



15 December 2010

### **CLOSING EVENT PROJECT ITC-ILO ON TRANSNATIONAL COMPANY AGREEMENTS**

**THÉRÈSE DE LIEDEKERKE, MANAGING DIRECTOR**

Ladies and Gentlemen,

I am very pleased to welcome you in BUSINESSEUROPE.

We are gathered today to discuss the outcomes of the project on Transnational Company Agreements (TCAs) that has been carried out by the International Training Centre of the ILO, with financial support from the EU Commission.

Five workshops have been organised in Berlin (15 April), Brussels (12 May), The Hague (28 May), Paris (25 June) and Madrid (16 September).

BUSINESSEUROPE has brought its full support to this interesting project. Why?

We wanted to have a concrete debate with companies on this important but sensitive issue. Some companies have decided to negotiate Transnational Company Agreements but the large majority of European companies did not enter in such schemes.

It was important to have the full picture of companies' practices in order to draw accurate policy conclusions.

By providing a space for open discussions amongst employers, the project has achieved its objectives. We have had confirmation that all companies agree that there is no need for a legal framework on Transnational Company Agreements.

Those who do not conclude such agreements, by definition, do not need such a framework. Their feeling is that agreements with workers and their representatives are best negotiated within the well-established national industrial relations systems.

Companies who have concluded transnational agreements have found different working methods to do so, depending on the objectives pursued.

Some negotiate International Framework Agreements expressing a unilateral commitment of the company to apply ILO core labour standards in all the countries in which they operate. No need for another legal framework to do so.



Others outline jointly agreed principles on restructuring, setting out balanced commitments of management and worker representatives in order to facilitate change and minimise the adverse effects of restructuring. Such joint principles often cover European operations rather than worldwide activities. They are negotiated with trade unions and/or in some cases with European works councils. No need for another legal framework to do so.

Some agreements are triggered by a crisis. Others are part of a longer term human resources strategy. And the report mentions many other examples.

Putting this variety of experiences into the straight jacket of a European framework, even optional, would be counter-productive

The best way to accompany the evolution of companies' practices in this field is to leave the necessary flexibility to adapt to changing circumstances.

BUSINESSEUROPE is promoting cooperation between employers and workers as shown by its long standing engagement in the European social dialogue. Facilitating change is even more important today, when Europe is facing unprecedented challenges. We are therefore pleased that trade union colleagues were able to join us today.

Before hearing the details of the ITC-ILO report from Brent Wilton and Arnout de Koster, I am glad to pass the floor to Evelyne Pichot who will tell us about the European Commission's views on this issue.

Evelyne, the floor is yours.

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