more restrictive sense. As far as the composition of the forum is concerned, a clear distinction is drawn between non-EU and non-European countries. Workplace employee representatives from non-EU countries are members; those from non-European countries are not. The latter are simply represented by IUF regional secretaries from Africa, Asia-Pacific, Latin America, and North America. Although, as with other members, these can put questions to group management, the European Works Council at Danone is dominated by the European delegates. In other words: the extended EWC at Danone is in essence, and in terms of its own self-perception in practice, a European forum.

The competence of the 'Council' is limited to the European activities of the Danone group (Article 3). Central management's obligation to provide information does, however, embrace the strategic direction of the group as a whole and not simply the European parts (Article 4). The same applies for information on measures envisaged by central management, which 'are likely to materially affect the labour force or working conditions in one or more countries' (Article 18). Article 5, in the section on 'Competence', does not restrict the agreement to Europe.

The committee is a consultative body, that is a place for exchange of views and dialogue. It is designed to review periodically Danone's position and development; to facilitate a dialogue on those topics with trade union representatives; to suggest initiatives in line with the company's social policies; to negotiate joint statements and measures'

The previously agreed 'action platforms' (including strengthening of trade union rights, information rights at local level, improving equal opportunities, promoting training) were also agreed between central management and the IUF (as representative of Danone employees) and apply for the entire Danone group and not simply for the European part. They have also brought about positive changes for Danone employees in other world regions (for example, on the question of respect for trade union rights).

An extension of the agreement into a 'real' world works council agreement is not currently on the agenda. The initial priority is to improve the operation of the EWC, which is not yet entirely optimal as far as the implementation of the action platforms, and in particular interaction with the national level, is concerned.

3.3 Initiatives in the organising sphere of ICEM

ICEM has concentrated its activities in the field of establishing global enterprise-based trade union structures on a few companies. The most extensive recent activities have focussed on Bridgestone/Firestone and Rio Tinto. In addition to setting up an internet-based network, there have also been world trade union meetings for these companies. Building networks is linked to concrete solidarity actions and cyber campaigns against company policies. In 1999, a further network was established for the Goodyear group by the president of the United Steelworkers of America (USWA) and George Becker, the chair of rubber section of the ICEM, 'against the background of successful experience with international co-operation in the industrial dispute at Bridgestone/Firestone' (Thorpe, 1999, p. 48). The aim is to use the network to build up a contact group which can initiate negotiations with top management in the group on an ad hoc basis should the need arise (ibid).

ICEM sees the role of enterprise-based networks initially in bringing together groups of previously unconnected employees by regular exchanges of strategically important information and by improving mutual understanding of their respective trade union approaches and traditions. Moreover, decentralised negotiations can be conducted on the basis of an improved stock of knowledge. The networks also serve to enhance capacities to take action and, by presenting a united front, build a stronger position vis-à-vis top management (Thorpe, 1999, pp. 47f). ICEM contact groups and channels with top management have already been established in some cases. 'Shell International, BP Amoco and even Rio Tinto have recognised the value of keeping these channels open even during complex and intractable industrial disputes (Thor-

pe, p. 49). Trade union delegates from the company's home country play an especially important role in ICEM contact groups as they can usually gain access to top management using their established channels. In particular, suggestions of issues for possible negotiation are seen as promising where 'they are by their essence global (such as mergers and acquisitions on a world scale or environmental hazards) or are potentially damaging for the company as a whole (such as an unlawful or scandalous conduct by a local branch which could damage the image if the whole group' (ibid, p. 49).

The only global collective agreement so far signed with the ICEM contact group is at the Norway energy group Statoil: this is detailed in 3.3.2 below as it offers a possibility for the establishment of an information and consultation body.

Employee representatives at BASF have adopted a different course, and would like to extend the existing EWC ('Euro-Dialogue') to embrace non-European representatives (3.3.3).

3.3.1 The ICEM networks at Bridgestone/Firestone and Rio Tinto

The ICEM network at Bridgestone/Firestone came into being during the course of a protracted and difficult industrial dispute at the US operations of the group as a means of organising and co-ordinating international support for the strike. Not least thanks to this support, in December 1999 the US union USWA was able to bring the strike to a successful conclusion. The network continues to exist in the form of an information- and exchange platform on the ICEM website.

In 1994, Bridgestone took an adamantly adversarial approach to negotiations on a new collective agreement. The company refused to accept the precedent set by agreements already struck at Goodyear and Michelin and demanded a long list of concessions, including the introduction of 12-hour shifts, and lower starting rates and poorer contractual terms for new starters. In July 8,000 employees embarked on a strike which was to prove the longest and most hard-fought in recent US history. After several months during which group management refused to talk with the union, the AFL-CIO called a boycott of the company's products which attracted international attention and support. ICEM supported the employees at Bridgestone from the outset. The ICEM General Secretary, Vic Thorpe, travelled to Japan several times during 1994/5 to speak with the relevant trade union (the Japanese Rubberworkers Federation) about the dispute. However, management remained unwilling to talk with ICEM and in 1995 escalated the conflict.

Together with ICEM and the Industrial Union Department of the AFL-CIO, the USWA not only continued its global campaign against Bridgestone but intensified it. In April 1995 a meeting of senior trade union representatives in Istanbul from the rubber industry from 22 countries condemned the company's stance and promised full support to the US employees.

One year later a further global conference took place on the Bridgestone strike. In March 1996, workplace and full-time union officials from 15 countries²⁰ met for two days in Nashville, the company's North American headquarters, to consider further international action and campaigns. A resolution adopted at the conference asked trade unions across the world to call on their members to participate in an international day of action involving short work stoppages, demonstrations inside and outside Bridgestone plants, and other solidarity actions as a first step towards globally co-ordinated action.²¹

In February 1998 ICEM organised the first world conference of workplace and full-time union officials at Rio Tinto, the largest private mining company in the world with more than 60 operations in over 40 countries. The conference was attended by 40 delegates from 15 trade union organisations and 10 countries, and was hosted by the National Union of Mineworkers of South Africa.

20 Argentina, Australia, Brazil, Canada, Czech Republic, France, Italy, Japan, Malaysia, Poland, South Africa, Spain, Turkey, Venezuela and the USA.

21 The text of the resolution is included in the Appendix.

The conference had three objectives. Firstly, an assessment was made of the company's activities world-wide and in the countries represented. Secondly, an agreement was made to establish an organisational framework for improving international trade union co-operation. And thirdly, a joint trade union strategy was agreed in order to ensure that there was an effective countervailing voice at Rio Tinto operations to ensure respect for human and trade union rights, and compliance with minimum standards on the environment, health and safety, and working conditions.

Like Bridgestone/Firestone, Rio Tinto has also pursued a deliberate anti-trade union approach, and has been accused of 'an appalling record of human and trade union rights violations' (Mines & Communities Website: www.minesandcommunities.org). The effects of this policy have affected every part of its operations and during 1997/98 there were industrial disputes and protests in Australia, Brazil, Indonesia, Norway, and Portugal.

The world conference was the starting point for the establishment of an IT-based network and an internet campaign against 'one of the most ruthless mining companies in the world' (ICEM, 1998).

3.3.2 The global collective agreement at Statoil²²

In 1998 an agreement spanning all business operations was concluded between the Norwegian state-owned oil producer Statoil and, for the employee side, the International Federation of Chemical, Energy and Mineworkers (ICEM) and the Norwegian oil and petrochemical workers' union NOPEF. The agreement could serve as the foundation stone for the development of a World Works Council at Statoil.²³ The 1998 agreement provided for annual meetings between central management and ICEM/NOPEF representatives. There is no on-the-record account of how meetings operated in practice.

The declared aim of the agreement is to promote an exchange of information between NOPEF/ICEM and Statoil management in the sphere of industrial relations, in order to develop and improve good practice in Statoil's operations worldwide. The agreement affirms support for human rights, health, safety and the environment, and obliges the company to comply with a number of minimum standards, such as ILO Conventions 87 and 98 on freedom of association and promotion of collective bargaining, prohibitions on forced and child labour (ILO Conventions 29, 105 and 138), promotion of equal treatment between men and women (ILO Conventions 100 and 111), the payment of 'fair wages and benefits' in accordance with 'good industry standards' in the country concerned, and the promotion of a safe working environment through adoption of common best practice standards.

The annual meetings are intended to provide an opportunity to review the practical implementation of the agreement and to discuss:

- the economic and financial position of the company and the development of its business and related activities,
- the development of major industrial and technological projects,
- general corporate policy on employment, occupational health and safety and environmental issues,
- training,
- issues affecting the exercise of trade union rights.

22 The following is based on Qvale/Serck-Hanssen (1999) and ICEM (1999).

23 An updated and expanded version of the agreement was signed in 2001, after this research was concluded. According to the ICEM, the main aim of the new agreement, the text of which is contained in the Appendix, is as follows: "The new agreement has been designed to accord fully with the Global Compact initiative launched by UN Secretary-General Kofi Annan. The ICEM-Statoil agreement complies with all the principles set out in the Global Compact, which aims to ensure respect for labour rights, other human rights and the environment within a globalised economy." (www.icem.org/agreements/statoil/statintroen.html)

The President of NOPEF, on behalf of ICEM, and the Vice-President Labour Relations at Statoil are jointly responsible for the administration of the agreement. The agreement does not specify who in addition to these should attend the annual meetings; this is determined in advance of the meeting depending on the issues to be discussed.

Jostein Gaasemyr, Vice-President Labour Relations at Statoil characterised the agreement as 'an important step for Statoil', and 'an extension of constructive co-operation with the trade union aimed at problem-solving' (ICEM, 1998). And Vic Thorpe, General Secretary of ICEM, noted 'This is an important day for ICEM and the world trade union movement. Statoil has recognised that it makes sense for a global company to relate to trade unions globally, as well as nationally and locally. We are confident that more such agreements will follow soon in the oil industry and in other sectors where the ICEM represents the world's workers' (ICEM, 1998).

Only practice will show whether the agreed annual meetings mark the starting point and core for the creation of a World Works Council.

3.3.3 Initiatives in global employee representation at BASF

In the mid-1970s, the then-General Secretary of ICF proposed the establishment of a World Company Council at BASF. The first meeting of workplace and union representatives took place in 1977, organised and financed by the ICF, which established a World Company Council. However, there were no further perspectives or action arising out the meeting, which was primarily aimed at achieving an external political impact rather than building a working platform.

Given the positive development of the practice of the BASF Euro-Dialogue (EWC) and the increasingly global orientation of the group's policy, the chair of the BASF Group Works Council and EWC, Volker Obenauer, is now keen to develop a worldwide forum by gradually extending the EWC to a global level. Non-European delegates should initially participate as observers, and later as full members. At any event, the forum should be enterprise-based, although with trade union support. It should have an English name which avoids the connotations of a German works council. The aim of establishing such a global forum has, as yet, only been pursued by a small circle of senior works council members in Germany.

Contacts to non-European employee representatives already exist for South America and Asia but, as yet, there are no contacts for North America. ICEM and the German chemical workers' union IG BCE have played a key role in facilitating contacts. Employee representatives outside Europe have indicated a keen interest in establishing contacts as these both improve their access to information and enhance their standing.

In July 1999, work began on building a BASF network for South America. The EWC chair used the occasion of a world congress on safety at work in Sao Paulo to visit a number of BASF plants and establish contacts with workplace delegates from CUT.²⁴ Access to the plants was made possible because of his role, under the German codetermination system, of deputy chair of the BASF supervisory board. He also arranged a discussion with the president of BASF South America – also a first for CUT. For its part CUT organised a small conference for workplace trade union delegates from a number of South American countries at which a BASF South America network was established. The attempt by South American delegates to participate in the BASF Euro-Dialogue in June 2000 foundered on the refusal of group management to accept this. There is, however, a well-established exchange of information with the Brazilian delegates via e-mail.

24 CUT has well-established structures but only a low level of organisation of 8-10% in BASF's plants.

In autumn 2000 a BASF network of workplace union representatives was established for the Asia-Pacific region. Delegates from Indonesia, Malaysia, India, Singapore, Australia, China and Korea attended a founding congress organised by ICEM. The EWC chair had also established contacts with leading Chinese union delegates in the course of a visit to China – a development welcomed by management as the (new) Chinese trade unions are closely connected with the Chinese political leadership.

