

BULLETIN

9

ECONOMIC AND
S O C I A L
C O M M I T T E E



THE ECONOMIC AND SOCIAL COMMITTEE OF THE EUROPEAN COMMUNITIES

FACTS AND FIGURES - November 1996

Chair

President: Tom JENKINS
(United Kingdom - Workers)

Vice-presidents: Giacomo REGALDO
(Italy - Employers)
Johannes JASCHICK
(Germany - Various Interests)

Secretary-general: Adriano GRAZIOSI

Origins

The ESC was set up by the 1957 Rome Treaties in order to involve economic and social interest groups in the establishment of the common market and to provide institutional machinery for briefing the European Commission and the Council of Ministers on European Union issues.

The Single European Act (1986) and the Maastricht Treaty (1992) reinforced the ESC's role.

Membership

The 222 members (193 men, 29 women) of the ESC are drawn from economic and social interest groups in Europe. Members are nominated by national governments and appointed by the Council of the European Union for a renewable 4-year term of office. They belong to one of three Groups: Employers (Group I - President: Manuel Eugénio Cavaleiro Brandão - Portugal), Workers (Group II - President: Roger Briesch - France), Various Interests (Group III - President: Beatrice Rangoni Machiavelli - Italy). Germany, France, Italy and the United Kingdom have 24 members each, Spain has 21, Belgium, Greece, the Netherlands, Portugal, Austria and Sweden 12, Denmark, Ireland and Finland 9 and Luxembourg 6.

The members' mandate

The main task of members is to issue opinions on matters referred to the ESC by the Commission and the Council.

It should be noted that the ESC is the only body of its type which advises the EU Council of Ministers directly.

Advisory role

Consultation of the ESC by the Commission or the Council is mandatory in certain cases; in others it is optional. The ESC may, however, also adopt opinions on its own initiative. The Single European Act (17.2.86) and the Maastricht Treaty (7.2.92) have extended the range of issues which must be referred to the Committee, in particular the new policies (regional and environment policy). On average the ESC delivers 145 advisory documents a year (of which 15% are issued on its own-initiative). All opinions are forwarded to the Community's decision-making bodies and then published in the EU's Official Journal.

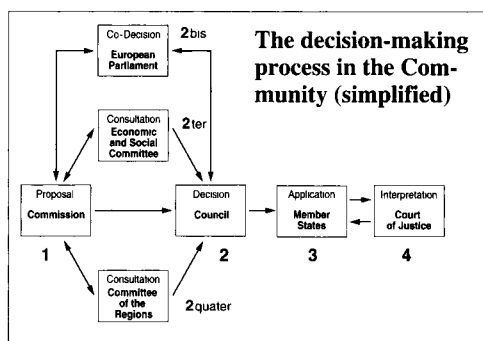
Information and integration role

Over the last few years the ESC has stepped up its role in the European Union and has transcended the straight forward duties flowing from the Treaties. It acts as a forum for the single market and has hosted, with the support of other EU bodies, a series of events aimed at bringing the EU closer to the people.

Internal organization

1. Presidency and bureau

Every two years the ESC elects a bureau made up of 36 members (12 per group), and a president and two vice-presidents chosen from each of the three groups in rotation.



The president is responsible for the orderly conduct of the Committee's business. He is assisted by the vice-presidents, who deputize for him in the event of his absence.

The president represents the ESC in relations with outside bodies.

Joint briefs: relations with EFTA, CEEC, AMU, ACP countries, Latin American and other third countries, and the Citizens' Europe fall within the remit of the ESC bureau and the president.

The bureau's main task is to organize and coordinate the work of the ESC's various bodies and to lay down policy guidelines for this work.

2. Sections

The Committee has nine sections:

- Economic, Financial and Monetary Questions - secretariat tel. 546.92.27
(President: Goke Frerichs - Group I - Germany)
- External Relations, Trade and Development Policy - secretariat tel. 546.93.16
(President: John F. Carroll - Group II - Ireland)
- Social, Family, Educational and Cultural Affairs - secretariat tel. 546.93.02
(President: Mrs H.C.H. van den Burg - Group II - Netherlands)
- Protection of the Environment, Public Health and Consumer Affairs secretariat tel. 546.96.57
(President: Manuel Ataíde Ferreira - Group III - Portugal)
- Agriculture and Fisheries - secretariat tel. 546.93.96
(President: Pere Margalef Masià - Group III - Spain)
- Regional Development and Town and Country Planning secretariat tel. 546.92.57
(President: Robert Moreland - Group III United Kingdom)
- Industry, Commerce, Crafts and Services - secretariat tel. 546.93.85
(President: John Little - Group I - United Kingdom)
- Transport and Communications secretariat tel. 546.93.53
(President: Eike Eulen - Group II - Germany)
- Energy, Nuclear Questions and Research - secretariat tel. 546.97.94
(President: José Ignacio Gafo Fernández - Group I - Spain)

3. Study groups

Section opinions are drafted by study groups. These usually have 12 members, including a rapporteur who may be assisted by experts (usually four with a maximum of six).

4. Sub-committees

The ESC has the right to set up temporary sub-committees, for specific issues. These sub-committees operate on the same lines as the sections.

5. Plenary session

As a rule, the full Committee meets in plenary session ten times a year. At the plenary sessions, opinions are adopted on the basis of section opinions by a simple majority. They are forwarded to the institutions and published in the Official Journal of the European Communities.

6. Relations with economic and social councils

The ESC maintains regular links with regional and national economic and social councils throughout the European Union. These links mainly involve exchanges of information and joint discussions every year on specific issues.

The ESC also liaises world-wide with other economic and social councils at the "International Meetings" held every two years.

7. Relations with economic and social interest groups in third countries

The ESC has links with economic and social interest groups in a number of non-member countries and groups of countries, including Mediterranean countries, the ACP countries, Central and Eastern Europe, Latin America and EFTA. For this purpose the ESC sets up 15-30 man delegations headed by the president. Some meetings involving the countries of central and eastern Europe, will be institutionalized under the Europe Agreements.

Publications

The ESC regularly distributes a number of publications free of charge (order in writing by mail or fax - 546.98.22), including its main opinions in brochure format and a monthly newsletter.
Secretariat-General

The Committee is serviced by a secretariat-general, headed by a secretary-general who reports to the president, representing the bureau.

Since 1 January 1995, the Economic and Social Committee and the Committee of the Regions have shared a common core of departments, mainly staffed by members of the ESC secretariat.

1997 Budget

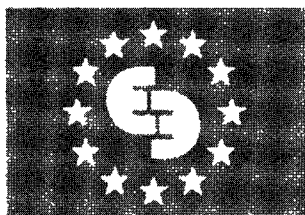
The 1997 ESC budget totals ECU 27,865,858. The budget for the departments servicing both the ESC and the Committee of the Regions stands at ECU 53,775,429.

BULLETIN

97

9

ECONOMIC AND
S O C I A L
COMMITTEE



This Bulletin reports on the activities of the Economic and Social Committee, a consultative body of the European Communities. It is published by the ESC's General Secretariat (2, rue Ravenstein, B-1000 Brussels) in the official Community languages (10 editions per annum)

ECONOMIC AND SOCIAL COMMITTEE

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C O N T E N T S

I.	350th PLENARY SESSION ON 10 AND 11 DECEMBER 1997	
1.	INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT).....	1
	<i>(unanimously adopted)</i>	
2.	CONNECTED TELECOMMUNICATIONS EQUIPMENT/MUTUAL RECOGNITION	3
	<i>(adopted by 95 votes to 2)</i>	
3.	MOTOR VEHICLES/TRANSPORT OF ANIMALS.....	4
	<i>(adopted by 84 votes to 2 with 3 abstentions)</i>	
4.	CUSTOMS 2000.....	5
	<i>(adopted by 101 votes to 2 with 6 abstentions)</i>	
5.	COMMUNITY CUSTOMS CODE (Transit).....	6
	<i>(adopted by 106 votes to 2 with 2 abstentions)</i>	
6.	XXVth REPORT ON COMPETITION POLICY.....	7
	<i>(adopted by 98 votes to 2 with 4 abstentions)</i>	
7.	GREEN PAPER ON SUPPLEMENTARY PENSIONS.....	9
	<i>(adopted by 92 votes to 2)</i>	
8.	EUROPEAN COMPANY STATUTE (Additional Opinion)	11
	<i>(adopted by 116 votes with 11 abstentions)</i>	
9.	ANNUAL REPORT ON THE COHESION FUND (1996).....	13
	<i>(adopted by 106 votes with 3 abstentions)</i>	
10.	AIRPORT CHARGES.....	14
	<i>(adopted by 106 votes to 3 with 7 abstentions)</i>	
11.	SHIPS IN PORT	16
	<i>(adopted by 93 votes with 5 abstentions)</i>	
12.	ROAD SAFETY.....	17
	<i>(adopted by 79 votes to 1 with 5 abstentions)</i>	
13.	PORTABILITY/PRE-SELECTION	18
	<i>(unanimously adopted)</i>	
14.	MOBILE AND WIRELESS COMMUNICATIONS.....	20
	<i>(unanimously adopted)</i>	
15.	SOCIAL SECURITY AMENDMENT.....	22
	<i>(adopted by 104 votes to 3 with 4 abstentions)</i>	
16.	MODERNIZING AND IMPROVING SOCIAL PROTECTION	23
	<i>(adopted by 76 votes to 38 with 9 abstentions)</i>	
17.	COOPERATION WITH CHARITABLE ASSOCIATIONS AND WITH THE ECONOMIC AND SOCIAL PLAYERS <i>(Own-initiative opinion).....</i>	26
	<i>(adopted by 75 votes to 6 with 7 abstentions)</i>	
18.	GREEN PAPER - NEW ORGANIZATION OF WORK.....	27
	<i>(adopted by 91 votes to 1 with 4 abstentions)</i>	
19.	INTRODUCTION OF THE EURO - PRACTICAL ASPECTS.....	30
	<i>(adopted by 35 votes with 3 abstentions)</i>	
20.	EURO- IMPACT ON CAPITAL MARKETS	31
	<i>(adopted by 106 votes to 4 with 10 abstentions)</i>	

- II -

21.	SEEDS.....	31
	<i>(adopted by 106 votes to 2 with 5 abstentions)</i>	
22.	VERY REMOTE FISHERIES REGIONS.....	32
	<i>(adopted by 34 votes with 2 abstentions)</i>	
23.	COMMON MARKET IN SEEDS.....	33
	<i>(adopted by 113 votes with 5 abstentions)</i>	
24.	ABANDONMENT PREMIUMS/WINE-GROWING AREAS.....	33
	<i>(adopted by 114 votes to 1 with 3 abstentions)</i>	
25.	COMMON ORGANIZATION OF THE MARKET IN RAW TOBACCO.....	34
	<i>(adopted by 73 votes to 35 with 8 abstentions)</i>	
26.	AGRICULTURAL ASPECTS OF AGENDA 2000.....	34
	<i>(adopted by 93 votes to 23 with 9 abstentions)</i>	
27.	CONSERVATION OF MEDITERRANEAN FISHERY RESOURCES.....	36
	<i>(adopted by 75 votes with 2 abstentions)</i>	
28.	KAROLUS.....	37
	<i>(adopted by 113 votes to 2 with 2 abstentions)</i>	
29.	GENERAL TARIFF PREFERENCES.....	38
	<i>(adopted by 112 votes to 1 with 11 abstentions)</i>	
30.	GENERALIZED TARIFF PREFERENCES.....	40
	<i>(adopted by 119 votes with 6 abstentions)</i>	
31.	RELATIONS BETWEEN THE EUROPEAN UNION AND THE COUNTRIES BORDERING THE BALTIC SEA <i>(Own-initiative opinion).....</i>	41
	<i>(adopted by 119 votes with 6 abstentions)</i>	
32.	EUROPEAN ENVIRONMENT AGENCY.....	43
	<i>(adopted by 93 votes to 1)</i>	
33.	5th RTD FRAMEWORK PROGRAMME (Funding) (Additional opinion).....	44
	<i>(unanimously adopted)</i>	
II.	FUTURE WORK.....	46
III.	PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE.....	49
IV.	APPOINTMENTS.....	53
V.	IN MEMORIAM.....	54
VI.	FACT-FINDING VISITS.....	54

The complete texts of the Opinions summarized in this brochure can be obtained either in the Official Journal of the European Communities, Office for Official Publications, 2, rue Mercier, L-2985 Luxembourg, or directly from the ESC Directorate for Communications - Specialized Department for Information and Visits (Fax: + 32.2.546.98.22), or by visiting the ESC's Internet site on the World Wide Web at the following address:

<http://www.esc.eu.int>

I. 350th PLENARY SESSION ON 10 AND 11 DECEMBER 1997

The Economic and Social Committee of the European Communities held its 350th plenary session in Brussels, on 10 and 11 December 1997, with its president **Mr Tom Jenkins** in the chair.

The Economic and Social Committee adopted the following opinions at this session:

Section for Industry, Commerce, Crafts and Services
Mr Pereira dos Santos, Head of Division - ☎ (32-2) 546 9245

1. INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT)

Opinion of the Economic and Social Committee on the *Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on the competitiveness of the European information and communication technologies (ICT) industries*
(COM(97) 152 final)

(CES 1376/97)

Rapporteur: Mr Umberto BURANI (Italy - Employers)

Gist of the Commission Communication

Information and communication technologies (ICT) industries are a critical component of the European economy. They form a major and growing part of industrial activity, and are one of the keys to the future competitiveness of all industrial processes, products and services. They are also the platform for the emerging information society in the 21st century.

It is essential that Europe possess a competitive, dynamic ICT industry in order to avoid excessive dependence on key technologies, participate in expanding global markets, contribute to the creation of new employment, and be at the forefront of future innovation.

For the purpose of the present communication, ICT industries are defined as comprising: consumer electronics, computer and office equipment, telecommunication equipment, components, software (either as component or product, or services associated to the provision of software). Other sectors such as broadcasting or content industries, often included in the definition of ICT industries, are not covered.

The communication identifies the following main challenges for the European ICT industries:

- Improve market take-up
- Transform industrial structures
- Develop fast-growing companies
- Enable European excellence in software
- Optimize technology development and diffusion
- Exploit the potential for employment growth.

It considers that the following areas also require attention:

- Improve global competition
- Accelerate ICT take-up and promote awareness
- Create new markets by timely standards
- Exploit the potential of enlargement
- Promote industrial cooperation
- Facilitate the emergence of SMEs
- Focus on employment: skills, education and training
- Promote benchmarking.

The Commission proposes to follow up the communication by working together with the Member States and industry to draw up specific actions responding to these key areas, to establish a work programme for their execution by all concerned parties (Commission, Member States, industry), and a mechanism for regular review of progress.

Gist of the opinion

The Committee endorses the implementation of a coherent action plan which must be flexible so that it can keep pace with a highly volatile situation; it must be free of red tape; and it must be closely tailored to its ultimate aim, that of regaining global competitiveness.

The Committee feels that the communication paints a detailed and accurate picture of the situation. The Committee would add that the EU is unlikely to become competitive if it is unable to adopt policies and structures geared to market globalization. Hence purely "European" solutions and approaches could condemn the EU to weakness.

The Committee adds a note of caution regarding the employment position. In the absence of precise figures on relocation, it is difficult to say whether the employment balance is positive or negative. A more detailed analysis is needed in order to ascertain whether any new or expanding industries (e.g. telecommunications) show a positive balance that offsets the negative balances of other industries.

The Committee feels it extremely positive that the Commission has pinpointed concrete areas for action. Efforts should focus in particular on measures that will create new jobs; this means incentives for SMEs, and especially for the creation of new SMEs in the most promising sectors (software, multimedia content, etc.), support for training for young people and workers, and incentives for schools to use new technologies and join networks.

The Committee notes that whilst a prompt response to market needs is important, innovation is much more so. It sees insufficient investment in R&D as one of the main reasons for the European ICT industry's lack of competitiveness; investment in this sector as a percentage of GDP is much lower than in the United States or Japan.

The Committee thinks that a European R&D plan, conducted jointly by industry and the public authorities, should be a top priority.

Finally, the Committee notes that in addition to the communications on benchmarking, the Commission has launched a number of communications and projects on the information society¹. The Committee feels that while each separate project may be worthwhile, they need to be carefully coordinated so as to avoid any overlapping or incompatibility and to pursue potential synergies.

