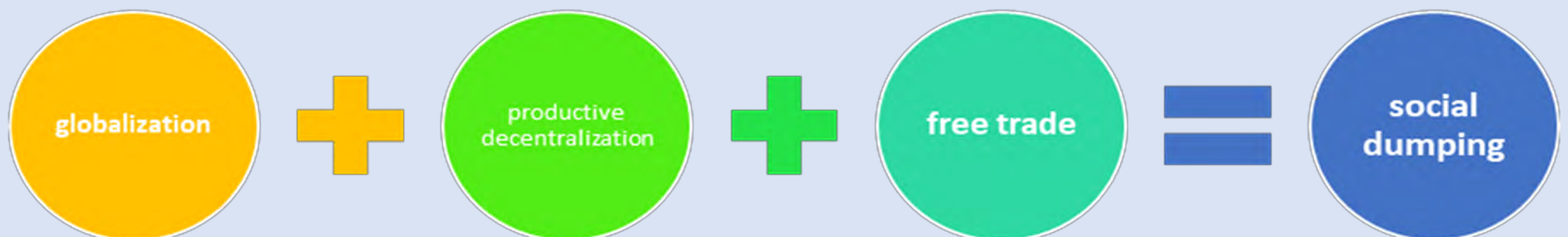


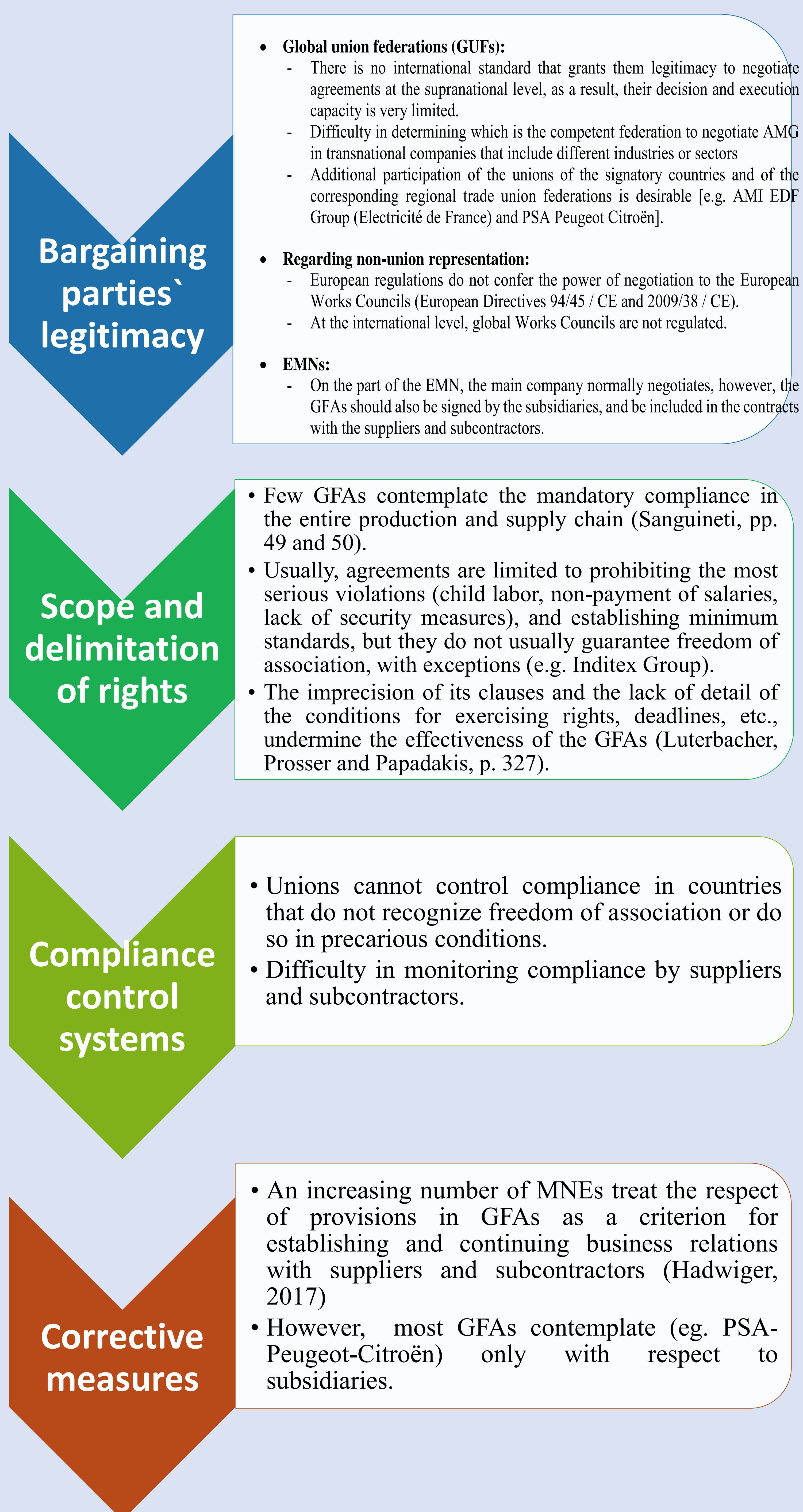
Globalization, social dumping and Global Framework Agreements (GFAs)