However, group management has so far rejected calls to enlarge the scope of the Euro-Dialogue by including representatives from non-EU and non-European countries. Financial and organisation reasons cannot be the prime reason, as management's own international meetings are vastly more expensive and the costs of interpretation at such a meeting would not be much greater than at present as most of the delegates speak English, and those from Brazil Portuguese. The real reasons are more likely to lie in the company's sense of obligation to fellow members of employers' associations not to set a precedent which others would have to follow, and in the fear that more adversarial unions, such as those from Brazil and Korea, could gain greater scope and influence.

3.4 Initiatives in the sphere of the International Metalworkers' Federation (IMF)

The organising sphere of the IMF not only has the most numerous but also the most developed initiatives in the field of global enterprise-based arrangements for employee representation. In a report compiled in 1999, the IMF listed 24 'World Councils' which had achieved some level of practical activity and formal constitution. Moreover, IMF's sphere also embraces the most advanced examples of these institutions: the Volkswagen World Group Council and the SKF World Council.

The span of the IMF's activities can be gauged – with some minor reservations²⁵ – from the following table.

25 The data compiled by the IMF itself is not entirely reliable and the IMF secretary Robert Steiert raised doubts on one or two entries in a discussion with the author. The data for 1999 are based solely on this discussion.

**World group committees and world company councils
in the IMF organising sphere 1980 – 1999**

| | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 |
|-------------|----|----|----------------|----|----|----|----|----|----|----|----|----------------|----------------|----------------|----|----|----|----|----|----|
| FIAT | | | | | | | | | | | | | | | | | ■ | ■ | | |
| Ford | | ■ | | | | | | ■ | ■ | ■ | | | | | | | | | | |
| GM | | | ■ | | | ■ | ■ | | | ■ | | | | ■ | ■ | | | | | |
| Honda | ■ | | ■ | ■ | ■ | ■ | | | | | | | | | | | ■ | ■ | | |
| Mazda | | | | | ■ | | | | | | | | | | | | ■ | ■ | | |
| Mitsubishi | | | ■ ¹ | | ■ | | | | | | | | | | | | ■ | ■ | | |
| Nissan | ■ | | ■ | ■ | ■ | ■ | | | | | | | | | ■ | | | ■ | | |
| Renault | ■ | ■ | | | ■ | | ■ | | | ■ | ■ | | | | | | | | | |
| Toyota | ■ | | ■ | ■ | ■ | ■ | | | | | | | ■ | ■ | | | | | | ■ |
| Volvo | | | | | ■ | ■ | | | | | ■ | | | | | ■ | | ■ | ■ | |
| VW | | | | | | | ■ | | | | | | | ■ | | | ● | ● | ● | ● |
| Alcatel | | | | | | | ■ | ■ | | | | | | | | | | | | |
| ABB | | | | | | | | | ■ | | ■ | ■ | ■ | ■ | ■ | | | | | |
| Electrolux | | | | | | | | | | ■ | | | ■ | ■ | | | | | | |
| Ericsson | | | | | | | | | | | | | | | | | | | ■ | |
| GE | | | | | | | | | ■ | ■ | | | | ■ | | | | | | |
| Matsushita | | | | | | | | | | ■ | | | | ■ | | | | | | ■ |
| Northern T. | | | | | | | | | | | | ■ | | | | | | | | |
| Siemens | | | | | | | | | | | | ■ ³ | | ■ ³ | | | | | | |
| TCE | | | | | | | | | | | | | ■ ⁴ | | | | | | | |
| Alfa Laval | | | | | | | | | | | ■ | | | ■ | | | | | | |
| SKF | ■ | ■ | ■ | ■ | ■ | | ■ | | ■ | ■ | ■ | | | ■ | ■ | ■ | ● | ● | ● | ● |
| Caterpillar | | | | | | | | | | | | | | | | | | ■ | | |

■ Meeting of world group committee
 ■ Joint meeting of world group committee
 ● Meeting of world works council
 ● Meeting of world works council on an informal basis, so-called world employee conferences
 1 Observer status at meetings at Honda/Nissan/Toyota;
 2 possibly just meeting of the steering committee
 3 possibly just one meeting
 4 possibly also in 1993

Source: IMF-Secretariat 1999, author's graphic

In addition to World Works Councils and World Group Committees, there are also other forms of international enterprise-based co-operation. The co-operation between the Ford EWC and the American auto-workers union UAW in connection with the flotation of Visteon from the Ford group, which affected Ford workers worldwide, is one example. In July 1999 there was a joint meeting of the UAW and the Ford EWC in Cologne at which a common approach was agreed. At the same time, it was also agreed to exchange information about the course of negotiations. However, the original plan put forward by the EWC for worldwide negotiations was flatly rejected by management, but also foundered on the legal differences between the USA and Europe.²⁶

26 There is a detailed description of the origins and content of the agreement, together with an assessment of its significance from a trade union standpoint, in Roth and Kuckelkorn, 2000.

3.4.1 World Councils in the metalworking sector

Three World Councils have been set up in the metalworking industry: those at Volkswagen and SKF are dealt with in detail below. The EWC at Renault was extended to cover other world regions in the wake of renegotiations of the original agreement. Under the new agreement, concluded in October 2000, employee representatives from non-EU countries can participate in EWC meetings as observers (see EWCB 2001, p. 3). In companies such as Nokia, Kone, Danfoss or DaimlerChrysler steps have been taken to set up world works councils.

At Kone, the EWC can invite trade union representatives from other world regions to internal meetings. At one of these meetings a proposal for the appointment of a 'global ombudsman' was discussed; they would be responsible for global problems and be a full-time and paid member attached to the EWC. There is also a Scandinavian working group which consists of Finnish, Swedish, Norwegian and British members and which meets to prepare for the EWC plenary. A US trade union delegate also attended the most recent meeting. Central management has not yet responded to the request for a world works council. The IMF has issued invitations to a world council meeting.²⁷

The Preamble to the agreement on the 'European Information and Consultation Forum' (EICF) at Danfoss, concluded in September 1996, includes a commitment to develop the body into a worldwide information and consultation forum. 'The parties are agreed on the positive effect of the extension of the EICF scope to countries outside Europe. In this way, the EICF can include all Danfoss companies worldwide. Such an extension will be discussed at the earliest in 1999'. In mid-1999 this discussion took place, and the following model was seen as the most favourable. Co-operation councils will be set up in America and Asia. A worldwide forum will embrace delegates from these councils and the EICF. It was agreed, however, that this was not a priority, and that in the first instance the EWC should be developed and consolidated.²⁸

The central management of DaimlerChrysler rejected the establishment of a World Council on the grounds that it would not be a suitable instrument for promoting cultural integration within the transatlantic structure of what had become the world's third largest car manufacturer. In contrast, the central works council and IG Metall had called for such a body to be established. In 2000 employee representatives at DaimlerChrysler set up an international working group for information and experience sharing, which they saw as a precursor to a world works council. It consists of 13 members from Brazil, Germany, Canada, South Africa, and the USA. In addition, IG Metall ceded one of its three external seats on the company's supervisory board to a representative of the US United Automobile Workers Union (UAW). IG Metall and UAW are planning an alliance. However, there are differences of view about the structure of such a body. Robert Steiert, of IG Metall's International Department, draws the following conclusion:

One will have to wait to see how the discussion on the structure of global arrangements for employee representation in this group will develop in the coming months and whether it is possible to persuade group management of the necessity for a global co-ordination of employee interests and disclosure of information by management about their worldwide activities and investments. What the body is called or where it is formally located is a secondary issue – whether an independent world works council or a committee of the European Works Council. What is important is the substance, not the name (Steiert, 2000, pp. 14f).

3.4.1.1 The Volkswagen World Group Council²⁹

a) Background and development of the VW World Group Council

Employee representatives at Volkswagen AG began to engage in international activity in the mid-1970s, when they started to compile information on trade union activities and the company's operations at all the group's foreign facilities (at that time Brazil, Mexico, South Africa, and Belgium) and track their develop-

27 Information from a Finnish delegate to the Kone EWC at an IG Metall seminar, and also by e-mail from Robert Steiert.

28 Information from a Danish delegate to the Danfoss EWC by e-mail and the Danfoss EWC agreement.

29 See Steiert (2000) and Uhl and Brüning (1999). The information in the present study rests to a considerable degree on interviews with the General Secretary of the VW World Group Council, Hans-Jürgen Uhl and the IG Metall/IMF official responsible for the body, Robert Steiert.

ments. The German works council was especially interested in investments in these operations, and how local management conducted itself vis-à-vis the workforce – but also more widely in political developments in these countries (the apartheid regime in South Africa and military dictatorship in Brazil). This yielded a number of bilateral contacts to local employee representatives.

Contacts were intensified after 1979 through the VW World Group Committee established by the IMF. Meetings of this body were, however, infrequent (1986 and then 1993), and were primarily aimed at facilitating experience sharing. The issues discussed included harmonising pay and conditions,³⁰ job and income security, international solidarity, with specific reference to solidarity with VW employees in South Africa and calls for sanctions against the South African government, the issue of trade union organisation and its importance in regard to a more active role for trade unions in the introduction of new technologies and shorter working hours. During the 1990s, problems such as overcapacity, outsourcing, the introduction of new technologies and new forms of work organisation and different standards in the conduct of industrial relations became priorities. From the outset the Chair of the VW Management Board and the Group Labour Director attended meetings. Central management indicated to the World Group Committee that it was willing to recognise independent trade unions and promote free collective bargaining at all the company's operations worldwide.

During this period both employee representatives and the workforce, in particular at Wolfsburg, undertook a great deal of work in terms of organising solidarity action and supplying and circulating information. Information and study trips were organised for employee representatives from foreign subsidiaries to enable them to understand the practice of trade union and works council activity at Volkswagen in Germany. Money was collected from the German workforce to support independent trade union organisation in Brazil and South Africa, and a number of solidarity and support actions were organised. In addition to the central works council of Volkswagen AG, in the early-1980s a Working Group for International Solidarity set up at Wolfsburg also played, and continues to play, a key role. This group, made up of shop stewards, IG Metall shopfloor members, and members of the works council, follows developments at local operations very closely, exercises practical support and solidarity, organises international seminars, visits Volkswagen's operations worldwide, maintains close contact with employee representatives and Volkswagen employees in other countries, and organises parallel and leisure programmes should they come to Germany for meetings or seminars. The group seeks to ensure that its members cover the languages needed. Unless otherwise financially covered (as with seminars), the costs are borne by the members themselves and/or the IG Metall Wolfsburg branch. The group also has an important intermediary function in that it ensures that international trade union activity is known to and anchored within the shop stewards' committee and wider workforce through leaflets, meetings, seminars and personal contacts.

Against the background of all these developments, and in view of the fact that a third European operation had been added with the acquisition of SEAT, in the late-1980s German employee representatives decided to tackle the issue of setting up a European Works Council and initiate preparations with Spanish and Belgian employee representatives. The first meeting of the European Group Council took place on 31 August 1990 – albeit without a formal agreement but with the participation of central management. The agreement was signed in the European Parliament building some two years later, on 7 February 1992, two years before of the adoption of the EWC Directive.

The European Group Council was a necessary intermediate set in the creation of a World Group Council at Volkswagen. The transition was very fluid. Initially, from 1995, one of the two annual EWC meetings was expanded into a so-called World Employee Conference to which employee representatives from VW oper-

30 Delegates voted for a resolution calling for harmonisation at the highest possible level.

ations in Brazil, Mexico, South Africa and Argentina were invited in order to give their reports and receive information in exactly the same way as the European delegates.³¹ At the third such conference, held in Many 1998 in Mlada Beleslav in the Czech Republic, the headquarters of the VW subsidiary Skoda, the VW World Group Council was established – the second such body, following the SKF World Council (see below). A written agreement was signed one year later, on 20 May 1999, at the constitutive meeting of the body in Barcelona.³²

The European Group Works Council agreement served as a blueprint for the World Group Council and in many instances was adopted word-for-word, with some divergence in the preamble and provisions for appointing the members. Two matters were also added to the range of issues for consideration.

b) Structure of the Volkswagen World Group Council

The composition and structure of the forum are dealt with in a separate organisational statute.