1

OJ No. C 296, 29.9.1997

2. CONNECTED TELECOMMUNICATIONS EQUIPMENT/MUTUAL RECOGNITION

Opinion of the Economic and Social Committee on the *Proposal for a European Parliament and Council Directive on connected telecommunications equipment and the mutual recognition of the conformity of equipment*
(COM(97) 257 final - 97/0149 COD)

(CES 1377/97 - 97/0149 COD)

Rapporteur: Mr Bo GREEN (Denmark - Employers)

Gist of Commission document

This proposal for a directive, the CTE Directive, represents a significant step forward in the legislative framework necessary to support a genuinely competitive multi-vendor community market for connected telecommunications equipment in an environment where there is competitive provision of network services.

This draft directive proposes to fully harmonize the market for telecommunications terminals and radio equipment by deregulation of the placing on the market and putting into service of such equipment. The draft directive makes maximum use of a number of well-established horizontal directives and of the Global Approach² to testing and certification.

The directive will replace two Council Directives (91/263/EEC³ - telecommunications terminal equipment and 93/97/EEC⁴ - satellite earth station equipment) and simplifies the application of two other Council Directives (93/68/EEC⁵ - conformity marking and 89/336/EEC⁶ - electromagnetic compatibility).

The proposal reflects the need expressed by industry, operators, regulators and users for a regulatory environment which strikes a proper balance between fast market access and the safe-guarding of the needs of the European citizens.

The major elements of the new directive are:

- enlargement of the scope of equipment covered by the inclusion of radio equipment;
- a set of new definitions making the directive future-proof by taking into account the liberalization of infrastructures and competition between operators;
- a development of the concept of telecommunications specific essential requirements to take into account technological trends;
- a flexible decision-making process whereby future network infrastructures and systems can readily be covered;
- a light conformity assessment regime based upon the principle of manufacturers' declarations.

The scope of the directive will encompass equipment to be attached to public networks and all radio equipment operating in harmonized and unharmonized frequency bands. The flexibility within the proposal ensures that the principle of proportionality can be applied to the requirements products must meet on a case-by-case basis.

² OJ No. L 220, 30.8.1993, p. 23

³ OJ No. L 128, 23.5.1991, p. 1

⁴ OJ No. L 290, 24.11.1993, p. 1

⁵ OJ No. L 220, 30.8.1993, p. 1

⁶ OJ No. L 139, 23.5.1989, p. 19

By relying on liability and consumer protection legislation to resolve problems created by products not meeting the requirements, the need to have an independent testing regime is avoided.

Gist of the opinion

The Committee supports in principle the major elements of the proposed directive. However, there are some areas of concern.

The exclusion of equipment intended for exclusive public security use should apply for all CTE, not only for radio. This should be stated at the beginning of the directive, rather than in the definitions. Possibly the wording of the proposed Telecommunications Data Protection Directive could provide a model.

The scope of radio equipment covered by the directive should exclude radio equipment used by radio amateurs and receive-only radio equipment capable of radio reception solely of Broadcasting Services.

The essential requirement for effective use of the radio frequency spectrum should be a general essential requirement, applicable to all radio equipment. To avoid confusion, the different requirements for radio and other kinds of CTE should be identified more clearly in the text.

The content of the other specific essential requirements taken up in Articles 3 and 4 of the Commission proposal is still undefined. It is important that any such requirements be well defined in advance. The Member States should be involved in the interpretation of these requirements in the proposed committee.

The proposed directive should clarify that consumers are protected through horizontal legislation for aspects of products that fall outside the essential requirements. This is important because the proposed directive has a lighter interpretation of essential requirements than was used in Directives 91/263/EEC and 93/97/EEC.

In the opinion of the Committee, the possibility of removal of all products from the market under the safeguard provisions of the directive is an adequate force compelling suppliers to ensure that CTE meets all applicable essential requirements, and that the simplified access to the market is not abused. No further provisions on liability for non-compliance are needed.

3. MOTOR VEHICLES/TRANSPORT OF ANIMALS

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council directive relating to motor vehicles and their trailers transporting certain animals and amending directive 70/156/EEC in respect of the type-approval of motor vehicles and their trailers (COM(97) 336 final - 97/0190 COD)

(CES 1378/97 - 97/0190 COD)

Rapporteur: Mr Kenneth J. GARDNER (United Kingdom - Employers)

Gist of the Commission proposal

General standards for the welfare of animals during transport are laid down in Council Directive 91/628/EEC as amended by Directive 95/29/EC. In addition to these rules it is necessary to lay down specific technical criteria regarding the use of vehicles and their trailers intended for the transport of certain types of animals, the suitable design and construction of the transport compartment in which the animals are to be transported; the protection of the animals by a weather proofed, insulated roof; the loading and unloading ramps; the intermediate floors; the partitions in the transport compartment; the approved access through service doors to the transportation compartment for inspection; suitable ventilation devices and their capacity; the use of suitable materials in the construction of the transport compartment; the effectiveness of the light sources in the transport compartment.

This proposed directive completes the Community approval of vehicles and their trailers intended for the transport of certain types of animals and establishes a harmonised type-approval procedure for such vehicles. It allows manufacturers of these vehicles to benefit from the EC type-approval procedure and guarantees access to the internal market. When a vehicle type obtains an approval in accordance with this directive, Member States will be neither able to prohibit manufacturers from offering it for sale, nor to refuse its registration or entry into service for reasons relating to its construction. This directive does not affect national or Community legislation addressing the use of such vehicles.

Like all other separate directives relating to type-approval of commercial vehicles - except those on air polluting or noise emissions - this new directive will be based on optional harmonisation. Member States may require that only the prescriptions of the EC separate directive apply. Alternatively they may maintain national legislation on this matter in which case the manufacturer can choose between this and the harmonised requirements. Member States are free to oblige a manufacturer, who has not opted for an EC type-approval to comply with their national requirements.

Gist of the opinion

This proposal aims to remove a set of barriers to the single market. The ESC therefore approves the principle but sees a number of problems with the execution. These problems are caused by the Commission trying to separate use and construction requirements. As an example:

Simultaneously with this proposal, another part of the Commission has issued a proposal under Article 43 (COM(97) 272) giving additional standards for vehicles transporting animals for over eight hours. This contains a number of mandatory constructional requirements such as 200 litre water storage tanks which are not present in the type specification proposal.

The effect is that the type specification only applies to vehicles used for journeys below eight hours. For all others national specifications will continue to apply. That is an illustration of the problems arising from trying to separate use and construction specifications. Use and construction specifications therefore must be concordant and established in parallel. This also applies to other proposals which we understand are currently being elaborated.

To be of any real benefit a type specification must cover at least the majority of vehicles involved. Given the large range of uses and of climatic conditions the ESC recommends that this proposal is kept on hold until the use requirements have been, as soon as possible, established. It should then be complemented by separate annexes giving essential type-approval requirements for vehicles used on long journeys, in extreme climatic conditions, etc.

4. CUSTOMS 2000

Opinion of the Economic and Social Committee on the *Proposal for a European Parliament and Council decision amending the decision of 19 December 1996 adopting an action programme for customs in the Community ("Customs 2000") - Single Market Observatory*
(COM(97) 433 final - 97/0228 COD)

(CES 1379/97 - 97/0228 COD)

Rapporteur: Mr Helmut GIESECKE (Germany - Employers)

Gist of the Commission proposal

The Commission's proposal COM(97) 433 final is a technical proposal, allowing the allocation of the necessary means to continue the action programme for customs in the Community ("Customs 2000") on which the Committee gave a favourable opinion in September 1995⁷.

This action programme is primarily financed through the IDA programme but since this programme runs out on 31 December 1997 and the "Customs 2000" programme runs until the end of the year 2000, appropriate supplementary financing is required for the years 1998-2000.

The Commission therefore proposes to change the financial framework of Decision No. 210/97/EC to cover the years 1998-2000.

Gist of the Opinion

The ESC supports the Commission's proposal and particularly underlines the establishment of a New Computerized Transit System and the facilities for the exchange of harmonized data between the Member States and the Commission, in line with the internationally recognized UN/EDIFACT system.

Given the indicative nature of the figures for funding the ESC also requests that it be given annual reports on the targeting and the effectiveness of funding.

5. COMMUNITY CUSTOMS CODE (Transit)

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Regulation (EC) amending Regulation (EEC) No. 2913/92 establishing the Community customs code (Transit)

(COM(97) 472 final - 97/0242 COD)

(CES 1380/97 - 97/0242 COD)

Rapporteur: Mr Helmut GIESECKE (Germany - Employers)

Gist of the Commission proposal

The present proposal is an adaptation of a number of articles of Regulation No. 2913/92, articles that have either become obsolete or that need modification; partly because of changes that have taken place in the legal framework and partly to promote simplification and clarification of the rules for the benefit of both operators and customs officials.

- Article 91(1)(b) is amended since it is no longer appropriate;
- An anomaly is rectified in Article 92;
- Article 94(2)(a) is modified to treat shipping on an equal footing with road transport;
- Article 95 is redrafted to give more powers to the Commission's standing committee;
- Article 96(2) is deleted since it is irrelevant;
- Article 97(2) is deleted to increase transparency and harmonization between Member States;
- Article 192(1) is amended to match Article 94(1); and
- Article 215 is amended in order to place responsibilities correctly.

Gist of the Opinion

The proposed transfer of procedural provisions from the body of law laid down by the Council (Customs Code) to the Commission's sphere of responsibility (Customs Code implementing provisions) has both advantages and disadvantages.

The swifter and more flexible adaptation of provisions to the needs of economic operators and customs administrations might be beneficial.

However, frequent changes could be seen as a disadvantage vis-à-vis the stability offered by the Code in the past.

From the Committee's point of view, the transfer of responsibility for procedural provisions to the Commission could be welcomed if individual decisions are taken properly using the "comitology" procedure, i.e. after consulting economic operators and customs administrations.

The Committee then has specific comments on the different articles. These are in general positive.

6. XXVIth REPORT ON COMPETITION POLICY

Opinion of the Economic and Social Committee on the XXVIth Report on Competition Policy
(1996)
(SEC(97) 628 final)

(CES 1381/97)

Rapporteur: Mr John SIMPSON (United Kingdom - Various Interests)

Gist of Commission document

On 5 June the Commission, acting on a proposal from Mr Santer, adopted the document entitled "Action for employment in Europe: a confidence pact". Competition policy is part of the overall strategy set out in the document in order to boost economic growth and strengthen the link between job creation and growth. In line with the approach pursued through the Single European Act and the "White Paper on growth, competitiveness and employment", the pact proposes four types of structural action: "to complete the internal market and implement it more effectively; to enhance the overall competitive environment in Europe; to help small and medium-sized enterprises; to open up wider access to the world market", the first three of which are closely linked to competition policy. The first two types of action involve essential competition policy objectives under Articles 85, 86 and 90 of the Treaty and the Merger Regulation. The third was pursued this year in the policy on state aid, with the adoption of a new, simpler and more broadly based *de minimis* rule, the introduction of a new aid for SMEs framework for and a notice on the monitoring of state aid and reduction of labour costs.

If structural and competition policy is to fulfil its function in the present context it must accompany and anticipate economic developments in order to guarantee the efficient running of the markets, without hindering their performance. In particular it should:

- take account of globalization;
- contribute to extending the internal market;
- update its methods.

Contents of XXVIth Report:

I. Restrictive agreements and abuse of dominant position - Articles 85 and 86

- Changes in the legislative and interpretative framework
- Applying the competition rules to support market integration
- Practices employed by dominant firms to eliminate competitors
- Information society
- Transport sector
- Energy
- Sport and competition
- Financial sector
- Statistics

II. State monopolies and monopoly rights

- Telecommunications
- Energy
- Postal services
- Transport
- Other state monopolies of a commercial character

III. Merger control

IV. State aid

V. International cooperation

VI. Information policy

Gist of the Opinion

The ESC commends the Commission on the expeditious publication of the Report on Competition Policy (1996) and the Fifth Survey of State Aids .

Because of the growing significance of global trading, the ESC has noted with particular interest the recommendation that the World Trade Organization should set up a working group to do initial work on the development of an international framework for competition rules. The ESC hopes that the Commission will further develop its approach, policies and methodology on these global aspects of competition questions .

The ESC would draw the attention of the Commission to the following conclusions:

- a dominant position within the EU should be evaluated not simply with respect to the internal market when the relevant market is an international one ;
- appropriate measures should be taken to ensure that EU policies on competition policy and state aids are developed in each of the aspirant countries prior to enlargement ;
- Community competition law should be translated into national law in each Member State and then enforced, in defined types of case, by the national authorities ;
- when agreements are submitted for consideration under Article 85, the procedure might be changed to add a series of trigger points for the automatic clearance of an application, using similar concepts to those already included in the merger control system ;

- State aid (and aid from the Community) should be carefully targeted in a disciplined manner which minimises the effects on competition, limits the scale of any subsidies, and reduces the scale of State aid where possible.
- in a reconsideration of the impact of state aid account should be taken of fiscal differences as well as other forms of more direct financial support ; this should take account of the code of conduct agreed by the ECOFIN Council in December 1997;
- during the reconsideration of the impact of State aid, the issue of employment must also be clearly taken into consideration;
- the relationship of State aid to the role and operations of the Structural Funds and the Cohesion Fund should be reviewed;
- a clear distinction should be made between (1) the role of the Community in setting guidelines for state aid in the context of regional policy or of industrial policies and (2) the role of the Community in providing financial resources to support acceptable policies in Member States, or their regions ;
- after a short period of experience of the effects of the relaxation of the rules for aid in defined and deprived urban areas, the Commission should widen the list of activities which are eligible for this type of incentive ;
- the Commission should clarify how the distinction is made between general measures and specific aid as it applies to different groups of undertakings .

The ESC notes that the suggestions made in this opinion will have relevance in the debate on Agenda 2000, published in July 1997, which has implications for competition, regional, industrial and agricultural policies in the next millennium.

In view of the evolution of several critical aspects of competition policy in recent years, this may be an appropriate time to reconsider the application of competition policy. The general principles might be reviewed and then used as a basis for a reallocation of responsibilities for enforcement which allows for both decentralization and the application of subsidiarity. In this way, openness and transparency could be enhanced and a sharper focus on the needs of consumers and the role of SMEs might be developed.

As globalization increasingly affects competition, the ESC suggests that the Commission should amplify its annual report on competition with a review of the state of competition policies in major competitor countries, particularly where their actions may affect the business of EU firms.

7. GREEN PAPER ON SUPPLEMENTARY PENSIONS

Opinion of the Economic and Social Committee on the Green Paper "*supplementary pensions in the single market*"
(COM(97) 283 final)

(CES 1403/97)

Rapporteur: Mr Harry BYRNE (Ireland - Employers)
Co-rapporteur: Mr Jan Jacob van DIJK (Netherlands - Workers)

Gist of the Commission proposal

The green paper features an analysis of the social, economic and financial context of supplementary pension provision in the European Union (EU), and examines the role the single market for investment funds could play in improving supplementary pension provision.

Although it is up to Member States to decide the balance between different pension schemes, the green paper asks whether appropriate EU prudential rules for pension and life insurance funds, the removal of obstacles to the free movement of workers related to supplementary pensions and appropriate taxation rules could facilitate the development of alternative sources of pension provision.

The Commission invites comments by the end of 1997 from the Member States, the European Parliament, The Economic and Social Committee, the Committee of the Regions, the social partners, economic operators, representative organizations, consumers and all other interested parties on the issues raised in this document.

The green paper underlines that retirement provision is fundamentally important to each and every citizen of the European Union, and that all Member States are faced with pension policy decisions, notably as a result of the ageing population in the EU.

The amount of funds invested on behalf of supplementary schemes is likely to grow considerably over the coming years as a result of initiatives taken in the Member States. The green paper looks at the role the Community can play to help these schemes take advantage of an efficient single market.

The green paper analyses the extent to which restrictions on the selection of investments by pension funds (such as requirements to invest within a particular Member State or in government bonds) can seriously impair investment performance to the detriment of workers and employers. Whereas the Commission recognizes that it is essential to protect workers who belong to pension schemes, it considers that alternatives to current investment restrictions could be introduced in Member States, giving fund managers greater flexibility in investment choice.

The green paper also explores problems which affect workers who want to move to other Member States to work. At present, their mobility is curtailed by obstacles created by rules and tax provisions applying to pension schemes.

