

ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES

PROSPECTS FOR THE '80s

OPINION

Brussels 1981

The European Communities' Economic and Social Committee, chaired by Mr Tomàs ROSEINGRAVE, approved this opinion at its 191st Plenary Session, which was held on 27 and 28 October 1981.

The preliminary work was done by the Sub-Committee on the Prospects for the 1980s, having Mr Jacques DE BRUYN as Rapporteur and Mr Maurice ZINKIN as Co-Rapporteur.

ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES

PROSPECTS FOR THE '80s

O P I N I O N

Brussels, November 1981

This publication is also available in: Danish, Dutch, French, German, Greek and Italian.

A bibliographical slip can be found at the end of this volume.

Texts appearing in this document may be reproduced freely in whole or in part, so long as their source is mentioned.

Catalogue Number: ESC-81-018-EN

C O N T E N T S

	<u>Page</u>
I. <u>FOREWORD</u>	
Declarations by Mr VANNI and Mr DE BRUYN	III
II. <u>OPINION ON PROSPECTS FOR THE COMMUNITIES'</u> <u>POLICIES IN THE 1980s</u>	
1. THE CHALLENGES FOR THE COMMUNITY IN THE 1980s	1
2. THE COMMUNITY'S RESPONSE	5
3. THE BASIC AIMS OF COMMUNITY POLICIES	8
4. PRIORITY COMMUNITY POLICIES TO BE CARRIED OUT	9
A) The Community and the Convergence of National Economic Policies	9
B) Action to be taken by the Community itself	12
C) The Community's Industrial Policy	14
D) Labour and Social Policy	19
E) Energy and Research	24
F) Physical Planning	27
G) The Quality of Life	30
H) Agricultural Policy	31
I) Community Information Policy	35
J) The Planning of Community Policies	35
5. THE COMMUNITY INSTITUTIONS AND THE DEMANDS OF THE 1980s	36
6. THE FINANCING OF PRIORITY COMMUNITY POLICIES	39

	<u>Page</u>
III. <u>Declarations on behalf of the Groups during the general discussion</u>	
1. Declaration by Mr STARATZKE, on behalf of Group I	43
2. Declaration by Mr DEBUNNE, on behalf of Group II	44
3. Declarations by representatives of the categories belonging to Group III	47
- Mr HILKENS - Consumers	47
- Mr LAUR - Farmers	49
- Mr MARGOT - Crafts and small and medium-sized enterprises	52
IV. <u>Other speeches made during the general discussion</u>	
- Speech by Mr LEO	54
- Speech by Mr DE BIEVRE	56
- Speech by Mr van CAMPEN	57

*

*

*

I. FOREWORD

Early in 1981 the Economic and Social Committee, the consultative assembly of the European Communities and forum for representatives of the economic and social organizations of the Ten, decided on its own initiative to join in the Community debate on the shape of Community policy for the present decade.

A Sub-Committee, chaired by Mr Raffaele VANNI (Italy, Workers) was therefore set up by the Committee's Bureau, with instructions to draw up a draft Opinion on the Prospects for the Communities' Policies in the 1980s. Mr Jacques DE BRUYN (Belgium, Various Interests) was appointed Rapporteur and Mr Maurice ZINKIN (United Kingdom, Employers) Co-Rapporteur.

This Opinion was the focus of lengthy discussion at the Committee's 191st Plenary Session, presided over by Mr Tomas ROSEINGRAVE, its Chairman. Both Lord TREFGARNE, Under-Secretary of State in the UK Ministry of Foreign Affairs, in his capacity as President of the Council, and Mr Michael O'KENNEDY, Member of the Commission, participated in the debate.

The Opinion was adopted by a substantial majority (95 votes for, 7 against and 2 abstentions). This consensus can be attributed to general agreement that the Opinion should be delivered at a stage when discussion of the direction of Community policies was just getting under way in the Community institutions.

This point was underlined by Mr VANNI, Chairman of the Sub-Committee, who said that, instead of summing up the stands taken by the three Groups on the issues concerned, it had been decided to opt for a synthesis

of these views in the hope of achieving maximum consensus in Plenary. The Sub-Committee was convinced that the Council and the Commission would find it helpful to see what scope there was for agreement between Community interest groups.

At a time when Europe was being shaken by political, economic and social troubles, it was vital for the economic and social categories to find common ground, despite their differing positions, and agree on a common diagnosis of the seriousness of the situation. It was also important to stress the futility of believing that national measures or bilateral negotiations between the Ten, acting independently, and the United States, Japan and particularly the LDCs, could offer a way out of the recession.

Concluding his speech, Mr VANNI hailed the Opinion as a significant contribution by the Committee to Community policy.

The Sub-Committee's approach to its task was also described in detail by the Rapporteur, Mr DE BRUYN, who said that the aim of this general Opinion was to determine the basic guidelines to underpin Community action during the 80's. It did not discuss individual Community policies in detail, as the Committee was bound to do so when examining, either on referral or on its own initiative, the practical proposals submitted by the Commission to the Council.

A "political" Opinion of this kind was obviously unable to embody the views of all the many economic and social interest groups represented in the Committee's midst. Instead it sought to achieve maximum consensus among members of the Sub-Committee on a set of basic options, avoiding any particular stand.

The Sub-Committee believed that anyone present who rallied to the above approach would be serving the interests of the Committee, which should state its views now as implementation of the famous 1980 Mandate was about to move into a more active phase. The impact of the Opinion would, needless to say, depend on Members' support; this impact must be immediate, before the European Council met at the end of November.

Though the economic and social context would unfortunately not change radically from one day to the next, the Committee should express its firm trust in the Community's ability to meet the challenges facing it during the 80s. This trust presupposed that the Community deliberately refused to retreat into its shell or to condone the emergence in its midst of nationalist tendencies which seemed to be influencing the decisions of some Member States and were breeding indecisiveness in the Council.

Mr DE BRUYN then stressed the need for the Community to take decisions in all areas where the Treaty of Rome gave it the requisite powers. Greater speed was needed in translating these decisions into national laws.

In areas where it did not exercise decision-making powers, the Community still had a major part to play: it could be a dynamic force in encouraging Member States to harmonize their national policies. Here the leaders of economic and social organizations shared the responsibility with governments.

Mr DE BRUYN went on to highlight a number of basic points in the Opinion, in particular the need for (a) a more outward-looking Community approach, (b) the correction of imbalances between regions and groups, and (c) action to tackle unemployment. These problems could be solved only if the Community gathered fresh momentum,

VI

which depended on the Ten displaying the political will to pursue the construction of the Community and perfect the opus started over twenty years before. This meant that they must have the political courage to look beyond selfish national interests.

He concluded with the following words: "The Opinion the Committee is about to deliver today is, without a shadow of doubt, an act of faith in the Community ideal. I trust that everyone here, and all who we represent, will use their influence in their respective countries to bring home to their Government that the European Community - or better still European Unity - is the only hope for bringing the current crisis under control and averting even greater disaster, such as Europe has experienced in the not so distant past".

II. OPINION on the Prospects for the Communities' policies in the 1980s

1. THE CHALLENGES FOR THE COMMUNITY IN THE 1980s

As we enter the 1980s, Europe is suffering from a serious economic and social crisis which may make the very institutions of the Member States tremble. The Community and its Member States are faced with problems which may undermine our economic and social system and threaten the functioning, or even the very existence, of our democratic societies.

The Economic and Social Front

Rising unemployment, which now affects some 9 million people, or the equivalent of more than the entire farming population of the Community, is destroying the hopes of an increasing number of individuals and families of leading a decent life and achieving personal happiness and fulfilment.

At the same time, it is threatening more and more the foundations of our democratic societies, which are based on active participation by citizens in economic, social and political matters.

Inflation remains high; this is having a serious affect on the standard of living, particularly on that of people with moderate incomes.

