

HOW EFFECTIVE ARE INTERNATIONAL FRAMEWORK AGREEMENTS IN SUBSIDIARY COMPANIES OF MULTINATIONAL ENTERPRISES? A CASE STUDY OF THE INTERNATIONAL FRAMEWORK AGREEMENT OF ANGLOGOLD ASHANTI, GHANA

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Abstract

This paper investigates issues relating to the two International Framework Agreements (IFA) of 2002 and 2009 of AngloGold Ashanti (AGA). IFAs have emerged as a necessary and innovative instrument of global industrial governance (Hammer, 2005) and the globalisation of business activities, and they influence financial direct investments and multinational corporations. The study investigated the effectiveness of IFA in the operations of AGA, focusing on stakeholders' awareness/knowledge and appreciation of IFAs and the relevance and functionality of the IFA in the operations of AGA. The study occurred within the theoretical framework of sociology of law/legal sociology, which stipulates that an agreement is effective if it ensures designated effects and shapes social behaviour in a predetermined and socially appropriate manner. The methodology was qualitative with a case study design entailing data from desk research and interviews among selected mining stakeholder groups of national and local

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unions, AngloGold staff, government agencies, academics/researchers, other professionals and NGOs. The results showed that there was little or no awareness/knowledge of IFAs and, therefore, there was virtually no appreciation of the relevance and appreciation of these global agreements. Although AngloGold was purported to be an IFA signatory in all industrial relations literature as it deals with such framework agreements, there was no functioning IFA at AngloGold. While such agreements within the world of industrial relations are very relevant and functional especially outside Africa, this research has shown that local and national unions should be assisted by their global counterparts to deal with the challenges of international labour standards to make such IFAs very relevant and functional in Africa.

Keywords: International Framework Agreements, multinational enterprises, national and global union federations, AngloGold Ashanti, Ghana

Introduction

International Framework Agreements (IFA), sometimes called global framework agreements (GFA) or transnational framework agreements (TFA), are expected to generate respect for labour and human rights, and conform with national, legal and industry laws and guidelines. IFAs are intended to ensure core labour rights across the supply chain of a multinational enterprise (MNE), global union federations (GUF) and other international, regional and national unions. IFAs are tools created by GUFs in particular sectors to utilise negotiations and agreements with multinationals to actualise industrial relations. IFAs can also be seen in social human rights, which can be found in the core labour standards (CLS).

The main factor behind the increase in IFAs appears to be the globalisation of business activities which have an impact on financial direct investments (FDI) and multinational corporations. IFAs have emerged as a necessary and innovative instrument of global industrial governance (Hammer, 2005). Labour unions at the global level from the 1990s changed the international social dialogue narrative by entrenching themselves within the corporate social responsibility (CSR) world. This occurred, firstly, through the involvement of CSR in the creation of corporate codes of conduct (CCC), especially the promotion of core labour rights (Hammar, 2005), and secondly, these global unions set up councils and networks in MNEs,

laying the foundation for international union cooperation and, finally, engineering the birth of IFAs (Hammar, 2005).

Various studies have examined the global occurrence of IFAs and their significance to the world of business and work, generally. Platzer and Rub (2014) studied the global distribution of IFAs according to data from the headquarters of the parent company. The authors identified the following pattern by 2012: Germany (24), France (13), Sweden (10), Netherlands (9), Norway (5), USA (4), Spain (4), Italy (4), Denmark (4), Brazil (4), South Africa (3), Switzerland (2), Russia (1), Portugal (1), New Zealand (1), Malaysia (1), Canada (1), Japan (1) and Indonesia (1). In an extensive study that reviews over 29 IFA case studies, Hadwiger (2016) provides an insightful analysis of IFAs concerning the global supply chains and representatives of 54 companies, including AngloGold Ashanti, cutting across 22 industries and global union federations including IndustriALL, UNI, BWI, IUF, IndustriALL/PSI and BWI/IndustriALL.

Yet, despite the crucial role IFAs are supposed to play in the operations and international transactions of AGA, not much literature exists regarding the extent to which the IFAs are known and being effectively applied. Thus, this study sought to investigate issues relating to the effectiveness of IFA in the operations of AGA in Ghana. The study particularly focuses on stakeholders' awareness/knowledge and appreciation of IFAs and the relevance and functionality of the IFA in the operations of AGA. Thus, this study specifically addresses three objectives:

- To discover the extent to which the AGA IFA is being enforced and the ramifications thereof.
- To find out whether key stakeholders in the AGA IR sector are aware of the existence of the IFA and the contents of the agreement.
- Overall, to find out the effectiveness of IFAs in the operations of a subsidiary multinational company like AGA and the implications for international best practices for the mining sector in Africa.