The availability of tax relief has a crucial influence on the design of individual pension schemes, and each Member State has rules to ensure they are properly targeted. These rules can also create obstacles to the free movement of capital, free movement of workers and the freedom to provide services within the single market. The green paper provides an opportunity for tax obstacles to be considered in the context of supplementary pensions and the role of these schemes in the promotion of enterprise and employment.

Gist of the Opinion

The ESC welcomes the green paper and reiterates its concern that timely action be taken to ensure that adequate pension provisions will be available to those retiring in the next century.

In regard to the retirement provision and EU capital markets, the ESC believes that, subject to appropriate prudential controls being in place including supervision over the investment managers, higher returns can be achieved without undue risk and that EU capital markets are likely to develop sufficiently to absorb any additional investment funds.

The ESC fully supports the view that pension funds must be subject to appropriate prudential supervision. A key aspect of this would be to ensure that the supervision take particular responsibility for the control of risk. However the Commission poses a very important question when it asks whether there should be common rules for pension funds and insurance companies.

The ESC would, however, emphasize that prudential rules must include an evaluation of liabilities using proper actuarial standards, and a close correlation between the return on assets and the extent of commitments. The ESC would also stress the need to involve members in the management of their pension fund and to ensure that the managers are obliged to provide members with information and access to advice.

Concerning the free movement of workers, the ESC believes that employees temporarily seconded by their employer to work in another Member State with the company or an affiliate should be able to retain their membership of their home pension scheme, but it considers that it would not be reasonable to require an employer to retain in membership employees who resign to take up employment not connected with him in another Member State.

The ESC supports the broad principle that pension funds as they accumulate represent a deferred benefit for scheme members and that taxation should similarly be deferred until the benefits are paid out to individual members.

While fully respecting the principle of subsidiarity, the ESC believes it would enhance the mobility of workers if a common set of rules for the recognition of pension schemes domiciled in one Member State, in relation to all other Member States, could be developed for approval by the Council.

8. EUROPEAN COMPANY STATUTE *(Additional Opinion)*

Opinion of the Economic and Social Committee on the Statute for a European Company

(CES 1405/97)

Rapporteur: Mr Bernard BOUSSAT (France - Employers)

Co-rapporteur: Mr Klaus SCHMITZ (Germany - Workers)

Background

On 28 March 1990, the Committee adopted an Opinion on the Proposal for a Council Regulation defining the statute for a European company, and on the Proposal for a Council Directive complementing the statute for a European company with regard to the involvement of employees in the European company (Rapporteur: **Mr Petersen**). Many of the Committee's recommendations were taken on board in the amended proposals for a regulation and a directive on the same subject, which were presented by the Commission in 1991.

The issue of worker participation in company management, which has so far blocked the adoption of a statute for a European company, was covered by the directive on the establishing of European committees or procedures in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees, adopted in 1994 in the wake of the Committee opinion of 1 June 1994 (Rapporteur: **Mrs Engelen-Kefer**). Subsequently, the Communication from the Commission on worker information and consultation - COM(95) 547 final - was also the subject of a Committee opinion, adopted on 29 May 1996 (Rapporteur: **Mrs-Engelen-Kefer**, co-Rapporteur: **Mr Boussat**).

Following adoption of the directive and publication of the communication, a group of experts, chaired by **Mr Etienne Davignon**, drew up a report on "European systems of worker involvement (with regard to the European company statute and the other pending proposals)". This paved the way for relaunching the debate on the statute for a European company in the Council and the European Parliament.

The Luxembourg presidency is trying to work out a political agreement which will at last make it possible to adopt a statute for a European company. The Economic and Social Committee has stated on numerous occasions that the statute is extremely important to the smooth operation of the single market.

This additional opinion represents the Committee's contribution to this renewed Community-level debate.

Gist of the opinion

The Luxembourg presidency's proposed compromise is a good basis for relaunching the stalled discussions on the worker participation provisions of the European company statute.

An approach based on consensus emphasizing **negotiation** is to be welcomed, providing that it respects the autonomy of the social partners.

The Committee welcomes the proposal of the Davignon group that the arrangements for worker participation should be arrived at by negotiation. The Committee also feels that there should be a reference provision in the event that negotiations fail. One problem, however, is that it is very difficult to take account of all the diverse practices existing in the majority of Member States.

The reference in the Presidency's draft to Directive 94/95 is generally welcomed.

The Committee points out however that this directive deals with worker information and consultation, whilst the European company compromise deals with information, consultation and participation. Moreover the directive on the European works council covers large companies with more than 1000 employees, whilst the compromise concerns all companies regardless of their size.

The fact that the Presidency's proposed compromise sets out to regulate both participation and information and consultation questions appears problematic. The Committee would like to see a clear separation between these two areas.

The problem of SMEs needs further study. Bearing in mind the specific characteristics and the size of SMEs, the procedures will have to be simplified in their case. Another subject requiring thought is the application of the statute to other forms of European enterprise, such as associations, cooperatives and mutual societies. The Committee draws the Council's attention to the need to draw up a special statute for these firms rapidly; examination of this special statute should proceed hand-in-hand with that of the proposed European company statute.

In order to reinforce the negotiation procedure the Committee proposes that:

- In addition to worker representatives from firms, the representative trade unions from the firm in question and the relevant European trade union associations also have the right to negotiate on behalf of workers.
- If negotiations threaten to break down an arbitration procedure may be brought into play.
- The Luxembourg Presidency's draft compromise proposes that in the event of a breakdown of negotiations reference provisions be applied concerning the establishment within the firm of a system of participation.
- Doubts have been expressed in the Committee as to the reference provisions and two schools of thought are discernible, as follows:
 - Those coming from countries where participation or similar systems are the rule feel that the proposed optional European company statute system could offer companies a way of circumventing the rule.

Those coming from countries where worker involvement is based to a greater or lesser extent on the provision of information to, and consultation of, workers feel that the draft European company statute must as far as possible respect the pluralism of national social practices.

The Committee feels that maximum account can be taken of these two schools of thought.

Worker participation is a sensitive subject. Every effort must therefore be made to ensure that solutions are not imposed on the parties concerned against their will.

Participation requires the involvement of all partners. This cannot be done by decree. This will require examination of the detailed arrangements for the negotiation and reference provisions contained in the appendix.

However, the ESC assumes that the bipolar and unitary systems are not by definition immutable. The ESC considers that the introduction of the European company statute could be an opportunity to develop new synergies by negotiation.

Section for Regional Development and Town and Country Planning
Mr Fève, Principal Administrator - ☎ (32-2) 546 9616

9. ANNUAL REPORT ON THE COHESION FUND (1996)

Opinion of the Economic and Social Committee on the Annual Report on the Cohesion Fund (1996)
(COM(97) 302 final)

(CES 1382/97)

Rapporteur: Mr José BENTO GONÇALVES (Portugal - Various Interests)

Gist of the Commission document

The report covers Cohesion Fund activities in 1996, which was a key year in many respects. The fund became fully operational and the first ex-post evaluations of completed projects were carried out. 1996 was also the mid-point year during which the Commission reviewed eligibility criteria, carried out the first checks on national economic convergence programmes in the area of public deficits and reviewed the application of the conditionality principle.

An almost perfect balance was struck in distributing funds between the two target areas: transport and environment. Efforts to allocate more funds to rail transport facilities were stepped up and special attention was devoted to the most remote regions.

As requested by the ESC, the 1996 report provides preliminary estimates of the extra jobs created by funded projects, as well as their overall socio-economic impact.

Budgetary implementation was in the region of 100% and despite intensive, regular monitoring, no instances of fraud were detected. A high-profile publicity and information campaign was launched.

The report is divided into six chapters dealing with: (i) the implementation of the Fund's principles, (ii) the financial assistance committed and paid out by the Fund, (iii) convergence and conditionality, (iv) assessment of the projects and measures adopted, (v) monitoring and checks, and (vi) interinstitutional dialogue, information and publicity.

Gist of the opinion

In general terms, the Committee is pleased to note the improvements introduced with the present report which provide a clearer picture of how the various projects have been implemented, and take particular account of the comments made in its earlier opinions, particularly concerning the analytical description of how conditionality is implemented and actions completed with a view to improving information and publicity measures.

On the more specific level of Cohesion Fund action, the Committee's main recommendations for the future are as follows:

- the Commission to make the Member States more aware of the need for better regional distribution of resources, with particular attention to the least advantaged inland rural and urban areas;
- greater diversification and better balance in distribution of allocations between different modes of transport, giving priority to rail and maritime transport which are most environment-friendly;
- in the environmental sphere, greater focus on protection and conservation of natural resources, landscapes of particular ecological value, and citizens' quality of life;
- greater support for completion of environmental and transport infrastructures in the most remote regions;
- greater involvement of the social and economic interest groups in the monitoring committees, and the use of cross-border committees wherever actions covering more than one Member State are involved.

The Committee supports the proposal made by the Commission in Agenda 2000 that the Cohesion Funds should continue beyond 1999.

The Committee also considers it necessary to increase the complementarity and consistency between the structural policies associated with the various funds in order to bring them closer into line with each other and increase their combined effect, ensuring more harmonious economic and social development.

Section for Transport and Communications
Mr Del Bino, Head of Division - ☎ (32-2) 546 9353

10. AIRPORT CHARGES

Opinion of the Economic and Social Committee on the *Proposal for a Council Directive on airport charges*

(COM(97) 154 final - 97/0127 SYN)

(CES 1383/97 - 97/0127 SYN)

Rapporteur: Mr Alexander-Michael von SCHWERIN (Germany - Workers)

Gist of the Commission document

The Commission's proposal is an additional element in the liberalization of air transport and is based on the observation that airport charges⁸ do not always reflect the real costs of providing facilities to the users.

The Commission does not propose to standardize charges, but to create a framework of basic regulations based on three key principles, respecting the principle of subsidiarity: Member States can therefore set types of charges and their levels, provided they comply with the following three basic principles in the Community framework :

- **Non-discrimination:** charging systems may not discriminate between intra-community air services unless the variations reflect the effective cost of the facilities and services provided;
- **Cost-relatedness:** charges under airport charging systems should be related to the cost of the services and facilities provided, allowing for a reasonable return on invested capital, a proper depreciation allowance and efficient capacity management;
- **Transparency:** The proposal sets out minimum requirements regarding information to users without compromising commercial confidentiality. An airport should, for example, provide information on:
 - the cost basis for the charges;
 - the criteria for establishing the different types of airport;
 - the description of the services and facilities covered by each type of charge;
 - the accounting data and relevant financial information as well as the traffic volume of the airport.

These principles should be interpreted flexibly, so that the airport authority can provide efficient management, taking account of demand and available airport capacity as well as environmental constraints.

Gist of the opinion

The Committee welcomes the Commission's initiative aimed at bringing more transparency into the relationship between charges and services at airports within the Community that are covered by this directive.

Since airports are important for the economic development of regions and for business and passenger traffic, framework conditions that ensure fair treatment must be guaranteed. This includes maintaining a proper balance between the rights and duties of airports and airport users (air carriers) and taking care to see that a dominant market position is not abused.

The ESC assumes that existing national arrangements are sufficient to implement penalties at national level in the event of infringements and asks the Commission to illustrate the relevant possibilities.

As far as the current situation in the EU is concerned, the ESC is in favour of distinguishing between airport charges and the usual national taxes. Here too the aim should be EU-wide harmonisation in order to create a level playing field. As regards airport charges, the thing is to harmonise the criteria for adjusting charges.

Finally the ESC feels that the proposal should explain more clearly what is expected from airport management bodies when assessing costs and cost-efficiency, for instance by giving some concrete figures, and also bearing in mind quality characteristics.

8

Airport charges covering the cost of facilities and services are a significant source of income for airports. They should not be confused with airport taxes (levied by national authorities and generally collected by the airport for the Treasury).

11. SHIPS IN PORT

Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Council Directive 95/21/EC concerning the enforcement, in respect of shipping using Community ports and sailing in the waters under the jurisdiction of the Member States, of international standards for ship safety, pollution prevention and shipboard living and working conditions (port state control)
(COM(97) 416 final - 97/0215 SYN)

(CES 1393/97 - 97/0215 SYN)

Rapporteur-general: Mr Francis J. WHITWORTH (United Kingdom - Employers)

Summary of the Commission document

The objective of Council Directive 95/21/EC, which was adopted on 19 June 1995⁹, was to help drastically reduce substandard shipping in the waters under the jurisdiction of Member States.

Under this directive, each Member State is committed to inspect a set percentage of ships entering its ports to ensure that they comply with the principal international conventions in force on maritime safety and protection of the marine environment. The directive also provides for cooperation between the Member States and the Commission on laying down priorities and practices which will allow more effective targeting of ships which could present deficiencies.

This proposal for a Council directive has three essential objectives:

- to adapt the directive to recent amendments to the international conventions applicable for the purpose of this directive;
- to lay down specific procedures for ships not carrying the certificates issued under the IMO's ISM code onboard;
- to facilitate adaptation of the directive changes in the international legislation, by applying the Committee procedure.

Gist of the opinion

The Economic and Social Committee re-affirms its support for the ISM code as a major and important instrument for improving standards of maritime safety worldwide and welcomes the Commission's proposal to make detention of a vessel mandatory in the absence of a recognized document of compliance and safety management certificate, even if it recognizes that significant practical problems need to be overcome as the code initially enters into force.

The Committee accepts the amendment to the Directive that permits Member States, at their discretion, to allow ships which do not comply on their first call at a Community port after 1 July 1998 to be released from detention and to continue their voyages, but only to ports outside the Community. It emphasizes that apart from this single proviso there should be no further derogations of any sort and the provisions of the proposed new Article 9(a) should be strictly complied with.

The Committee considers that it is of the utmost importance that the Port State Control provisions should be applied in a uniform manner throughout the Community so that owners are not tempted to send ships which do not totally comply with the requirements to ports where they perceive that a more lax inspection regime is applied.

⁹

OJ No. C393 of 31/12/94, p. 50.

As a more general point the Committee believes that confirmation that a ship carries this and the other necessary documentation required under the Port State Control procedures might be facilitated by the adoption of a pre-notification procedure and suggests that this might be the subject of further study by the Commission with a view to its possible development within the IMO.

12. ROAD SAFETY

Opinion of the Economic and Social Committee on the *Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions promoting road safety in the EU - the programme for 1997-2001*
(COM(97) 131 final)

(CES 1394/97)

Rapporteur: Mr Hubert GHIGONIS (France - Employers)

Gist of the Commission document

The Commission launched a first action programme on road safety¹⁰ in 1993. Despite the significant progress achieved, the situation remains far from satisfactory, as illustrated by the social costs of road accidents, which are currently evaluated at some ECU 145 billion per year in the European Union.

The present Commission communication therefore proposes an ambitious new strategy to accelerate improvements in road safety. This three-pronged strategy, based on the principle that the high cost of accidents (roughly ECU 1 million per fatality) should be fully taken into account in the safety policies of Member States, comprises the following elements:

- **gathering and dissemination of information and best practice**, notably through the setting up of an EU road safety information system;
- **accident avoidance measures**; for example curbing of alcohol and drug/medicine use by drivers, and application of telematics;
- **tools to reduce the consequences of accidents when they occur**, including the development of safety rating programmes and submission of proposals for various technical measures.

The key elements of 1997-2001 programme are:

- a Commission recommendation to fully take into account the very high costs of road accidents in a more widespread application of cost-benefit assessments for road safety measures;
- an integrated EU information system including information on accident statistics, exposure data, implementation of road safety measures, research, best practice and enforcement;
- measures to combat fatigue and the use of alcohol, medicines and drugs while driving;
- application of technology and telematics to ensure safer driving;
- coordination and support of safety rating systems in order to provide scientifically correct information to consumers on the safety aspects of vehicles.

¹⁰

Communication from the Commission for a first action programme on road safety (COM(93) 246 final).

Lastly, the Commission will arrange for the resources required to implement the programme to be made available through the usual procedures and will monitor the road safety situation in the EU as well as report on progress of the programme in due time.

Gist of the opinion

The Committee fully supports the initiatives designed to promote road safety, and welcomes the Commission communication and the conclusions of the Transport Council meeting of 17 and 18 June 1997. It takes the view that the European Union's priorities should be the coordination of initiatives, a better understanding of the problems and how to solve them, and fostering greater commitment on the part of both politicians and road-users.

