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ETUC CONFERENCE “INTERNATIONAL FRAMEWORK AGREEMENTS: TOOLS FOR ADVANCING SUSTAINABLE DEVELOPMENT – ASSESSING RESULTS AND POTENTIALS”

Address by Mr Jørgen Rønne, Chairman of BUSINESSEUROPE'S Social Affairs Committee

1. Although this conference deals with Global framework agreements and BUSINESSEUROPE has European members only; the companies involved operate globally, and I am looking forward to present the position of BUSINESSEUROPE.
2. The specific aspect raised by the report presented to this conference – i.e. extending agreements to environment and climate change - has not been discussed in BUSINESSEUROPE and for that reason we don't have a formalised position – and it certainly raises a number of wide ranging questions.
3. Collective bargaining as well as terms and conditions of employment including occupational health and safety affect employees directly and can be dealt with within the company. The problems of environment and the climate change agenda are different. Transnational Company Agreements contribute only marginally to a solution in this respect.
4. Transnational Company Agreements have been part of the EU agenda for a number of years under different headings. Building upon a state-of-play of company practices in this regard, the discussions have been useful as they addressed the issue of Transnational Company Agreements from different angles, which include the role of such agreements in the case of restructuring, legal issues around the nature and effects of transnational company agreements, and the interactions between the different levels of social dialogue.
5. In July 2008, the European Commission (EC) published its communication on *“the role of transnational company agreements in the context of increasing international integration”*. The EC identified a series of obstacles to the development of transnational texts, which mainly relate to the discrepancy between the "transnational scope of texts concluded and national norms and references". Furthermore, the European Commission wants to develop more knowledge on three related issues:



- a. Actors and signatories of transnational texts;
 - b. Legal effects of transnational texts in different industrial relations systems;
 - c. Dispute settlement mechanisms in face of complicated provisions regarding applicable legislation and Courts' jurisdiction under international private law.
6. In this context, the European Commission decided to set up an expert group, gathering representatives of the social partners and of governments, and international experts. Its mission is to “monitor developments and exchange information on how to support the process under way”.
 7. BUSINESSEUROPE took note of the intentions of the European Commission and it has taken part in the work of the Expert Group. BUSINESSEUROPE believes that there is no need for EU action in the field of Transnational Company Agreements.
 8. Social dialogue between employers and employees in transnational companies is indeed a very complex phenomenon, which takes different forms. It results in outcomes of a different nature depending on the objective pursued, the issues discussed, the mandate given by management and labour, the capacity to follow on commitments made, the specificities of the industrial relations systems in which the company operates, and the levels at which discussions take place (group, company or establishment). Moreover, the situation is even more confusing as transnational texts sometimes pictured as “agreements” are in reality “codes of conduct”, “joint opinions”, “business principles”.
 9. In view of the transnational scope of existing texts, BUSINESSEUROPE believes that existing instruments developed at international level – e.g. the “ILO Tripartite Declaration on Multinational Enterprises and Social Policy” and the “OECD Guidelines for Multinational Enterprises” - are more likely to serve as guidance or good practice rather than instruments limited to the European sphere.
 10. Regarding the actors involved in negotiating and concluding transnational company agreements, this is a question that the organisations and companies involved must decide themselves. But – evidently – these decisions will have to be taken by those involved and those represented - for the text to have the necessary legitimacy to lead to the results and objectives established – and to develop the mutual trust necessary to make any agreement a success.
 11. BUSINESSEUROPE will of course continue to play an active role on behalf of its members and based on the decisions taken by them and the companies involved.