The significance of this study lies in its attempt to fill the gap in the literature on IFAs. This paper intends to contribute to expanding the knowledge of IFAs, especially outside Europe, as

they relate to Africa. Also, the article intends to add to the academic and policy debate on the utilitarian value of IFAs in Africa and, perhaps, other emerging economies.

Operationalisation of Effectiveness of IFAs

Effective, as a key word in determining the functionality of the IFA in this study, can be explained, firstly, from the theoretical perspective within the theory of sociology of law/legal sociology. The sociology of law standpoint explains that any context of a social norm must include its ‘social practicability’ (effectiveness), and also, the issue of how a norm is received in the social sphere is important to how its effectiveness is evaluated (Bourque et al., 2018).

However, from the perspective of the world of work, the issue of the effectiveness of an IFA at the international and national levels can best be elucidated from some of the positions of Niforou (2014). This political economist believes that the effectiveness of an IFA can be determined by “four core democratic principles”, which are: legitimacy, representation, transparency and accountability. First, representation deals with the need to ensure that real decision-making is undertaken by the governed, which, in this case, will entail the interests of the unions and those in the supply chain, which are catered for by the MNE and the GUFs. Representation in this situation dovetails into legitimacy, where GUFs are now seen as equals by the MNE. Governance becomes legitimate if it is hinged on “shared expectations”. Transparency is also key in this discussion since it is about “openness and disclosure”, where information is accessible, the system is responsive to queries and the fact that unsolicited information is even provided. Invariably, transparency becomes a stepping stone towards accounting. Accountability is positioned as consisting of the “market” type (accountable to investors and consumers) and the “reputational”, which occurs through negative publicity, like the “naming and shaming” campaigns of NGOs and GUFs (Niforou, 2014). Still on the issue of accountability, Papadakis (2008) perceives these agreements as “soft accountability mechanisms” within CSR, which are associated with three issues: coercive, anticipatory and civil pressure. They provide the potential for global industrial relations by showing GUFs as bargaining partners who go beyond the CCC. Burkett (2014) takes the position that IFAs now include monitoring and enforcement mechanisms and the dissemination of the tenets of such agreements across an entity’s operations and that committees should be established to consist of

the two stakeholders to oversee how this agreement is implemented. There are other dimensions like the role of structural (corporate governance etc.), institutional (IR traditions, union legacies etc.) and subjective (culture, interests etc.) influences in determining the strategic choices of actors about the implementation of the democratic arrangements.

Specifically, however, effectiveness will be measured by awareness and knowledge of IFA, engagement with all stakeholders, and the dissemination of the tenets of such agreements across an entity's operations and monitoring and evaluation. These elements, therefore, can assist in answering questions about how effective an IFA is.

Origins and Practices of International Framework Agreements

IFAs originated in the 1960s by three GUFs (then International Trade Secretariats) in response to the growing impact of MNEs on IR, especially at the level of the nation-state (Gallin, 2008). The first IFA was signed by the then French MNE, BSN, now Danone, in 1988, titled "Common Viewpoint IUF/BSN" to promote initiatives in the group. According to Gallin (2008), the Danone agreement, including the subsidiary agreements, was the "most far-reaching IFA to this day and has set the pattern to further the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF) agreements with TNCs". IFAs are expected to offer guidelines for the "minimum labour standards" related to the International Labour Organisation (ILO) core labour standards (CLS) and, in some cases, including health and safety at the workplace, capacity development, wages and also working time. These days, provision is made for IFA implementation at the subcontractor and supplier sites.

IFAs, for this study, called for some critical engagement because of what they are and whether AngloGold Ashanti could be described as an IFA signatory. Another paper which deals with IFAs within the context of the "democratic deficit of global labour governance" (Niforou, 2014) looks at the actors, processes and instruments in contention. They are seen as a response to this deficit, especially created by the emergence of economic globalisation, in order to ensure "global labour democratisation" within the scholarly context of "workplace democracy" (Niforou, 2014). Here, market governance has facilitative (banking and commercial policies), regulatory (labour law) and compensatory (welfare systems) dimensions. Within these larger

contexts, governance deficits generate some social response which could be public (CLS, etc.), private (Corporate Code of Conduct [CCC]) or joint responses from the public and the private sector (UN Global Compact).

IFAs were expected to reduce the pressure from (ethical) investors who had been viewing the activities of multinationals within the broader framework of environmental or social impacts. Some of them saw IFAs as instruments for managing risk so that the headquarters could manage, communicate and control the standards in a more effective manner at the subsidiary level. IFAs, for some of them, could assist in monitoring and surveillance purposes so that the appropriate correctional methods could be taken at the lower levels. These use notwithstanding, MNEs did not see such global agreements as the solution to these challenges at the global industrial relations level.