The economic and social imbalances between the different regions of the Community are getting worse. The decline of old industries is leading to stagnation in numerous regions.

Economically, the Community is losing ground to other large industrialized or industrializing countries.

The accelerated development of production infrastructure in new industrialized countries is leading to new sources of competition.

The Community has been unable to adjust its economic structures adequately to the problems arising from the rise in energy prices and the pace of technological change; this has had repercussions on the balance-of-payments deficit of the Member States. Such economic imbalances have led to an investment shortage which, in particular, has made it impossible to solve the Community's regional imbalances. This has led to a loss of confidence in the Community.

Economic growth, the source of yesterday's prosperity, has now generally levelled off and even given way to a downturn in certain countries and regions.

All these aspects interact on each other. None can be solved in isolation, and their co-existence makes the solving of any one of them individually much more difficult.

The Political and Institutional Front

Concern among business and labour leaders, and discouragement among potential investors and future business heads, is growing about the uncertain future of the European economy.

As economic conditions and the world political situation have changed, European integration has become more difficult. The political objective of a European Union has been pushed into the background. But this threatens the internal cohesion of the Community. If the process of European integration no longer has a political target, the solidarity of the Member States, which was appealed to by the "Three Wise Men" in 1979, will be threatened and, in the long run, doomed to failure.

This is all the more important because the Community and its members will have to face up to a growing number of challenges both at home and abroad in the present decade.

Public opinion is more and more critical of the Community's image, as characterized partly by the considerable slowness in taking decisions in the institutions in general and at the Council of Ministers in particular, or even by the blocking of many Community policies.

The lack of solidarity between the Member States, who are unable to transform either the guidelines set by the European Council or the initiatives of the Commission and

European Parliament into decisions by the Council of Ministers, is evidence of a lack of political will at European level to attain fundamental Community objectives.

This lack of political will is preventing political circles and economic and social interest groups from giving real support to a Community approach in any field. Thus there is no real awareness of Europe as such in either broadcasting or the teaching profession.

These dangers require of the Community speedier decisions and more efficient action than in the past.

The New Geographical Dimension of the Growing Community

The first enlargement of the Community in 1973, the second in 1981 and the prospects of a third enlargement within the next few years have not brought about the changes to the Council's decision-making machinery and the other institutions' internal structures and administration which are now essential. As a result, the Community seems to be more and more "ungovernable".

Financial Capacity

Unless something new is done, the Community will very shortly (in 1982-1983) reach the limit of the finances available to it for its own purposes.

The World Scene

The Community is faced by substantial changes in the world economic system characterized by (a) the rise of the new industrial countries (NICs) and (b) a redistribution of wealth due to the transfer of resources to oil and commodity-producing countries.

This has meant the transfer of certain types of production to the Third World, which has made it more difficult for industry and agriculture in the Community to be competitive. The Committee shares the Commission's view expressed in point 7 of its Report on the Mandate of 30 May 1980 that "the changes in the world economy and the upheavals that have occurred in international relations have shown that existing policies will have to be developed or revised".

In seeking the setting-up of a new world economic order, the countries of the Third World have formulated requests which are likely to have a considerable impact on the Community's present position.

2. THE COMMUNITY'S RESPONSE

The Implementation of Community Policies

The problems described above pose a challenge which cannot be solved by one or several Member States acting in isolation. Only the Community as such - which is still the

number one trading bloc in the world with the biggest population and an original social system, and which possesses a vast capacity for innovation due to the skills of its business leaders, technicians and workers - has the resources necessary to compete with the other big power blocs and make an effective contribution towards solving such problems - if it rediscovers its past solidarity and political will.

Its response, which must be realistic but effective, must be directed as follows :

- a) Community policies which have already been decided on by the institutions, and which are often endorsed in the guidelines issued by the European Council, must finally be put into effect on the basis of an overall approach ensuring proper consistency between the Community's various sectoral policies. To bring this about, the Council must use its powers to take decisions and provide the financial resources necessary.
- b) Where it is clear that the Member States have been or are unable to cope with challenges on their own, their policies must be given a more Community dimension.

Such action must therefore be concentrated on a limited number of policies which could be pursued with more likelihood of success at Community level.

To this end, the Community must be given powers to decide within reasonable periods of time and to use the financial resources necessary.

Thus the Community's strategy for the 1980s depends on there being a clear definition of certain policies to be conducted jointly and the commitment of those with authority to take decisions to implement such policies.

Like the Commission (point 4 of the report on the Mandate of 30 May 1980) the ESC would stress that it is up to the Community institutions to "resolve without hesitation to fulfil the political alliance entered into by each Member State when it signed the original Treaties or the Treaties of Accession".

The Powers of the Member States and the Convergence of National Policies

It is, however, obvious that in large areas of economic and social policy most of the power is still in the hands of national authorities.

In this context, the Community must nevertheless bring about an adequate degree of convergence of the really important policies pursued by the Member States (see in detail under IV 1).

At the general level, and in order to make the action taken by the Community and the Member States really effective, it must be established beyond dispute :

- which areas are to remain the responsibility of the Member States and be subject to a convergence of policies coupled with certain Community "back-up" machinery; and
- which areas are to be subject to action by the Community respecting the basic principles of the Rome Treaties.

3. THE BASIC AIMS OF COMMUNITY POLICIES

To Get the Economy Moving Again and Provide More Jobs

Europe must mobilize all the resources at its disposal (in technology, inventive capacity, labour and capital) to give a new impetus to economic activity. It must therefore fight inflation, strengthen the Community market and make its industries and the other sectors of its economy (e.g. distribution network, services, tourist industry, agriculture) more competitive so as to help at the same time towards re-establishing a high level of employment as soon as possible - the eventual objective still being full employment.

At the same time, this process must be accompanied by measures to promote social justice with an eye to safeguarding and, if possible, improving present levels of prosperity; this includes ensuring that the different regions and sectors of the economy develop in a harmonious manner.

The Community must remain the expression of a Europe which has a sufficient sense of solidarity to offer a satisfactory standard of living to all its citizens, which is really united and able to play its proper role in the world and which has an innovative capacity enabling it to face up to international competition.

No Member State is capable of solving on its own all the problems of the economic and social crisis which everyone is suffering from to some degree or other. It is therefore vital for any national attempts at solving these problems to be carried out with the Community's interests in mind.

Political, economic and social efforts must concentrate on making an effective contribution towards solving the major problems confronting the Community and the Member States.

The essential economic and social objectives of the Community should be part of the political objectives of the European Union to be developed during the 1980s as a factor for peace and as a means of promoting respect for our democratic and pluralist systems.

The Community will thus remain a region in the world where there will be a chance of achieving "an ever-closer union between the peoples of Europe".

The economic and social groups of the Community are ready to assume their responsibilities within the framework of permanent and prior consultations with the Community authorities in the 1980s. They therefore expect these authorities, and especially the Council of Ministers, to take decisions and act.

4. PRIORITY COMMUNITY POLICIES TO BE CARRIED OUT

The Community must take action on two levels :

A. The Community and the Convergence of National Economic Policies

It is vital to develop a consistent Community socio-economic policy.

To do this, the national economic and monetary policies of the Member States must be coordinated and developed within a framework for convergence which is sufficiently binding to oblige the Member States to comply with it and gear their national policies to a consistent plan of action involving, among other things, investments and competition between industries. Such policies must complement, and not contradict, each other.

Such convergence requires priority to be given, in national budgetary policies, to "investment" expenditure, as opposed to expenditure on public and private "consumption". The Community's own policies involving financial intervention must also be included here.

All Community and national policies generally should recognize the importance of increasing profitable investment, which is necessary if there is to be any return to growth. This increase will need to come from both the private and the public sectors.

It is important, therefore, that the tendency of governments to cut expenditure on investment for purely budgetary reasons be reconsidered.

