



Trade, Jobs and Globalisation

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Honourable Members,
Ladies and Gentlemen,

Thank you to the Employment and Social Affairs Committee for organising this discussion. It's great to have a chance to meet with Members who deal with labour questions, alongside my friends who work on trade.

My work as Trade Commissioner and your work on labour issues overlap in many ways, so it is excellent to have this chance to understand your perspective.

I'm also very grateful that Michel Servoz has joined me today. My close cooperation with Commissioner Thyssen is founded on the close working relationship between DG Employment and DG Trade.

This meeting comes at a vital moment for trade policy.

I don't need to restate the current political realities. Suffice it to say that there are many people who feel economically disadvantaged by the new global economy. And that this is an important factor in the rise of populist and nationalist movements, who see trade as a problem.

This sentiment has also fed into scepticism in several EU Member States about a number of trade agreements and negotiations - particularly those with Canada and the United States.

It's not the whole story, as our debate in Europe is as much about issues like consumer and environmental protection as jobs.

But it is true that critics from both the values and economic perspectives share the view that trade deals aim to reward multinational companies and not European consumers, workers and entrepreneurs. Whatever about the reality of this, it's a deeply felt concern.

It's also true that there is another important public concern, also based on values, about the impact of trade on labour rights around the world. People want reassurance that the goods they buy are made by people who are not exploited, receive fair compensation and work in safe environments.

All of these concerns are serious and legitimate.

That's why we in the Commission have always welcomed the profound discussion on trade issues taking place in many Member States.

It's also why the EU needs a very clear response to them - especially when it comes to jobs at home and labour rights around the world.

That is what we are doing. And I would like to share three elements of that response with you today.

The first is to be very clear about the facts.

'Post-truth' has recently been named Word of the Year by the publishers of the Oxford English Dictionary. It describes a political environment in which facts are less important than emotion. That may unfortunately be the case. And it does mean that all of us as political actors need to improve our communications strategies. We have worked very hard to do that on EU trade policy.

However, call me old-fashioned, but I do think that we also need to at least stay acquainted with reality.

And the reality is that international trade is a huge generator of jobs in the European Union. 31 million jobs, one in every seven, are supported by our exports.

They are in companies large and small, and in cities and in rural areas all across our continent. They are also better paid and higher skilled than the average.

And export jobs are only part of the picture. It's easy to forget that most companies need imports to survive too. 80% of the goods the EU imports are used by businesses in Europe as

part of their production. The jobs in those firms are just as real and important as the export jobs.

The primary goal of the EU's trade policy is to ensure that we have more jobs like these in the future.

We want to give European firms access to international export markets and allow them to source from the world so as to stay competitive.

That is why we are negotiating more than 20 trade agreements with more than 50 countries - from Asia to the Americas.

One of them is the Comprehensive Economic and Trade Agreement with Canada, or CETA for short, on which this House will have to decide in the coming months. I know the Employment Committee will have its say on that too.

It's an excellent agreement that will do much to support and create high-quality jobs across Europe. I would urge you to look at it with an open mind and I hope that when you do that you will support it.

Because, in short, the facts are plain: trade is good for jobs all across Europe.

And it's our responsibility as politicians to get involved in the public debate on trade to ensure the people we represent understand that this is the case.

That goes for people like me in the Commission. It goes for ministers in national governments and it goes for Members of the European Parliament like yourselves.

However, the second part of our response must also acknowledge and address another reality.

For all of the benefits from open markets to society as a whole, some people and communities do lose out when faced with tough international competition.

That doesn't mean trade can be a scapegoat.

Technology - through automation or disruption - is also responsible for job losses, probably even more than trade. We of course also know that it benefits us in a similar way to trade - making our economy overall more productive.

But if you lose your job, these nuances aren't terribly important.

So it's very clear that government needs to do more to help people and communities adapt to difficult changes like these.

We need to do more on infrastructure investment, on education and training, on active labour policies and on any and all other policies that can help.

Again, this is a shared responsibility of the EU, national, and local institutions.

Here in Brussels, we should be looking at the full range of EU policies.

To give just one example, the Globalisation Adjustment Fund supports workers made redundant as a result of major structural changes in world trade patterns due to globalisation or as a result of the global financial and economic crisis. The Commission is working on a review of the fund and we look forward to discussing with you how we can make its interventions more efficient.

But it is also clear that the national and regional governments have the largest capacity and therefore responsibility to ensure that people no longer feel the system has left them behind.

The final part of our response has to be about values - including the respect of labour standards and workers' rights.

The EU's trade agreements include strong provisions on labour rights as part of dedicated chapters on sustainable development. Together with our partners...

- ... we commit to uphold core labour standards of the International Labour Organisation - which cover the freedom of association, the right to organise and collectively bargain, to equal pay, and to protection from discrimination, and the abolition of forced and child labour.
- ... we commit to have high labour standards in domestic law, to enforce those laws, and not to undermine them for any perceived commercial advantage.
- ... and we commit to enable social partners and civil society organisations including trade unions to scrutinise the impact of the agreement on workers.

All of this is backed up by a dedicated, robust dispute settlement system.

In the context of today's debate, these commitments are more important than ever. But we also know that we need to keep striving to do more, as we committed to do in last year's *Trade for All* strategy:

That's why, for example, we are working with members of the INTA Committee to improve the civil society consultation mechanisms across all of our agreements, including through better funding.

And we are also going further and pushing our partners to do more in every deal.

CETA is an excellent example of that.

It's the first time one of our agreements specifically addresses workers' rights beyond the core labour standards. It covers, for example, health and safety at work and compensation for injury or illness at work.

It's also the first time Canada has made commitments in a trade agreement on the ILO conventions.

And those commitments are driving real change. In June, Canada ratified the ILO's convention on minimum working age. And it's in the process of ratifying the convention on the right to organise and collective bargaining.

In short, Honourable Members, if we are to properly respond to people's concerns about trade and globalisation, then labour and jobs issues must be at the centre both of our message and of our action.

I look forward to working with you to achieve that, and to our discussion here today.

Thank you.