The agreement only embraces companies in which Volkswagen has the predominant stake (Organisational Statute I, 2). Members must be ‘freely elected and democratically legitimated workplace employee representatives’ (II,1). The preconditions for appointing members are favourable inasmuch as there are structures of workplace employee representation in all VW’s plants worldwide. Because it was not seen as reasonable to have a representative from every site (given 40 production operations worldwide), the formula for representation used for the European body was not applied. The number of members was limited to 27, distributed as set out in the table below.

| Country | No. of members | By marque |
|-------------------------|-----------------------|------------------------------------|
| Germany | 11 | 8 Volkswagen, 2 AUDI, 1 VW Sachsen |
| Spain | 3 | 2 SEAT, 1 VW Navarra |
| Belgium | 1 | 1 VW Brüssel |
| Czech Republic | 1 | 1 Skoda |
| Slovakia | 1 | 1 VW Slovakia |
| Poland | 1 | 1 VW Poznan |
| UK | 1 | 1 Rolls-Royce/Bentley |
| Portugal | 1 | 1 AutoEuropa |
| Total Europe | 20 | |
| Mexiko | 1 | 1 VW do Mexico |
| Brazil | 4 | 4 VW do Brasil |
| Argentina | 1 | 1 VW Argentina |
| South Africa | 1 | 1 VW South Africa |
| Total Non-Europe | 7 | |

31 As a consequence, these meetings also included the personnel directors of the relevant companies.

32 In the early-1990s, there was an intense debate amongst trade union delegates as to the desirability of establishing an enterprise-based forum at a global level in which full-time trade union officials would have only an advisory role. Within the IMF itself there are differing views on the issue of whether world councils should be promoted. In particular, trade unions from countries in which workplace and enterprise structures are weak fear that they could be excluded from world councils. On the other hand, one of the advantages of enterprise-based arrangements is that the employer will cover the costs.

The World Group Council has a President, a General Secretary and a Praesidium. Both the current President and General Secretary come from the company's German headquarters. The President is the central figure for employee representation at the Volkswagen group, and the same individual occupies the offices of President of the European Group Council, the Chair of VW Group Council in Germany, the Chair of Central Works Council at Volkswagen AG, Chair of the Wolfsburg Works Council and member of the Praesidium of the company's supervisory board.

The World Group Council Praesidium consists of representatives of the individual marques and/or regions, as follows.

| Marque/Region | Competence | Number |
|----------------------|---|---------------|
| VW | VW-operations in Germany, Belgium, the UK, Spain, Poland, Slovakia and South Africa | 2 |
| AUDI | AUDI-operations in Germany and Hungary | 1 |
| SEAT | SEAT-operations in Spain | 1 |
| Skoda | Skoda-operations in the Czech Republic | 1 |
| North America | VW-plant in Mexico | 1 |
| South America | VW-operations in Brazil and Argentina | 1 |
| Total | | 7 |

A full-time union official is entitled to attend meetings of both the World Group Council and the Praesidium. The statute provides for co-ordinating bodies at regional level to ensure that information flows between plants and the Praesidium and appoint the corresponding member of the Praesidium.

c) Mode of operation and role of the World Group Council

The preamble to the agreement sets out a number of central guiding principles on the role of the body and its relationship with group management. These are: compatibility with social responsibility and competitiveness; securing this compatibility as an aim of global social dialogue; commitment on the part of the world group council to co-operative sharing of responsibility and commitment by management to global recognition of free trade unions, freedom of association and freely and democratically elected employee representatives in all parts of the Volkswagen group.

The establishment of a World Group Council is the expression of the philosophy of Volkswagen's top management of pursuing close co-operation with employee representatives and trade unions, and of openly informing the workforce. In turn, this is connected with the experience of being able to resolve conflicts in the past relatively easily through the inclusion and support of employee representatives. Section 1 of the agreement refers explicitly to the tried-and-tested principle in Germany (and Europe) of 'co-operative conflict resolution' and seeks to extend this principle to the co-operation between central management and the world group council. It states: 'Both sides see a contribution towards global co-operation and joint resolution of any possible conflicts in the Volkswagen group in the sense of constructive dialogue and co-operative resolution of economic, social, and ecological challenges'.

The World Group Council is an information and consultation forum concerned in particular with strategic issues connected with the development of the group on a global scale.

Section 3 of the agreement provides for an exchange of information between group management and the world group council within the context of a joint meeting, to be held at least once annually, at which managements of Volkswagen's subsidiaries are also represented. According to Section 3:2 the subjects for dis-

discussion must be of group-level significance for production operations and are in particular concerned with the following spheres:

- securing employment and maintaining operations at existing sites, and the structure of operations,
- developing the structure of the group,
- developing internal supplier relationships and market responsibilities,
- development of working conditions (such as working time, pay, and job design and organisation),
- development of company benefits,
- new production technologies,
- new forms of work organisation,
- health and safety, and workplace environmental protection,
- impact of political developments and decisions on the Volkswagen group,
- development of the political and economic environment of international trade.

Section 3:3 entitles the world group council to discuss strategic issues with group management. 'The discussion of these issues should simultaneously serve to exchange information on developmental trends and strategies and promote further development to the benefit of all participants'.

Section 4 defines a precise right to consultation for the World Group Council in the event of planned relocations of production with supra-regional effects. The Council or the Praesidium must be informed of planned relocations as early as possible and has the right to issue an opinion within a mutually agreed period of time. This opinion can request the commencement of consultation discussions with the aim of further explanation and discussion about the proposed relocation. Consultation must be held at time which allows the opinion of the Council to influence the decision-making process.

The information and consultation practice of the World Group Council does not differ from that of the EWC. The group board as a whole attends and discloses information openly and comprehensively – an indication of the importance which management attaches to the institution.

Immediate conflicts and crises which necessitate consultation outside the schedule of regular meetings are dealt with bilaterally between employee representatives from the operations affected together with the general secretary of the Council. Extraordinary meetings of the Council or Praesidium are not, therefore, called. The general secretary and president have the legitimacy (through election and ex officio) to intervene in conflicts and problems in an advisory, facilitating and mediating role if countries from a number of regions are affected or if called upon to do so. However, there is a fundamental principle that decentralised conflicts should be resolved in a decentralised way under local circumstances. The World Group Council views itself as merely responsible for ensuring that the minimum pre-requirements for resolving conflicts have been met – by ensuring that VW management at each site deals with employee representatives 'decently'.

Members of the Council would, however, like to develop the institution beyond this information and consultation role into a body which could negotiate and conclude agreements with group management. One possible issue for negotiation could be an agreement on internationally harmonised safety and environmental standards.³³ Moreover, in the near future it is conceivable that a Social Charter could be agreed setting out jointly-agreed guidelines for 'decent' relationships between employee representatives and management. Initial work has already begun on this.

33 In 1999, for the first time an international seminar was held on safety at work at European level with the participation of Brazilian employee representatives.

The role of the World Group Council will also depend on the circumstances of non-European national delegations; for example, the extent to which they can build and sustain continuity, co-operation and trade union strategic direction. Although the problems which crop up in co-operation between the members of the world group council are essentially the same as those at European level, there are some additional problems as trade union and political structures in some countries are much less secure and developed than they are in the core of Europe. For example, following the political transformation in South Africa many former trade union officials took up political or management positions, leading to large-scale changes in personnel.³⁴ The Mexican delegation has also found it difficult to sustain continuity in its delegates, a fact attributable to the large number of trade unions which stand for election, with different winners each time. One positive step here might be to abolish the rule which limits the period of office of Mexican union delegates to three years.

The most intensive contacts and best experiences have been with the Brazilian delegates from the CUT union.³⁵ Brazilian delegates regularly attend training events at VW's German sites, and a German employee representative has spent six weeks at VW's Brazilian subsidiary – the first such visit. There is a high degree of personal continuity in the Brazilian delegation, as well as long-term planning for succession. Possible successors are sent to joint training meetings with German works council members.

The case of Brazil illustrates how the VW world group council operates. 'When the Brazilian car market collapsed in the late-1998 as a result of the national economic crisis, the CUT trade union agreed on the introduction of a four-day week, an early retirement programme and other cost saving measures with VW do Brasil. In return for the 15 % wage reduction which this implied, employees received a five-year employment guarantee. These measures, which echoed those agreed between IG Metall and Volkswagen in 1993, was only possible because of the high level of personal trust, a high level of information, and intensive support by German colleagues in the crisis' (Uhl and Brüning, 1999, p. 61). The agreement was prepared in the context of a German-Brazilian seminar, attended by Klaus Volkert, President of the VW World Group Council, and other German employee representatives.

The VW World Group Council is likely to continue to play a central role within the overall system of employee representation of the company. Because Volkswagen is a global group, it will be necessary in the future to discuss and negotiation at the group council level to as great a degree as possible. The VW EWC, as a regional body, will be one element in an overall tiered system. In a fully-developed system, its function will be (with other forums) to aggregate interests at a regional level.

The interplay of different forums still has to be developed, however. As yet there have only been two regular EWC meetings and two meetings of the EWC Praesidium a year. If the World Group Council meetings take place, as previously, in Europe, they can be coupled with EWC meetings.³⁶

Robert Steiert (Steiert, 2000, p. 14) draws the following conclusion:

Compared with SKF World Council, the Volkswagen World Group Council marks a qualitative step forward. In addition to information, VW has also recognised the principle of consultation, which is not the case at SKF. The range of issues on which VW group management must inform the world group council is also wider ...

For the VW group, the close and open co-operation with employee representatives may well have already yielded benefits. There have been no major disputes in recent years, and problems have been swiftly resolved through negotiations. Exemplary collective agreements, such as shortening working hours (with loss of pay) to avoid redundancies in the face of declining demand have also been adopted at foreign operations, as recently in Brazil. The conclusion of the agreement in May 1999 has formally confirmed VW in its role as a pioneer in the development of industrial relations in the international sphere.

34 The situation in South Africa is presently overshadowed by serious labour disputes and conflicts between trade unions.

35 The CUT (United Federation of Workers/Central Única dos Trabalhadores, www.cut.org.br) is the largest trade union confederation in Brazil, and is closely affiliated with the Workers' Party (Partido dos Trabalhadores – PT) which it established in 1980.

36 This will change in the future; the world group council has already held one meeting in Brazil.

3.4.1.2 The SKF World Union Committee³⁷

a) Origins of the SKF World Union Committee

International meetings of workplace employee representatives and full-time union officials have taken place at SKF since the mid-1970s. At the first meeting in 1975, held in Schweinfurt (Germany), an IMF World Council was set up for SKF. This subsequently met every two to three years at various locations. Meetings were prepared and organised by the IMF. The issues for discussion and the agenda were arranged in conjunction with senior workforce representatives from Sweden (parent company) and Germany (the most significant foreign operation). From the outset SKF covered the costs of interpretation, room hire, accommodation and travel for workplace delegates, and hence assumed the bulk of the necessary financing. Whereas the first meeting was attended by delegates from only Sweden, Germany, Italy and France, this was gradually extended to other, non-European, countries. The main aim of the meetings was for an exchange of information. Meetings were usually concluded with a type of resolution which contained demands on central management. The head of personnel and the head of corporate affairs both attended a number of meetings, as representative of group management, in order to provide information on the strategy and philosophy of the group.

At the meetings, the delegates discussed the need to build international solidarity and support each other during collective negotiations in order to attain a harmonisation of wages and conditions at the highest possible level. Information rights on the introduction of new technologies and in the event of restructuring were also called for in order to improve the social security of employees who stood to lose their jobs. Other issues were changed forms of work and skill requirements, the effects of global developments in the group, and in particular product diversification and the centralisation of production, the creation of new production capacity in North America and Asia, cross-border relocations of production, the effects of new forms of work organisation on employment and the level of trade union organisation. Delegates called on management to raise the level of job security and income guarantees, to grant trade unions greater involvement in the decision-making process, and to provide better severance compensation for employees declared redundant.

In the view of the German chair of the central works council, who was actively involved in the international work of SKF employee representatives, over the whole course of the development of the SKF World Council, there were no major problems with group management, who always sought to respond to and deal with the points of criticism made in the resolutions.

The World Union Committee at SKF was established in March 1995 at a meeting in Steyr (Austria) after around a year's negotiation between SKF central management and the IMF – and before the conclusion of the SKF EWC agreement.

The agreement is very short and simply sets out current practice and a minimum framework. The negotiating delegation for the employee side consisted of an IMF representative, and the senior employee representatives from Sweden and Germany. There were no major differences with the company, a fact attributable not least to the elimination of any far-reaching demands by the Swedish representatives before negotiations started. This, together with the willingness of group management to set up the body, are an expression of the high-trust in the culture of industrial relations at the Swedish parent company. Management was concerned to extend the co-operative style of industrial relations which prevailed at the company's headquarters to the international level.

³⁷ The material on SKF is based in particular on interviews with the Deputy President of the SKF World Council, Ernst Lang, and the IG Metall/IMF official responsible for the SKF World Council, Robert Steiert.