The Community must see that the Member States do not rebuild trade barriers between each other or use certain measures, such as some state aids, to distort competition between their own industries. If necessary, it should step in

itself to stop this happening. The aim of the Member States must be to maintain and improve the competitiveness of European industry on world markets. This would be made easier if the Commission could provide continuous information on aid given by the Member States.

What must be done is to bring about a sufficiently binding degree of convergence of national economic policies for the short and medium term as far as objectives are concerned while at the same time recognizing that the means used by the Member States to achieve these common objectives will differ.

This convergence must also cover Member States' aid policies for certain sectors, so that Community rules can be laid down in advance for everyone to follow.

Fields covered must include both job creation and restoring business competitiveness and economic growth. Other areas to be covered must be external equilibrium and stability. All this means that inflation and public sector borrowing must be controlled and the European Monetary System strengthened.

This will involve closer cooperation between the Member States and the Community leading to the institutional (second) stage of the EMS. In particular, the setting-up of a European Monetary Fund and expanded use of the ECU must be examined and the co-operation bodies scheduled for this second stage established.

On the international front the strengthening of the EMS must be accompanied by efforts to smooth out currency fluctuations against the dollar and the yen in order to limit excessive oscillations on the free market and produce a new, more stable international monetary equilibrium.

This convergence of national economic and social policies must be carried out on the basis of an analysis of the economic and monetary situation of all the EEC Member States founded on the principles of the "convergence" decision of 18 February 1974 and the medium-term economic policy programme resulting from it.

The most acute problem in this context is linked with the successive oil shocks whose effects have been felt since 1973 and which have brought about a massive and persistent, indeed increasing, transfer of resources to the OPEC countries.

The Community's balance-of-payments deficit, which goes hand in hand with the enormous budget deficits of the Member States, must be combatted by massive and selective investments, an adaptation of economic structures, the removal of barriers to intra and extra-Community trade, whether these be administrative, technical or of another nature, the development of replacement resources, and the saving of energy, which could lead to a renewal of production facilities and a moderation of the growth in costs (COM 81/95 final, page 8/9).

B. Action to be taken by the Community itself

The Community must redefine the means at its disposal and reactivate the solidarity of the Member States and peoples of Europe around a certain number of common prospects.

- A Coherent Nucleus of Priority Community Economic and Social Policies

The Community must, after wide-ranging consultations with economic and social interest groups, implement a coherent nucleus of priority economic and social policies. This requires the restoration of mutual confidence between the authorities and peoples of the Member States and between national governments and the Community. On a more political plane there must be a sense of solidarity with Community measures, which are carried out by joint institutions and with the Community's own resources and which cannot be carried out by the Member States alone.

With ten members now and the prospect of another two countries joining in the next few years, the Community, to safeguard its own cohesion and its internal stability, must take the steps necessary to remain operational and enable the new Member States to accept existing Community laws and policies.

2. The Extent of Community Action

Economic and social priorities should fall under two headings :

- the "Internal" Aspect

This should involve the completion and development of the internal market to stimulate internal demand and the stepping-up of certain Community policies which have already been begun.

The priority policies must be developed and adapted in line with the aim of maintaining and creating jobs in the Community. To do this, economic growth will have to be re-established, inflation will have to be combatted, the Community's existing financial instruments will have to be strengthened, new ones will have to be set up where necessary, and all Community measures will have to form part of an integrated multiannual programme.

- the "External" Aspect

This should involve the maintenance (or restoration) of the competitiveness of European industries and enabling a massive and balanced flow of trade between Europe and all the other economic regions of the world, such as OPEC, North America, Japan and Comecon. This set of priorities should be embodied in a Community trade policy which ensures reciprocal advantages for the Community and its trading partners.

C. The Community's Industrial Policy

Absolute priority must be given here to framing a selective policy for private and public investments likely to create favourable conditions for an economic recovery; the aim should be to make European firms more competitive and profitable and develop the internal market, all conditions necessary for promoting a Community employment policy.

To this end the Community must help bring about a suitable economic climate.

The Community's industrial policy in its widest sense covers all measures to help develop its economic activity. Its watchwords must be adjustment, innovation, openness towards the rest of the world and defence of the Community's interests.

It must be part of a "grand design" embracing the various Community measures, and taking account of the initiatives of the Member States. This grand design will focus in particular on small and medium-sized businesses which are very innovative and consequently have a potential for creating jobs.

Action should concentrate on manufacturing industry, which has been particularly affected by the present crisis, and whose competitiveness is vital to the generation of jobs.

In particularly promising areas, such as energy production, energy saving, the environment, data processing and communications, microelectronics and, in certain Member States, building, stress must be laid on speeding up both Community research and the financing of certain pilot schemes.

It is also important that there should be Community coordination of the programmes of the Member States and a follow-up to such coordination, in order to avoid wasteful

competition between them. In many of these industries, it will be impossible to compete with the United States and Japan unless the Community acts as a unit.

It is equally essential that the Community coordinate the actions taken to ease the re-organization and running-down of certain industries. The model might be what the Community is doing with e.g. its special retraining assistance for the redundant, its temporary relaxation of its rules on competition for ailing industries in accordance with the Treaties and the progressive limitation of State aids.

- the Internal Market

Like the Commission, the Committee considers that a modern and dynamic industrial sector in Europe requires a single integrated market as this will allow firms to benefit from outlets on a continental scale and to invest with the same degree of security as their American or Japanese competitors.

The Community must therefore complete the Common Market by eliminating barriers of all kinds, be they technical, legal, administrative or others, and open up public purchasing more. At the same time, it must seize the opportunities offered by a larger market of ten, and soon twelve, countries and by the rise in internal demand which will result if the Community manages to develop a regional policy which will remove existing inequalities.

Like the Commission the Committee thinks that the full potential of the vast market offered by the Community should be tapped, e.g. by setting common standards and exploiting all the opportunities offered by public procurement.

The Community must help the Member States to overcome investment bottlenecks in certain industries (due to administrative and other obstacles) by pursuing a policy of research and information designed to enable industries in the Member States to use new production processes developed with the help of EEC aid.

Support from the Community to help restructure certain ailing industries must aim at cushioning the shock caused by a profound change in demand and making such restructuring possible within reasonable time limits.

Particular attention must be paid to aid to develop new industries through measures which are compatible with the machinery of the market place.

Applying the competition rules more consistently to industrial aid would assist the drive to modernize production machinery (Commission Report on the Mandate of 30 May 1980, point 16).

- External Economic Relations

Such action on the domestic front must be accompanied by the adoption and defence of a common European position towards other countries and regions of the world. The Community must concentrate here on measures which are particularly urgent and necessary so that its economy in general and its industry in particular are not weakened at world level.

The most urgent things to be done are :

Ongoing discussions between the Community, the USA and other leading industrial countries so that they can keep each other informed about matters of common interest.

At international negotiations concerning Europe's supplies of raw materials, the Community must try, more so than in the past, to conclude effective and equitable agreements which take account of the interests of both sides.

The Community must pursue a commercial and cooperation policy of openness towards the rest of the world without, however, losing sight of its own interests. For instance, the generalized system of preferences (GSP) must be applied more selectively to certain new industrial countries. The reciprocity of advantages and disadvantages must be kept firmly in mind during negotiations with these countries.

Faced with the onslaught on the world market of certain large industrial countries coupled, in the case of some (e.g. Japan), with a protectionist policy as regards their domestic market, the Community as such cannot stand to one side and allow a protectionist reaction from certain Member States (which is already taking shape) threatening the unity of the Community market and international trade as a whole.

The Community as such must therefore be the only body responsible for discussing and directing trading relations with these countries.

It seems a good idea to involve the appropriate GATT authorities in the solving of trade policy differences. Such

a move may lead to the creation of an objective, international jurisprudence.

The Community's efforts must concentrate in the medium term on improving the competitiveness of European firms and helping them adjust rapidly to the changes taking place on the world market.