The Committee also makes the following comments:

- regarding the application of the subsidiarity principle, Community action should embrace the adoption of coordinated standards, controls and penalties in areas such as vehicle roadworthiness, granting and withdrawal of driving licences, road signs and professional drivers' driving time and rest stops, with the aim of encouraging road safety and harmonizing terms of competition;
- more attention should be paid to high and inappropriate speeds and drink-driving, which are some of the main causes of accidents;
- given the importance of the human factor, great efforts should be made to encourage people to behave in a safe manner. Checks, publicity campaigns and financial penalties are all elements which can affect behaviour.

On the more specific matter of the 1997-2001 programme, the Committee:

- while welcoming the objective of a cost/benefit analysis of road safety measures, considers unrealistic the idea of making a like-for-like comparison between, for example, education in primary schools and an obstacle detection system. It also notes that results of comparisons can vary greatly between countries;
- welcomes the wide range of information gathering and dissemination measures set out in the communication, but would have preferred priorities to be clearly set out; and
- points out the importance of having a Community budget on a par with the expectations created by the communication. It invites the Council and the European Parliament to increase the relevant budget lines in order to avoid the possibility that new expenditure allocated to collecting and analysing data could mean less money is available in 1998 and 1999 for education and the dissemination of information.

13. PORTABILITY/PRE-SELECTION

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive amending Directive 97/33/EC with regard to operator number portability and carrier pre-selection

(COM(97) 480 final - 97/0250 COD)

(CES 1401/97 - 97/0250 COD)

Rapporteur-general: Mr Michael MOBBS (United Kingdom - Employers)

Gist of the Commission document

The proposed directive, which is in response to the requests made by the European Parliament¹¹ and Council¹² to the Commission to put forward proposals on this subject, reflects the results of the broad public consultation organized following the publication of the Numbering Green Paper by the Commission¹³.

The objective of the proposal is to strengthen the existing provisions on equal qualitative and quantitative access to numbering resources for all market players in the Community's current legal framework for telecommunications. The availability of operator number portability and carrier pre-selection will make it easier for consumers to choose alternative service and network providers. This will enable them to benefit directly from competition in the telecommunications market. By offering consumers a non-discriminatory and user friendly way of choosing between different providers of telecommunications services, consumer choice can act as a catalyst in the process of achieving better quality telecommunications services at more competitive prices.

Given the need to ensure a clear and transparent regulatory framework for telecommunications and, given the fact that some of the principles set out in this proposal are related to the numbering provisions of Directive 97/33/EC¹⁴ (Interconnection Directive), the Commission believes that the most appropriate way of proceeding is through a limited and specific amendment of that directive.

The following changes are therefore proposed to the Interconnection Directive:

- accelerating the date for the introduction of number portability (Article 12(5)) so as to ensure its availability throughout a Member State by 1 January 2000;
- add a new paragraph 7 to Article 12 in order to create an obligation for national regulatory authorities to require the provision of carrier pre-selection within their networks from organizations operating fixed public telecommunications networks which enjoy significant market power by 1 January 2000 at the latest.

Gist of the opinion

The Committee is pleased to see that the Commission continues to take positive action towards the full liberalization of voice telephony. The two actions proposed (Operator Number Portability and Carrier Pre-Selection) follow the proposal contained in the Commission consultation paper¹⁵ which the Committee supported in its opinion. However, as far as carrier pre-selection is concerned, the Committee added the comment that *"this must include a comprehensive cost-benefit analysis"*.

In the course of its consultations starting with the Green Paper (COM(96) 590 final), the Commission has referred to a number of independent studies of cost-benefit analysis. However, the Commission has not published its own cost-benefit analysis. Accordingly, the Committee calls on the Commission to make available an EU-specific cost-benefit assessment.

¹¹ European Parliament resolution of 17 July 1997 on the Green Paper on a numbering policy for telecommunications services in Europe.

¹² OJ No. C 303 of 4 October 1997, p. 1.

¹³ OJ No. C 287 of 22 September 1997, p. 15

¹⁴ OJ No. C 153 of 28 May 1996, p. 21.

¹⁵ COM(97) 203 final.

The consumer interest must be a priority in assessing carrier pre-selection. In particular, consumers should be fully informed of all carrier pre-selection costs. The Committee recommends that, as is already law in some Member States, these costs may not include a charge on an existing subscriber for using a second operator or service.

14. MOBILE AND WIRELESS COMMUNICATIONS

Opinion of the Economic and Social Committee on a) the Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on the further development of mobile and wireless communications: challenges and choices for the European Union and b) the Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions: Strategy and policy orientations with regard to the further development of mobile and wireless communications (UMTS) - Outcome of the public consultation and proposals for creating a favourable environment
(COM(97) 217 final and (97) 513 final)

(CES 1402/97)

Rapporteur-general: Mr Michael MOBBS (United Kingdom - Employers)

Gist of the Commission documents

- *COM(97) 217 final*

This communication is in response to a specific request¹⁶ made to the Commission by the Council and European Parliament. It presents an overview of developments in the mobile and wireless communications market within the European Community since the 1994 Green Paper on mobile and personal communications¹⁷ and examines the future direction of mobile and wireless communications.

It does this against the background of the market success of GSM and related digital communications services within the EC and world-wide; the increasing use of mobile communications to connect computers and to access the Internet; the development of satellite-based personal communications systems; the substantial regulatory progress made towards the full opening to competition of telecommunications markets and the successful conclusion of the WTO deal on basic telecommunications.

This communication seeks to assist in the political debate by inviting responses to key questions touching on both the shape of future third generation systems and on the accompanying environment in which such systems should emerge. These key questions are summarized below:

- Is this the right moment to define a strategy for the introduction of UMTS or would regulatory action today be premature?
- Is there a consensus in Europe on the notion of UMTS or third generation mobile communications? Will it be a new single technology, or a number of interoperable solutions based on different technologies?
- What should be the respective roles of the private sector and of public authorities in the transition towards UMTS?

¹⁶ OJ C 188/3, 22.07.1995.

¹⁷ OJ C 393 of 31.12.1994, p. 64.

- How can UMTS impact on the competitiveness of Europe's industry?
- How do we ensure that the broader social and societal interests are secured in the development of the "wireless information society"?

- *COM(97) 513 final*

The second communication, which summarizes the comments and contributions received, is intended to present strategy and policy orientations for the development of third generation mobile communications (UMTS) to the European Parliament and the Council; the Economic and Social Committee and the Committee of the Regions. It responds to the specific call from the Council and the European Parliament following the Mobile Green Paper for additional action to ensure a continuing support for the evolution towards third generation mobile communications.

The Committee will issue one opinion on the two communications.

Gist of the opinion

The Committee welcomes the Commission communications as a necessary step paving the way towards a European policy for the establishment of UMTS. It endorses the main areas of consensus identified by the Commission and makes more detailed comments on the following aspects :

- **Frequency spectrum** : it is essential to ensure that sufficient spectrum remains available during the transition from GSM, DCS-1800 and PCS-1900 second generation systems.
- **Licences** : action in this context must respect the industry expectations that the first UMTS services should enter service around 2002, with widespread global availability anticipated around 2005. To meet this timetable, an EU framework should be established to ensure that the NRAs grant licences through objective, transparent and non-discriminatory licensing procedures with sufficient lead time starting as early as end of 1998.
- **Regulation** : Member States will have to take necessary measures to complete the implementation and application of EU legislation and the decisions on frequency issues reached with the European Radiocommunications Committee. In particular, the question of roaming between UMTS and the existing second generation systems needs to be addressed in detail.
- **Standards** : cooperation between Commission and EU Member States, and with the relevant organizations both at European and international level, should aim to ensure that the EU adopts a single approach to UMTS. The standardization process must involve full participation of all major industry players representing the manufacturing and operator interests to minimise intellectual property problems.
- **Societal issues** : Early solution to societal issues will contribute to the creation of a favourable environment for market growth.

Lastly, the Committee agrees with and supports the plan for Community action proposed by the Commission and awaits the concrete legislative proposals.

Section for Social, Family, Educational and Cultural Affairs
Mr Hick, Head of Division ad interim - ☎ (32-2) 546 9302

15. SOCIAL SECURITY AMENDMENT

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) amending Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community and Regulation (EEC) No 574/72 laying down the procedure for implementing Regulation (EEC) No 1408/71*

(COM(97) 378 final - 97/0201 CNS)

(CES 1384/97 - 97/0201 CNS)

Rapporteur working without a study group: Mr Maurizio ANGELO (Italy - Workers)

Gist of the Commission proposal

The purpose of this proposal is to update these Community regulations to take account of changes to national legislation and certain bilateral conventions concluded between Member States. It is also necessary to take account of the amending of Article 95 of Regulation (EEC) No. 574/72 by Regulation (EC) No. 3095/95.

The proposal for the Council regulation consists of certain amendments to Council Regulations (EEC) No. 1408/71 of 14 June 1971 on the application of social security schemes to employed persons, to self-employed and to members of their families moving within the Community¹⁸ and No 574/72 of 21 March 1972 laying down the procedure for implementing Regulation (EC) No. 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community¹⁹; whereas these amendments are linked to changes which Member States have made to their social security legislation.

Justification for the proposal for a regulation with regard to the principle of subsidiarity:

This proposal for a Council regulation conforms to the principle of subsidiarity as regards the two underlying criteria, namely necessity and proportionality, as specified in Article 3b of the European Community Treaty.

On the one hand, Article 51 requires the Council to adopt such measures in the field of social security as are necessary to provide freedom of movement for workers within the Community. The coordination of national social security schemes therefore falls exclusively within the competence of the Community. On the other hand, a binding legislative instrument, in the form of a regulation, is clearly proportionate to the objective pursued, i.e. ensuring effective freedom of movement. This is why the Council has chosen such an instrument as being the most appropriate means of achieving this objective.

¹⁸ OJ No. L 149, 5.7.1971, p.2. Regulation as last amended and updated by Regulation (EC) No. 118/97 (OJ No. L 28, 30.1.1997).

¹⁹ OJ No. L 74, 27.3.1972, p.1. Regulation as last amended and updated by Regulation (EC) No. 118/97 (OJ No. L 28, 30.1.1997).

Application in the countries of the European Economic Area:

Freedom of movement for persons is one of the objectives and principles of the Agreement on the European Economic Area (EEA), which entered into force on 1 January 1994²⁰. In Chapter 1 of Part III on free movement of persons, services and capital, Articles 28, 29 and 30 are devoted to free movement of workers and self-employed persons. Article 29 more specifically reiterates the principles set out in Article 51 of the EC Treaty relating to social security for persons moving within the Community. Consequently, this proposal for a regulation, if adopted, must be applied to the member countries of the EEA.

Gist of the Opinion

The Committee welcomes the amendments which update the rules for applying of social security schemes to the various categories of insured persons. The Committee also supports the proposals which, while not providing specific updating, nevertheless simplify and clarify situations that have led to implementing difficulties.

A clear and reliable reference framework in this area will make it easier for the persons concerned to move within the EU. This will further one of the basic principles of the Union, namely the free of movement of persons.

Here the Committee is pleased to note - while not yet entering into details - that the Commission has also issued a proposal for the initial regulation of transfer of supplementary pension rights. This will complement the rules on statutory schemes laid down in Regulation 1408/71, which the present proposal updates and amends.

Comprehensive rules are needed on the transfer of all pension rights, whether statutory or supplementary. Supplementary schemes have been growing steadily in recent years, especially among more highly skilled persons who are more likely to move around. It is to be hoped that real progress can now be achieved in removing obstacles to mobility.

Conclusions: The Committee welcomes the amendments as they constitute an essential update and facilitate implementation by establishing more precise rules on related issues which could give rise to dispute. However, the Committee asks that a clearer and more detailed explanatory memorandum be provided in future, so as to make it easier to understand the purpose of each provision.

16. MODERNIZING AND IMPROVING SOCIAL PROTECTION

Opinion of the Economic and Social Committee on the Communication from the Commission:
Modernizing and improving social protection in the European Union
(COM(97) 102 final)

(CES 1397/97)

Rapporteur: Mrs Ada MADDOCKX (United Kingdom - Workers)
Co-rapporteur: Mr Pierre CHEVALIER (France - Various Interests)

²⁰

OJ No. L 1 of 3.1.1994, as amended by Decision of the EEA Joint Committee No 7/94 of 21.3.1994 (OJ No. L 160 of 28 June 1994).

Gist of the Commission document

To support the Member States in meeting these challenges, the Commission presented, at the end of 1995, a "framework for a European debate on the future of social protection" that triggered a lively and interactive discussion. It is now time to take stock. This communication has a dual purpose:

- to indicate the routes along which modernization can be pursued;
- to present some specific proposals for European level support.

This approach is built on the common understanding that:

- each Member State is responsible for the organization and financing of its own social protection system;
- the EU is responsible for the coordination of national social security schemes in cases where citizens exercise their rights of free movement within the Union;
- the EU also serves as a forum for promoting better mutual understanding of long-term perspectives, and for identifying common challenges facing Member States.

In the light of this, the Commission proposes the following agenda of issues for further analysis, debate and action:

- social protection as a productive factor;
- more employment-friendly social protection systems;
- adapting social protection to the demographic ageing of European societies;
- adapting social protection to the new gender balance;
- improving social protection for people moving within the Union.

The Commission invites all Member States and the European institutions to engage in a continuing dialogue on strategies for the modernization of social protection systems. The Commission also invites the social partners, at all appropriate levels, to contribute to this work. The Commission intends to put social protection reform at the top of the agenda for the civil dialogue at the 1998 European Social Policy Forum.

Finally, the social protection in Europe report, to be published at the end of 1997, will bring together more evidence and analysis on recent developments in Member States, as a contribution to the process of joint reflection.

Summary of the opinion

Social protection expenditure accounts for 28% of EU total GDP. In the United States, net expenditure is 27% of GDP. EU social protection expenditure increased in the 1980s and 1990s at a slower rate in relation to GDP than it did in the 1970s.

The Commission Communication considers that the real "reasons for a reform are internal". Two major problems are highlighted: "big public deficits and the lack of real success in social integration".

It can be argued that the first problem is not caused by, but does have an effect on, social protection. The second problem, is one more intrinsic to social protection in the EU, especially in relation to mass unemployment and accompanying social exclusion.

The Committee has consistently upheld the view that social protection can help stimulate and reinforce economic performance. The negative, downward spiral, of bad economic performance being transposed into social protection cut-backs and therefore lower consumption and reduced demand, can be turned around into a positive integrated approach, concentrating on transforming passive into active expenditure, generating jobs, services and growth.

The potential growth areas for such a turn-around in making social protection more employment-friendly are predominantly in the sectors where public-private partnerships can be nurtured. For example, the care sector, transport, energy and the environment are all areas where investment, through the use of non-wage income support mechanisms and accompanying safeguards, could enable other pressing needs (such as those of the elderly) to become more economically sustainable, and could be beneficial to growth and jobs. The involvement of the social partners, of the social economy and relevant NGOs and of local and regional government within such a framework could also help promote practical schemes, and ensure proper safeguards and positive incentives to assist the shift from *"welfare to work"*. Similar public/private partnerships, based on part work experience and part income support, and subject to collective agreements, could be envisaged as regards the training and re-skilling of unemployed people seeking to qualify, requalify and enter or re-enter the labour market.

Employment-friendly social protection also includes proposals to reduce non-wage labour costs. The Delors white paper proposed the lowering or exemption of employers' social security contributions for less skilled, low-wage labour, with costs being off-set by compensatory measures such as environmental taxes, excise duties on consumer products that are damaging to health, and taxes to make productive investment more attractive. The Committee has taken a similar line on compensatory measures and on alternative sources of finance.

In order to promote employment, there is a widespread agreement on the "need to reverse the trend in taxation structures towards an increasing burden on labour compared to other tax bases". This is why the Committee acknowledges the importance of the global view of the whole area of taxation undertaken by the High Level Tax Policy Group.

Proposals in the Commission Communication in favour of a more flexible transition from work to retirement, especially through the use of voluntary part-time pre-retirement schemes, have been consistently supported by the Committee, subject to legislative safeguards and a strong framework of collective agreements adapted to the sectors concerned.

The Committee has also consistently advocated the need for social protection to promote inclusion. This requires a guaranteed minimum level of income security, linked to integration, stability and re-skilling.

