

EESC



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EDITORIAL



The **EU BUDGET** represents slightly less than 1 % of total wealth today (the gross domestic product). So understandably, with such slender resources it is necessary to focus on a small number of priorities, use the lever effect, seek complementarities with national budgets and try out public/private partnerships.

When the EU Commission proposes increasing the EU budget to 1.24 % of GDP by 2013 (an amount initially accepted by the Heads of State or Government), at least seven Member States start complaining and calling for more budgetary rigour.

In fact, we are facing what must be called a lack of political will.

Either we look on Europe as just an international organisation which is simply managing a market and give up following common policies, or we provide the necessary resources for a European Union to which we are constantly giving new responsibilities: becoming the most competitive economy in the world, developing the knowledge-based economy, becoming an example for the world as regards environmental protection, ensuring the economic, social and territorial cohesion of almost 450 million people after a historical expansion to include part of the former Soviet bloc which has been promised 'Eldorado' for the past 40 years, developing trans-European transport networks, becoming a major player on the world scene, and ensuring security at its borders.

But the question of resources will not solve everything! If citizens are prepared to pay more, one way or another, they also expect better governance from the EU when using its budgetary resources: simpler procedures, efficiency, assessment and, above all, a genuine partnership with civil society players.

In asking the EESC for **an opinion** on the financial outlook for 2007-13, **preceded** by a debate with civil society in Brussels on 25 and 26 May, the EU President, **Romano Prodi**, wants to start a dialogue with civil society.

For the section for Economic and Monetary Union and Economic and Social Cohesion this will be an opportunity to get feedback from the reactions of our guests for the opinion that my colleague, **George Dassis**, is preparing on the EU's financial outlook.

This seminar enabled a genuine critical and constructive debate to take place, and especially made a start on discussing a new way of governing with the participation of civil society organisations. The EU budget is a matter for citizens, it has to be brought out of the closed enclaves of the Council of Ministers and into the open air of the town square, the regions, businesses and associations.

This is the EESC's commitment in agreeing to co-host this seminar.

Henri Malosse

President of the EESC's Section for Economic and Monetary Union and Economic and Social Cohesion

E-day at the EESC: from 222 to 317 members Welcoming the 95 new members



'I welcome the 10 new Member States of the European Union. Enlargement represents a major opportunity for peoples and States to build an area of stability, prosperity and peace.' It is with these words that **Roger Briesch**, President of the European Economic and Social Committee, welcomed the members from the new Member States of the European Union on 1 May, in Brussels.

In an official statement, **Mr Briesch** also stressed the importance of affirming the European economic and social model, developing relations with our new neighbours and involving European citizens more closely in European policies.

'The European Economic and Social Committee, with its 95 new members representing the various structures of organised civil society, intends to shoulder its share of responsibility in this enlarged European Union. As a place for meeting and pulling ideas together, the EESC will place dialogue with citizens at the heart of its activities,' he went on.



Enlargement: a major opportunity for people and states to build an area of stability, prosperity and peace. Mr Roger Briesch, President of the EESC

A committee which is evolving



*Anchoring the civil society organisations of the new Member States to the European project.
Mr Patrick Venturini,
secretary-general of the EESC*

In a 25-member EU, consultation has a bright future!

The European Economic and Social Committee has always supported the principle of EU enlargement to include the central and east European countries. At the same time, it has encouraged closer relations with other candidate countries, such as Cyprus and Malta. We are delighted that the 10 new Member States have finally taken their historical place in an ever-stronger Union.

The arrival of 95 new members represents an increase of more than 40 % in the number of EESC members. But much more than an increase in numbers, this enlargement brings greater cultural diversity and high expectations of participating in the European project on the part of civil society organisations in the Ten. To take two examples, the EESC now includes a Polish representative of the student parliaments and a representative of the youth organisation of the Estonian Trade Unions Federation. This enlargement therefore has greatly enriched the EESC at a cultural and socioeconomic level.

A secretariat which is evolving

At administrative level, enlargement has been marked, of course, by an unprecedented recruitment, reception, information and training effort. But 2004 will also be marked by the regrouping of our services in the Belliard building (at last, in 2005, the EESC and the CoR will share four buildings). The main challenge facing the secretariat will be to ensure the EESC's development and control quantitative growth, in close cooperation with the Committee of the Regions, while maintaining the quality of life specific to a small, highly social institution.

The spirit of openness and availability, which currently is highly evident, must be used to anchor the civil society organisations of the new Member States to the European project and help develop a European citizen identity. The EESC is ready to take up this challenge by helping to give life to the principle of participative democracy and by giving concrete expression to its role as a 'bridge' between Europe and civil society.

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- Coming events

'Tourism and sport: the future challenges for Europe'



attended by an EESC delegation led by **Patrizio Pesci**, rapporteur of the opinion currently being drawn up on this topic, and by several national and European level players from the tourism and sport sectors.