One additional reason for management to negotiate a formal world council agreement may well have been the imminent adoption of the EWC Directive and the predictable need to establish such a body at SKF. Management was interested in avoiding the parallel existence of two bodies – a European and a global one – and wanted to link the global forum to the EWC. The agreement on the World Union Committee contained the passage: ‘The group committee (the EWC according to the EWC Directive) should be given the opportunity of holding its annual meeting in connection with the meeting of the World Union Committee’ (Section 7).

The EWC agreement, concluded in September 1996 in accordance with Article 13 of the EWC Directive, offers a more precise and stronger definition of employee representatives’ rights compared with the World Union Committee.

b) The structure of the SKF World Union Committee

In contrast to the Volkswagen World Group Council, which grew out of an extension of the VW EWC, the SKF World Union Committee was a development from the tradition of the IMF World Group Committee. The preamble to the agreement makes express reference to this: ‘Based on the long-standing association between the IMF World SKF Council both parties have agreed to consolidate this association through the establishment of a world committee for employees of SKF’. The existing structure of the forum, consisting of workplace employee representatives plus full-time trade union officials, was adopted.

In the agreement, Section 3 simply specifies the composition of the workplace delegates whose costs are covered by the company. The 27 delegates, who are appointed by trade union organisations at local level, are broken down as follows.

| European countries | Number | Non-European countries | Number |
|---------------------------|---------------|-------------------------------|---------------|
| Sweden | 4 | | |
| Germany | 3 | India | 2 |
| Italy | 3 | USA | 2 |
| France | 2 | Argentina | 1 |
| UK | 2 | Brazil | 1 |
| Spain | 2 | Malaysia | 1 |
| Netherlands | 1 | Mexico | 1 |
| Austria | 1 | South Africa | 1 |
| Total Europe | 18 | Total Non-Europe | 9 |

It is up to the IMF and local trade union organisations to invite other workplace or full-time union representatives provided they cover their costs. Since structures of workplace employee representation do not exist at all the company’s operations, for some countries full-time officials have to serve as representatives.³⁸ In addition, there are also permanent IMF representatives on the SKF World Union Committee, whose role to support the work of the institution.

³⁸ This structure can lead to problems as some delegates (for example, from Argentina, Brazil or South Africa) are more inclined to want to report on and discuss general political problems affecting their countries rather than SKF problems, of which they have no detailed knowledge.

The IMF is responsible for building contacts and issuing invitations to the meetings. It has proved to be very difficult to organise the attendance of all national delegations at meetings, and in particular those of non-EU countries. This is due to a number of factors. Some delegates (notably full-time trade union officials from the USA) do not seem to attribute much importance to the institution: they cancel attendance at short notice or fail to turn up despite agreeing to. In some cases, the reasons are beyond the control of delegates: for example, they might be held up at the border or have difficulties in obtaining exit visas, or be delayed by late or cancelled flights.

The SKF World Union Committee has a two-person praesidium ('Working Committee') which consists of the two senior employee representatives in Sweden and in Germany. At the instigation of group management, this arrangement has been set out in the agreement and is an expression of the important role of SKF's German subsidiary and the German market. There are currently discussions about extending the praesidium. As yet, the members of the World Union Committee and associated EWC have not been able to agree on a new composition.

'It is the task of the working committee to suggest the agenda for meetings of the world union committee, organise meetings, and maintain contacts between members' (Section 4 of the agreement). In practice, the bulk of the preparations and organisations for the meeting (ranging from organising interpreters to inviting delegates) continue to be carried out by the IMF. The praesidium meets with IMF representatives a few weeks ahead of the annual meeting to discuss organisational matters and agree the agenda. The praesidium also meets at least four times a year with the chair of the company's management board and the group head of personnel in Gothenburg to discuss the development of the group's business.

Meetings of the SKF World Union Committee take place annually, with two full days scheduled. On the first day, delegates meet for an internal meetings, and are joined by group management on the second day. There is a final delegates-only meeting, usually of an hour to an hour-and-a-half. There are no separate meetings for the SKF EWC. This offers the advantage that the stronger provisions which apply to the EWC are also applied in practice to the world committee. However, this is bought at the price of often having sessions dominated by European issues. The time allocated is not enough to do justice to both bodies and all the delegates.

c) Operation and role of the SKF World Union Committee

The SKF world union committee is defined in the agreement as the 'worldwide forum for dialogue and the exchange of views' (Section 1). It 'receives information on the industrial, economic, and financial activities of parent companies and subsidiaries' (ibid.). Given the mutual trust between themselves and group management, the Swedish employee representatives did not feel a need for a more precisely-worded list. There is no definition of the right to consultation.

Once a year, the central management of SKF provides information on the situation and future policy of the group. Since the meetings of the world and European bodies are combined, top management (chief executive, group personnel director, other members of the management board) attend to give their reports. The quality of information attracts a variety of judgements. The German central works council chair, Ernst Lang, sees it generally in positive terms: management is open on strategic questions and does not conceal anything. However, it refuses to respond to problems related to particular operations, and refers issues to local management. Moreover, they also avoid or ignore 'political' questions. Robert Steiert, who participates as an IMF representative, is more negative. In his judgement, group management provides information either too late or in insufficient detail. It is also a problem that some delegates do not have the confidence to put questions to management.

Discussion with group management at the annual meetings focuses on specific issues, such as continuing training. One issue of current concern is the development of a code of conduct for the group, based on ILO Conventions, which will be negotiated with group management. However, management is still holding back from committing itself to a written agreement with such external implications.³⁹

The agreement does not provide for extraordinary meetings of the SKF World Union Committee, and none have as yet been called. However, there has been some experience at European level with extraordinary meetings of a smaller group (the praesidium plus delegates from countries directly concerned), which have been held under the auspices of the IMF in Geneva on the request of individual country delegations. The organisation of such meetings is also conceivable at a global level.

Like its predecessor, the SKF World Union Committee serves to exchange and compare information (including validating the information provided by local management) between the delegates. Reports from plants (development, problems) are a standard agenda item in the Committee's internal discussions. In addition, the IMF organises information sharing on specific issues (such as shift patterns, trade union organisation, workforce structure) between meeting based on a standard questionnaire, and evaluates the responses. The compilations are then discussed at the annual meetings.

Mutual understanding of the different situation and views of employee representatives involved has increased as a result of discussions and plant visits. Building trust has, however, been rendered more difficult because of the lack of continuity of many non-European delegations. Moreover, in the period between meetings, contacts to non-European delegations are meagre. Only the president of SKF World Union Committee receives information or questions from non-European delegates in the event of problems or disputes. In contrast, contacts within the core European countries are becoming more intensive, as are those within distinct language groupings. In order to ease the exchange of information and building of contacts, work is in train in building a password-protected IMF homepage for SKF.

3.4.2 IMF World Councils

3.4.2.1 Overview

IMF World Councils are meetings of workplace representatives and full-time trade union officials, organised by the IMF and financed by its affiliated unions. The initiative for the establishment of a World Council is either taken by the IMF itself or one of its national member unions at the company's head office. The IMF does not make a strategic choice of companies, but is guided by more immediate and practical considerations. The establishment of World Councils take place when needed. Some initiatives have been a response to acute problems – such as an imminent merger.

The IMF takes care of the bulk of the preparation not only of the constitutive meeting but also of subsequent meetings. However, this can bring it up against the limits of its capacity and it would like to hand over a larger proportion of the work than so far has been the case to the national trade union at the particular company's group headquarters. It also wants the steering committees of existing World Councils to take on the strategic and substantive preparation of the meetings and ensure continuity.

Organising regular meetings of world group committees overburdens both the personnel and financial resources of the IMF. Since travel costs are borne by national member unions, the main cost is that of interpretation. As a consequence, the IMF wants meetings of the full committee to be held only once every four

³⁹ SKF management do not want to be pioneers in this regard. Their first question was, therefore, to ask which other companies had agreed such codes of conduct and whether any Swedish companies had done so. Their reservations grew as they discovered that it was intended that the IMF General Secretary would sign the agreement in order to attract greater public attention.

or five years, with greater importance accorded to the steering groups with their higher efficiency and lower costs.

The IMF invites member organisations to Council meetings and leaves it up to them to determine their delegation. This can create problems, as not only is the size of national delegations very variable but also the proximity and distance to events and developments within the group. Moreover, the overall number of participants can become very large. Because of this, the IMF has moved to more specific invitations. For example, for the 2000 meeting of the Philips world group committee, only delegates from countries with production operations and important R&D departments were invited.

In some cases, joint meetings have been held spanning a number of undertakings – for example, for Honda, Nissan, and Toyota. Management representatives have also often been invited to participate and take the opportunity to discuss their plans for the future development of their group and their management philosophy. Conversely, trade union representatives can also raise issues with and make demands on management. In around two-thirds of cases, a representative of group management has been available to give a presentation.

World Council meetings usually take place without any elaborate substantive strategy. At a minimum there are country reports, which rarely follow a set pattern. There are also often contributions from external experts on the economic and financial position and strategy of the group. However, the political secretary of the IMF, Robert Steiert, is dissatisfied with this approach and would like more specific problems, indicated in advance, to be raised and for country reports to adhere to a prescribed format.

The IMF has a elaborated number of strategic objectives for its work with World Councils (IMF, 1999, and cf. in addition IMF, 1997, pp. 33ff).

Firstly, the operational and strategic capacity of World Councils needs to be raised. Considerable importance is attached to the establishment of functioning steering groups, which are responsible for developed strategies for each undertaking and for ensuring continuity. In addition, the IMF wants to build information networks of delegates – a task which it sees as less of a technical problem than one rooted in the behaviour of network participants, and specifically their willingness and confidence to feed information into the network.

Secondly, the IMF wants to World Councils to conclude agreements on codes of conduct with group managements which closely tied to ILO core labour standards.⁴⁰

The IMF would like to secure management participation. Managements should be invited and called on to inform and consult with Councils, and at the least to cover the costs of participation of workplace employee representatives. Some companies already do, although without any formal provision. In some cases, costs can be covered via national provisions: for example, the travel costs of participants from developing countries can be paid by the Swedish trade union fund. In the case of Germany, IG Metall has called on works councils to push for employers to bear the costs – an initiative which has been successful in several instances. However, IG Metall has not sought to establish whether there is a legal right to such support.

The IMF is also seeking to run membership campaigns in some selected companies. The question still needs to be clarified as to whether international co-ordination and co-operation will prove successful in winning new members. Where local employers seek to obstruct or prevent trade union organisation at local or national level, the IMF will intervene to support by internationalising the problem and organising soli-

40 These are not only of relevance for developing but also industrialised countries, for example on trade union organisation in the USA.

clarity action. It has not carried out organising campaigns in its own right. Rather, it seeks to resolve local problems by establishing direct contacts between IMF representatives and management.⁴¹

However, as yet World Councils and steering groups have played at best only a minor role in conflicts. Although still in its infancy, the use of information and communication technologies holds out the prospect of improvement. The decisive factors are the motivation and commitment of the members of the steering groups.

Lack of mutual trust is much greater outside Europe. The main reason for this is that systems of industrial relations are much more diverse and unionists much less familiar with other systems than they have become within the European area. One central line of cleavage is that between workplace delegates (closely affiliated to the company, and possibly closer to management and distant from trade unions) and full-time trade union officials, who are distant from companies. The enterprise-based approach which underpins the World Council concept is not compatible with the composition of some country delegations which consist solely of full-time union officials. US (and Asian) trade unions have concerns about the establishment of stronger workplace structures and want to exclude workplace representatives.

The lines of demarcation are more ideological than geographical. Some German employee representatives have already 'dropped clangers' (to quote an IMF official) and behaved unwisely – for example by participating in company visits as members of company supervisory boards without previously informing local employee representatives and trade unions. There are no signs, however, that a European bloc tends to form up at World Council meetings. What is evident, is that building international solidarity between employee representatives is a difficult task.

3.4.2.2 Individual World Councils⁴²

Following a preparatory session in 1993, two meetings of the **Fiat** World Council have been held: one in 1996 and a further session in the following year. Group management discussed the group's strategy and responded to questions and a discussion on restructuring plans and low wages paid in developing countries.

The **Ford** World Council has met four times in all (1981, 1987, 1988 and 1989), preceded by a preparatory meeting held in 1980. Since then activities have ceased. One central issue raised at the meetings was the impact of new technologies on employment and job security. The great differences between annual working hours in different Ford plants also led delegates to call for harmonisation of working hours at a high level and improved job protection. In addition, they announced their wish to exercise greater influence over management decisions, especially as far on training.