The first signatory for an IFA was the then BSN, a French MNE, now Danone and IUF, in August 1988. In that agreement, the two parties decided to promote, among other objectives, schemes which improve skills training to reduce the impact of “corporate restructuring”, share information within the operations on social and economic issues; ensure gender equality and implement the ILO convention on “freedom of association”, “collective bargaining” and unions. Such agreements, which have variants like the Transnational Framework Agreements (TFA) and the European Framework Agreements (EFA), offer an understanding of labour standards in multinationals.

One study which provided some useful perspectives on IFAs, especially as they relate to sub-contracting and labour standards, was undertaken in South Africa (Williams et al., 2013). Its relevance to this study was due to it being conducted in South Africa, and although in the construction industry, it offers some insights into how an IFA can be connected to the strategy of the company and the labour unions. The real link is in the role of the unions in the operations of an IFA signatory. IFAs are expected to have an impact on how unions intervene within the workplace. Williams et al. (2013) believe that IFAs commit MNCs to ILO’s CLS, but since enforcement relies on national jurisdiction, the effectiveness of the IFA may be questionable in cases where the country has not ratified the appropriate ILO conventions. As Williams et al. (2013) and Telljohann et al. (2009), among other authors, have noted, these agreements serve as a precursor to the globalisation of collective bargaining.

The Lafarge case study concluded that the focus on freedom to organise and also for representation was a marked distinction between IFAs and the CCC and that IFAs had the potential to strengthen the capacity of the labour unions on a sustainable basis. It provided a profile of South Africa as a nation with labour laws which were “progressive”, a conducive environment for industrial relations and a politically and industrially strong union sector (Williams et al., 2013).

Another group of authors ascribe CSR posturing motivations to the signing of IFAs. For instance, Fichter et al. (2011a) believe that IFAs are now a way of showcasing MNEs as CSR compliant and for evolving and sustaining a favourable corporate brand, especially for self-serving purposes. Their position is that such activities can be discerned by the fervent attempts made by such organisations to prevent the emergence and/or escalating campaigns by adversarial NGOs or reduce the capabilities of the organisation to access capital markets or, in some cases, prevent consumer boycott of their goods and services.

Stavis (2010) described IFAs as a new type of transnational social dialogue and explained their European origin and Euro-centredness but explained that there are variants. Telljohann et al. (2009). in a project which deals with codes of conduct, framework agreements and CSR broadly and specifically European and IFAs, examine the increase in the number of TFAs at both the global and European levels. This report scrutinises TFA tactics used by employers and unions and looks at TFAs’ contribution to the globalisation of the IR. Basically, IFAs are more global, while the EFAs deal with the regional dimension and are handled by the European Industry Federations (EIFs) and/or unions at the national level and management. Most of the IFAs focus on the basic social rights/CLS in the ILO’s 1998 “Declaration on the Fundamental Principles and Rights at Work”. The EFAs deal with more issues in terms of their subject matter and the procedure than the IFAs, covering restructuring, social dialogue, health and safety, human resource management, and data protection.

Burkett (2014) believes that the future of IFAs appears to be a focal point in discussions on international IR. IFAs are seen by the labour movement as a means by which definite dispute resolutions and implementing structures in such agreements can be ensured. This, it is expected, will be a stepping stone to an improved industrial relations system at the global level. For some GUFs, new agreements should assist in the process of unionisation. It is believed that

some of these expectations have led to a decline in the number of new IFAs. He concludes that the tactics of the MNE and the union will not be reconciled. Another issue which raises some eyebrows is first the linkage with the participants within the supply chain or third parties. There are various positions on this, and it is believed that only a few ensure that the applications of the principles embodied in the document cover the whole supply chain of the multinational.

Burkett (2014) further explains that IFAs now incorporate monitoring and enforcement structures and insist on the dissemination of the tenets of such agreements across an MNE's operations and that committees should be set up consisting of the two stakeholders to oversee how the framework agreement is implemented. This has led to the creation of stronger mechanisms for implementing the agreement. In recent times, IFAs have produced "World Works Council", a combined platform for engagement across the global operation on issues related to workplace issues and for monitoring and the working of the agreement. Another trend is the practice of mediation to handle any disagreements emanating from the implementation of the IFA, particularly a requirement that a meeting be organised at least two times annually to dilate any discordant positions related to the framework agreement. A recent development is also the practice of IFAs facilitating the organising by unions rather than just tolerating them. All these are gradually emerging within the IFA sphere.

