



19 April 2012

## **CODE OF ETHICS FOR EUROPEAN EMPLOYERS EESC HEARING ON 19 APRIL 2012**

### **COMMENTS BY THÉRÈSE DE LIEDEKERKE MANAGING DIRECTOR**

People can be educated to act in an ethical way. You can explain what is ethical and what is not but there is no blue print for ethical behavior. Ethical behavior is not something you can impose. Persuasion is the key to success.

The voluntary character of the draft code of ethics circulated before the meeting is therefore essential. However, when you examine the details of the proposed text, many formulations are at odds with this voluntary character. Some provisions of the text point to far-reaching obligations for companies. And with regard to the role of employers associations, the proposed text includes a commitment for associations that adopt the code to intervene in cases where members fail to comply with the principles. This could discourage many organisations to support this exercise.

A series of elements included in the text proposed are about the respect of legal obligations, e.g. rejecting bribery and corruption, non-discrimination, ensuring that goods and services provided meet all legally required standards for consumer health and safety. Respecting legal obligations is a must. But business ethical behavior (and corporate social responsibility) is about company acting in accordance with values and goes beyond legal obligations.

The market economy is underpinned by values. When companies can operate in a business-friendly environment, they are successful in producing first-class goods and services, in creating jobs, in developing new technologies. When companies are successful, they create the wealth that is needed to finance public services and social security.

BUSINESSEUROPE developed an agenda for the European Union in 2010-2014, entitled Go for growth. Our first message was that we need to go back to the fundamental values of the market economy in order to get out of the crisis, namely:

1. reward work and productive investment,
2. encourage reasonable risk taking,
3. ensure transparency on market value,
4. protect and develop intellectual property rights,



5. identify and provide sanctions for fraud,
6. ban distortions of competition and fight protectionism,
7. finance affordable public services and social security.

These values should be reflected in the work of the Employers group of the Economic and Social Committee. It is essential to put the business case for ethical behavior at the center of your initiative.

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