The demographic "timebomb" and resulting pressures on and doubts about the sustainability of pension schemes is a major distributional problem relating to the replacement ratio on the labour market. Various labour market adjustments, for example increased female participation and flexible transition to retirement, can help offset some of the problems, as obviously can trying to get the 18 million people in the EU who are unemployed back into work. The key issue is the share of people involved in generating GDP. Questions arising concerning the sustainability of pensions, be they "pay-as-you-go" (PAYG) schemes or ("funded") capital-stock schemes, are in the final event inextricably linked to economic performance. Irrespective of the way in which pension insurance is organized - public, supplementary, or private - there must be adequate guarantees on their coexistence.

The Committee has already supported meeting new care needs for older people. Health care expenditure, especially for the very old, can be partially offset by preventive medicine, guidance and home care. The concern over containing health care costs must be tempered by concern to ensure equitable access to high-quality health care for all. Measures allowing the selection of risks (cream-skimming) would endanger solidarity and jeopardize the provision of effective care.

The Committee has supported proposals for reconciling working and family life and for progressively implementing an individualization of rights. It has also consistently endorsed proposals for equal treatment in statutory and occupational social security schemes.

The Committee has endorsed all up-dates of Regulation 1408/71, enabling closer coordination of statutory social security arrangements for people moving within the EU. It has already specifically called for similar provisions for occupational pension schemes, including a legal framework safeguarding assets and individual rights, comparable EU-wide transfer values, and an EU coordination framework for occupational pension schemes.

17. COOPERATION WITH CHARITABLE ASSOCIATIONS AND WITH THE ECONOMIC AND SOCIAL PLAYERS (*Own-initiative opinion*)

Opinion of the Economic and Social Committee on *cooperation with charitable social welfare associations and with the economic and social players*

(CES 1398/97)

Rapporteur: Mrs zu EULENBURG (Germany - Various Interests)

Background

In the final act of the Maastricht Treaty on European Union, the Community acknowledges the specific importance of cooperation with the charitable associations and foundations as institutions responsible for social welfare and services (vide Declaration No. 23). At the forum on European social policy held in Brussels at the end of March 1996, the social partners debated current topics of social policies with the socially active non-governmental organizations, with the objective of a European "civil dialogue".

In preparation for the forum, the "committee of wise men" stated clearly in their report:

"It is necessary for non-profit making organizations and foundations, and more generally the collective representatives of the Community at large, to be involved in social policy decision-taking. This should be provided for in the Treaty. Particular consideration should be given to the charitable institutions which combat exclusion and poverty and which can speak for the unemployed and the excluded.."

(Report, page 55, Brussels, October 1995 - February 1996)

In all Member States charitable social welfare associations constitute important civil, economic and social factors of their countries, and this independently of their tasks performed as actors of social protection, which vary from country to country. For this reason, the ESC while respecting the principle of subsidiarity which underlies also the shaping of social protection, has taken the initiative to make a contribution in order to show the cooperation with charitable welfare associations and socio-economic players in the Member States and within the EU can be initiated and improved.

Summary of the Opinion

This own-initiative opinion has a twofold aim: (a) to heighten awareness of the role and importance of charitable associations as economic and social partners in the EU and as key players in all strands of social policy and (b) to put forward concrete proposals on measures for institutionalizing cooperation with charitable associations and placing it on a systematic footing.

One of the most important tasks of charitable associations is to draw attention in public debates and the legislative process to the concerns of the victims of social exclusion, who are inadequately represented in public bodies. With this aim in view the following action needs to be taken at EU level:

- charitable associations need to be consulted and their views heard;
- recognition must be given to the special importance of charitable associations as champions of social rights and providers of social services;

- cooperation must be promoted between charitable associations in Europe and between charitable associations and the EU.

A factor of decisive importance here is that the way in which cooperation is organized with the charitable associations must not be determined by the internal administrative structure of the individual DGs at the Commission. A further point which is clear is that to date the Commission has no special institutional machinery for addressing explicitly the question of Declaration No. 23 or the area of social policy which it covers.

When providing assistance, the Commission should take account of the particular situation of charitable associations. Tendering procedures should be drawn up in such a way as to ensure that the participation of charitable associations is neither ruled out nor jeopardized. In the case of jointly financed measures, recognition should be given to all the usual sources of funding open to charitable associations, including the work of voluntary and unpaid helpers.

With a view to putting cooperation into practice, provision should be made for a specific, appropriately funded support programme entitled "cooperation with charitable associations".

One of the main aims should be to exchange information and views on best practice as regards cooperation on the part of charitable associations with a view to securing the particular resources which typify charitable associations; such cooperation involves, in particular, cooperation with volunteers.

18. GREEN PAPER - NEW ORGANIZATION OF WORK

Opinion of the Economic and Social Committee on the *Green Paper - Partnership for a new organization of work*
(COM(97) 128 final)

(CES 1404/97)

Rapporteur: Mr Carlo Ernesto MERIANO (Italy -Employers)
Co-rapporteur: Mrs Ursula ENGELEN KEFER (Germany - Workers)

Gist of the Commission's green paper

This green paper is about the scope for improving employment and competitiveness through a better organization of work at the workplace, based on high skill, high trust and high quality. It is about the will and ability of management and workers to take initiatives, to improve the quality of goods and services, to make innovations and to develop the production process and consumer relations.

The purpose of the green paper is to stimulate a European debate on new forms of organization of work to release this potential. The green paper is focused on three questions:

- why a new organization of work - and how?
- what the policy challenges of new forms of work organization?
- is it possible to establish a new partnership for a more productive, participative and learning organization of work?

The traditional organization of work, based on the ideas of industrial mass production, has been questioned more and more during the last 20 to 30 years. A number of organizational changes have been tried in order to improve productivity, quality and working conditions (quality circles, just-in-time systems, team work).

In parallel with these many different trends there is now a more fundamental change in the organization of work, a shift from fixed systems of production to a flexible, open-ended process of organizational development. This new concept of a process of continuous change is sometimes described as "the flexible firm" and the workplaces as high trust and high skill workplaces. There is no one model, but an infinite variety of models, which are constantly being adapted to the circumstances of the individual firm and its workers.

The transformation can be explained by three factors, representing change: human resources, markets and technology.

There are already a number of case studies demonstrating the potential for productivity and prosperity of a new organization of work. However, the great majority of firms - and public authorities - are still in the traditional form of work organization. The diffusion of new practices seems to be slow.

The policy challenges could be summarized in one question: how to reconcile security for workers with the flexibility which firms need? This raises a number of issues for the public authorities and the social partners across the spectrum of employment, education and social policy areas:

- how to organize the necessary training and retraining so that the workforce can meet the increasing needs for skills and competence;
- how to adapt social legislation to take account of new employment trends;
- how the change wage systems along with the organizational structures on which they are based;
- how to adapt working time arrangements in the light of the new situation;
- how to take advantage of the new employment trends with regard to equal opportunities;
- how to develop more flexible organizations in the public services;
- how to provide adequate support to firms, in particular small firms, who wish to change, but lack the resources or expertise to do so.

The green paper invites the social partners and public authorities to seek to build a partnership for the development of a new framework for the modernization of work. Such a partnership could make a significant contribution to achieving the objective of a productive, learning and participative organization of work.

The word framework should be given a broad interpretation. It could include everything from the creation of a common understanding of the importance of new forms of work organization, through joint declarations, to binding contractual or legal initiatives. The level and content of such a framework has to be clarified through discussions in the social dialogue.

The Commission would like all interested to develop their views on how these objectives could be reached and how all policies, whether they are public policies or policies for which the social partners are responsible, could be mobilized to create a new framework to modernize work and the economy.

Summary of the opinion

The green paper provides a welcome basis for discussion, as part of consultations involving all interested groups within society, and without prejudice to the independence of the social partners. The on-going transition from a Taylorist system of work organization to the new systems currently being tried out at corporate and sectoral level, cannot be seen as a linear, global process. Any useful discussion of the issues must be underpinned by a pragmatic analysis of best practice identify and possible areas of agreement.

The Committee believes in a dynamic approach striking a new balance between flexibility and social protection, within a statutory and contractually-regulated framework. There is also a need to pay greater attention to the different circumstances in the public and private sectors, and to state unequivocally how far the public authorities may intervene in the proposed partnership, in order to provide a better assessment of how this might impact at national and European level. Corporate communication structures and collective bargaining procedures must be adapted to ensure that the level of involvement needed for a participatory

approach is secured. The Commission's proposed partnership for a new organization of work is to be firmly endorsed. The reorganization of work and production processes can only be successfully achieved in consultation with the employees concerned, and with the participation of the representatives of company interests and the trades unions. At European and at national level, corporate experiences of new forms of organization should be exchanged, and the testing of such models should be actively supported.

A look at best practices in areas most directly affecting new forms of work organization has confirmed the crucial importance which has to be attached to the development of systematic plans for improving those skills linked to new forms of work organization. Such skills are, in most cases, the key element in promoting forms of work organization which are marked by a high degree of individual responsibility and participation, coupled with the comprehensive decentralization of decision-making processes and an increasing need for vocational adaptability. The Committee is in broad agreement with the views expressed by the European Commission and supports the need to reform training.

The possibilities of "self-education" must also be provided within the company. In the case of SMEs, it is clearly important to pursue initiatives promoting, integrated learning structures and to help SMEs adapt to new market conditions by developing new forms of organization of work.

There is an obvious relationship between vocational training, organization of work and working hours. The Committee reiterates the view that: "There is no single uniform model of reduction and reorganization of working time which the European authorities can issue by 'decree'. There is however a compelling case to promote 'made-to-measure' working time options". The European Union and governments should encourage the social dialogue and collective agreements, at appropriate level, on the reduction and reorganization of working time and the need for unequivocal legislation on equal treatment of part-time workers.

The Committee feels that the two sides of industry will reach agreements which (a) meet the need of companies to adjust working conditions to changed production and market conditions, and (b) meet the needs of workers of both sexes preparing for retirement or seeking to combine a career and family life who wish to avail themselves of training opportunities in order to expand their knowledge and boost their chances of promotion. Against this background, the Committee also feels that the gradual testing of new forms of work organization at both corporate and, where appropriate, sectoral level cannot be looked at in isolation from the possible impact this will have on the terms and conditions of employment. This makes it essential to develop an overall reference framework which protects the employees concerned from possible discrimination. In doing this, attention must also be paid to promoting the competitiveness of Europe's economy and avoiding administrative, financial and legal constraints which could stand in the way of SME establishment and development.

Corporate restructuring and redistribution of work tasks is often linked to the development of new wage systems. These may be a way of helping introduce an element of participation into the working environment, for instance, via profit-sharing and other incentives, and guaranteeing real worker participation in the process of work reorganization and, more generally, in the restructuring of the companies concerned. Employee information and consultation at a time of high unemployment makes it easier to take effective preventive action on employment in industry; in this way, particularly as far as job losses are concerned, problems may be identified and anticipated and their social costs avoided or reduced. Greater worker participation is essential if the company itself is to realize its goals.

New forms of work organization can be conducted as part of a general employment strategy designed to combat joblessness. Social security systems and pension arrangements should be adapted to fit into these new working patterns with adequate assurances that people with inflexible or atypical forms of work do not receive a low level of social protection or even lose it altogether.

SME developments is clearly linked, to the corporate restructuring process which, in turn, is largely the reason behind the emergence of new forms of organization of work.

The Committee also expects the European Commission to come up with initiatives to promote pilot projects designed to integrate health and safety at work into the development of new forms of organization of work.

Teleworking and distance working requires a common definition, framework and understanding. The Committee welcomes the Commission's initiative to launch consultations with the social partners on whether and to what extent Community action and protection of teleworkers is advisable.

The Committee sees the partnership for a new organization of work put forward in the green paper as a challenge and as an invitation for the Committee to be involved in the consultation process. The Committee believes that the green paper is a part of the more general Commission campaign to actively promote the process of adapting the social infrastructure of Europe to the new conditions of international competition and changed worker requirements. The Committee hopes that the encouragement of authorities will play a positive role in future progress and lead to a wider debate within society and its institutions, together with collective bargaining.

Section for Economic, Financial and Monetary Questions
Mr Van de Graaf, Head of Division - ☎ (32-2) 546 9227

19. INTRODUCTION OF THE EURO - PRACTICAL ASPECTS

**Opinion of the Economic and Social Committee on the *Communication from the Commission*
*"Practical aspects of the introduction of the euro"***
(COM(97) 491 final)

(CES 1406/97)

Rapporteur-general: Mr Umberto BURANI (Italy - Employers)

Gist of the Commission document

The Commission document summarizes the current situation with regard to practical preparations for the introduction of the euro in the different Member States and at EU level, and indicates decisions that still have to be taken in the near future.

Gist of the opinion

With regard to fiscal aspects and accounting, the Committee takes the view that the move to a single currency must not aggravate the taxation differences that already exist.

In addition, the Committee feels that consumers should not have to bear any charges arising from the currency transition. There should be no change in the date set for the introduction of notes and coins, i.e. 1 January 2002.

The Committee feels that questions of dual price display should not be dealt with at European level in order to ensure that the specifics of each Member State are taken into account; the market will determine how necessary and useful dual price display is.

The Committee strongly urges the Commission to gear all arrangements towards protecting consumers from inaccurate conversion and deliberate abuses. Furthermore, the Committee emphasizes the need to remove the remaining uncertainty surrounding the role of payment cards during the transition period.

20. EURO- IMPACT ON CAPITAL MARKETS

Opinion of the Economic and Social Committee on Communication from the Commission: "The impact of the introduction of the euro on capital markets"
(COM(97) 337 final)

(CES 1408/97)

Rapporteur: Mr Robert PELLETIER (France - Employers)

Gist of the Commission communication

The Commission communication sets out technical recommendations on the redenomination of the bond, equity and derivative markets, and on the market conventions which should be applied to the new euro capital market.

Gist of the opinion

The Committee advocates that negotiable debt should be redenominated into euros in conjunction with cash compensation, in order to express the outstanding debt in whole numbers.

The Committee feels that market conventions need to be harmonized, particularly as regards day counts, coupon frequency, business days and euro settlement basis.

Referring to the shares' market, the Committee calls for the introduction of non par value shares.

In a bid to solve the legal problems, vis-à-vis non-EU countries, associated with continuity of contract, the Committee urges the Commission to undertake a large-scale communications campaign.

The Committee takes the view that imposed reserve requirements are incompatible with the efficient operation of a unified euro capital market.

Section for Agriculture and Fisheries
Mr Vallejo, Head of Division - ☎ (32-2) 546 9396

21. SEEDS

Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Directives 66/400/EEC, 66/401/EEC, 66/402/EEC, 66/403/EEC, 69/208/EEC and 70/458/EEC on the marketing of beet seed, fodder plant seed, cereal seed, seed potatoes, seed of oil and fibre plants and vegetable seed and the common catalogue of varieties of vegetable species
(COM(97) 403 final - 97/0217 CNS)

(CES 1419/97 - 97/0217 CNS)

Rapporteur: Mr Staffan Mats Wilhelm NILSSON (Sweden - Various Interests)

Gist of the proposal for a directive

The Commission proposes that amendments be made to the conditions governing trade within the EU in the plant seeds listed in the title of the proposal for a directive and the conditions of inclusion of agricultural crop species in the common seed catalogue.

The findings of a trial have showed that, for certain purposes, official seed certification procedures in respect of all categories of seeds could be simplified by having tests carried out by inspectors other than those charged with official seed testing by the certification body.

Finally, the field of application of the provisions is to be extended to allow for the implementation of limited-duration trials.

Gist of the opinion

The Committee supports the Commission proposal.

Inspection in the field is one of the key monitoring procedures in the certification system. Such inspection on both an official and unofficial basis must operate under objective, independent conditions that ensure consistently reliable results. The findings of inspections carried out by unofficial inspectors must be confirmed by the competent authorities.

22. VERY REMOTE FISHERIES REGIONS

Opinion of the Economic and Social Committee on the proposal for a Council Regulation (EC) introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French department of Guiana as a result of those regions' remoteness
(COM(97) 389 final - 97/0200 CNS)

(CES 1386/97 - 97/0200 CNS)

Rapporteur-general: Mr José BENTO GONÇALVES (Portugal - Various Interests)

Gist of the Commission proposal

The Commission proposal provides for the continuation of the existing system designed to take account of the special characteristics and handicaps of the very remote regions as a result of their remoteness, island status, small size and difficult typography and climate. The producers who benefit have succeeded, due to these Community arrangements, in overcoming the constraints resulting from the higher costs involved in transport to the continental market.