It is also important to mention that these IFAs are mainly located in Germany, France, Netherlands and Sweden, while outside Western Europe, the following are the headquarters of such multinationals: South Africa, Malaysia, Indonesia, UK, Brazil, Russia, New Zealand, Australia, Japan, Canada and the United States of America. For the long term, the sustainability of these agreements will be based on the increase in the numbers of IFAs for multinationals outside Europe, which, it is expected, can motivate MNEs generally to sign up for such agreements and also facilitate the development of national or even international policy initiatives to avoid any major gap in international labour relations. AngloGold offers some insight into the rationale for signing such an agreement. First, there was the role of the then CEO, Bobby Godsell, and his relatively "progressive" positions on labour and corporate governance and, second, the need to promote the good links with NUM and to acknowledge the then GUF, ICEM, as a global partner (Papadakis, 2009). The new face of the IFA can be discerned from a specific development which is related to the supply chain, the Bangladesh

Accord (“Accord on Fire and Safety in Bangladesh”), following a tragic incident in April 2013 at the Rana Plaza garment manufacturing facility in Bangladesh. This is an accord between the companies and UNI Global Union and Industrial which expected signatories to strive to implement and also maintain safety standards in the workplace of the suppliers in Bangladesh. This covers inspections, reporting and actions related to “remediation and training” to ensure adherence to acceptable safety standards.

AngloGold Ashanti (AGA)

AGA, with its headquarters in Johannesburg, South Africa, has operations in Africa, Australia, and North and South America and is the third-highest producer of gold. The countries which are in the African continent apart from South Africa are the Democratic Republic of Congo (DRC), Ghana, Mali, Namibia and Tanzania. AGA is global with operations and projects and operates across the mining value chain. The firm is listed on the Johannesburg Stock Exchange (JSE) for the primary listing on the Ghana, Australia, London and the New York Stock Exchange (NYSE) and also the bourses of Paris and Brussels. The AngloGold journey started in South Africa in May of 1998 when the gold and uranium mining interests of the Anglo-American Corporation of South Africa were consolidated. In August 1998, AngloGold became the first South African company to list on the NYSE. AngloGold Limited was founded in June 1998 with the consolidation of the gold mining interests of Anglo American. The company, AngloGold Ashanti as it is now, was formed in April 2004 following the business combination of AngloGold Limited (AngloGold) with Ashanti Goldfields Company Limited (Ashanti).

Anglo-American started reducing its stake in AGA in April 2006 through equity placement. Thereafter, Anglo-American continued to implement small sales of its remaining interest in AGA via the market and, in March 2009, sold its remaining interest. AGA remains an independent gold producer, with no dominant investor and a diverse spread of shareholders which count among the world’s largest mining companies.

The Ghana operations under AGA Ghana are in the Ashanti and Western Regions. The Iduapriem concession (Western Region) consists of the Iduapriem and Teberebiem, a 110 km concession, and an open-pit mine, with processing facilities which include a carbon-in-pulp (CIP) plant. The Obuasi operations (Ashanti Region) are largely underground to a depth of 1.5

km, with some amount of surface mining which is an open pit with tailings reclamation. The mineral resource is 38.44 ounces, which is equivalent to 16.6 per cent for group resources.

Theoretical Framework

The major issue in this study, which is the effectiveness of IFAs, can be understood under the theoretical framework of the sociology of law or legal sociology. The sociological perspective of law explains that any context of a social norm must incorporate the issue of its “social practicability” (effectiveness), and also the issue of how a norm is received in the social sphere is important to how effectiveness is evaluated (Bourque et al., 2018). There is a major difference between procedural and normative effectiveness, with the procedural type dealing with compliance by the signatory groupings and with the procedures for implementing and monitoring the agreements (Niforou, 2014). Meanwhile, normative effectiveness refers to the respect for the principles and rights of workers in such IFAs. Within the realm of the sociology of law, effectiveness is determined by the legal instrument to ensure particular effects (Carbonnier, 1972). Normally, a social norm or instrument is effective only if it shapes social behaviour (Auvergnon, 2008).

The issue of the theoretical research orientation of this study evolves around the extent to which the fundamental question of the effectiveness of an IFA in a subsidiary company of a multinational enterprise can be determined through the theory of sociology of law. While the study, which is qualitative in nature, is expected to throw some light on effectiveness under these circumstances, the linkage between societal good and expectation can be used to explain how a particular agreement within the world of labour can be described as effective. In fact, such agreements are expected to set a standard for global best practices within the mining sector. An IFA is expected to raise the bar when it comes to the rights of workers. It is within this broad context that the sociology of law has been used to underpin the theoretical foundation of the study.