Since 1982, there have been seven meetings of the **General Motors** World Council. At the most recent meeting, held in 1999, members of the steering committee of the General Motors European Works Council were officially invited for the first time. The subjects discussed at the first meeting were company policies which had led to drastic workforce reductions in the USA. New capacity had been created in developing countries and components were being imported from Australia and Latin America. Exacerbating the impact of this were plans by group management to introduce labour-saving technologies at the same time as cutting pay. The World Council proposed a cut in working hours and the establishment of a jobs exchange. At the 1990 meeting, discussion centred on GM's takeover of Saab. The 1992 meeting includ-

41 For example, there have been major problems in Mexico which, despite adopting the texts of all ILO conventions, does not comply with them, in particular in export processing zones. Mexican official trade unions pose another problem: they are very employer-friendly and sometimes conclude agreements without the knowledge of the international trade secretariats. In the meantime, there is a movement towards the establishment of enterprise-based unions.

42 Compiled from IMF material (IMF, 1999), with subsequent additions.

ed a discussion of plant closures and workforce cuts in the USA, the reorganisation of top management, the introduction of new forms of work organisation, the development of new system of industrial relations, threats of overcapacity, the export of capital to low-wage countries, and anti-trade union policies at the company's Hungarian plant.

In the autumn the second world conference of employee representatives at General Motors will be held at the headquarters of Opel, jointly organised by the IMF and IG Metall. The first such conference took place on 1 May 1999 in Detroit. The second meeting will include trade unionists from Canada, USA, Brazil, Argentina, Australia, South Africa and Europe. Leading GM managers have also indicated their willingness to attend. IG Metall views this as an encouraging sign for aspirations to establish a world works council on the model of the European works council'.
(IG Metall Press Release).

The **Honda** World Council has met in 1980, 1983, 1984, 1985 and 1997 – with the latter four meetings organised in conjunction with other large Japanese car manufacturers. One central issue was to compare working conditions at different Honda locations. In addition, there was discussion of a strategy to counter 'yellow' company unions and the company policy of establishing non-union plants in the UK and USA.

In all there have been three meetings of the **Mazda** World Council (1984, 1996, and 1997), held jointly with delegates from other Japanese car manufacturers. At the first meeting, the main concern was the growing importance of company unions; the 1996 and 1997 meetings discussed the general effects of increased international competition.

The World Council for **Mitsubishi** also attended the joint meetings with delegates from other Japanese car manufacturers held in 1984, 1996 and 1997. In addition, trade union delegates from Mitsubishi attended the joint meetings of Nissan, Toyota and Honda delegates in 1982 as observers.

The **Nissan** World Council was established in the 1970s and met seven times during the 1980s and 1990s (1980, 1982, 1983, 1984, 1985, 1994 and 1997), usually jointly with delegates from other car manufacturers. The meetings were used to compare working conditions and trade union rights at various Nissan plants and to discuss how company unionism could be combated and employees in non-union plants brought within trade union organisation.

The **Toyota** World Council has met seven times (1980, 1982, 1983, 1984, 1985, 1992, 1993 and 1999); during the 1980s, meetings were held jointly with delegates from other car manufacturers. The subjects of the meetings were working conditions and trade union rights. In 1992 a statement of support and solidarity for colleagues on strike in South Africa was adopted; it was also agreed to set up an information system and hold regular meetings with group management.

Meetings of the **Volvo** World Council have been held in 1984, 1985, 1990 (jointly with the Renault world group committee in view of proposed alliance), 1995, 1996, 1997, and 1998. At the 1985 meeting a 'Charter of Trade Union Rights' was agreed. In 1995, issues of working time, employment and the need for a strengthening of international trade union contacts and organisation was discussed, and support announced for strikes in Brazil and the USA.

The World Council for **Alcatel (ITT)** has met twice – in 1986 and 1987 – on the occasion of the restructuring of the new enterprise (formed from a merger of ITT, CGd'E and Alcatel) which entailed job losses of some 35,000 people. The main concern was to improve information on the proposed measures and develop closer contacts between employee representatives.

The **ABB** World Council was established in January 1988 following the merger of Brown Boveri and ASEA to form ABB. Further meetings were held in 1990, 1991, 1992, 1993, and 1994. At the first meeting it was agreed to exchange information and seek to have regular meetings to discuss strategic issues with group management. The delegates called for improvements in training and the development of new products

instead of job cuts. They agreed a joint IMF position on employment and social security, working time cuts, the defence of trade union rights and the development of new negotiating aims. At the 1991 meeting a committee was established with the task of securing regular information and consultation with group management. At the 1992 meeting, the chair of the ABB executive board attended. Regular World Council committee meetings were agreed and a co-ordination group established within the IMF which would meet once or twice a year with top management and discuss the group's strategy. 'Segmental committees' were also established to deal with issues specific to particular industrial sectors (such as power generation, transmission and distribution, transport). These would also meet once or twice a year, according to need. In addition, a European co-ordination committee, European branch committees, and national structures were established within the framework of the world council meetings. Why these ambitious project could not be developed further is not entirely clear. The pronounced orientation to the European level may well have played a considerable role in this.

The **Electrolux** World Council met in 1989, 1992 and 1993; there was also a meeting of the steering committee in April 1990. The subjects discussed included management strategy, working time cuts, defence of trade union rights, and in particular the problems of trade union recognition in Mexico and the USA, and the use by the company of anti-union consultants. Furthermore, a joint IMF position on employment and social security was worked out and objectives for collective bargaining discussed. The proposed corporate restructuring led to demands for improved information rights (on investment and divestment plans) and the establishment of formal relationships with group management (with one or two meetings a year). Finally, group management was to commit itself to adopt a neutral stance in the event of campaigns for trade union recognition at national sites.

Organised by the IMF and a preparatory group of trade union representatives, a 'world union meeting' of employee representatives from Ericsson met in 1998 in Paris. The meeting was linked with the annual meeting of the **Ericsson** European Works Council. Although not formally recognised by the company, full-time and lay trade union representatives who were involved in the world meeting were able to participate in some of the EWC activities (the dinner, preparatory meeting). An action paper with four points was adopted at the world union meeting. *Firstly*, maximum use was to be made of the existing network of contact persons in order to ensure a mutual flow of information. *Secondly*, country reports were to be prepared and brought up to date once a year on all Ericsson facilities. *Thirdly*, a group consisting of a number of European and two non-European members was to be constituted which would enter into discussions with group management with a view to setting up an 'Ericsson World Union Committee'. And *fourthly*, this group was also to negotiate a code of conduct with group management based on the results of an IMF working group 'TNCs and Codes of Conduct'. As central management refused to negotiate on this, there have been no further activities in this area. However, it is planned to return to the subject when the time is ripe.⁴³

The World Council for **General Electric** has met three times: 1988, 1989 and 1993. The first meeting was aimed at strengthening mutual trade union solidarity. At the two following meetings, the issue was the problem of the pressure on living standards, social security and job security in view of the company's cost cutting plans. The Council also pledged its support to the US trade unions in their impending negotiations with the company. More than 40 non-US IMF delegates subsequently attended the negotiations as observers.

Meetings of the **Matsushita** World Council were held in 1989, 1993 and 1999. The main issue at the first meeting was securing support for workers on strike in Thailand. The second meeting featured a discussion of the effects of global corporate strategy on jobs and working conditions, and of trade union organisa-

43 The information on Ericsson comes from the Swedish EWC member, Per Lindh via e-mail.

tion. The necessity was emphasised of building close links between trade union representatives at different plants and seeking involvement in discussions on the introduction of new technologies and the redesign of monotonous work in order to raise job satisfaction. Finally, the committee called on the company to provide language training.

The **Northern Telecom** World Council was established in 1991 as the 'International Solidarity Coalition' (ISC), but has not been active since. The meeting agreed to introduce joint training and action plans, to seek greater co-operation between trade union and non-trade union organisations, and to work towards improved job security, stop plant closures, and secure trade union rights of recognition for all non-organised employees.

The **Siemens** World Council has met just once (1991 or 1993). The meeting sought to gauge and discuss the most recent developments in the group. Furthermore, it issued a call for a right to be informed prior to mergers, acquisitions, disposals and relocations of production, as well as for information on medium- and long-term strategic thinking on the part of group management. Finally, the delegates committed themselves to improving co-ordination by setting up a joint database. The committee also called for the establishment of bodies similar to EWCs in other regions given the need to humanise work, reduce stress, shorten working hours and improve living standards. However, the committee became dormant after this initial meeting. According to Robert Steiert this is mainly due to the underlying weakness of the approach. As the invitations went to all member unions, as is customary, the number of participants became too large and heterogeneous. It numbered around 100, and included a number of full-time union officials who had no connection with Siemens and no knowledge of the situation at workplace level. For example, an Argentinian union member who attended had no knowledge of the local Siemens operation as the workforce was not organised. He nonetheless gave a report on the general political situation in Argentina which aroused some displeasure in those attending.

The World Council for **Thompson Consumer Electronics (TCE)** was set up in 1992/3. The initial meeting considered the issue of the company's global strategy and its effects on jobs and working conditions. There was also discussion on the establishment of a dialogue with group management on the company's financial position, investment and divestment, plant closures and relocations of production, and future employment strategy. There has been no subsequent meeting.

The **Alfa Laval** World Council also met just twice. Both meetings took place in the early-1990s. The delegates affirmed their positive relationship to the group, worked out a joint IMF position on employment and social security, and set new common objectives for negotiating and working time arrangements, and for the defence of trade union rights.

4 Summary and Perspectives

Global structures for employee representation in transnational undertakings are still in their infancy. This applies both to their quantitative spread and the quality of the arrangements in operation. The world councils at SKF and Volkswagen are pioneers. Most global structures lack continuity and stability – and also a readiness to co-operate on the part of group managements.

As autonomous trade union institutions, world company councils have to be supported and financed by trade union themselves, and in particular the International Trade Secretariats. In view of the considerable travel costs involved in international meetings, the need for simultaneous interpretation, and the tasks required of the employees of the International Trade Secretariats given the considerable organisation effort, the scope for such meetings is inevitably limited.

World company councils are dependent on the willingness of group managements to participate, disclose information and at least in part finance meetings. Only a small number are prepared to do so.

The gradual and progressive expansion of European Works Councils to embrace participants from non-European countries could offer a further option which is likely to be made greater use of in the future for creating global structures for information and consultation.

Overall, European Works Councils play a contradictory role in the development of global enterprise-based employee representation. During the 1990s they served to retard the development of world company committees. Trade unions and workplace employee representatives in Europe were concentrating their capacities on the establishment and operation of EWCs as they – quite correctly – saw this as offering better prospects of success.⁴⁴ In addition, the development of EWCs raises the danger of a Eurocentric outlook and approach. In many cases, it has been difficult to persuade EWC members of the need to extend representation to the global level, especially if they already have access to information which covers the entire undertaking. Many workplace employee and trade union representatives believe in a staged approach, beginning with the development and consolidation of EWCs, and only then tackling the global level.

On the other hand, the establishment of EWCs entails the creation of structures which can also be used to include non-European representatives, at least as far as internal EWC meetings are concerned. Moreover, the development of EWCs could make it easier to set up and extend world company councils as both employee representatives and management will have accumulated experience of employee representation on a transnational basis. This experience could contribute to lowering the resistance of managements to the establishment of world works councils in the future.

44 This is also confirmed by the overview of the development of world company committees above.

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6 Appendix

- 6.1 Volkswagen World Group Council Agreement from 20 May 1999**
- 6.2 SKF World Union Committee Agreement of September 1994**
- 6.3 NatWest Group Staff Council Agreement from 17 April 1996**
- 6.4 Agreement on the Constitution of an Information and Consultation Committee for Danone from 11 March 1996**
- 6.5 ICEM – USWA World Conference For Bridgestone Corporation Resolution on March 13-14, 1996 in Nashville (USA)**
- 6.6 Agreement between NOPEF/ICEM and Statoil on the Exchange of Information and the Development of Good Working Practice within Statoil Worldwide Operations, March 2001**
- 6.7 Agreement Between IKEA and the International Federation of Building and Wood Workers, IFBWW, May 1998**

6.1 Agreement for Cooperation between Volkswagen Group Management and the Volkswagen Group Global Works Council from 20 May 1999

PREAMBLE

The Volkswagen Group is a globally-operating company which has integrated and networked itself into a development, production and distribution system.

The company's economic success and the social development of the workforce depend on the successful cooperation of all parts of the network. The cooperative work between the Volkswagen Group Management and the Volkswagen Group Global Works Council should provide a decisive contribution to these goals.