Francisca M^a Ferrando García. Catedrática de Derecho del Trabajo y de la Seguridad Social. Faculty of Law. Department of Labour Law and Social Security. University of Murcia (Spain)



In order to avoid negative consequences of multinational enterprises, GFAs are intended “to promote and control compliance with fundamental labor standards throughout the global supply chains” in MNEs. Unlike codes of conduct, designed and implemented unilaterally by companies, GFAs have a bilateral nature: based on social dialogue and on the co-regulation between corporations and international trade union federations (Luterbacher, Prosser and Papadakis, 2017).

However, along with the lack of a legal framework, several circumstances undermine their effectiveness, regarding bargaining parties' legitimacy, scope and delimitation of the rights contemplated, compliance control systems, action plans or corrective measures in case of non-compliance.



Conclusions

As bilateral instruments resulting from the negotiation between MNEs and GUFs, the GFAs constitute the ideal way to improve working conditions along global supply chains and avoid social dumping.

However, there are numerous obstacles that limit their binding force and, therefore, their effectiveness

- 1) The first of these is the absence of a regulatory framework, both at European level and internationally, that recognizes their binding force and the legitimacy of the GUFs or the global works councils to negotiate them, and that they attribute to an international organization the competence for its interpretation and application of its clauses, in case of conflict.
- 2) Likewise, the decentralization of business activity in different entities with their own legal personality determines the need for the subsidiaries, contractors and suppliers to participate in the negotiation, in order for the commitments to reach all levels of the production and supply chain.
- 3) Thirdly, and as regards the content of the GFA itself, its inaccuracy regarding the conditions for exercising the rights it contemplates, as well as the omission of reliable mechanisms for monitoring and controlling its application, as well as of corrective plans in case of default, greatly compromise their effectiveness.
- 4) Finally, the application of GFAs at all levels of the supply chain, has as a condition the recognition of freedom of association and the strengthening of union action in all countries where the companies affected by the GFA are established.

Proposals

- **As claimed by the International Trade Union Confederation (ITUC) and the European Trade Union Confederation (ETUC), it is necessary:**
 - Establish a model of labor regulation and collective bargaining at a global level (Maira Vidal, p. 157).
 - Create an International Labor Court within the UN
 - Strengthen the role of the ILO in supporting the implementation of GFAs along supply chains.
 - Implement effective monitoring systems for the ILO *Tripartite Declaration of Principles on Multinational Enterprises and the Social Policy* (revised in 2017) and the *OECD Guidelines for Multinational Enterprises* (revised in 2011).
- **As regards the European level:**
 - The ETUC has stated the need for a European legislative framework on collective bargaining, which establishes, among other issues, its binding nature and penalties for non-compliance, as well as the jurisdiction of the CJEU.
 - In this regard, the European Commission, in its *Communication Collaboration for change in an enlarged Europe: Enhance the contribution of the European social dialogue*, 2004, and later in the Social Agenda 2005-2010, expressed the need to create a supranational legislative framework for collective bargaining at European level, however the achievement of these measures seems to be far.

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