Methodology

Various data gathering methods and theoretical approaches assisted in collecting and analysing data. The study was both exploratory and descriptive through the single case study, and the

method was qualitative. The case study research design has been successfully used in various studies on mining trade unions, IR, IFSs, and HR, among others (Almond et al., 2005; Cotton & Royle, 2014; Herrnstadt, 2013; Niforou, 2012, 2014). Data were generated through in-depth interviews of representatives of identified groups as participants from the Ghana Mine Workers Union (GMWU); local union; GMWU national union; AngloGold staff (both senior and junior); professionals (lawyers, journalists, public relations [PR] practitioners); civil/public servants from the relevant ministries, departments and agencies (MDAs), namely Ministry of Employment and Labour Relations, Ministry of Lands and Natural Resources, Minerals Commission (MC), Ghana Standards Authority (GSA); Ghana Chamber of Mines (GCM); academics and researchers; and NGOs/Activists. In all, the sample size for the study for interviews was completed was 30. The study respected the dictates of participants to keep their personal identities anonymised in the report.

Table 1: Participants for the study and their reference number, group and sample

EF	Identifiable Group	Sample Size
1	GMWU, National and Local	4
2	Union Activists and Union Executives	2
03	AngloGold Staff (Senior and Junior)	4
5	Ghana Chamber of Mines	2
6	Civil/Public Servants from MDAs	4
7	Academics and Researchers	3
8	Mining-related NGOs Activists	3
9	Professionals (Lawyers, Journalists, Public Relations Practitioners, HR Executives and Mining Specialists)	8
TOTAL		30

Data collection was guided by an interview guide² with questions that elicited data for the analysis in line with the research objectives.

² The interview guide is attached as an Appendix.

Findings

The data gathering instrument had three sections: the awareness and understanding of the key concepts; AngloGold and the various concepts, agreements, and so on; and finally, the two synthesised sections of the GFA. The first sets of questions were under the title of ‘Understanding of Key Concepts, Issues, Agreements and Associations’. The first question, under section I, dealt with the International Labour Organisation’s (ILO) Core Labour Standards.

The respondents all indicated that they know and are aware of the CLS.

‘Yes, I have a good idea about the CLS of the International Labour Organisation’. (07, Academic. **See Table 1**)

‘I have a good idea about what these labour standards are’. (09, Journalist. **See Table 1**)

‘The labour standards are the general guidelines for industrial relations and the basis for unionism for anybody in this business’. (01, GMWU, National. **See Table 1**)

‘The core labour standards are basic to appreciating industrial relations from the perspective of the worker generally and a bit of an understanding of HR which is a subject area that I believe unions and workers should know’. (Academic)

‘CLS is the basic foundation of union and management relations. It is incumbent on all those in the labour industry to study it.’ (Researcher)

‘Of course, I have a good knowledge of these standards. That is our advocacy area.’ (NGO Activist)

For the second section, which also dealt with issues under the first objective, the findings indicated that respondents lacked an understanding of IFA. Apart from two respondents who said they had heard about it but did not know the details, neither did they have any understanding of such agreements, none of the respondents had any knowledge of the framework, as captured by the data as follows:

'I don't have any idea about this type of agreement'. (Trade Unionist)

'What type of agreement is that? I don't know anything about the IFA'.

(AGA, Ghana Employee)'

'I think I have heard about this, but unfortunately, I can't lay any claim to appreciating what such International Framework Agreements are about'.

(GMWA, National)

'I read about this sometime ago, but at the moment I can't make any intelligent intervention on this issue.' (Trade Union Activist)

'What is this agreement about? I really don't have any idea. After this interview I will google this.' (Ghana Chamber of Mines Representative)

'Do such agreements exist in Africa, or is it something that can be associated with unionism in Europe? If it will be of any benefit to workers, then we need to be given some training on such agreements.' (GMWU Local Union)

As far as Global Union Federations (GUFs) are concerned, some respondents indicated that they know about them, while others said they did not have any idea about such federations.

'Yes, such GUFs are expected to assist national and local unions: I am aware of their existence'. (GMWU, National Union).

'No, I have not heard of them'. (AGA, Ghana Employee).

'We need a lot of capacity building so that we can understand all these issues like IFAs and GUFs.' (GMWU, Local Union)

In the case of IndustriALL, not many people outside academia or research can explain what IndustriALL represents.

'Yes, they are related to specific industries at the global level'. (Academic)

'They are one of the leading global industry giants in the international work space'. (Researcher)

'No idea.' (GMWU, Local)

'I have not heard about this'. (AGA, Ghana Employee).

'You appear to be opening my eyes towards understanding what industrial relations is all about. I have been challenged to read some more in this subject area.' (Academic)

The second set of questions revolved around AGA and International Agreements and Associations, Issues and Concepts related to IFAs/GFA's Labour Practices. The earlier responses where the persons interviewed indicated that they did not know about these issues and concepts provided a pathway for the answers provided.