This cooperation forms the basis for the way to globalisation with social responsibility towards the workforce and the locations of Volkswagen Group plants on the basis of economic and technological competitiveness and ecological capability. Social responsibility and economic competitiveness are not mutually exclusive, but rather are compatible with one another. Ensuring the compatibility is the goal of the global social dialogue within the Volkswagen Group. To this end, the Volkswagen Group Global Works Council pledges itself to cooperative co-responsibility.

As a guiding principle for action in the Volkswagen Group, social responsibility cannot be divided. The world-wide recognition of free unions, the right to coalition, and freely elected, democratic employee representation in all parts of the Volkswagen Group are the preconditions.

The following agreement was reached between the management of the Volkswagen Group and the Volkswagen Group Global Works Council:

§ 1 PRINCIPLES

(1) The management of the Volkswagen Group shall work together with the Volkswagen Group Global Works Council according to the provisions of this agreement.

Both parties see in this agreement a contribution, in the sense of a constructive dialogue in the Volkswagen Group, to global cooperative work in managing economic, social and ecological challenges, and to the mutual resolution of conflicts which may arise.

(2) The legal rights and responsibilities of the respective national employee representations remain unaffected by this agreement.

§ 2. ORGANISATION

(1) The companies included in the Volkswagen Group Global Works Council and the number of employee representatives in the Volkswagen Group Global Works Council and in its executive committee are regulated in a statute of organisation – Rules of procedure. The same applies to the extent of validity and the seat of business. These provisions of the statute of organisation in the version from 20th May 1999 are recognised by the management of the Volkswagen Group (Appendix 1: Members of the Volkswagen Group Global Works Council; Appendix 2: Statute of Organisation).

(2) If a change in the statute of organisation or in the Group companies included in the circle should become necessary, then both parties must determine in common agreement if this change should become part of the agreement. Until this point in time, the old provisions maintain their validity.

- (3) The special protection of the mandate and the obligation to silence regarding company and business secrets extend to the participation in the Volkswagen Group Global Works Council.
- (4) Following each new election of the respective employee representations at the included Group companies, the members delegated to the Volkswagen Group Global Works Council must be newly named by the employee representation.

§ 3 INFORMATION EXCHANGE

- (1) The management of the Volkswagen Group and the Volkswagen Group Global Works Council shall meet collectively at least once each year. Additional delegates from the Group may be drawn into the meeting depending on the topic. The management of the companies included under § 1 (1) and § 2 (1) shall be represented.
- (2) The topics which are to be deliberated, in so far as they have Group-wide significance for production locations, relate primarily to the following areas:
 - Ensuring employment and location as well as location structures,
 - Development of Group structures,
 - Productivity and cost structures,
 - Development of Group-internal supplier relationships and market responsibility,
 - Development of working conditions (e.g. working hours, pay, work structure),
 - Development of company social benefits,
 - New production technology,
 - New forms of work organisation,
 - Health and safety at work, environmental protection,
 - Significant effects of political developments and decisions on the Volkswagen Group,
 - Development of the political and economic framework of international business.
- (3) The deliberation of these topics shall at the same time serve the exchange of information about the developmental tendencies and strategies and promote further development to the advantage of all parties.

§ 4 CONSULTATIONS

- (1) The Volkswagen Group Global Works Council, or its executive committee, shall be informed in a timely fashion about planned transfers (emphasis in investment, scope of production, significant company functions). This applies to transfers in so far as they have inter-regional effects which might cause significant disadvantages of the employees at the concerned locations.
- (2) The Volkswagen Group Global Works Council, or its executive committee, shall be granted the right to state its position within an appropriate time which is in each case to be determined in consensus immediately after receiving the information.
- (3) The Volkswagen Group Global Works Council, or its executive committee, may demand the explanation of the planned transfer in the context of collectively determined consultations. These consultations shall be held in sufficient time so that the position of the Volkswagen Group Global Works Council can be taken into consideration during the decision-making process.
- (4) The rights and duties of the relevant and responsible company organs remain unaffected.

§ 5 COSTS

The Volkswagen Group pledges to assume the costs for the work of the Volkswagen Group Global Works Council in accordance with the stipulations in Appendix 3.

§ 6 FUTURE DEVELOPMENT

Both parties declare their willingness to change this agreement as necessary and, in consensus, dynamically to adapt them to the new demands of world-wide social dialogue.

§ 7 PROCEDURE FOR INTERPRETATION

In cases of doubt, the German version of the contract is the basis for interpretation.

Barcelona, May 20, 1999

Volkswagen Group Management
Volkswagen Group Global Works Council

Appendix 1: MEMBERS OF THE VOLKSWAGEN GROUP GLOBAL WORKS COUNCIL

Companies included in the Volkswagen Group Global Works Council and numbers of delegated employee representatives.

| | | |
|---------------------|---|-----------|
| Germany: | Volkswagen AG | 8 Members |
| | VW Sachsen GmbH | 1 Member |
| | AUDI AG | 2 Members |
| Spain: | SEAT, S.A. | 2 Members |
| | VW Navarra, S.A. | 1 Member |
| Czech Republic: | Skoda, a.a.s. | 1 Member |
| Belgium: | VW Bruxelles S.A. | 1 Member |
| Slovakian Republic: | VW Slovakia, a.s. | 1 Member |
| Poland: | VW Poznan Sp. zo.o. | 1 Member |
| Great Britain: | Rolls-Royce Motor Cars & Bentley Motor Cars Limited | 1 Member |
| Portugal: | AutoEuropa Automóveis, Lda. | 1 Member |
| Mexico: | VW de Mexico | 1 Member |
| Brazil | VW do Brazil | 4 Members |
| Argentina: | VW Argentina | 1 Member |
| South Africa: | VW of South Africa | 1 Member |

Appendix 2: STATUTE OF ORGANISATION OF THE VOLKSWAGEN GROUP GLOBAL WORKS COUNCIL (Version from 20 May 1999)

In accordance with § 2 of the Agreement concerning the Volkswagen Group Global Works Council, the following points have been recognised by the board of the Volkswagen AG:

I. Name, Sphere of Authority, Seat of Business

1. The name of the committee is " Volkswagen Group Global Works Council".
2. The sphere of authority of the Volkswagen Group Global Works Council comprises all companies which are predominantly owned by Volkswagen AG. Exceptions, such as the inclusion of further group plant sites relevant to employment are possible only in consensus. Membership in the Volkswagen Group Global Works Council is voluntary. Membership presumes recognition of the Council's working basis as well as its rules of procedure.
3. The seat of business of the Volkswagen Group Global Works Council is Wolfsburg.

II. Members

1. Members of the Volkswagen Group Global Works Council fundamentally may be only freely elected and democratically legitimatised factory employee representatives, who are present in sufficient numbers in the entirety of subsidiaries of the Volkswagen Group according to the legal requirements of the respective country.
2. The procedure for the delegation of representatives to the Volkswagen Group Global Works Council shall be determined separately in each of the national parts of the Volkswagen Group. The formation of national or regional co-ordination groups, if necessary, also belong to the delegation procedure.
3. The number of representatives from each employee representation shall be decided in concord in the Volkswagen Group Global Works Council. The size of the workforce shall be given due consideration during the process.
4. Internal and external advisors may be drawn into meetings of the Volkswagen Group Global Works Council through a resolution of the executive committee.

III. Structures

1. The Volkswagen Group Global Works Council shall elect a president who is simultaneously a member and chairperson of the executive committee.
2. The Volkswagen Group Global Works Council shall elect a Secretary General who is simultaneously a member of the executive committee. The Secretary General represents the president.
3. The Volkswagen Group Global Works Council shall elect an executive committee. The marques Volkswagen, Audi, SEAT and Skoda as well as the regions of North America and South America/South Africa must be represented with at least one member each. The executive committee can draw further members into its deliberations.
4. The Volkswagen Group Global Works Council meets at least once each year. The executive council shall prepare and call for meetings.

Appendix 3: REIMBURSEMENT OF EXPENSES

1. Budget

The Volkswagen Group Management shall provide an annual budget to ensure the operation of the Volkswagen Group Works Global Council (including costs for interpreters and a union representative to be

named by the executive council). The size of the budget shall be determined in concord with the executive council. The expenses for the meetings will be assumed by the respective hosting company according to collective agreement.

2. Travel expenses

The travel expenses for the members of the Volkswagen Group shall be assumed by the respective Group company according to its own guidelines.

3. Infrastructure

The involved Group companies pledge to provide the members of the Volkswagen Group Global Works Council with an appropriate infrastructure which is necessary for participation in the Volkswagen Group Global Works Council. The same applies for necessary qualification measures, if any.

4. Third-party payments

A claim of reimbursement of expenses in the cases in Appendix 3 exists only as far as no claim for payments from third parties can be made. Contributions to expenses made by third parties reduce claims to reimbursement of travel expenses.

6.2 SKF World Union Committee Agreement of September 1994

In the light of the long existing relations between the IMF World SKF Council and SKF, the two partners have agreed to ratify these contacts by setting up a world council for SKF employees. The world-wide organisation shall be called the "SKF World Union Committee". The Committee's role, composition and procedures are set out below.

1. The World Union Committee is a world-wide forum for dialogue and exchange of views between the SKF management and its workforce. The SKF World Union Committee shall receive information on the industrial, economic and financial activities of the mother company and its subsidiaries.
2. The SKF World Union Committee is made up of employee representatives from the ball-bearing division of SKF companies throughout the world. These representatives shall be nominated by the representative trade unions in the various countries.
3. The allocation of seats for the representatives, who shall be paid by the company, is based on the number of employees within the company as well as the number of trade unions affiliated to the IMF and is as follows:

| | | | | | | | |
|---------------|---|-------------|---|---------|---|-----------|---|
| Sweden | 4 | Spain | 2 | Germany | 3 | Brazil | 1 |
| Italy | 3 | Netherlands | 1 | France | 2 | Mexico | 1 |
| UnitedKingdom | 2 | SouthAfrica | 1 | USA | 2 | Argentina | 1 |
| India | 2 | Malaysia | 1 | Austria | 1 | | |

The representatives are appointed by the trade union organisations at plant level in each country. If the local organisations wish to send additional representatives, the costs of the latter must be met by their respective unions. Permanent IMF representatives shall be nominated in addition to the employee representatives. These representatives shall be called advisers. The role of the advisers is to assist the World Union Committee in its work.

4. Preparatory Committee: The role of the Preparatory Committee is to draw up the agenda for the meetings of the World Union Committee, to organise the meetings and maintain contacts between the member countries. The members of the Preparatory Committee shall be nominated by Sweden (Company Head Office), Germany (the biggest production location) and the IMF. The Preparatory Committee shall be elected at the meeting of the World Union Committee.
5. The World Union Committees shall meet at least once a year. This shall be a three-day meeting (with one day devoted to a study visit) and shall take place in the first half of the year. The meeting venue shall be decided by the Preparatory Committee.
6. The costs of the meeting room, interpreters and translations, as well as the travel and hotel costs of the employee representatives incurred in connection with meetings of the World Union Committee and the Preparatory Committee, shall be met by SKF. The World Union Committee representatives taking part in the meetings of the Preparatory Committee shall be released from work and shall be allowed the necessary time to carry out their duties.
7. Within the framework of the World Union Committee, provision shall be made to develop co-operation in Europe in accordance with the EC Commission Directive on EWCs (COM (91) 345 final). This company council shall be granted the possibility of holding its annual meeting in connection with the World Union Committee meeting.
8. This agreement can be modified, after negotiation, at the request of either the World Union Committee or the SKF management.

6.3 NatWest Group Staff Council Agreement from 17 April 1996

1 INTRODUCTION

NatWest Group recognises the value of staff input and feedback. An important way to help ensure Group business objectives are achieved is to recognise that staff need regular information and consultation concerning the affairs of the Group, and direct dialogue with management on matters which affect their interests. Individual Sector businesses already inform and consult with staff in a number of different ways that have been tailored to meet the specific needs of those businesses. However, it is also important to develop understanding and mutual dialogue between staff and management on transnational issues at the Group level. The NatWest Group proposes to establish a single Staff Council for information and consultation under Article 13 of the European Union Council Directive 94/45/EC. The following sections of this Agreement describe how this objective would be achieved.

2 SCOPE AND OBJECTIVES OF THE STAFF COUNCIL

The NatWest Group Staff Council will represent the entire workforce, covering all of the Group's businesses, worldwide. It is an aspiration that the Staff Council will reflect the diversity of all our staff. It will be a standing body to:

- give information about strategic, transnational decisions and issues of importance to staff;
- promote an exchange of views between central management and staff about those issues;
- test ideas and approaches with staff; and
- give staff an opportunity to influence the implementation of decisions.