Here the Commission proposal seeks solely to compensate for the additional costs incurred in marketing the products concerned. The intention is to enable producers to operate under conditions comparable to those on the continent so as to facilitate this sector's integration into the internal market.

Gist of the opinion

The Committee believes that the compensation system should continue as proposed by the Commission.

23. COMMON MARKET IN SEEDS

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending Regulation (EC) No. 3072/95 on the common organization of the market in rice and Regulation (EEC) No. 2358/71 on the common organization of the market in seeds
(COM(97) 421 final - 97/0218 CNS)

(CES 1387/97 - 97/0218 CNS)

Rapporteur-general: Mrs Maria Luísa SANTIAGO (Portugal - Employers)

Gist of the Commission proposal

The reform of the common market organization for rice included a reduction in the intervention price, and a compensatory payment was introduced to offset this. The present proposal is designed to extend the basic regulation on rice so that rice for sowing will also be eligible for this per hectare payment.

The Commission proposes to include rice for sowing in the list of products eligible for compensatory payments from the 1998/99 marketing year, and to retain the same level of payments for 1999/2000 and subsequent marketing years.

The proposal also seeks to preserve the balance of the market for seeds by introducing a mechanism to stabilize seed production.

Gist of the opinion

Subject to certain modifications, the Committee supports the Commission's proposal.

24. ABANDONMENT PREMIUMS/WINE-GROWING AREAS

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending Regulation (EEC) No. 1442/88 on the granting, for the 1988/89 to 1997/98 wine years, of permanent abandonment premiums in respect of wine-growing areas
(COM(97) 423 final - 97/0226 CNS)

(CES 1388/97 - 97/0226 CNS)

Rapporteur: Mr Adalbert KIENLE (Germany - Employers)

Gist of the Commission proposal

The purpose of the proposed regulation is to facilitate the application of the permanent abandonment premium scheme in all wine-growing regions in Germany. In particular, it is proposed to increase the number of hectares allocated to Germany by 950. In order not to increase the maximum total area laid down in the regulation, the area allocated to Spain will be reduced by 950 ha.

Gist of the opinion

The Committee welcomes the proposed amendment to Regulation (EEC) 1442/88 which seeks to increase by 950 ha the quota allocated to Germany. This proposal will make it possible for meaningful use to be made, in Germany too, of the programme for regulating wine-growing areas.

25. COMMON ORGANIZATION OF THE MARKET IN RAW TOBACCO

Opinion of the Economic and Social Committee on the proposal for a Council Regulation (EC) amending Regulation (EEC) No. 2075/92 on the common organization of the market in raw tobacco (COM(97) 529 final - 97/0286 (CNS))

(CES 1395/97 - 97/0286 CNS)

Rapporteur-general: Mr Seppo Ilmari KALLIO (Finland - Various Interests)

Gist of the Commission proposal

The purpose of this proposed regulation is to extend the present market organization arrangements by a year in order to allow the lead-in time needed for the reform of the common organization of the market in tobacco announced by the Commission. Reform would therefore be implemented from the 1999 harvest.

The emergency procedure is sought so that the 1998 crop quotas can be allocated before 31 January 1998.

Gist of the opinion

The Committee endorses the Commission proposal, while pointing out that future developments in agricultural policy must have equal bearing on all sectors.

26. AGRICULTURAL ASPECTS OF AGENDA 2000

Opinion of the Economic and Social Committee on the agricultural aspects of the Commission Communication on Agenda 2000 (COM(97) 2000 final - Vol. I-II-III)

(CES 1396/97)

Rapporteur : Mr Jean-Paul BASTIAN (France - Various Interests)

Co-rapporteur : Mr Hans-Joachim WILMS (Germany - Workers)

Gist of the Commission communication

The CAP reform proposed by the Commission in its Agenda 2000 would provide 50% compensation for the reduction in the intervention price for cereals, identical direct aid for cereals and oilseeds, and a ceiling per farm for direct payments under the common market organizations.

The proposed reform includes a 20% cut in the intervention price for cereals, to be offset by an increase in direct aid. The Commission also proposes to extend this aid to oilseeds, in the form of a "non crop specific payment" which in the long term could offer a way of circumventing the Blair House agreement. Another important plan is the proposed establishment of a ceiling per farm for all direct income aid granted under the common market organizations.

The reforms would be as follows:

- **Arable crops.** 20% cut in the intervention price for cereals (from ECU 119 to 95 per tonne) from the year 2000. On the basis of the reference yields established in 1992, direct aid at ECU 66/tonne (compared with ECU 54 at present for cereals). Compulsory set-aside (basic rate) at 0%, abolition of extraordinary set-

aside, and retention of the voluntary set-aside option. Abolition of the premium for silage maize. Supplementary premium of ECU 13/tonne for protein crops, in order to safeguard competitiveness with cereals. Retention of existing rules for durum wheat.

- **Beef and veal.** Gradual 30% cut in the support price (from ECU 2,780/tonne to ECU 1,950/tonne) over the period 2000-2002. Abolition of intervention and introduction of private storage aid. Compensation in the form of a gradual increase in the suckler cow premium from ECU 145 to ECU 215, in the male bovine premium from ECU 135 to ECU 368, and in the premium for steers from ECU 109 to ECU 232 (two payments). Establishment of a dairy cow premium of ECU 70 per head. Regional and individual ceilings unchanged for stocking density and adaptation of extensification aid.
- **Milk.** Retention of current quotas until 2005. Over the period 2000-2005, gradual 10% reduction in the intervention prices for butter and skimmed milk powder. Compensation of ECU 145 per dairy cow which, when added to the ECU 70 introduced under the beef and veal regime, provides a total premium of ECU 215 which is equal to the suckler cow premium.
- **Differentiation and ceilings for direct payments.** The Commission will table proposals for "an individual ceiling covering all direct income payments granted under the common market organizations". In addition, Member States would be authorized to introduce differentiation criteria or national supplements according to common rules.
- **Rural development policy.** In addition to the flanking measures from the 1992 reform (agri-environmental measures, afforestation, early retirement), the EAGGF Guarantee section will take over the measures for less favoured agricultural areas (including those in Objective 1 regions) hitherto financed by the Guidance section. For rural areas in Objective 1 regions, the current integrated development programmes will be retained, and this integrated approach will also be extended to rural areas eligible under the new Objective 2. In all rural areas outside Objective 1 and the new Objective 2, the EAGGF Guarantee section will co-finance rural development measures to accompany and complement market policies.
- **Funding of the CAP.** Retaining the current method of calculating the agricultural guideline (increase limited to 74% of the GDP growth rate) would make it possible to meet the following: the cost of the reformed CAP for the EU-15; the new rural development measures and the provisions for the fisheries sector; pre-accession aid for agriculture; expenditure relating to the new Member States. Also, "it should be made feasible in due course to put an end to transitional arrangements for new Member States". Lastly, the monetary reserve designed to accommodate fluctuations in the dollar would be phased out between 2000 and 2002 in tandem with the reform of the CAP.
- **Accession of the CEEC.** The chapter of Agenda 2000 on the impact and problems of enlargement notes that the price gaps between the applicant countries' agricultural commodities and those of the EU are set to persist into the medium term, although they will become narrower. Few of the applicant countries appear able in the medium term to apply the Community "acquis" and to withstand competition. The weakness of their agriculture and food industry means that most of them will probably require transitional periods to adjust.

Gist of the opinion

The Committee has examined with interest the agricultural chapter of Agenda 2000. It regards it as an important basis for discussion of the future direction of CAP which, in the next ten years, will have to face problems stemming from the increase in the world's population, the accession of the CEEC, the establishment of a free trade area with the countries of the Mediterranean basin and the resumption of WTO negotiations.

The ESC nevertheless wonders whether the proposed instruments under Agenda 2000 will be sufficiently effective to ensure that between now and the year 2006, European agriculture has the necessary competitiveness to take advantage of the positive trends on world markets.

The ESC regrets that the Agenda 2000 objectives do not include equilibrium between production and regions in terms of land-use, the promotion of youth employment and the protection of wage-earning jobs in agriculture.

The ESC considers that the modernization of CEEC agriculture, the earmarking of EU funds for structural and cohesion policies, the EU's economic growth potential and changes in the agro-monetary situation, are all elements whose repercussions need to be looked at carefully so as not to disturb the multifunctional features of European agriculture.

An analysis of the sectoral proposals set out under Agenda 2000 has prompted the section to conclude that the proposals designed to reduce cereal and beef prices, abolish aid for silage maize, and introduce new measures for oilseeds and protein crops, go too far. As far as milk is concerned, Agenda 2000 does not eliminate the uncertainty currently facing producers about the future of this sector. The Committee regrets once more that the absence of proposals on the reform of common market regimes for Mediterranean crops and urges that particular attention be paid to farming in northern areas.

As far as enlargement is concerned, the ESC would repeat the conviction already expressed by the Committee in previous opinions, namely that it will have a limited impact on CAP - at least until the year 2006. The CEEC will first and foremost require substantial assistance from Structural Funds in order to modernize their agriculture during the transitional periods needed to enable them to enter CAP and compete with EU-15 enterprises.

The Committee finally reserves its position for the moment on the introduction of ceilings and the differentiation of aid until the Commission has come up with concrete proposals. The same is true in respect of the idea that aid should be made dependent on the application of environmental standards.

The Committee warmly welcomes the proposals on the simplification of structural policy and the new rural development policy insofar as they are designed to be more efficient and less bureaucratic. The rural development policy nevertheless requires a more comprehensive approach which would take proper account of the many and varied possibilities of the Union's rural environment as well as the experience acquired in applying the European programmes (LEADER, ADAPT, etc.).

27. CONSERVATION OF MEDITERRANEAN FISHERY RESOURCES

Opinion of the Economic and Social Committee on the proposal for a Council Regulation (EC) amending Regulation (EC) No. 1626/94 laying down certain technical measures for the conservation of fishery resources in the Mediterranean
(COM(97) 459 final - 97/0237 CNS)

(CES 1399/97 - 97/0237 CNS)

Rapporteur-general: Mr Jesús MUÑIZ GUARDADO (Spain - Various Interests)

Gist of the Commission proposal

The Commission proposes to restrict the use of airborne fish-finding equipment which has, over the last few years, allowed a dramatic increase in fishing efficiency without modifying nominal fishing effort.

It also proposes to ban fishing with purse seines for tuna in August, in order to reduce fishing mortality on juveniles.

Gist of the opinion

The Committee approves the Commission proposal.

Section for External Relations, Trade and Development Policy
Mrs Willems, Head of Division - ☎ (32-2) 546 9471

28. KAROLUS

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council decision amending Decision 92/481/EEC of 22 September 1992 on the adoption of an action plan for the exchange between Member State administrations of national officials who are engaged in the implementation of Community legislation required to achieve the internal market (Karolus programme)

(COM(97) 393 final - 97/0214 COD)

(CES 1389/97 - 97/0214 COD)

Rapporteur: Mr Kenneth WALKER (United Kingdom - Employers)

Gist of the Commission proposal

The action plan for the exchange between Member State administrations of national officials engaged in the implementation of Community legislation required to achieve the internal market, called the Karolus programme, has its origins in the 1985 Commission White Paper on completing the internal market. In order to improve cooperation and promote mutual confidence between national administrations, thereby encouraging uniform application of Community internal-market legislation, the action plan was adopted by means of Council Decision 92/481/EEC of 22 September 1992, to run for five years from 1 January 1993.

The Karolus programme is therefore due to end in December 1997. The assessment made by the Commission in 1996 of the effectiveness of the single market revealed however, that the uniform implementation of legislation by Member State administrations still poses a major challenge for the proper functioning of the internal market.

The programme's operation and the results achieved through the exchanges undertaken during the first two years are such that the Commission intends shortly to present a proposal for a Parliament and Council Decision extending the programme in a modified and expanded form. However, since the relevant consultations between the Karolus management committee, the Commission and an independent firm have not yet been concluded, it is proposed to extend the programme in its present form for two years, in accordance with the management committee's wish to see a transitional period.

Joint financing by the Commission and the Member State administrations ensures involvement of the latter in determining the programme's objectives. The Community contribution averages ECU 9,281 per person for a two-month exchange and two seminars which form an integral part of the programme. It is estimated that around 200 people will take part in the first year for which extension is sought, and at least the same number in the second.

The programme is open to participation by the CEEC, in accordance with the terms laid down in the Europe Agreements or the Additional Protocols annexed to them regarding participation in Community programmes, provided that the country concerned has incorporated into its national law and is actually implementing the Community legislation governing the field for which an exchange of officials is sought. Participation is also open to the EFTA countries that are EEA members and to Cyprus, the latter on the basis of additional appropriations and subject to the same rules as those applying to those countries, in accordance with procedures to be agreed with Cyprus. It should be stressed that the provision of training in the implementation of Community law forms an important part of the pre-accession strategy.

Gist of the opinion

The Committee has frequently drawn attention to the fact that differences in interpretation and application of legislation create more problems for business than any other factor.

The Committee therefore endorses without reservation the Commission's proposals to extend the Karolus programme for a two-year transitional period, to widen its application during that period to other states and to develop a modified programme with a wider scope to take the place of the existing programme at the end of the transitional period.

29. GENERAL TARIFF PREFERENCES

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) applying the special incentive arrangements concerning labour rights and environmental protection provided for in Articles 7 and 8 of Council Regulations (EC) Nos. 3281/94 and 1256/96 applying the scheme of generalized tariff preferences in respect of certain industrial and agricultural products originating in developing countries*
(COM(97) 534 final - 97/0293 CNS)

(CES 1390/97- 97/0293 CNS)

Rapporteur working alone: Mr Thomas ETTY (Netherlands - Workers)

Gist of the Commission document

This proposal introducing special social and environmental incentive clauses under the GSP is based on Articles 7 and 8 of Council Regulation (EC) Nos. 3281/94 of 19 December 1994 and 1256/96 of 20 June 1996. Under these clauses additional preferences will be granted on request to beneficiary countries providing they can prove that they have adopted and actually apply the international standards on labour rights and environmental protection drawn up by the International Labour Organization (ILO) and the International Tropical Timber Organization (ITTO).

The beneficiary countries are to be offered a preferential margin double that currently available for industrial products and increased by two thirds for agricultural products. The additional preferences for highly sensitive products under the incentive arrangements should not exceed 40% of the basic rate of duty. A preferential margin of 25% of the Common Customs Tariff is to be accorded to countries graduating from the basic arrangements.

When considering a request, the Commission may decide not to grant additional preferences to certain sectors if it feels that the measures adopted by the requesting country do not affect all production sectors or do not affect them sufficiently.

The Commission also proposes that the social and environmental impact of the arrangements be regularly evaluated along with their economic and trade impact, given that the first evaluation will have to be carried out when the current GSP schemes expire.

The depreciation in traditional own resources caused by the additional customs preferences will in any case have to be financed by the Member States via the GNP resource.

Gist of the opinion

The Committee strongly welcomes the Commission's proposals as providing provisions for positive measures to promote respect for labour and environmental standards in GSP beneficiary countries. Nevertheless, it expresses its concern that the practical application of the new system of incentives detracts from the advantages of the 1995 reform of the overall system, namely simplicity, transparency and reliability.

The Committee appreciates that the additional incentives should apply even to countries that have graduated from the basic system. In the case of the least developed countries, which already profit from a tariff level fixed at zero, the Committee would propose that additional measures must be taken in order to provide an incentive to respect labour rights and undertake environmental protection.

The Committee welcomes the strong emphasis given by the Commission that as a prerequisite for access to improved preferences, potential beneficiary countries will have to demonstrate that both their law and their practice provide a framework within which freedom of association and abolition of child labour can realistically be guaranteed.

Concerning the procedures for suspension or withdrawal of additional GSP benefits, the Committee would propose that the procedure for representations should be that any party with a legitimate interest in the case, including representatives of the economic and social interest groups, could make a proposal to open an investigation by the Commission. It also requests the Commission to consider ways and means by which successful self-regulation could be exempted from the country-based suspension or withdrawal procedures foreseen in the present proposal and to draw up a complementary procedure.

The Committee expresses its regret and disappointment that the Commission proposal restricts the new instrument to three ILO Conventions only. This is a departure from earlier positions as regards international trade and labour standards, taken by the Commission and supported by the Economic and Social Committee, which included ILO Conventions on forced labour and on discriminations.