'AGA and such international agreements and associations? I have no idea.'
(Journalist)

'I don't know anything about issues related to IFAs or GFAs.' (Journalist)

'Such international agreements are really new to me. Perhaps you can explain all these to me.' (Public Servant)

'My brother, this is real Advanced Industrial Relations. It is not for Industrial Relations, Level 100 people like myself who do not have a good understanding of these areas of specialisation within the wider area of Industrial Relations, as I said earlier.' (Mining Specialist)

'What you are asking me is way above my head. Don't forget that I am an HR professional.' (HR Executive)

'These concepts you are talking about are not areas I can speak intelligently about.' (Researcher)

The third set of questions which dealt with 'Fundamental Principles and Values' and 'Implementation' for the ICEM-AngloGold Global Framework Agreements, were not answered because of the ignorance about these agreements among the respondents.

'No idea. I cannot say anything.' (Journalist)

'I have nothing to say about the fundamental principles and values.' (HR Executive)

'No, I do not know anything about the ICEM-AngloGold Global Framework Agreements.' (Public Servant)

'I can't say anything about the principles and values you are asking me about.'
(Union Activist)

The other objective, which was expected to evolve around the effectiveness of the AGA IFA, could not elicit the appropriate responses because of the ignorance of virtually all the respondents on the subject matter of how effective these agreements are with the focus on AGA, Ghana.

'I can't tell.' (Journalist)

'I don't know how effective the agreement is.' (Lawyer)

'I don't have anything to say as far as the matter of effectiveness is concerned.'
(Public Servant)

'I neither know what the agreements are nor their effectiveness.' (AngloGold Staff)

'I can't answer this question appropriately.' (Public Servant).

The third objective, which investigates the effectiveness of such agreements in the operations of a subsidiary and the implications for international best practices for the sector in Africa, also elicited responses which showed that there was little appreciation for what such agreements can assist in terms of best practices for the African continent.

'Taking what I know about such agreements within the context of CSR or Sustainability in the industrial relations sector, it is my considered position that, if such agreements are well managed, they can be effective in improving the conditions of the African worker.' (GMWA, National)

'IFAs, where they exist, are expected to provide an enabling environment for improved worker welfare. The challenge is whether African Trade Unions understand fully what they are about.' (NGO Activist)

'You know that I have gone through these issues with you, I can say that I have a fair picture of the potential of such agreements. I believe if they are well understood, this will lead to a new dawn for African companies.' (PR Practitioner)

'I believe strongly that with the implementation of such agreements, there will be great benefits for the labour unions.' (GMWU Local)

'I believe this will augur well for the African worker.' (HR Practitioner)

AngloGold Ashanti (AGA) has always been positioned as the only mining company in Africa which is an International Framework Agreements (IFA) signatory when it comes to any scholarly discussion of IFAs at the global level. This is even more significant because not many agreements of this nature have been signed outside Europe. The descriptive study of the process of the signing of the two agreements—2002 (AngloGold and IFA) and in 2009 International Federation of Chemical, Energy, Mines and General Workers Union (ICEM), (ICEM-AngloGold Global Framework Agreement) as noted in the three case studies in South Africa, Russia and Japan by Papadakis (2009)—has assisted in creating the myth of an agreement which was in operation. As Niforou (2012) states, the literature on IFAs can be categorised into two compacts: the group which explains the “potential impact of IFAs” and the second, which examines their real impact, the few empirical studies and their implementation. Niforou (2012) further explains that the IFAs in the first grouping examined their “content and relevance”, “motives behind their adoption”, IFAs and other union strategies, comparisons with codes of conduct, and “potential contribution to the internalisation of industrial relations.” The real challenge is in the description of the second group, which encompasses the “handful of empirical in-depth studies on implementation” (Niforou, 2012). There are only a few studies which have been conducted outside Europe, with a small number in Latin America, especially within the mining sector. The Latin America case study examines how the tenets of the IFAs are reflected in practice. At least, they offer an understanding of how IFAs can strengthen social protection. For IFAs, in general, there are fundamental questions about how they have emerged, their operations and how compliance is determined.

IFAs have not had any real success in the African labour environment in terms of spread, whether in the mining sector or in other industrial sectors. Whatever gains were made at AngloGold could be ascribed to the “enlightened leader” Bobby Godsell’s personal efforts. The challenges and other obstacles put in his way were from both some of the subsidiaries (Australia and Latin America) and also from the Chamber of Mines (Goldfields and DeBeers). As Papadakis (2009) explained, while Godsell presented the IFA “as a code of good

governance”, their counterparts in other operations saw this agreement as a “real collective agreement” outside the law for such states, with a potential for creating some problems for such foreign subsidiaries.

The last issue here, which is the most critical objective and encapsulates the issue of the effectiveness of IFAs in the operations of this subsidiary multinational company like AGA and the implications for international best practices for the mining sector in Africa, clearly shows the potential of IFAs as we look into the future. There appears to be a quite optimism about such agreements and what they can do for the African worker. This author shares in such subdued optimism and calls for a strengthened engagement regime between the national and local unions.