The NatWest Group Staff Council is a consultation and information forum. It will not engage in dialogue on any issues that relate to a single country or which are more appropriately handled at a local level, such as national and/or local pay and reward, or terms and conditions of employment. The Staff Council will operate in addition to any national and/or local systems of staff representation and bargaining already in existence and this Agreement will not affect their rights, functions and competence.

3 TOPICS FOR DIALOGUE

The topics included in the Council's dialogue will vary but, because of their strategic or transnational importance, will be of potential interest to staff in all businesses of the Group. The Staff Council will discuss matters relating to the structure, activities, performance and strategies of the Group, when these issues affect the interest of staff in more than one country. For example, the Council may exchange information and views on:

- the Group's financial performance and investment strategy
- the international economic environment and its impact on the Group's future direction
- the international competitive environment and areas for potential development of the Group
- development of the Group's vision, values, culture
- substantial changes concerning the structure of the Group
- plans for, and the results of, mergers, acquisitions, cut-backs, closures of undertakings or collective redundancies employment issues and strategic human resources policies
- new ways of working
- use of new technology
- training and development
- health and safety
- environmental issues.

In addition, the Staff Council will also seek to develop a positive dialogue on other transnational issues which are of mutual benefit both to the Group and its staff.

4 COMPOSITION

In order that Council membership will be small enough to facilitate dialogue, there will be a maximum of 60 members, initially. However, this number can be varied to take account of major changes in the structure or dimensions of the business. A Council member will be elected for each seat on the Staff Council. In addition, a number of deputies will be identified according to local needs. The NatWest Group Staff Council will consist of:

- Staff members elected from NatWest Group permanent employees worldwide, one of whom will be elected by Council members as co-chairperson of the Council;
- Central management representatives including: the Group Chief Executive as co-chairperson of the Council; a small number of senior executives from across the Group, selected as required to discuss items on the agenda.
- Up to four trades union officials, who will participate in Council meetings as invited, but not elected, Council members.

Responsibility for chairing Staff Council meetings will alternate between co-chairpersons.

5 REVIEW PANEL

A Review Panel, consisting of four elected Council members and one member nominated by central management, will be responsible for facilitating input from staff to help select and prioritise issues for dialogue, preparing a final agenda for Council meetings, and preparing feedback of the results. Members of the Review Panel will be elected from among Council members by Council members themselves. Consultation with the Review Panel alone will not substitute for consultation and dialogue with the entire Staff Council.

6 NOMINATIONS

The processes for nominating and electing Council members will be open to the entire workforce of each business. Local custom and practice which enables all members of staff to participate in the election process will be used wherever this is available. Council members will be elected by direct elections where no procedures exist which involve all staff. In general, it is expected that the procedures used will enable the election of Council members who:

- are competent to fulfil their responsibilities: have an understanding about the Group's businesses and services; are able to seek input from those they represent and to feedback results;
- have been employed by the Group for at least one year, and are still employed by the Group at the time of the Council meeting.

7 TERM OF OFFICE

Suitable training in business skills will be provided to enable those Council members who need it to fulfil their responsibilities effectively. In addition, appropriate training will be provided to co-chairpersons to ensure they can perform their specific duties. All council members and their deputies, will normally be elected for a period of three years. However, in the first term, members will be elected for a maximum period of four years to ensure continuity. During this term, the following will apply:

- within the first two years, there will be no change of membership;
- no more than one-third of the Council will be elected in any one year following this initial period.

Should a Council member be unable to fulfil Council duties temporarily or to complete his/her term of office, that responsibility will fall to a deputy who will have been elected using the procedures outlined in Section 6, above.

8 PROVIDING RESOURCES FOR THE COUNCIL

The General Manager, Group Human Resources will have overall responsibility for the smooth running of the Council. This includes managing a central budget and providing the necessary administration and implementation resources. All costs incurred in the operation of the Council will be met by the Group. These costs will include interpretation services, translation, travel, accommodation and meal costs and any other reasonable expenses incurred by Council members in the course of their work for the Staff Council. Participating in Council duties is an important part of work for all Council members. Each member will be released from normal duties for the time he/she is required for Council business, without any loss of normal salary and allowances. Membership of the Staff Council is a development opportunity for staff. The prospects of Council members will not suffer as a result of their participation.

9 FREQUENCY OF MEETINGS

A main meeting of the NatWest Group Staff Council will be convened at least once a year by central management usually during April, between the annual announcement of Group results and the Annual General Meeting of shareholders. At the request of more than 10 Council members who represent at least two countries, additional Council meetings will be convened. These meetings will be restricted to dialogue on topics of significant transnational impact. Should circumstances require, these meetings can have the same duration as the main Council meeting.

10 SETTING AND COMMUNICATING THE AGENDA

Council agendas will be agreed between the Review Panel and central management. However, for the first meeting, for which a Review Panel will not have been elected, central management will liaise with newly elected Council members to identify suitable agenda items. At least four weeks before the main Council meeting, the final agenda will be distributed to Staff Council members and to the executive management of the individual businesses. This agenda will not preclude emergency issues being raised at the meeting, either by Council members or by central management.

11 LOCATION AND DURATION OF MAIN COUNCIL MEETINGS

The venue for the main meeting of the NatWest Group Staff Council will be the NatWest Group Education and Learning Centre, Heythrop Park. The NatWest Group will fund one preparatory meeting for Staff Council members only, the day before the main meeting, at the initiative of the Review Panel. The main Staff Council meeting will last one day. Should circumstances require, Council members may take one additional day following the main meeting to reflect on and discuss the outcome of the meeting.

12 LANGUAGE

As English is the most commonly spoken language across the NatWest Group and a major objective of the Council is to promote open dialogue and understanding, Staff Council sessions, including the preparatory meeting, will be conducted in English. However, suitable translation facilities will be provided for key European languages. Documents provided in support of Council work will also be translated into key European languages as required. All feedback will be provided to central management in English. If any ambiguity

arises from the translation process, the language in which the original document was written will form the definitive version.

13 FEEDBACK

Results of the annual meeting of the NatWest Group Staff Council will be produced jointly by the Review Panel and central management, and distributed to Council members and throughout the businesses .

14 RESOLVING DISPUTES

The Staff Council will operate in a spirit of cooperation. However, should any disagreement arise, the co-chairpersons will consider the issue. If they are unable to resolve it, the Review Panel will attempt to resolve it by consensus agreement. If this is not possible, the help and assistance of an independent party (agreed by both co-chairpersons) may be sought.

15 CONFIDENTIALITY

Information which could be detrimental to or damage the prospects of the Group must remain confidential to Council members, who will agree to keep confidential any information specifically presented to them as such. This obligation will continue for as long as the information remains confidential, even after an individual term of office has expired. Central management reserves the right not to disclose any unpublished, price-sensitive information which jeopardises the Group's ability to comply with Stock Exchange or other national or international regulations.

16 DURATION OF THE AGREEMENT

The terms of this Agreement can be varied in light of major changes to business structure by agreement between Council members and central management. The Law relating to the interpretation of this Agreement will be that of the United Kingdom governing employment. If the UK Law does not have jurisdiction, it will be handled under the laws of the EU Member State selected by central management as most appropriate to meet business needs. It is valid for three years from 17 April 1996.

After this date, the Agreement will continue, unless revisions are agreed mutually by Council members and central management. This Agreement can be terminated with three months' notice after 17 April 1999 either by central management or by the majority of elected Council members.

6.4 Agreement on the Constitution of an Information and Consultation Committee for Danone, 11 March 1996

Between Danone and the International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF), it has been agreed as follows:

Chapter I: Creation and Name

- Article 1. An information and consultation structure is hereby created jointly by the trade unions representing the workers of Danone, under the coordination of the IUF, and by the management of the Danone Group.
- Article 2. The parties agree that the structure will be known as the "Danone Joint Information and Consultation Committee", hereinafter referred to as "the Committee".
- Article 3. The Committee covers all Danone activities over which the company has direct control, in all countries of Europe. Danone is deemed to have direct control whenever it holds in excess of 50 percent of the equity of the entities in question, or if it is in a dominant position with respect to other owners, or if it manages and operates the entity under consideration. The make-up of the Committee shall vary in accordance with the development of Danone's business.

Chapter II: Competence

- Article 4. The Committee serves to channel information concerning the strategy decisions of Danone. That information may concern:
- the company's economic and financial position and the development of its business;
 - major industrial and technological projects with consequences for jobs;
 - matters related to the streamlining, reorganizing and restructuring of activities and to their location;
 - major investment decisions, including take-overs, joint ventures or mergers;
 - general corporate policies with respect to jobs;
 - occupational health and safety and working conditions issues
 - vocational training issues;
 - environmental protection issues;
 - equal opportunity issues;
 - issues having to do with the exercise and respect of trade union rights;
 - all other issues mutually agreed upon.
- Article 5. The Committee is a consultative body, that is, a place for exchanges of views and dialogue. It is designed to review periodically Danone's position and development; to facilitate a dialogue on those topics with trade union representatives; to suggest initiatives in line with the company's social policies; to negotiate joint statements and measures, including with respect to employment, training, information, safety and working conditions, as well as to the exercise of trade union rights.
- Article 6. Management shall supply the material required for the information of Committee members one month prior to all annual meetings.

Chapter III: Composition

- Article 7. The Committee shall consist of Danone management representatives and of trade union delegates. Danone shall appoint the management representatives for the Committee. Their number may vary according to the agenda.
- Article 8. The trade union delegation shall consist of no more than 50 persons, of whom no more than six from the glass-making sector. It shall include 30 employees of Danone who are employee representatives, along with trade union officials. No country will have more than 10 representatives. IUF regional secretaries shall also attend meetings of the Committee.
- Article 9. The IUF shall be in charge of assembling the trade union delegation in a manner that reflects as much as possible the various activities of Danone, as well as with a balance between women and men. The trade unions concerned are invited to tell the IUF the names and addresses of their delegates to Committee meetings. The IUF will inform management of the composition of the trade union delegation. The allocation of seats on the Committee shall be jointly agreed upon on an annual basis, taking into account the development of the Danone Group.

Chapter IV: Operation

- Article 10. The Committee shall meet at least once a year at a time jointly agreed upon. Additional meetings may be convened by mutual consent.
- Article 11. Annual Committee meetings shall last two half days: an afternoon and the following morning. Employee representatives may meet the preceding morning to prepare for the annual meeting, and during the following afternoon to evaluate the meeting and examine follow-up actions. These meetings shall not interfere in any way with opportunities available at workplaces in accordance with the rights of trade unions.
- Article 12. Meetings shall be chaired by a person appointed by the IUF.
- Article 13. As a rule, meetings will be held at the International Labour Office (ILO) in Geneva. The IUF shall be responsible for making all practical arrangements at the venue. There will be no official record of the proceedings.
- Article 14. Experts from outside the Committee may intervene on specific issues, by agreement of the parties.

Chapter V: Steering Group

- Article 15. A steering group shall be made up of representatives appointed respectively by the IUF and by Danone management.
- Article 16. The steering group shall prepare the annual Committee meetings and common positions jointly adopted by the IUF and Danone, and ensure their follow up. It shall in particular draw up the agenda and timetable of the annual Committee meetings, as well as plan activities to be held during the current year and the next.
- Article 17. The steering group shall meet by agreement whenever necessary between the annual Committee meetings.

Article 18. Whenever feasible, corporate management shall endeavour to inform the trade union members of the Steering Group in advance of all measures under consideration likely to materially affect the labour force or working conditions in one or more countries.

Chapter VI: Practical measures

Article 19. Rank-and-file delegates representing the IUF at the annual Committee meeting shall be entitled to time off from work to attend meetings (preparatory session, meeting with management and evaluation). Days spent at meetings shall be considered as days worked with pay. Travel time and travel and accommodation expenses shall be handled by each local company in accordance with applicable local rules.

Article 20. One-third of the travel and accommodation expenses of trade union officials who are members of the delegation defined in Article 8 (paragraph 1) for the annual meeting of the Committee will be covered by Danone.

Article 21. Management shall pay for the Committee's operating expenses, including the cost of renting meeting rooms and of interpretation.

Article 22. Travel expenses incurred for attending Steering Group meetings, limited to two per year, shall be charged to Danone.

Chapter VII: General provisions

Article 23. The Committee shall not substitute for bodies representing the employees of individual subsidiaries, which shall continue to operate exactly as in the past.