Concerning the fact that not all Member States have so far ratified the ILO Convention No. 138, which would have to be respected by countries applying for the additional preferences, the Committee wishes to make the point that the EU's demands will be much more credible if all its Member States meet themselves the criteria they wish others to meet.

In view of the large number of GSP beneficiary countries which might apply for additional preferences, the Committee would also emphasize the need for an evaluation of the present level of staff resources devoted to the GSP and, if the evaluation finds it necessary, an increase in the number of Commission staff working on the GSP supervisory mechanisms.

30. GENERALIZED TARIFF PREFERENCES

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) applying Article 6 of Council Regulations (EC) Nos. 3281/94 and 1256/96 on multiannual generalized tariff preferences schemes in respect of certain industrial and agricultural products originating in developing countries, excluding the most advanced beneficiary countries from entitlement to generalized tariff preferences
(COM(97) 533 final - 97/0299 CNS)

(CES 1391/97 - 97/0299 CNS)

Rapporteur working alone: Mr Helmut GIESECKE (Germany - Employers)

Gist of the Commission proposal

The proposal for withdrawing Hong Kong, Singapore and South Korea from the list of countries benefiting from generalized tariff preferences is based on Article 6 of Council Regulations (EC) Nos. 3281/94 and 1256/96, under which the most advanced countries can be excluded as from 1 January 1998 on the basis of objective, clearly defined criteria.

Under the proposal, beneficiary countries are to be excluded from the GSP if (a) their 1995 per capita income exceeded US\$ 8,210, which is equivalent to the lowest level within the Community, and (b) their development index, calculated in accordance with the formula and figures given in Part 2 of Annex II to Council Regulations (EC) Nos. 3281/94 and 1256/96, is greater than -1. Hong Kong, Singapore and South Korea meet these criteria.

Excluding some countries from the general system of preferences must not have the effect of depriving other members of the same regional grouping of the possibility, established in the past under the regional cumulation mechanism, of using products originating in the excluded countries in their own manufacture.

Taking the preferences on offer, calculated on the basis of total imports of products eligible to benefit from the GSP and originating in Hong Kong, South Korea and Singapore in 1995, and the average for each of these countries under the scheme (for all products taken as a whole), the total increase in customs receipts resulting from the exclusion of these countries from the GSP may be estimated at ECU 40.3 million. The moderate effects of the solution adopted suggest that the principle of neutrality of the GSP offer will be respected in that the exclusion of these three countries can be offset by specific concessions for the least developed countries (LLDCs).

Gist of the opinion

In view of the fact that the ESC had also called for priority to assisting particularly poor developing countries, it welcomes the exclusion of South Korea, Hong Kong and Singapore from the GSP. The volume of aid released in this way should be allocated to poorer developing countries as soon as possible.

However, the ESC draws attention to the absence of transnational provisions under Article 20 of Council Regulation (EC) 3281/94 in respect of "goods afloat".

The ESC welcomes the Commission proposal that the regional cumulation mechanism in respect of the origin of products should not be affected by the removal of states from the GSP; Singapore, in particular, participates in this mechanism within the framework of ASEAN.

The ESC has noted with interest that the revised GSP has brought about higher levels of transparency and predictability, with a beneficial impact both as regards exporters and administrations in the developing countries and as regards EU importers. The ESC is concerned that the transparency and predictability of the

whole scheme could be jeopardized and it asks the Commission to consider these aspects very carefully when deciding on the matter; it also urges the Commission to monitor the impact of these measures and to include the ESC amongst the recipients of its annual reports.

31. RELATIONS BETWEEN THE EUROPEAN UNION AND THE COUNTRIES BORDERING THE BALTIC SEA (*Own-initiative opinion*)

Opinion of the Economic and Social Committee on *Relations between the European Union and the countries bordering the Baltic Sea*

(CES 1392/97)

Rapporteur: Mr Filip HAMRO-DROTZ (Finland - Employers)

Reasons for drawing up an own-initiative opinion

In its information report²¹ on relations between the European Union and the countries bordering the Baltic Sea adopted at the plenary session held on 30 January 1997, the Committee stated that it would participate in further efforts to strengthen cooperation in the Baltic Sea region and that it intended to draw up opinions on this subject.

In July 1997, the Committee decided to draw up an own-initiative opinion on relations between the European Union and the countries bordering the Baltic Sea. The opinion is largely based on the above report but also focuses on a report drawn up by the working group for economic cooperation of the Council of the Baltic Sea States (CBSS) and the action plan and decisions approved at the CBSS Ministerial Session in July 1997.

Gist of the opinion

The coastal states in the region can be divided into three groups:

1. EU Member States (Germany, Denmark, Finland, Sweden);
2. Countries which have signed Europe (association) agreements (Poland, Lithuania, Latvia, Estonia);
3. Russia, which has signed a partnership and cooperation agreement with the EU.

Since the publication of the ESC's information report, a number of important events have taken place in the Baltic Sea region and in cooperation in the region:

1. In July 1997, the European Commission published Agenda 2000, in which it recommends that accession negotiations with the Baltic Sea countries should start with Poland and Estonia.
2. In July 1997, the European Parliament adopted its report on the Commission's Baltic Sea Region Initiative.
3. In May 1997, the Commission presented a Communication on cross-border cooperation within the framework of the Tacis programme.
4. In July 1997, the CBSS's working group for economic cooperation submitted a report on its work to the CBSS's Ministerial Session.

21

CES 949/96 fin

5. In July 1997, the CBSS held its Sixth Ministerial Session in Riga.
6. The floods in Poland, Germany and the Czech Republic in the summer of 1997 caused a sharp increase in the influx of dirty water into the Baltic Sea and a consequent marked increase in pollution in the Baltic and surrounding areas.

The ESC notes that:

- major changes are taking place in the non-EU countries in the Baltic Sea region and in relations between the countries in the region; these changes are helping to strengthen the importance of the Baltic as a region, with potential benefits for Europe as a whole;
- the Baltic Sea region is a growth area with a range of economic strengths and production potential; it also serves as a route for transit traffic flowing in many directions;
- there are large discrepancies in the levels of prosperity of the Baltic Sea countries - particularly between EU countries and third countries - and there are still many elements of uncertainty which hinder cooperation in the region.

Since the Baltic is the only region where the EU and Russia share a border, Baltic Sea cooperation should also be a means of strengthening cooperation between the two.

The ESC feels that Baltic Sea cooperation does not require any new multilateral agreements, but rather that existing agreements and enlargement efforts can be used as a blueprint for the development of cooperation. The EU Member States which still have not ratified the EU-Baltic Sea States Agreement of June 1995 should do so without delay. Baltic Sea cooperation provides a natural basis for a Nordic dimension to the EU's activities.

The ESC feels that accession negotiation between the EU and the applicant Baltic Sea states should preferably all begin at the same time, as should the negotiations with the other central European applicant countries.

The ESC feels that cooperation should be built on four pillars: economic growth and social development; democracy and security; people-to-people cooperation; and environmental protection. The ESC would emphasize that cooperation in the Baltic Sea region should also consist of cultural and social objectives of common interest. These include employment, the treatment of ethnic minorities and fundamental rights, such as equality in the workplace and social security, in the economies in transition.

The ESC is gravely concerned about environmental degradation in the Baltic Sea region.

The ESC believes that local and regional cooperation has a vital role to play in the Baltic Sea region. Similarly, it attaches importance to cooperation between civic organizations and support for such cooperation.

The Committee emphatically endorses the recent measures taken by the Commission to improve the administration of various programmes (in particular, Tacis, Phare and Interreg).

The ESC takes the view that the CBSS provides a suitable forum to maintain and boost coordination of cooperation efforts in the Baltic Sea region. To this end, the role of the CBSS and EU participation should be stepped up.

Section for Protection of the Environment, Public Health and Consumer Affairs
Mrs Calamandrei, Principal Administrator - ☎ (32-2) 546 9657

32. EUROPEAN ENVIRONMENT AGENCY

Opinion of the Economic and Social Committee on the *proposal for a Council Regulation (EC) amending Regulation EEC No. 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European environment information and observation network*
(COM(97) 282 final - 97/0168 SYN)

(CES 1400/97 - 97/0168 SYN)

Rapporteur: Mrs María Candelas SÁNCHEZ MIGUEL (Spain - Workers)

Gist of the Commission proposal

The proposal gives an assessment of the agency's work to date, and concludes that "it would not be appropriate to add major new tasks at this stage in its development".

This is followed by a review of the tasks which, under Article 20 of the Regulation, the agency could be entrusted with:

- support for the implementation of Community legislation;
- eco-labelling;
- environmentally friendly technologies;
- environmental assessment impact.

The Commission proposes to broaden the agency's current remit in the dissemination of information, to include:

- creation of a European information reference centre on the environment;
- promotion of information technologies;
- diffusion of information on environmental research.

No additional funding is envisaged.

Gist of the opinion

The ESC approves the activities of the Agency and agrees that its tasks should be consolidated along the lines set out by the Commission. The ESC, however, also hopes that the Agency's work on gathering and disseminating information will be expanded - and not only for the benefit of the Commission and the Member States but for all other community and social interests in the EU. If information is ultimately fed through to ordinary citizens, it should be available in the official languages of the EU, which means releasing the required funds.

A number of other activities need to be broadened so that a "strategic" evaluation of the environment can be carried out and the EU's environmental situation can be monitored, as called for in the ESC's opinion on the Action Programme for integrated groundwater protection and management²²), and so that the Agency can more effectively support the European Union in its involvement in cross-frontier and international organizations specializing in protection of the environment.

The ESC considers that the Agency should have a distinct role within this cross-frontier context, namely that of establishing forms of cooperation with the countries of Central and Eastern Europe (CEECs) preparing to join the EU so that it is easier for them to acquire the information needed to update their environmental legislation. According to the latest Commission studies, this is of fundamental importance for their integration into the EU.

On the other hand, the ESC would emphasize that no way has yet been found of guaranteeing the involvement of the EU's socio-economic organizations (and particularly NGOs and consumer representatives) in the Agency. A greater openness on the part of the Agency towards socio-economic organizations would hold out the prospect of promising developments in parallel with the programme on sustainable development which provides for the involvement of all players active in environmental protection.

It is necessary to make the Agency a vehicle for the integration of all policies with environmental repercussions and to this end it needs to work together not only with the Commission, but also with all bodies active in the environment. Its advisory function can similarly be put to use with the enlargement of the EU in mind.

As far as the Agency's functions are concerned, we would urge that it be given responsibilities for carrying out a "strategic or integrated environmental assessment" and for performing the task, in conjunction with the Commission, of monitoring implementation of the Community's environmental legislation.

All this will only be possible if the Agency receives funding commensurate with its functions. We should therefore look into the possibility of the Agency being given its own budget so that future budget increases do not have to be borne by DG XI.

Section for Energy, Nuclear Questions and Research
Mr Martinez, Principal Administrator - ☎ (32-2) 546 9794

33. 5th RTD FRAMEWORK PROGRAMME (Funding) (Additional opinion)

Opinion of the Economic and Social Committee on the Amended proposal for a European Parliament and Council Decision concerning the fifth framework programme of the European Community for research, technological development and demonstration activities, and on the Amended proposal for a Council Decision concerning the fifth framework programme of the European Atomic Energy Community (EURATOM) for research and training activities (1998-2002) (funding)

(COM(97) 439 final - 97/0119 COD - 97/0120 CNS)

(CES 1407/97 - 97/0119 COD - 97/0120 CNS)

Rapporteur: Mr Giannino BERNABEI (Italy - Workers)

Reasons for the additional opinion

The Committee adopted its opinion on the proposal for a European Parliament and Council Decision on the 5th RTD framework programme (1998-2002) at its plenary session held on 1 October 1997. In doing so it kept to the Commission's planned schedule.

The draft opinion was adopted unanimously by the Energy Section on 24 July 1997.

The draft opinion makes the case for issuing a additional opinion once the Commission proposes the funding for the framework programme and how it is to be shared out between the various activities.

Obviously, when information on funding is made available, the real priorities in respect of these different activities and programmes will become clear.

It is important for the Committee to have the opportunity to issue its opinion on these priorities, given that they are central to the Community's RTD work over the next four years.

It is expected that the Council will reach its common position in December. Parliament's opinion is also expected to be issued at this time.

Gist of the opinion

In accordance with the opinion on the *Proposal for a European Parliament and Council Decision concerning the Fifth Framework Programme of the European Community for Research, Technological Development and Demonstration Activities (1998-2002)*²³, adopted unanimously on 1 October 1997, and with the opinions adopted previously on this subject, and in view of the conclusions of the European Council meeting on employment, the Committee calls on the Commission, European Parliament and Council:

- to ensure close interaction between the Framework Programme and European, non-EU cooperation frameworks, particularly Eureka and Cost, and to develop, on the basis of analyses for each geographic area, coherent action for the CEEC, the Mediterranean Basin, the Newly Independent States (NIS), the dynamic economies of Asia and Latin America, developing countries and industrialized third countries;
- to reframe and strengthen the SME innovation and participation action, with regard to streamlining intervention already planned under the Fourth Framework Programme, but supplementing it with new, specific features to promote a spirit of enterprise amongst researchers and scientists, and to create a new "ad hoc" support mechanism for the setting-up of technological joint ventures, so that the results of Community research can be harnessed by industry and business;
- to make any allocation of financial resources conditional on a percentage realignment in favour of exchange programmes between academia and industry, universities and SMEs, large research centres, and industrial laboratories and SMEs;
- to safeguard consistency between the need for an integrated approach to the Fifth Framework Programme and concentration and interoperability of the generic research, support for major infrastructure and key actions which make up the new Community framework;
- to identify a range of qualitative/quantitative indicators to guide and control key action activity, in order to help improve the socioeconomic foundations for the development of sustainable growth and employment potential, e.g. the potential take-up rate, level of strategic visibility and European dimension, interaction between Community, European and national action, involvement of SMEs in the sector, potential spin-offs in terms of new business start-ups, new jobs and new occupations;

- to distribute the ECU 11,491 million overall funding for the thematic programmes so that a substantial proportion is reserved for key actions, keeping an average quota that would be flexible from one thematic programme to another, of around 25% for generic RTD activities and major infrastructure;
- to ensure that each key action has an adequate percentage of funding for demonstration, innovation and SMEs, in order to bolster the research-innovation-market sequence;
- to integrate and thereby streamline the content of the proposed key actions by refocusing them - where possible - within the framework of the thematic programmes proposed by the Commission;
- to select ten or so key actions relating to the Community RTDD Framework Programme and one to the Euratom Programme, and provide them with sufficient funding to achieve critical mass, take-up rate, scientific excellence and strategic visibility;
- to make the provision of funding for the key actions contingent on performance assessments, in order to avoid a five-year freeze, during which RTDD activities with a low level of scientific excellence and innovation are funded merely as a matter of routine;
- to provide simple, modern, transparent management procedures capable of capping administrative costs and red tape by assigning clear responsibilities to a restricted number of bureaucratic and decision-making levels, with collective decisions being confined to the highest levels, i.e. the Commissioners responsible.