Discussions

This study provided fresh insights into the feasibility of IFAs outside Europe, especially in Africa. From the empirical perspective, it explained the major components of the updated ICEM-AngloGold GFA document by examining the “Fundamental Principles and Values” and the monitoring of the “Implementation” phase. The most significant response, which served as a basis for understanding what the respondents know about IFAs, was very revealing in that they did not know about IFAs. In fact, the answers given by the interviewees resonate with the views of some “key informants” and the unions in the study on “Subcontracting and Labour Standards”, which was conducted in the South Africa Lafarge operations (Williams et al., 2013). Their framework agreement was described as “invisible” in the South Africa affiliate’s Annual Report on the website of the parent company or the South Africa subsidiary.

Within the framework of effectiveness, which was the key question of this study, the results were further synthesised along the earlier elements identified: awareness and knowledge of IFAs; engagement with all stakeholders; and the dissemination of the tenets of such agreements across an entity’s operations and monitoring and evaluation. One of the ways in which the effectiveness of an IFA is determined is the circumstances under which international union alliances (IUAs) make their impact felt in the process of the implementation of the agreement (Bourque et al., 2018). A review of three studies on IFAs by three different MNEs showed that there was a limited spread of information on such GFAs to their subsidiary

managers, and the limited resources available to such GUFs and their local unions for monitoring such agreements affected their effectiveness (Niforou, 2014).

The implementation phase, as far as this other important component of the GFA was concerned, also showed a vacuum. It followed that where respondents were generally unable to explain the requirements of the “Fundamental Principles and Values”, they were not likely to appreciate the component of “Implementation” and its significance. The major imperative of meeting annually to discuss the terms of the agreement, share information and deal with the administration of the agreement was lost on the respondents. AngloGold’s IFA might have been done largely with the interests of the workers at heart, but the policies and practices of the company under this “negotiated agreements” regime showed clearly that the company was more committed to “management initiatives”, in this case, the CCC as shown in their publications and in the designated sections of its website. The very actions of this entity depicted an inclination to focus more on promoting the interests of the shareholders.

Even before IFAs became institutionalised, international capital had been very sceptical about engaging international unions. Nestle, in the 1970s, had refused to engage with the unions, and its relations became frosty with the IUF, with the situation improving in 1989 when the then President for both the IUF and the German Food and Allied Workers Union NGG, Gunter Doding, met Helmut Mancher, the CEO of Nestle, over dinner and agreed that Nestle would accept the IUF as an international social partner. The deal was struck because Gunter Doding had known the Nestle, Germany director! This led to the resumption of annual meetings between the newly constituted IUF Nestle Council and Nestle management, only at the European level (Gallin, 2008). Despite these developments, at least by 2008, Nestle had refused to sign an IFA with the IUF! In 1998, Nestle adopted “Corporate Business Principles”. As Gallin (2008) noted, there were no IFAs in the 1960s and 1970s, and the few like BAT Philips and Nestle, which decided to meet with international union delegations to discuss IR issues, withdrew when they realised that these global unions expected more in terms of binding commitments and drastic changes in management practice.

Apart from the individual roles these CEOs played when it came to the issue of IFAs and the upholding of worker interests by only these few persons, there is another event which

showed the reluctance of AngloGold to implement the IFA within its set-up even after the first and second agreements had been signed.

A further critical engagement of the IFA phenomenon also entailed the examination of other studies. Taking IFAs and IR governance as they relate to “global rhetoric versus local realities”, Niforou (2012) examined two Spanish MNEs with a strong presence in Latin America, namely Telefonica and Endesa. While Telefonica’s IFA was described as one of the first in the telecommunications sector, it was seen as a genuine IFA according to the “model agreements” of GUFs and fell in the “middle of the IFA spectrum”. Endesa, on the other hand, which was in the energy sector, had an IFA which was described as a “failure” or “deviant” example (Niforou, 2012). The author explained that it was the only agreement which was cancelled a year after it came into force, but in union websites and academic literature around the world, it was described as an existing IFA!

Using these case studies, the authors offered the “IFA policy cycle”, which consisted of the following: “identification of the problems”, formulation and adoption, “process of implementation”, “monitoring of compliance”, and “review and evaluation”. The observations made offered guideposts for analysing IFAs at the global level. For instance, despite the important roles of local unions in such engagements, such unions have been ineffective in spreading, implementing and monitoring such agreements.