To facilitate the access of European industry to the markets in these countries the Community should provide European exporters with specific back-up information EEC delegations overseas should be equipped to provide a constant stream of industrial, technological and scientific information on local investment trends and technical developments.

D. Labour and Social Policy

- The Community and "Concerted Action"

The Community's policy here, which will be just as important in the 1980s as other priority policies such as that for industry, must be made operational through appropriate regulating decisions and the mobilization of adequate financial resources. It must include wide-ranging consultations between the Community institutions and the two sides of industry organized at European level.

There should therefore be European "guideline-directives" laying down the general goals to be achieved, which would be implemented at national or sectoral level in accordance with normal procedures. "Concerted action" at European level between the two sides of industry on their own initiative and backed up by the Commission should lead to the conclusion of negotiated "framework agreements".

- Reducing Unemployment

Absolute priority must be given to reducing unemployment. The steps to stimulate the economy recommended in Chapters III "The Basic Aims of Community Policies" and IV C "Industrial Policy" should be supplemented by the measures listed below, the aim of which is to distribute available work in the fairest way possible.

a) Vocational Training, Specialization and Retraining

The Community must introduce or step up training, specialization and vocational retraining programmes to prepare or train people for new production methods and new technologies.

The aim of such a programme must be to equip young people and certain other workers with a higher degree of vocational skill and retrain older workers, thereby matching applicants to the jobs available more successfully than at present.

European solidarity must be developed by strengthening the role of the European Social Fund. Intervention by the ESF must also cover the retraining of workers in ailing sectors and the training of highly skilled workers for certain advanced technology. Consideration might be given to funding a number of capital projects facilitating mobility of labour.

Workers must be aware of the fact that it will be more and more difficult in the Europe of tomorrow to spend one's entire working life in one type of activity.

Thus, training and re-training programmes for workers must be geared to the foreseeable needs of different sectors, and more particularly to supplying people to fill available skilled and unskilled jobs; steps must also be taken to bring about the greatest possible degree of harmonization as regards programmes for technical and vocational education in the light of these needs.

b) Worker Mobility

Ways must be found of permitting real worker mobility between sectors and within the Community. Illegal immigration must be stopped.

c) A Balance Sheet of Available Work and an Active Employment Policy

To utilize available labour more efficiently, there should be a proper "balance sheet of available work" so that programmes to train or retrain workers in skilled or specialized branches corresponding to technical and vocational education are matched to the established requirements of the labour market.

An active employment policy should be implemented by eliminating the compartmentalization of the labour market, by an overall approach to the problems in that area and by better coordination of all the instruments and financial resources available.

More use must be made of the opportunities offered by the European communicating system for jobs available and jobs wanted (SEDOC).

d) Reduction of the Time Spent at Work

- The need to organize available work as widely as possible without reducing the competitive capacity of the economy must lead the two sides of industry and the Community authorities to provide for measures dealing with flexible retirement and part-time working.

As far as flexible retirement is concerned, the Commission should submit new proposals taking into account (i) the right of workers to decide for themselves, once they reach a certain age, when they should leave a job or a voluntary part-time occupation and (ii) the financing possibilities, bearing in mind the demographic situation. These proposals should be in the form of a draft European "guideline-directive" to be incorporated into national laws.

- The Actual Amount of Time Spent at Work a Year

The Community institutions should encourage the conclusion of a European "framework agreement" resulting from consultations between the two sides of industry at European level helped by the Commission authorities; the aim of this document should be to reduce progressively the overall volume of time spent at work per year, leaving it up to the different Member States and economic sectors to decide what means should be used (e.g. reducing the working week, giving longer holidays, re-arranging shift work, etc.).

This re-organization of the annual working year should be studied:

- with a view to a fairer distribution of available work and its effects on reducing unemployment;

- from the point of view of improving living and working conditions in various sectors; and
- taking account of the possibilities offered by greater productivity, the development of firms' competitive capacity and the optimum use of productive equipment.

It is obvious, in this context, that, in the interests of solidarity, those currently with a job could be asked to make certain sacrifices.

- Specific Measures

Measures to help families, old people and the disabled must be continued, as they often have an "encouraging" effect on Member States' legislation; the same applies to measures to combat poverty, which studies and pilot schemes have already shown to be highly useful if implemented and financed by the Community.

The Community's efforts to inform and consult more with workers and involve them more in their firms' work must be brought to a successful conclusion. (The ESC will shortly be issuing a separate Opinion on this point). Representatives of the various categories of economic and social activity should also be involved in framing and taking decisions concerning integrated schemes to develop certain regions.

- Social Policy and Other Priority Community Policies

The Community's social policy must be developed hand in hand with its other priority policies, such as those for industry, energy and the regions.

It is a vital factor in bringing about a real balance in Community policies in the 1980s.

It is therefore essential that the decisions and financial pledges connected with this policy show that European solidarity is a real thing. The "social" aspects of certain mature Community policies (e.g. agriculture and transport) should be given greater prominence.

- A New Social Action Programme

All the Community's planned social measures for the 1980s must be part of a new social action programme like that proposed by the Commission and adopted by the Council in 1974.

Such a policy, incidentally, would mean a greater convergence of national policies.

*
* *
*

E. Energy and Research

The Community should hasten the formulation of a common energy policy.

The Committee has noted with satisfaction the Commission's intention to propose measures designed to bring about a more consistent policy on energy prices, which should be an essential factor in adjusting energy supply and demand.

The Community must concentrate on drafting a programme for advanced research with the aim of systematically developing traditional and alternative sources of energy on its own territory (solar, geothermal, winds, tides and bio-energy) and promoting energy conservation.

Community action must encompass the financing of certain pilot schemes to encourage the use of certain energy production processes. Generally speaking, the Community must persist in its efforts to boost its energy potential, concentrating on encouraging the production of energy from domestic resources.

It is extremely important for the Member States to have an active and stable concession and fiscal policy to promote intensive oil and gas prospecting and production in the Community, even from marginal sources. There should be a Community strategy, or, if necessary, policy, to ensure an uninterrupted supply and distribution of natural gas in the future in the light, in particular, of future deliveries of natural gas from the Eastern bloc.

An intensive effort will have to be made to achieve greater diversification in the energy sources used, so as to reduce the existing dependence on imported oil in particular. In choosing the energy sources here due account will have to be taken of the specific situation in the various countries. In view of the longer-term considerations, the developments of renewable energy sources in particular will have to be taken vigorously in hand.

The Community must try and work out a common policy as regards producing electricity from nuclear sources. Here suitable techniques, e.g. fusion, to be developed alongside

the current production process, fission, merit extensive reflection and research.

It can do much to get people to accept these advanced energy technologies providing it lays down Community standards and measures to protect workers (Community nuclear safety code, the question of waste, etc.).

To do this, the information necessary would just have to be made known to the people concerned and the representatives of economic and social interest groups would have to be informed about any scheme planned.

It is also necessary for the Community to cooperate more with international energy bodies, as more than half of its energy needs (oil) are imported from other regions of the world. It is advisable for the Community to have a dialogue on energy matters with non-oil producers outside the EEC, as their interests are very similar.

As in the past, the Community's research programme must cover:

- Energy;
- Certain aspects of the environment and recreation;
- Raw materials;
- Agriculture;
- Certain industrial sectors.

Additional topics could include oceanic research and biology.

The findings of these research programmes must lead in the medium term to investments in the sectors in question and thus to the creation of new jobs. They must also be made more readily accessible to smaller firms.

All of these research activities must be backed up by systems to collate basic data and research findings at European level (data banks).

F. Physical Planning

Generally, this policy, which covers policies for the regions and transport and communications infrastructure, must help align national policies in these fields and reduce the growing disparities between the different regions of the Community and the gulfs between levels of prosperity. Special attention must be paid to closing the gap between those in the developed centre of the EEC and those which are on its outskirts and suffering from economic and social depression.