Article 24. Members of the Committee undertake to treat all confidential documents and information presented as such with respect to third parties.

Article 25. Members of the Committee, in the performance of their duties, shall be entitled to the same benefits and protection as those enjoyed by worker representatives under the laws and practices of their country of employment.

Article 26. The life of this agreement shall be extended automatically by tacit agreement from year to year, unless notice of termination is given by either party three months prior to its annual expiration date.

Article 27. Any dispute arising as to the interpretation of this agreement shall be referred to the Steering Group for a ruling. The French version shall be deemed authentic.

Article 28. This agreement has been filed with the International Labour Organisation (ILO), 4 route des Morillons, Geneva. In conformity with Article L132.10 of the Labour Code, this agreement will be filed, after signature, with the Direction départementale du travail, de l'emploi et de la formation professionnelle of Paris.

6.5 ICEM – USWA World Conference for Bridgestone Corporation Resolution on March 13-14, 1996 in Nashville (USA)

“Whereas

Sixty-five trade union representatives from fifteen countries representing the overwhelming majority of Bridgestone workers throughout the world met in Nashville, Tennessee on March 13-14; and this meeting was called by the International Federation of Chemical, Energy, Mine and General Workers’ Unions (ICEM), the United Steelworkers of America (USWA), and the Industrial Union Department, AFL-CIO (IUD);

And Whereas

In 1994 Bridgestone unilaterally and intentionally ended a fifty year history of pattern bargaining in the U.S. tire industry by deliberately provoking a strike by the United Rubberworkers Union. The company hired 2,300 permanent strikebreakers in the largest private sector use of permanent replacements in U.S. history, and has engaged in intimidation of workers through the employment of paramilitary security forces. The company has also displayed a massive pattern of non-compliance with U.S. labor laws and with U.S. health and safety regulations, including wilfully endangering workers’ lives, which resulted in a \$7.5 million dollar fine, one of the largest fines ever levied by the U.S. government against a U.S. employer.

Noting

That Bridgestone has continued on its course of union-busting in the United States, and that the company’s on-going assault on its U.S. workers has aroused the shock, disgust, and anger of trade unions throughout the world; also noting with outrage that Bridgestone’s Chief Executive in the United States refused to acknowledge a request for a meeting with representatives of a majority of Bridgestone’s worldwide work force.

Therefore, be it resolved

That Bridgestone is urged to return immediately to the bargaining table and to negotiate a reasonable and just contract with the USWA.

And be it further resolved

That international trade union representatives, upon return to their home countries, protest to local management Bridgestone/Firestone, Inc.’s refusal to respond to their request for a meeting.

And this assembly declares

In the absence of dramatic reversals of Bridgestone’s labor policies in the U.S., trade unionists representing Bridgestone workers throughout the world will call on their members to participate in an international day of action that will include brief work stoppages, demonstrations inside and outside Bridgestone facilities, and other solidarity activities, as a first step in concerted global action.”

(www.ICEM.org/ICEM/Bridgestone/nashconf.html)

6.6 Agreement between NOPEF/ICEM and Statoil on the Exchange of Information and the Development of Good Working Practice within Statoil Worldwide Operations, March 2001

1 PREAMBLE

This agreement is set up by NOPEF (Norsk Olje og Petrokjemisk Fagforbund), as the central bargaining union for Statoil operations in Norway and NOPEF on behalf of ICEM (International Federation of Chemical, Energy, Mine and General Workers' Unions) which represents trade unions organising Statoil employees in the Company worldwide, and Statoil.

The purpose of the agreement is to create an open channel of information between NOPEF/ICEM and Statoil Management about industrial relations issues in order to continuously improve and develop good work practices in Statoil's worldwide operations.

This agreement covers all activities where Statoil has direct control. Where Statoil does not have overall control, it will exercise its best efforts in order to secure compliance with the standards set out in this agreement. Statoil will notify its subcontractors and licensees of this agreement and encourage compliance with the standards.

Based on the Parties' common recognition of fundamental human rights and Statoil's own values, the purpose is to monitor the practical application of the agreed principles and to discuss any improvements in the working practices or any positive contribution the Parties may make to the eradication of poverty through economic and social progress.

2 HUMAN RIGHTS, INDUSTRIAL RELATIONS AND HSE ISSUES

Statoil and NOPEF/ICEM affirm their support for fundamental human rights in the community and in the place of work. Furthermore, the Parties recognise the importance of protecting safety, health and well-being at work, and share the concern about the impact of exploitation that production, use and disposal may have upon the natural and human environment. This agreement is intended to ensure the best possible standards of protection for those employed in our business.

The respect of human rights includes:

- the right of every employee to be represented by a union of his or her own choice and the basic trade union rights as defined by ILO Convention 87 and 98 covering freedom of association and the right to organise, as well as the right to engage in collective bargaining. Statoil therefore agrees not to oppose efforts to unionise its employees
- a commitment not to employ forced or bonded labour as proscribed in the ILO Conventions 29 and 105 or otherwise
- a commitment to employ no child labour as proscribed by ILO Convention 138
- a commitment to exercise equality of opportunity and treatment in employment, including equal remuneration for men and women for work of equal value, and the prevention of discrimination* in respect of employment and occupation as required by ILO Conventions 100 and 111 respectively
- a commitment to pay fair wages and benefits according to good industry standards in the country concerned
- a commitment to provide a safe and healthy work environment, deploying common "best practice" standards.

3 ENVIRONMENTAL ISSUES

Statoil and NOPEF/ICEM will cooperate to ensure that Statoil activities are carried out with the fullest possible regard for the environment. In particular this will include:

- supporting a precautionary approach to environmental challenges
- undertaking initiatives to promote greater environmental responsibility
- encouraging the development and diffusion of environmentally friendly technologies.

4 IMPLEMENTATION

4.1 Annual Meeting

Statoil and NOPEF/ICEM will meet annually to review practice in the area of the agreed principles and follow up this Agreement. The purpose shall be to discuss the issues covered by this agreement with a view to jointly agreeing actions that will further develop good working practices. In addition to the general industrial issues and HSE matters, the following topics may be addressed:

- general corporate policy on employment, occupational health, safety and environmental issues affecting those within the company and, as appropriate, between the company and its related companies including suppliers and subcontractors
- the economic and financial position of the company and the development of its business and related activities
- training matters
- issues affecting the exercise of trade union rights
- any other issues mutually agreed upon.

Participants at these annual meetings will normally be 4-5 senior officials from NOPEF/ICEM and relevant managers from Statoil.

4.2 Local Industrial Relations Practice

The agreement between the Parties shall be applied consistently throughout Statoil operations but is not intended to replace or interfere with local industrial relations practice related to information, problem-solving and negotiations. The Parties to the agreement respect the principle that industrial relations issues are best resolved as close as possible to the place of work.

4.3 Training Programmes

NOPEF/ICEM and Statoil will cooperate in developing joint training arrangements covering those issues – and their implementation – dealt with in this agreement. This will include appropriate training in health, safety and environmental best practice for union delegates from countries where Statoil is the operator. It will also include Management training programmes within Statoil. The cost of NOPEF/ICEM involvement in Statoil training programmes may be covered by Statoil, subject to agreement.

4.4 Union Delegates

Statoil will refrain from dismissing or otherwise discriminating against union delegates, identified as such by the Parties, or employees providing information relevant to the observance and implementation of this Agreement. All union delegates must agree to respect the commercial confidentiality of information disclosed in the exercise of their duties.

Statoil will assist union delegates in the performance of their functions by making available relevant information and other agreed facilities. When it is necessary to take time off from work to perform these functions this will be agreed upon locally and may be given as paid time off within the framework of local agreements.

Statoil may also facilitate the opportunity for union representatives from Statoil operations to meet as necessary to discuss the application and future development of this agreement.

4.5 Information

NOPEF/ICEM will distribute copies of this Agreement to all its member unions that organise employees in Statoil companies around the world, and will broadly publicise the existence of the Agreement and explain its implications to its unions in the Company.

Statoil will in the same manner distribute copies of this Agreement to all Statoil offices in local languages of the countries concerned and will inform local management of the existence and contents of this Agreement.

Any external information about this Agreement shall be mutually agreed by the Parties.

4.6 Administration

The President of NOPEF on behalf of ICEM and the Vice President Labour Relations in Statoil are responsible for the administration of this Agreement.

5 DURATION AND EVALUATION

The duration of this agreement is two years, after which this Agreement will be evaluated and may be prolonged for a new period.

Signed in Stavanger on 15th March 2001

Lars Myhre, NOPEF

Jostein Gaasemyr, STATOIL

Fred Higgs, ICEM

* Discrimination is defined as any distinction, exclusion, or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment.

6.7 Agreement Between IKEA and the International Federation of Building and Wood Workers, IFBWW, May 1998

IKEA is one of the world's leading home furnishing companies, with procurement in some 70 countries, and retailing in approximately 30 countries. The company is faced every day with cultural differences and diverse economic and social conditions.

IKEA's development confirms the growing globalisation and trade in manufactured goods. For a number of years the company has operated an internal Code of Conduct on ethical and social conditions in its relations with contractors all over the world.

The IFBWW and IKEA have each built up international experience over the years and are agreed on the advantages of long-term, stable rules of conduct for all parties in both producer and purchaser countries, which may also provide standards for industries other than the wood industry.

The Code of Conduct which is attached in Appendix 1, signifies that IKEA is demanding of its contractors that their employees have conditions of employment which do at least fulfil the requirements of their national legislation. The suppliers must respect those ILO Conventions and Recommendations which apply to their business. It means that child labour is not acceptable and that the workers are free to join trade unions and take part in free collective bargaining.

A similar Code of Conduct also applies to manufacturing companies owned by IKEA. The Code of Conduct in Appendix 1 will be available at all work-places in the appropriate languages.

A Monitoring Group will be appointed with two members from IKEA and two members from the IFBWW. The Monitoring Group will meet at least twice a year, and the parties shall provide relevant information in order to carry out its mandate. The group shall aim to hold its meetings at suppliers' premises.

If suppliers do not observe the Code of Conduct as in Appendix 1, the Monitoring Group will review the matter and propose appropriate measures. However, it is always IKEA's responsibility to regulate conditions of collaboration with its suppliers.

Geneva, Switzerland, 25 May 1998

IKEA INTERNATIONAL

IFBWW's Wood and Forestry Committee

Appendix 1 to the Agreement between IKEA and the International Federation of Building and Wood Workers, IFBWW: Code of Conduct regarding the rights of workers

1. Employment must be freely chosen

No coercion may be used, including forced labour, slavery or non-voluntary work in prisons (ILO Conventions nos. 29 and 105). Nor must workers be asked to make "deposits" or leave their ID as pledges with their employers.

2. No discrimination in employment

There will be equal opportunities and equal treatment regardless of race, colour, gender, creed, political views, nationality, social background or any other special characteristics (ILO Conventions nos. 100 and 111).

3. Child labour must not be used

Child labour must not occur. Only workers aged 15 and over, or over the age of compulsory education if higher, may be employed (ILO Convention no. 138). Exceptions to this rule may only be made if national legislation provides otherwise.

4. Respect for the right to freedom of association and free collective bargaining

The right of all workers to form and belong to trade unions shall be recognised (ILO Conventions nos. 87 and 98). Workers' representatives may not be discriminated against and must have access to all the work-places necessary to exercise their functions as trade unions representatives (ILO Convention 135 and Recommendation 143). Employers shall adopt positive views of the activities of trade unions and an open attitude to their organising activities.

5. Adequate wages must be paid

Wages and conditions of work must fulfil at least the requirements laid down in national agreements or national legislation. Unless wage deductions are permitted by national legislation they may not be made without express permission of the workers concerned. All workers must be given written, understandable information in their own language about wages before taking up their work, and the details of their wages in writing on each occasion that wages are paid.

6. Working time must not be unreasonable

Working time should follow the appropriate legislation or national agreements for each trade.

7. Working conditions must be decent

Working environments must be safe, hygienic and the best health and safety conditions must be promoted considering current knowledge of the trade and any special hazards. Physical abuse, the threat of physical abuse, unusual penalties or punishments, sexual or other forms of harassment and threats by the employer shall be strictly forbidden.

8. Conditions of employment must be established

Employers' obligations to workers according to national labour legislation and regulations on social protection based on permanent employment must be respected. Apprenticeships that do not truly aim to provide knowledge must not be permitted. The parties shall work towards creating permanent employment.

(www.ifbwww.org/xsite/ikea.html)

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