Another IFA study which threw some light on such agreements was “Corporate Social Responsibility, International Framework Agreements and Changing Corporate Behaviour in the Global Workplace” (Herrnstradt, 2013). The author stated that such agreements call for strong home country unions with good working relationships with the MNE and also a global network or GUF. Finally, it should involve MNEs which were interested in engaging with designated labour organisations. This explains why, in his opinion, most IFAs are based in Europe. Following these observations, he offered the four essential elements of a successful agreement. The elements were: “content (including standards)”, “coverage”, “implementation”, and enforcement.

Management of AngloGold Ashanti’s lack of commitment to the IFA they had signed twice, and the lack of enthusiasm of the GUF, IndustriALL to play a more forceful role in seeing to the implementation of the agreement at the level of the subsidiaries all compounded

the issue. The few efforts at organising various press conferences on “precarious work”; “World Day for Decent Work”, among other activities, only displayed some concerns. However, for AngloGold Ashanti, the issue of the IFA and its lack of implementation has not been resolved and may never be resolved.

Conclusion

IFAs are expected to link MNEs with well-known credentials of greater commitment to ensuring labour rights with their subsidiaries where there is less enforcement of such social human rights (Evans, 2014). They are also expected to be instruments for promoting the social regulation of such corporations. Bourque et al. (2018) have maintained that such agreements are expected to have three ingredients: commitment by the MNE to adhere to the 1998 Declaration at the international level; monitoring processes for handling disputes arising; the scope of the agreement in relation to the MNEs activities covering subsidiaries and partners. Indeed, Fichter et al. (2013) indicate that the effectiveness of an IFA is dependent on appropriately engaging the unions associated with the GUFs in producing IFAs and involving such worker unions in monitoring.

IFAs are expected to create the context for applying social and labour standards and ensure that these policies are felt at the subsidiary level. At the global level, there are examples of such agreements across sectors, but the challenge has been the extent of their effectiveness at the subsidiary level. The global picture has shown advances at the MNE level across political and legal lines, but these social human rights and the influence of such GUFs and IUAs, and the advancement of global union government has not been felt at the level of the national and local unions. MNEs commit their organisations to comply with the implementation of these standards at the head office and the subsidiary level; they also incorporate procedural guidelines for monitoring and oversight and mediating conflicts when they arise (Platzer & Rub, 2014). The question is the extent to which all such MNEs are really committed to seeing to its implementation across the whole supply chain from subsidiaries to sub-contractors!

A real commitment of an MNE to the production and implementation of an IFA should be clearly reflected in their involving the global unions in the activities of the MNE across their borders, thereby extending their implementation across the global supply chain. They should

combine multilateral worker union policies with MNE-targeted negotiations in order to extend such rights to the subsidiary. A strong commitment and capable national union are expected to meet the demands of the details and nuances of such agreements. The case of AGA, Ghana, shows that the national and local unions will need a further and better appreciation of IFAs if they are to benefit from an IFA.

It is within this framework that the GUFs were expected to offer assistance. While such global unions were able to assist in partially meeting the needs of unions, their efforts have been circumscribed by the inherent difficulties within the “emerging economy” context. Although a lot of feats have been chalked at the global level in any assessment of issues related to worker welfare, these have not been translated into any successes outside Europe. IFAs have been more of a “passing European phenomenon” than an “emerging international regulatory approach” (Burkett, 2014), a position which we share. Even issues of some of the successes essentially driven by GUFs like “labour transnationalism”, “union coalitions”, “field-enlarging strategies”, “network-based cooperation”, “principle of solidarity”, and “educational project activity” have not been recorded in Africa.

The role of IFAs for this study is related to the profile of AngloGold as the only mining sector signatory to the IFA. This study reviewed various positions on IFAs, case studies, and successes and failures in implementation. Even though AngloGold had signed on to this agreement in 2002 and 2009, there was no attempt on the part of the management to see to its actualisation and implementation. Whether they are described in terms of policy cycles (Niforou, 2012) or from Herrstadt’s (2013) perspective, context, implementation and enforcement, the Ghana case study shows that AngloGold is not a “working” signatory to the IFA. AngloGold’s corporate commitment to a CCC showed the HR strategy it adopted after signing two framework agreements. The IFA is not mentioned in the operations, is not known to the internal and external stakeholders, and does not exist on any corporate material and the website.

Finally, based on the minimum attributes of an IFA (Hammer, 2008a, 2005b; Herrstadt, 2013; Niforou, 2012, 2014; Williams et al., 2013), ranging from signing the agreements, the IFA policy cycle, essential elements of a successful framework of minimum labour standards and monitoring and evaluation, the AGA, Ghana, IFA was not effective. While such

agreements within the world of industrial relations are very relevant and also functional especially outside Africa, this research has shown that local and national unions should be assisted by their global counterparts to deal with the challenges of international labour standards in order to make such IFAs very relevant and functional in Africa.

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