1. Regional Policy

The Community must reorientate its regional policy and put the accent on the development programmes that need to be drawn up to coordinate the funding of individual projects in a particular region more effectively. This must go hand in hand with the provision of adequate resources for the European Regional Development Fund and a concentration of aid in the least well-off regions. (As regards the problem of concentration of aid, see ESC Opinion of 28 October 1981 concerning new directions and priorities of regional policy, Point II.4.).

The aim of the programme should be to develop both infrastructures and the industrial and service networks in the under-developed regions by promoting schemes that create jobs immediately (small business sector, etc.) and deploying Regional Fund resources more effectively.

A new impetus must be given to these policies by involving regional authorities and economic and social groups in the preparation of decisions concerning programmes and the choice of investment projects.

Truly Community measures of the integrated action type which directly encourage the development of the regional economy must be made possible by boosting the non-quota section of the ERDF and bringing in other Community financial instruments like the Social Fund, the FEOGA Guidance Section and the EIB. Local potential, including local labour, should be mobilised in the light of supply possibilities, e.g. the development of tourism and the environment industry. Smaller businesses and craft firms have a key role to play here.

The present procedures for approving non-quota measures must be altered. The requirement of a unanimous decision by the Council on all projects within the special programmes limits the speed and flexibility of response and severely

reduces the genuinely Community character which such measures should have. As the non-quota section is enlarged such problems will become more severe.

In future Council decisions in this area should be taken by a qualified majority.

- Transport and Communications Policy

The geographical expansion of the Community means that the Community must play a bigger role in improving transit routes and links with the outlying regions, as a complement to the development of existing infrastructures.

Community action involving a financial commitment cannot be ruled out. Transport and communications policy must bring home to the user and the public at large that the Community is a fact. The Community's programme for the decade ahead must therefore encompass harmonization of charges and taxes on different forms of transport, which will inevitably involve streamlining customs formalities and standardizing customs papers. All in all, Community measures must allow Europeans to feel that they are members of a single economic Community. Transport policy must take account of energy policy (e.g. by developing inter-city public transport and communications links in order to reduce oil consumption.)

G. The Quality of Life

After the information and initial guidelines phase which is a feature of Community action as regards the environment and nature conservation, certain Community research programmes to promote environmental protection must be implemented in the years to come, thereby helping to harmonize production conditions and terms of competition.

The findings of such research and certain European standards for the protection of the environment must encourage the development of job-creating environmental industries, through the framing and implementation of projects of a Community nature.

To do this, model installations financed by the Community should lead to the industrial use of processes enabling savings in energy and other resources, and thus environmental protection.

Generally speaking, in view of the limits to national resources, plans should be made to take steps which, while favouring economic growth, ensure a wise and economic utilization of non-renewable resources, including the development of a number of new techniques for recycling certain materials.

The exchange of information on a European scale in the field of cultural and leisure activities could lead the Community to draw up a research programme for future Community

and national initiatives, given that the rapid growth of this sector may create jobs.

This programme could include schemes to use new technical and other methods to clean up and renovate urban areas (see the September 1980 ESC Conference on Construction and Growth).

Other points for the Community to consider should be living conditions in a rural environment and the development of a "biological" agricultural sector.

The Community is not just an economic union. It must be seen as a living reality by each citizen.

It is therefore essential that concrete measures, affecting everyone's daily lives, be taken, e.g. improvement of border crossing facilities and the introduction of European passports and driving licences.

H. Agricultural Policy

The Common Agricultural Policy must be pursued in harmony with the whole series of balanced Community policies to be developed in the future. It must comply with the aims of Community policies generally as defined in Article 2 of the EEC Treaty (promotion and harmonious development of economic activities throughout the Community - accelerated raising of the standard of living, etc.).

It must be developed bearing in mind the goals set out in the EEC Treaty, which are still valid for the decade ahead (notably to increase agricultural productivity, and thus ensure a fair standard of living for the agricultural community, to stabilise markets, to assure the availability of supplies and to ensure that supplies reach consumers at reasonable prices). One cannot overlook the importance given, at the conference of Stresa in 1958, to providing the agricultural sector with pay levels and a return on capital identical with those in other sectors by means of structural improvements. To achieve these goals the Community must, as in the past, follow the three principles on which the different market organizations are based, namely:

- Single markets and prices;
- Financial solidarity; and
- Community preference.

The Common Agricultural Policy must be compatible with the aims of Article 110 of the Treaty, which aims at the harmonious development of world trade. In addition, in accordance with what was agreed at the conference of Stresa, equilibrium between supply and demand must be a major objective.

For the medium-term, the Community must decide what are to be its objectives regarding self-sufficiency, its trading and political needs as far as imports are concerned and its potential for exporting.

The different elements of the Common Agricultural Policy must be developed in a more harmonious manner. In addition to markets and prices policy, social, commercial and structural aspects must be more important in future.

As far as agricultural structural policy is concerned the Committee, like the European Parliament in its Resolution of 17 June 1981, would like certain measures to develop farming structures in the less-favoured regions to be combined with regional and infrastructure measures in the form of integrated operations financed jointly with the Social and Regional Funds.

The medium-term development of agriculture must aim at making European farming efficient with the trend being towards production units of a profitable size - bearing in mind commercial needs.

The instruments of agricultural policy must be corrected with this in mind.

Crops able to provide economical substitutes for imported hydrocarbons should be encouraged.

There should be a detailed study of the effects which result from the different market organizations. The maintenance of an appropriate standard of living for farmers must not rule out measures designed to improve management of certain markets and eliminate surplus production of certain products which seriously unbalances the Community budget. As the President of the Commission put it, the Community's strategy should be to keep tighter control over the excessive increase in expenditure generated by the CAP, bearing in mind the basic principles underpinning this policy.

Although prices should remain an important instrument consideration should also be given to other ways of regulating production as a means of achieving these aims. Prices should follow market trends more closely. Certain other measures should be envisaged to help farmers in less-favoured areas.

As a general rule the growth in the Community's agricultural budget should be less than that of the budget's other sections.

The Community must take more account of the international dimensions of the Common Agricultural Policy by progressively bringing in a policy for exporting farm produce in accordance with the Community's own interests and the legitimate interests of other exporters.

Development aid policy should also include food aid as a policy separate from medium and long-term objectives, programmes and instruments.

Generally, the aim must be to achieve some measure of consistency between the various components of the CAP and the Community's external relations in the context of an overall approach to the Community's policies for the 80s.

The Economic and Social Committee is shortly to issue an Opinion on the future prospects of the CAP, in which its position on this matter will be set out in greater detail.

I. Community Information Policy

Community decisions must be presented and communicated to the mass media as an expression of Community policy, which means there must be a systematic policy of providing information on decisions which are taken and the reasons behind them and of providing general information designed to promote the Community ideal. The Council must therefore, following a proposal from the Commission, lay down a real information policy aimed at correcting the image currently projected by the mass media, which is inadequate, often inaccurate and may make a negative impact on the general public. The Community institutions and bodies must therefore provide the different media with a massive stream of information so that radio and television programmes can reproduce faithfully and copiously the viewpoint of the Community as such along with the opinions of political, economic and social groups.

To achieve this aim, there is a need for a high degree of consistency in the presentation of information. The Community needs to have its own "house style" which can be easily recognized by any European, whatever the Member State he or she belongs to.

J. The Planning of Community Policies

All the Community policies sketched out above, which must gradually take the form of multiannual legislation programmes, should be the subject of a proposal from the EC Commission, spark off a wide-ranging mass debate at a political level in the European Parliament, and lead to an in-depth discussion with the economic and social forces represented on the Economic and Social Committee.

These programmes should then be adopted by the Council of Ministers who should undertake to act accordingly and make available the financial resources necessary.

These overall Community policy programmes could, for some things, replace isolated measures which could not be carried out efficiently at national level. For this reason some of the financial resources could be found by reducing national expenditure. The other part could be financed by a better balanced and strengthened Community budget.