Financial outlook and new structure of the framework programmes

Pursuant to these recommendations, the Committee suggests the following breakdown for the ECU 15,533 million:

	Committee proposal	Commission proposal
<i>Horizontal programmes</i>		
International cooperation	ECU 575 million	(ECU 491 million)
Innovation and SMEs	ECU 550 million	(ECU 350 million)
Researcher mobility	ECU 1,402 million	(ECU 1,402 million)
<i>Thematic programmes</i>	ECU 11,491 million	(ECU 11,775 million)
<i>Flexibility reserve</i>	ECU 700 million	(ECU 0 million)
<i>JRC</i>	ECU 815 million	(ECU 815 million)
TOTAL	ECU 15,533 million	(ECU 14,833 million)

II. FUTURE WORK

- European Environment Agency (**ENV-JAN**)
COM(97) 489 final - 97/0256 CNS
- Approximation of provisions concerning liability for defective products (**ENV-JAN**)
COM(97) 478 final - 97/0244 COD
- End of life vehicles (**ENV-FEB**)
COM(97) 358 final - 97/0194 SYN
- Passenger vehicles with more than eight seats (**IND-FEB**)
COM(97) 276 final - 97/0176 COD

- Competitiveness of the European textile and clothing industry (Communication) (**IND-MARCH**)
COM(97) 454 final
- Community customs code (transit)
COM(97) 472 final - 97/0242 COD
- Civil liability insurance/use of motor vehicles (**IND-MARCH**)
COM(97) 510 final - 97/0264 COD
- Competitiveness of the construction industry (Communication) (**IND-APRIL**)
COM(97) 539 final
- EU strategy for defence-related industries (Communication) (**IND-MAY**)
COM(97) 583 final
- Convergence of telecommunications, media and information technologies sectors (Green Paper) (**IND-MAY**)
COM(97) 623 final
- The new regional programmes 1997-1999 under Objective 2 of the Community's structural policies - focusing on job-creation (Communication) (**REG - to be fixed**)
COM(97) 524 final
- Feedingstuffs intended for particular nutritional purposes (**AGR-FEB**)
COM(97) 408 final - 97/0208 COD
- Fifth R and TD framework programme (1998-2002): specific programmes (**ENERG-MAY**)
COM(97) 553 final
- Towards a Europe of knowledge (**SOC - MARCH**)
COM(97) 563 final

IN ANTICIPATION

- Environment and employment - building a sustainable Europe (Communication) (**ENV-MARCH/APRIL**)
COM(97) 592 final
- Incineration of hazardous waste (**ENV-MARCH/APR**)
COM(97) 604 final - 97/0314 SYN
- Restricting nitrogen oxide emissions from jet aircraft (**ENV-MARCH**)
COM(97) 629 final
- General framework of Community activities to help consumers (**ENV - to be fixed**)
COM(97) 684 final
- Protection of minors and human dignity in audio-visual and information services (Recommendation) (**IND-APRIL**)
COM(97) 570 final
- Action plan - safe use of the Internet (**IND-APRIL**)
COM(97) 582 final - 97/0337 CNS

- Measures for combating pollutant gas emissions from diesel engines (**IND-APRIL**)
COM(97) 627 final
- Harmonization of certain aspects of copyright and neighbouring rights (**IND-MARCH**)
COM(97) 628 final
- Guidelines for trans-European networks for electronic data interchange (**IND-MARCH**)
COM(97) 661 final
- Tyres of motor vehicles and trailers (**IND - to be fixed**)
COM(97) 680 final
- Approximation of legal schemes for protecting inventions - utility model (**IND - to be fixed**)
COM(97) 691 final
- Access to the activity of credit institutions (codified version) (**IND - to be fixed**)
COM(97) 706 final
- Reform of the Structural Funds (**REG - to be fixed**)
- Technical requirements for inland navigation vessels (**TRA-MARCH**)
COM(97) 644 final
- Ports and maritime infrastructures (Green Paper) (**TRA-MAY**)
COM(97) 678 final
- Trans-European networks, ports and intermodal terminals (**TRA-APRIL**)
COM(97) 681 final
- Rules for the participation of undertakings, research centres and universities and the dissemination of research results (**ENERG - to be fixed**)
COM(97) 587 final - 97/0309 SYN - 97/0310 CNS
- White Paper - Renewable sources of energy (**ENERGY-APRIL/MAY**)
COM(97) 599 final
- Labour force sample survey (**SOC - to be fixed**)
COM(97) 376 final - 97/0202 CNS
- Social security for employees - extension to cover non-EU citizens (**SOC-MARCH**)
COM(97) 561 final - 97/0320 CNS
- Promotion of EU apprenticeship training schemes (**SOC-APRIL**)
COM(97) 572 final - 97/0321 SYN
- Information system for continuing training and acquisition of skills (**SOC-APRIL**)
COM (97) 574 final
- Action plan for the free movement of workers (Communication) (**SOC-MAY**)
COM(97) 586 final
- Recognition of professional qualifications for nurses, dentists, veterinary surgeons, etc. (**SOC-APRIL/MAY**)
COM(97) 638 final

- Quota system for the production of potato starch (**AGR-FEB**)
COM(97) 576 final - 97/0300 CNS
- Funding of the Common Agricultural Policy (codified version) (**AGR-JAN**)
COM(97) 607 final - 97/0317 CNS
- Veterinary checks in intra-Community trade within the single market (**AGR-MARCH**)
COM (97) 643 final
- Protection measures against the introduction of organisms harmful to plants (codified version) (**AGR-FEB**)
COM(97) 651 final
- Annual report on the economic situation (21 members) (**ECO-APR**)

OWN-INITIATIVE

- Territorial employment pacts (**REG-TO BE DECIDED**)
- Implementation of the Helsinki Declaration - establishment of concrete measures for consulting the economic and social interest groups on the definition of a pan-European transport policy (**TRA-MAY**)
- Genetically modified organisms in agriculture: consequences for the CAP (**AGR-TO BE DECIDED**)
- Reinforcement of pre-accession strategy (**EXT-TO BE DECIDED**)

III. PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE

Activities of the president

On 4 November 1997, **Mr Jenkins** took part in the opening session of the conference on "Employment and tourism: guidelines for action", organized in Luxembourg by the European Commission and the Luxembourg Presidency of the Council.

On 11 November 1997, **Mr Jenkins** attended the opening of the Ecofin section meeting at the European Monetary Institute in Frankfurt am Main.

On 20 November 1997, in Stirling (United Kingdom), **Mr Jenkins** spoke at the "Citizens' Europe" conference. The event was chaired by **Mr Corrie McChord**, leader of Stirling Council.

Mr Jenkins took part in the following meetings:

- the third Euro-Mediterranean summit of economic and social councils and similar institutions, in Casablanca (Morocco), on 27 and 28 November 1997;
- the annual meeting of presidents and secretaries-general of European ESCs, in Athens, on 12 December 1997.

Mr Jenkins held the following meetings in Brussels:

13 November 1997: Review of the Structural Funds: A Welsh Response - Wales European Centre

5 December 1997: Meeting with **Mrs Rand**, EFTA

10 December 1997: Meeting with **Mr Jan Kulakowski**, ministerial advisor in Poland

11 December 1997: Meeting with **Mr Peter Hain**, parliamentary under-secretary of state for Wales

Activities of sections and ESC members

Section for Regional Development and Town and Country Planning

- **Luxembourg, 4 and 5 November 1997**

Conference on "Employment and Tourism: guidelines for action", organized by the European Commission and the Presidency of the Council of the EU.

Mr Moreland, section president (Group III), **Mr Lustenhouer** (Group III) and **Mr Rodriguez García Caro** (Group I) took part.

- **Brussels, 9-11 November 1997**

Seminar entitled "Towards a new Community initiative for rural development: 800 leaders express their views", organized by the European Commission.

Mr Bastian (Group III), **Mr Donovan** (Group I) and **Mr Retureau** (Group II) took part.

- **Paris, 18 November 1997**

High-level meeting on "French urban policy in the context of local territorial development", organized by C.D. Cités (economic interest grouping) in Boulogne-Billancourt.

Mr Vinay (Group II) attended the meeting.

- **Gibraltar, 4-7 December 1997**

By invitation of the minister for trade and industry, **Mr Moreland**, the section president, took part in the meetings held with the members of the Objective 2 monitoring committee for Gibraltar and with representatives of socio-occupational organizations.

- **Echternach/Luxembourg, 8 and 9 December 1997**

Seminar of ministers for spatial planning in the European Union

Mr Moreland, section president (Group III) took part in the seminar.

Section for Protection of the Environment, Public Health and Consumer Affairs

- **Brussels, 3 and 4 November 1997**

Conference on "Food legislation - food policy"

Mr Jaschick, rapporteur and vice-president of the ESC (Group III), **Mr Gardner** (Group I), and **Mrs Drijfhout-Zweijtzer** (Group II), took part.

- **Brussels, 16 and 17 November 1997**

Conference entitled "First European Forum on Waste", organized by the Institut Bruxellois pour la Gestion de l'Environnement (IBGE)

Mr Ataíde Ferreira, section president (Group III), took part in this conference.

- **Copenhagen, 26 November 1997**

"EEA Management Board" seminar, organized by the European Environment Agency

Mr Koopman (Group III) attended.

- **Luxembourg, 1 and 2 December 1997**

Forum on "Consumers and the Euro", organized jointly by the Luxembourg Ministry for the Family, the European Commission and the European Parliament

Mrs Ström (Group III) took part.

- **Frankfurt, 8 December 1997**

Conference on "Completing the Single Pharmaceutical Market", organized by the European Commission, in cooperation with the EFPIA (European Federation of Pharmaceutical Industry Associations)

Mr Colombo, rapporteur for several opinions linked to the single market (Group I), attended the conference.

Section for Industry, Commerce, Crafts and Services

- **Milan, 20 and 21 November 1997**

3rd European conference of craft industries and small businesses: "Innovate to create employment"

Mrs Rangoni Machiavelli, president of Group III, represented the Committee. **Mr Pezzini**, **Mr Schleyer**, **Mr Giron** and **Mrs Lundh**, all members of Group III, were involved in the work of the conference.

- **Luxembourg, 25 and 26 November 1997**

Hearing on the Community patent

Mr Bernabei (Group I), rapporteur for the study group preparing the Committee opinion on the subject, represented the Committee.

- **Brussels, 25 November 1997**

Conference on the European company statute

Mr Boussat (Group I), **Mr Vever** (Group I), **Mr Schmitz** (Group II), and **Mrs van den Burg** (Group II) took part.

- **Brussels, 25 November 1997**

Conference on the 5th report of the SME European Observatory

Mr Lustenhouwer (Group III) represented the Committee.

Brussels, 8 and 9 December 1997

Conference on "Electronic Procurement: Follow-Up to the Green Paper"

Mr Malosse (Group I), rapporteur for the "Green Paper on Public Procurement" opinion, represented the Committee.

Other activities

An ESC delegation (composed of **Mr Jenkins**, the president, **Mr Jaschick** and **Mr Regaldo**, vice-presidents, **Mr Cavaleiro Brandão**, Group I president, **Mr Briesch**, Group II president, and **Mr Margalef**, president of the agriculture section, took part in meetings at the MERCOSUR Foro Consultativo Económico y Social (FCES), in Montevideo on 16 and 17 December 1997.

In Barcelona, on 27 and 28 November 1997, **Mr Stecher Navarra**, vice-president of the Employers' Group, took part in "the Euro and job-creation" conference organized by the Institut de la Protection Social Européenne Paris-Bruxelles (IPSE).

• "Citizens' Europe" in Stirling (United Kingdom)

As part of its "Citizens Europe" programme, the Economic and Social Committee of the European Communities (ESC), together with economic and social partners in Scotland, organized a conference on Thursday 20 November 1997 in Stirling (Scotland) entitled "the Economic and Social Committee and Scotland: focus on citizens".

The "Citizens' Europe" programme, launched by the ESC in 1993, aims to encourage communication and closer contact between citizens and the Community institutions, transparency in Community policies, and social dialogue.

The conference focused on three themes: "The challenges for local economies posed by Economic and Monetary Union"; "The structural funds and cohesion"; and "Living and working in the information society: people first". Some 250 people representing socio-economic interest groups met to exchange ideas and make proposals on these aspects of the single market.

• The Euro, a currency for Europe

Under the Information Programme for European Citizens (PRINCE), the Economic and Social Committee, in conjunction with the European Commission and the European Parliament, is organizing a series of seminars entitled: "The Euro: a currency for Europe". The idea is to train people who can in turn act as trainers, briefing officers and information channels within their respective organizations.

The first seminar took place in Portugal, on 28 November 1997 and was organized in conjunction with DECO, the Portuguese consumers association.

Further seminars will take place in Florence (16 January 1998), Madrid (10 February 1998), and London (date to be confirmed).

• Euro-Mediterranean Partnership

The third Euro-Mediterranean summit of economic and social councils and similar institutions was held in Casablanca (Morocco), on 27 and 28 November. The preparatory group comprised the Economic and Social Committee of the EC, the National Council for Youth and Future Development of Morocco and the Economic and Social Council of Portugal.

The following topics were discussed:

- **water and desertification** (main countries concerned: Morocco, France and Turkey);
- establishment and development of a network of **small and medium-sized enterprises** on both sides of the Mediterranean and cooperation between these enterprises (report drafted by Portugal, Italy and Morocco);
- role of economic and social interest groups in implementing **social measures** (particularly vocational training) to back up economic development (report drafted by the Economic and Social Committee of the EC, Algeria and Greece).

The 27 Euro-Med delegations (representing the 15 EU Member States and 12 non-member Mediterranean countries) had agreed at the Euro-Mediterranean Conference of Ministers in Barcelona on 27 and 28 November 1995 that the Euro-Mediterranean partnership would be facilitated by closer contacts between the socio-economic partners. The work programme appended to the Barcelona declaration stated that *"regular contacts among other European organs, in particular the Economic and Social Committee of the European Community, and their Mediterranean counterparts, would contribute to a better understanding of the major issues relevant in the Euro-Mediterranean partnership"*. With this aim in mind, the first Euro-Mediterranean summit of economic and social councils was held in Madrid on 12 and 13 December 1995, and the second in Paris on 21 and 22 November 1996.

ESC information stands at public events of European interest

- On 29 October 1997, in Brussels, at the colloquium on "Status of and social protection for civil servants in Europe", organized by Social Cooperation in Europe (SCE) in cooperation with the European Commission in Brussels.
- On 4 and 5 November 1997, in Luxembourg, at the conference on "Employment and tourism: guidelines for action", organized by the European Commission and the Luxembourg Presidency of the Council.
- On 16 and 17 November 1997, in Brussels, at the conference entitled "First European Forum on Waste", organized by the Institut Bruxellois pour la Gestion de l'Environnement.
- On 20 November 1997, in Stirling, at the conference on the "Citizens' Europe", organized in cooperation with Scottish economic and social partners.
- On 20 and 21 November 1997, in Luxembourg, at the European Employment Council.

IV. APPOINTMENTS

The Council of the European Union has appointed the following members:

- **Mr Claus Cambus** (France) to replace **Mr Henry Bordes-Pages**, Group II (resigned);
- **Mrs Helen McGrath** (United Kingdom) to replace **Mr Richard Pickering**, Group II (deceased).

V. IN MEMORIAM

It is with deep regret that the Economic and Social Committee president, secretary-general and secretariat announce the deaths of:

- **Mr Michael T. Fuller**, former member of Group I, on 5 November 1997. **Mr Fuller** was a member of the ESC from 1982 to 1986,
- **Mr Roland Wagner**, on 29 November 1997. **Mr Wagner** was a member of the ESC from September 1978 to September 1990.

The president asked the Assembly to observe a one minute's silence in memory of **Mr Fuller** and **Mr Wagner**.

VI. FACT-FINDING VISITS

During the period in question, the following groups visited the ESC:

4 November	Österreichischer Gewerkschaftsbund - Austria
5 November	Landeszentrale für Politische Bildung - Germany Turkish delegation - Turkey Paris delegation - Ile-de-France
6 November	Confédération française de la Coopération agricole - France Hall Aitken - United Kingdom
7 November	Fachhochschule Potsdam - Germany
10 November	Building sector in Europe - mixed
11 November	Tiroler Arbeiterkammer - Austria Slovakian and Slovenian trainees from the JICS - mixed
12 November	Europakorridoren - Sweden
17 November	Havant College - United Kingdom
18 November	Group from Nantes Atlantique - Franco-Norwegian - France
19 November	University of Wales - Bangor - United Kingdom
20 November	Romanian Delegation - Romania Trade union managers from French-speaking Africa - mixed
21 November	Group Banques Populaires - France
25/28 Nov.	Istituto Guglielmo Tagliacarne - Italy
25 November	Programme support mission - France
26 November	Funzionari della Calabria - Italy Delegation of Danish doctors' secretaries - Denmark Hogeschool Maastricht - mixed

27 November	Young Spanish farmers - Spain Delegation of senior officials from the New Independent States - mixed
28 November	VDL - Bundesverland - Germany
1 December	Unione generale Coltivatori - Italy
2 December	Camara de Comercio de Castellón - Spain New EC officials - mixed
3 December	Associação Portuguesa de Economistas - Portugal Institut rural de Lesneven - France
5 December	Rijkshogeschool Ijselland Deventer - The Netherlands
9 December	Junta de Freguesa de São Bernardo - Portugal North Georgia College & State University - United States
10 December	District de Montpellier - France
11 December	Association of Finnish Local Authorities - Finland Confederación Empresarial Valenciana - Spain
12 December	Amsterdam School of Business - The Netherlands
16 December	University of Portsmouth - United Kingdom
17 December	UCL delegation - Belgium
