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TRADE UNION SUMMIT FOR THE ASIA-EUROPE MEETING 2010 (ASEM)

ADDRESS BY PHILIPPE DE BUCK, DIRECTOR GENERAL

I. Facts and figures about ASEM

- ASEM is an informal process of dialogue and cooperation bringing together the 27 European Union Member States and the European Commission with 16 Asian countries and the ASEAN Secretariat.
- It represents 58% of the global population, 50% of global GDP and over 60% of global trade.

II. BUSINESSEUROPE's main messages

➤ On social partners' role in the ASEM process

- The first ASEM social partners' forum took place in 2008. A second edition was organised in 2010.
- ASEM can be a useful platform to exchange experiences on the way in which European and Asian social partners address common challenges such as globalisation, ageing populations and climate change and the transition to a low-carbon economy.
- However, social and labour rights are better defined at national level as they depend on the political regime and economic situation of a country, and on different social systems and traditions, including regarding the existence and role of social partners.

➤ On the need to seize growing business opportunities in Asia

- In a fast changing international context, Asian growing markets represent an opportunity to achieve higher levels of economic growth in Europe, thereby helping to sustain European social systems.
- Average GDP growth in 1980-2008 reached 2.2% in the European Union, 2.3% in Japan, 2.9% in the United States compared with 7.4% in developing Asia.
- By 2025, the economic centre of gravity will shift to Asia, which will account for 30% of the world economy, compared with the EU's 20% share. Therefore, European exports to Asia will be even more important in the future.
- Bilateral free-trade agreements are essential to increase market access for European companies in fast-growing markets like South Korea, India and South East Asian countries. We applaud the signing of the EU-South Korea Agreement (expected 6 October) and the announcement to launch free-trade negotiations with Malaysia on 4 October. In addition, a successful conclusion of the Doha Round would restore confidence in open markets and accelerate the world recovery.



➤ On decent work

- According to the ILO, the “decent work” concept has four components: Fundamental principles and rights at work and international labour standards; employment and income opportunities; social protection and social security; and social dialogue and tripartism.
- Decent work is a complex and subjective concept and can mean different things to different people. For employers, it rests on the foundation of compliance with all relevant national law and regulation, good human resource policies and practice, social protection as well as respect for workers’ rights.
- The European Commission has published a number of documents regarding the contribution of the EU to the promotion of decent work in the world. Its aim is to build a fair globalisation by better linking the EU’s internal and external policy dimensions so as to build coherence between the two.
- BUSINESSEUROPE believes that the EU contribution to decent work relies on its Member States’ capacity to design and implement, in the framework of the EU 2020 strategy, the labour market reforms that are required to increase Europe’s competitiveness at the global level.
- ETUC advocates for the introduction of “decent work” into trade policy-making. But this term is hard to define in practice. Rather, we expect that the EU will build on the current approach to social clauses in EU trade policy, whereby the EU offers additional tariff cuts to countries adopting and implementing core ILO conventions.

➤ On climate change

- European companies have impressive track records for reducing their greenhouse gas emissions and, more importantly, for enabling emission reductions across European society and across the world through innovative products and solutions.
- However, any EU action in this area should not compromise the competitiveness of the industrial sectors that will be crucial for our future growth and jobs.
- Therefore, in the absence of an international deal securing equally strong action from other economies, any further increase of the EU’s unilateral 20% emission reduction target would be premature and even counterproductive.

➤ On the need for immigration to access the right skills

- To compete globally, Europe must consolidate its comparative advantages in high-skilled, high value-added services, products and industries.
- In the ongoing race for talents worldwide, it is essential to ensure that European companies have access to the skills they need.
- This requires aligning European education and training systems with the evolving needs of labour markets. In addition, economic migrations, including from Asian countries, can help respond to skills shortages in Europe, in particular in terms of STEM skills (Science, Technology, Engineering, and Maths).



- BUSINESSEUROPE welcomes the recently published draft directive on intra-corporate transferees. It will contribute to knowledge exchange, which in turn will be beneficial for raising productivity in all the countries which take part in the brain circulation, including in Europe and in Asia.
- In addition, EU free trade agreements should include more substantial commitments on the temporary entry of skilled personnel. European companies should be allowed to send their skilled workers abroad for a temporary period of time in order to pursue their projects. This is also a precondition for EU companies to win public procurement contracts abroad.

➤ On CSR

- European companies have continued to engage in CSR despite the economic crisis, since CSR has become an inherent part of doing business. The best way to improve take-up is to ensure that CSR remains voluntary for companies. European mandatory requirements would act as a disincentive to companies developing innovative CSR practices.
- With companies operating on a global scale, including through complex networks of supply chains, CSR should be viewed in an international context. However, European companies operating outside the EU, particularly in countries where there is weak governance, cannot and should not take on the role of national governments in setting, for example, working and labour standards.
- Many companies already subscribe to CSR guidelines at international level including the OECD guidelines for multinational enterprises and the UN Global Compact. International cooperation on CSR is also taking place in the ILO and ISO (standards) in a constructive way.