5. THE COMMUNITY INSTITUTIONS AND THE DEMANDS OF THE 1980s

In the 1980s, the whole complex of relations between the Member States and the policies of the Community will have to move towards a genuine European Union based on the existing treaties, the Community law arising out of them, jointly determined guidelines and the Member States' relations with other regions of the world, as well as on the various facets of European cooperation in the political and security fields.

In the light of experience it might prove necessary to adapt certain provisions of the treaties by strengthening the powers of the Community and protecting fairly the rights of minorities. It will be interesting here to see what initiatives will be taken by the European Parliament.

The Community institutions must therefore use their powers to the full right now and progressively adjust to the

demands of such a union (see too the ESC Opinion on the "Report on the European Institutions"). An institutional and political perspective of this kind is absolutely vital; otherwise the peoples of Europe will eventually no longer commit themselves to the European Community and it will be more and more difficult to reach political compromises within the Community institutions.

The Community is a political commitment, not just a customs union. It must be constantly presented as such to its citizens, and this must be a primary responsibility of all its institutions.

The Community institutions must take part in arriving at an overall approach to Community policies, rather than the over-fragmentary approach which has prevailed in the past.

The common duty of the institutions which propose and decide is to design a balanced and consistent set of Community policies which accommodates the legitimate interests of the Member States and their peoples but which is not based merely on a juxtaposition of the different national interests.

Thus the need to decide in accordance with the Rules of the Treaty would be more evident to those who at the present time hang on at all costs to the right of veto.

The Commission, using its right of initiative, must play its part to the full as the body which "proposes". To do this, it must submit objective and coherent analyses of the situation of the Community. It must therefore ensure that it makes known the "Community's response" and propose "Community" answers to problems. It must also incorporate its guidelines

in a "multiannual legislative programme", coinciding with the terms of the European Parliament in the 1980s (1979-1984 and 1984-1989), which will have to be adopted by the European Parliament and discussed with the economic and social interest groups in the Economic and Social Committee.

The Council of Ministers must take decisions more quickly. Its authority is being weakened by its sluggish procedures which are blocking decisions on a number of Community policies, and which can only get worse in an enlarged Community of Twelve.

To retain or recover its decision-taking capacity the Council absolutely must, as a general rule, decide by a weighted majority as provided for in the Treaties; this would at the same time constitute a first step towards a new effectiveness within that institution. It is regrettable that there has still not been an adequate follow-up to the Spierenburg and Dell Reports.

The European Parliament's job should be to monitor at the political level and intensify its influence in the dialogue with the Commission and Council. It must exercise its authority on budgetary matters fully. In big debates, it must prepare the policy decisions of the Community.

The European Council's role must simply be that of a place where contacts at the highest level can be made. It may give certain general guidelines for Community policies but should not become a court of appeal or decision-taking body as this would paralyse the Council of Ministers (which is inclined to refer technical and everyday management questions to the European Council).

The Economic and Social Committee

The institutional role conferred on the Economic and Social Committee under the Treaties is to ensure the active involvement of the various economic and social interest groups in the Community's legislative process and the coordination of national economic and social policies. This should, among other things, mean conferring institutional status on the Committee.

The Committee must therefore be consulted before any Community policy objectives are defined.

6. THE FINANCING OF PRIORITY COMMUNITY POLICIES

Community measures designed in the interests of greater efficiency to replace national measures - though not at the cost of an increase in personal and company tax burdens - should be incorporated in a binding multi-annual programme (see above) which will replace the over-fragmentary approach of the past.

Other measures should be seen more as complements to national measures.

However, most of the policies listed above will only be fully effective if they are given substantial financial backing by the Community, although money must be used more effectively and expenditure must provide a greater return.

Only policies of this kind will enable the present imbalances between the different regions in the Member States and the various common policies to be corrected and promote greater overall economic convergence in the Community.

It would therefore be a good idea to check whether a limitation of the Community's income to a ceiling of 1% of VAT receipts would be fair and in keeping with the medium-term development of new EEC policies, e.g. energy and industry or, in view of the relevant transfers of powers and expenditure to take place in the next few years, whether it would not be more logical to allow the development of Community policies in areas where such may be more effective than national policies.

Any expansion of own resources should be linked to a reconsideration of how the money is to be used as part of a greater convergence of the Community's policies. A "fair return" philosophy will be unnecessary if resources are distributed fairly among the different regions.

The Community, for its part, must use its funds more efficiently and should therefore coordinate more closely the interventions of its financial instruments, viz.:

- the European Regional Development Fund (ERDF);
- The European Social Fund (ESF); and
- the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF).

Intervention through the European Investment Bank (EIB) and the new Community instruments (NCI) should be better coordinated with the aim of achieving a greater convergence of Community policies.

Also to be developed are "Community-type" actions, such as schemes to assist :

- small and medium-sized businesses;
- "integrated operations" to help certain regions; or
- intervention by the Social Fund. Such intervention would concern either certain groups (the young, women and the disabled), certain situations (e.g. the integrated operation on training and employment) or "growth-generating and job-creating" sectors.

III. DECLARATIONS MADE ON BEHALF OF THE ECONOMIC AND SOCIAL
COMMITTEE'S GROUPS AND CATEGORIES DURING THE GENERAL
DISCUSSION:

1. Declaration by Mr STARATZKE
on behalf of Group I (Employers)
2. Declaration by Mr DEBUNNE
on behalf of Group II (Workers)
3. Declarations made by the representatives
of the categories belonging to
Group III (Various Interests)
 - Mr HILKENS - consumers
 - Mr LAUR - farmers
 - Mr MARGOT - crafts and small and
medium-sized enterprises

DECLARATIONS MADE ON BEHALF OF THE ECONOMIC AND SOCIAL COMMITTEE'S GROUPS AND CATEGORIES DURING THE GENERAL DISCUSSION:

1. Declaration by Mr STARATZKE on behalf of Group I
(Employers)

The members of Group I (Employers) naturally do not agree with some of the passages in the Opinion. They would like to have been able to indicate these differences of opinion or make additions to the text, but they are willing to put these differences to one side so as not to tax Committee solidarity and jeopardize the Opinion.

On two points they do, however, have a completely different viewpoint, which we would like to make known. We would therefore ask you to publish the following declaration together with the Opinion in the Official Journal:

Group I accepts that the question of a reduction in working hours must be discussed by employers and workers and that there is scope for such discussions at European level. However, no decisions can be taken at that level. The workers' and employers' associations at EEC level do not have the authority to take decisions which are binding on their members. The decisions must be reached between the usual negotiating parties in the Member States. Accordingly the Commission can do nothing more than bring both sides of industry together. All references to EEC outline Directives or outline agreements should accordingly be omitted.

The members of Group I are very much in favour of worker information and consultation. They do, however, take the view that as the legislation, traditions and practices in Member States differ so considerably, the time is not yet ripe for a Community initiative. A draft Directive on the subject, which is currently being discussed by the Economic and Social Committee, has already made it quite clear that the Committee is sharply divided on this question. It accordingly seems inappropriate to refer to this matter in an Opinion which should set out the general views of the Committee on developments in the next decade.

2. Declaration by Mr DEBUNNE on behalf of Group-II (Workers)

Some of the passages in the Prospects for the 1980s Opinion disturb the Workers, to say the least. However, the Opinion reflects a readiness to search for a compromise. Concessions have been made and a certain degree of balance has been achieved as a result of a "give-and-take". As such, the Opinion has a definite value in the eyes of Group II and meets with its approval.

However, in order to avoid misunderstandings later on, Group II considers it necessary and advisable to make the following declaration:

The main line taken in the Opinion is that the Community's activities should be strengthened and made more coherent and binding. As to the priority to be accorded to "investment" expenditure as compared with public and private "consumer" expenditure, we have time and again made it clear that the two approaches should be fully compatible.

The economic growth and recovery which we are calling for should be aimed at:

- a boost in domestic demand by maintaining and increasing purchasing power, first and foremost through the provision of help for the low income groups;
- more funds for investments in communal facilities (both private and public) and social services, especially housing, education and training, health and environment protection, with the twofold aim of improving living conditions and creating jobs;
- the development of major infrastructure projects (transport, communications, and so on) which are vital for a real economic recovery.

Small and medium-sized enterprises would be in a stronger position to create new jobs since a large share of the increased domestic demand would go to them.

In the field of external relations, it is vital for the Community to put its entire economic and political weight behind a policy aimed at a wide-ranging international programme for developing and supplying the IDCs. Only in this way will it be possible to achieve a more equitable international order. This is also a decisive factor in getting the world economy off the ground again.

Above all, it is necessary to help the IDCs to help themselves so that they can satisfy their own needs in the first instance, before re-exporting to the industrialized countries.

As far as Community-level cooperation between both sides of industry is concerned, there should be a political will to work jointly towards a reduction of working hours, because otherwise we shall not make any headway and we shall fail to get to grips with the problem of unemployment. Of course, in the end, the matter will have to be solved at national level by collective agreements.

Among the back-up policies under review in the employment sector, greater emphasis is being placed on training and mobility. These factors improve individual chances of finding a job but do little to remedy the employment crisis. The disastrous unemployment situation must be tackled by more vigorous means. Shorter working hours is one major solution to the anguishing problem of an intolerably high level of unemployment, which has hit the young and women hardest of all.

Before speaking about the sacrifices that could be asked of job-holders, as the Opinion does, it would seem to us to be more logical to speak about a more equitable sharing of the cake. National wealth should be redistributed more fairly in a true spirit of solidarity.

Finally - and here I am sticking to the essentials - it must be said that the rational utilization of energy's role is underestimated, that the monitoring of multinationals' supplies and the independent monitoring of the security of supplies has been neglected and that no mention is made in connection with energy prices of protecting non-industrial tariffs or satisfying basic household requirements.

All in all, energy policy should be seen in the general context of public service and utility. In this context transport (an infrastructure of major Community significance) should command a prominent place.

*

*

*

3. Declarations made by the representatives of the categories belonging to Group III (Various Interests)

- Declaration by Mr HILKENS (consumers)

We are having to deal with an extremely difficult but important issue which concerns the very basis of our society. There is a dramatic and inadmissible level of unemployment, and a tendency to protectionism - both at domestic and external level.

It is of great importance that the Committee, on which all social groups are represented, should consider this issue. The main value of the paper before us is that it reflects a willingness to act together. How this is to be done is not always visible and the paper does not offer ready solutions. It sets out a number of suggestions. I have accepted the proposal that no amendments should be tabled in order to ensure a joint, unanimous standpoint.

My comments are concerned with the section on the quality of life. I agree with the statements made in this section, but my problem is that they do not say nearly enough. The quality of life is not a marginal phenomenon but an integral component of economic policy. This quality of life must not remain an empty slogan. To a large extent it is covered by consumer policy. When I defend this point of view, I am in good company. The Council of Ministers stated itself in its Resolution on the Second Consumer Programme that "Improvement of the quality of life is one of the tasks of the Community. This task involves the protection of health and safety and the economic interests of the consumer". The particular importance of this issue in the present economic situation is brought out by a statement in the Second Consumer Programme which was adopted by the Council, viz. : "In the

present difficult economic situation - characterized by small income increases, persistent structural unemployment and the various economic repercussions of energy dependence which confront most of the Member States - the consumer is forced to spend his income more thoughtfully if he is to gain maximum benefit from it, and to pay more attention to the qualitative aspects of goods and services. In this light, special importance attaches to the measures to protect consumers in the field of the quality of goods and services, the conditions under which these are offered, and information thereon".

Some want to reduce the importance of consumer policy because there are so many other important problems. It looks as if both the Commission and the Council want to go along with this. Examples are provided by a number of draft consumer-policy Directives which are pending before the Council. The Commission has withdrawn the draft Directive on Toy Safety, for further consideration. There are even attempts, where consumer protection is involved, to give preference to the free market. I admit that in the present situation it is difficult to strike a balance between the needs of the free market and the harmonization of laws. But there can be no question of consumer protection being sacrificed for the sake of the free market.

The draft Opinion states that the citizens are losing confidence in the Community. A European passport and driving licence are proposed in order to satisfy the man in the street. If this is really the intention, a whole lot more must be done. The citizens of the Community are calling for a policy which will lead to a high quality of life.

*

* *

- Declaration by Mr LAUR (farmers)

It is not surprising that we farmers have something to say about the Draft Opinion being discussed: an Opinion on the CAP's prospects should have been discussed at the same time but has not been able to be prepared in time. Since our plans have thus been spoilt, we have some comments to make on the Prospects for the 1980s Opinion. We would like our comments to be appended to the Opinion, and we would point out that the adoption of this Opinion in no way prejudices what we shall be saying shortly about the CAP.

The farmers' representatives have reservations, to a greater or lesser extent, about the following points:

- First of all we hope that the sole purpose of the comparison made right at the start of the Opinion between the number of unemployed and the size of the working population engaged in farming is to underline the importance which the Community should attach to farming at a time of high unemployment, and the need to have an agricultural policy which averts an exodus from the land and a fall in employment in the agricultural supply and processing industries and hence a further rise in the jobless total.

- We want a better definition of the multiannual production targets referred to in the Opinion (p. 32, fourth paragraph): these targets must take account of domestic consumer requirements, imports resulting from EEC obligations and potential exports, the need for buffer stocks and food aid policy.

- Since farming is a biological activity dependent on the weather, we think that the "elimination of surplus production" (p. 33, fifth paragraph) is wishful thinking. On the other hand, we do consider it highly desirable to curb increases in production which would result in a serious and permanent imbalance of the Community budget.

- We cannot accept that having prices fixed by the market - as suggested on page 34, first paragraph - would be a move in the right direction. The purpose of the Common Market and the Common Agricultural Policy is still to shield producers and consumers from excessive fluctuations in prices on the world market and, after all, the world market often defies comprehension, being a dumping ground for surplus production rather than a market based on cost prices.

- We also consider that even if priority is to be given to investments (page 10, second paragraph of the Opinion), a selective revival of public and private consumer expenditure cannot be overlooked. Isn't this the purpose of social policies to help families, the elderly and the disabled and even the purpose of the minimum wage or direct aid for hill farmers?

Still outside the realm of the Common Agricultural Policy, we cannot overlook the fact that the CAP is but one of the cornerstones of the Community edifice. Thus, we agree for the most part with the Opinion's suggestions on how to diversify Community action and revitalize long neglected joint activities with regard to the convergence of national economies, industrial policy, social policy, energy, research, land use planning and regional policy. This is certainly one way of mitigating the twin curse of unemployment and economic recession.

The farmer, just like any other citizen, is alive to the problems facing us from our economic, social and human angle, while as a farmer he is feeling the impact of a fall in purchasing power and hence agricultural sales, a drop in public loans for farming and a growing downward pressure on farm prices.

We would stress that this ambitious programme could not be carried out in full without additional funds. It would be unwise to imagine that levies on the funds currently spent on the CAP might suffice for this purpose.

One final word about the new world economic order. It is wrong to suppose as the Opinion does (page 6, third paragraph) that the EEC will suffer from a confrontation of interest here. This negative assessment does not correspond to reality.

The search for a new world economic order must give the Community the chance, in the face of requests from Third World Countries, to play a constructive role and put forward solutions which take account of both sides' economic interdependence based on mutual interests and benefits.

We hope that these comments of ours are a constructive contribution to the document before us.

*

*

*

- Declaration by Mr MARGOT (crafts and small and medium-sized enterprises)

The representatives of small and medium-sized enterprises agree broadly with the views contained in the Draft Opinion. However, we would all prefer the text to speak of economic policy wherever it refers to industrial policy, for all economic activities - including commerce and services - and not merely industry must be given a boost at the moment.

We have also noted that the necessary development of small and medium-sized enterprises has been given a prominent place not only in the Draft Opinion but also in the Commission's report on the Mandate and in Commissioner O'KENNEDY's speech. I believe that from the point of view of job creation, which is one of the priorities, if not the most important priority, in the 1980s, it is impossible to overlook the fact that small and medium-sized enterprises have an important role to play.

Eighty per cent of the jobs created in the United States in the last two years have been in the small business sector and mainly in firms with less than 25 employees. We are pleased to note that this fact has been recognized in various declarations and reports of the Commission where there is seemingly a wish to grant a more important place to small business in future policy.

Our only wish is that the line is not drawn at speeches and statements of intent, but that these words are followed by action. There is no escape from the fact that out of the 10,000 or so officials working for the European institutions there are, all told, only three with special responsibilities for studying and furthering a policy of support for small and medium-sized enterprises and the craft industries. We are not in favour of an unwieldy bureaucracy, even in an area of special interest to us, but we do believe that there is a lack of proportion in this particular case and that it is necessary to have a properly equipped service within the European institutions which - acting in collaboration with representative small business organizations - is capable of keeping a watch on questions affecting small business in all areas of Community policy, be it questions falling within the Community's own remit or recommendations from the Commission or the Community to the Member States. Thus, our main, if not sole, wish is that theory is put into practice, that tangible progress is made in the Eighties and that small and medium-sized enterprises are put in a position to contribute fully to the creation of jobs and the supply of goods and services in response to the varied needs of consumers. From this point of view I believe that we are not simply talking about the problems of a specific interest group, but instead are defending the interests of the community as a whole.

IV. OTHER SPEECHES MADE DURING THE GENERAL DISCUSSION

Speech by Mr LEO

I should like to say one or two things about the Community's international position, and more particularly something about political cooperation in the Community, and European security. Such matters need to be discussed urgently because of the current world situation.

The following developments can be seen to have taken place:

The appearance of protectionist tendencies in international trade as a result of the economic recession proving to be longer-drawn-out than at first thought. I am thinking in the first place of problems between the Community and the United States and between the Community and Japan.

The positive outcome of the multilateral GATT negotiations nevertheless give us reasons for hope.

An aggravation of the tensions between East and West, with all that this implies.

A resurgence of North-South problems in connection with which one cannot really say that there has been a visible or tangible narrowing of the gap between the rich and the poor.

Europe as a united body speaking with one voice was conspicuous by its absence from the Cancun conference - or at least that is the impression I had. And yet Europe is the part of the world most affected by North-South

developments since we depend on third world countries for our energy, a large number of raw materials and various foodstuffs.

In addition, all these areas are possible future outlets for our own products. The Community, as an economic power, will therefore inevitably be more and more affected by international political developments and so must assume a certain degree of political responsibility. Political pressure, or something even worse, can be brought to bear on international trade so we need to understand that we will not only be victims of this kind of pressure (energy, raw materials) but may even have to exercise pressure on others.

In working out EEC foreign policy, an important place must therefore be assigned to the Community external economic interests (e.g. within the framework of European political cooperation).

This is one of the reasons why I can never emphasize strongly enough the fact that the Community must achieve real union in the 1980s, and that includes political and military union (or union in the field of security).

A common defence system serves not only military or security objectives, but also economic objectives. Through an integrated defence system, Europe can free itself from its present "sandwich" role and can develop its own defence strategy, including integrated logistics.

The European Parliament's proposal to hasten the advent of European union by possibly amending certain Treaty provisions is therefore to be welcomed.

Only if the Community is genuinely united will it have the economic capacity and power needed to solve the problems outlined above. To imagine that one or several Member States are going to succeed instead and in place of the Community is illusory and may in the long term even be fatal to Europe.

Speech by Mr DE BIEVRE

Economic integration, unless backed by adequate monetary and political integration, is a risky game. This fact is borne out by the monetary upheavals of recent years and our countries' differing rates of inflation. Ten mixed economies are being steered by 10 sovereign States with democratic systems of government; whenever there is a swing in the balance of parliament, major shifts occur in economic and social policy. Recent reshuffles in two Member States and the resulting economic and political changes indicate that the seesaw trend is likely to become increasingly accentuated.

The nationalization of large concerns in one Member State encourages economic nationalism and impedes transfrontier mergers in the business sector. What is the stand of the Commission and the Council of Ministers on this point? That is my real question.

Lastly, I wonder whether State intervention in business, in the "mixed economies", and the increasingly important role the State is playing in shaping the GNP, via public expenditure and taxation, will not counteract market stimuli and forces. We could ultimately land up with a mixed, State-dominated system, with the economy increasingly at the mercy of political fads. Businessmen and business methods will increasingly be squeezed out by endless talking and bureaucratic rules and regulations.

Speech by Mr van CAMPEN

Firstly, this Opinion is concerned with the Common Market and the continuing harmonization of standards. I should have liked it to specify that another priority aim is the dismantling of technical and administrative barriers to trade, which I know to be fully consistent with the Commission's objectives and the spirit of the Opinion. If the President of the Council were still with us, I would wish to remind him of his promise to keep a close watch on the Council's work schedule and point out that the Council is still sitting on 32 Commission proposals for abolishing trade barriers. Perhaps we could ask him - if he reads the record of this meeting - to deal with these texts during the remaining two months of the United Kingdom Presidency.

The second matter to which I should like to draw attention is somewhat different but also very important. The Opinion considers the Community's potential contribution to international commodity negotiations. Here it would seem highly desirable for the Commission to start, in the very near future, to consider whether the ecu, the European unit of account used for internal Community transactions over the past few years, could gradually be introduced into international agreements, in view of the Community's extensive involvement.

It is tragic that, for the time being, our energy and raw material purchases are all valued in dollars. In this way the Community's finances are ultimately linked with the US economy since the dollar exchange rate is determined by US interest rates over which we can have no influence. The use of dollars for our international payments (in particular energy and raw materials) breeds a high level of instability, with disastrous consequences.

Certain Community exports to non-member countries are even paid for in dollars. They too are therefore dependent on the value of this currency, based on interest rates and a national economic situation beyond our control.

These then are the matters which I wished to bring to your attention and which I would have urged the Commission to study. Psychologically, it is to the Community's every advantage that the ecu, which is currently used by the Commission and the central banks of the Member States as an internal unit of account, should gradually be used for external transactions, and especially as a means of payment for the raw materials we most need. Some day the ecu may even be used for current transactions.

European Communities - Economic and Social Committee

"Prospects for the Communities' Policies in the 1980s"

Own-Initiative Opinion of the Economic and Social Committee

Brussels: ~~General Secretariat~~ of the Economic and Social Committee

1981 - 58 pages

DA, DE, EN, FR, GR, IT, NL

European union, economic recovery in Europe and the re-establishment of full employment are what the European Community's Economic and Social Committee thinks should be the main political and economic goals for the Community in the next decade. In an own-initiative Opinion which it has just adopted and which is part of the follow-up work to the Commission's mandate of 30 May 1980 the ESC declares that in view of the challenges with which it is confronted the Community must put into effect a coherent nucleus of priority economic and social policies calling for both the restoration of mutual confidence between the Member States and their leaders and the Community and, at a political level, solidarity with Community measures carried out by joint institutions and internal resources and which can no longer be carried out by the Member States alone.

ECONOMIC AND SOCIAL COMMITTEE
Press, Information and Publications Division

Rue Ravenstein 2
1000 BRUSSELS

Tel. 512 39 20
513 95 95

Telegrams : ECOSEUR
Telex : 25 983 CESEUR

Catalogue Number : ESC- 81 018 EN