The event was organised by the EESC in cooperation with CNEL and Federturismo/Confindustria (National Federation of the Travel and Tourist Industry), and provided an opportunity to discuss

'Tourism and sport: the future challenges for Europe', and a winning combination for growth over the next few years. This was the subject of a public hearing organised at the CNEL headquarters (National Council for Economics and Labour) in Rome on 22 and 23 April last, and

and reflect upon the forthcoming sporting events to be held in Europe. These include: the European Football Championships in Portugal; the Olympic and Paralympic Games in Athens in 2004; the Football World Cup in Germany in 2006; the Winter Olympic and Paralympic Games in Turin, also in 2006; the America's Cup in Valencia in 2007; the European Football Championships in Austria and Switzerland in 2008; and the Mediterranean Games, which will probably be held in Pescara in 2009.

These European sporting events will attract millions of tourists, whether sports fans or otherwise, and mobilise a whole range of different types of service (transport, accommodation, catering, sportswear, etc.) that can breathe fresh life into the European economy. Europe must be ready to make the most of these development opportuni-

ties that can help to achieve the Lisbon strategy objectives.

However, integrating tourism and sport policies will not only have economic benefits; it will also provide a unique opportunity to send a message of peace, tolerance and mutual respect throughout the European continent and the rest of the world. These values form part of the DNA of sport, understood as fair competition, and of tourism, which is by nature an industry of peace and harmony.

Tourism and sport will also be the focus of World Tourism Day 2004. The fact that a World Tourism Day is organised annually by the World Tourism Organisation (WTO) is proof of the appeal the 'tourism-sport' formula has internationally.

President Briesch in step with civil society in the Baltic States



Mr Briesch

Continuing his series of trips to the new EU Member States, **Roger Briesch**, President of the European Economic and Social Committee (EESC), visited Lithuania and Latvia from 16 to 18 March, then

Estonia on 19 and 20 April to meet key representatives of organised civil society and the government.

As with the previous trips of his round of the new Member States, the president aimed to acquaint himself with the state of Lithuania and Latvia's preparations for accession and to promote the EESC as a Community body influencing the EU decision-making process.

On 19 and 20 April, **Roger Briesch** attended a reception organised by the ETTK, the Estonian Employers' Confederation, along with several members of the Estonian government, members of parliament and the seven future Estonian members of the EESC. The next day, he was received by **Mr Arnold Rüütel**, President of the Republic of Estonia, and had discussions with **Ms Kristiina Ojuland**, the Minister for Foreign Affairs, and **Mr Marko Pomerants**, the Minister for Social Affairs.

On 16 and 17 March in Lithuania, **Mr Briesch** met **Mr Algirdas Brazauskas** (Prime Minister of

Lithuania), **Ms Vilija Blinkeviute** (Minister for Labour and Social Security), **Ms Lina Adauskiene** (Undersecretary of State within the Ministry of Finance) and **Mr Arturas Paulauskas** (President of the Seimas, the Lithuanian Parliament).

On 18 March, **Mr Briesch** continued his journey in Latvia, meeting **Mr Juris Lujans** (Minister for Finance), **Mr Guntars Krasts** (Chairman of the Latvian Parliament's Committee for European Affairs) and **Ms Liene Liepina** and **Mr Pauls Klavins** (representatives of the Latvian Parliament in the European Convention).

These visits form part of the EESC's moves to understand better the development of organised civil society in the new Member States and increase awareness of the role and importance of the EESC throughout the EU.

The EESC will have nine members from Lithuania, seven from Latvia and seven from Estonia after EU enlargement.

A European culture observatory?

The creation of a European observatory for cultural cooperation is among the suggestions from the European Economic and Social Committee (EESC) in its opinion adopted at the March plenary session (rapporteur: **Daniel Le Scornet**, Group III, Various interests, France), in which it considered the issue of the social dimension of culture.

European social, economic and cultural values are evolving and have a big impact on EU citizens' daily lives. This has already been noted by the EESC, the European meeting place of organised civil society, which in September 2003 suggested that its role in the field of culture should be strengthened.

The European Parliament and the EESC then decided to make the question of the social dimension of culture a common theme, as they consider that culture and social development are closely interrelated and that this relationship will be increasingly important for European integration policy.

The EESC considers that culture, understood as a process and a common form of thinking and acting, assigns key functions to education and the participation of society. The draft European Constitution is after all based on common values,

objectives, fundamental rights and a new understanding of democratic action. These components together make up the foundation of a European concept of culture. The European concept of culture also embraces strong social elements such as solidarity, social cohesion, measures to combat marginalisation and discrimination, as well as social integration.

Above all, the EESC focuses on three essential aspects:

- the new 'culture' of interaction between economic, social and environmental practices, not to mention current changes in society caused by globalisation, socio-demographic changes, migrations and immigration, and the growing impact of information and communication technology;
- the effects of labour market changes on social structure and cultural values — The universal tendency to intellectualise all the aspects of work, including the 'work' of consumption;
- a new culture of democracy — Social and cultural policies are not just sectoral policies but a 'culture' of political interaction as a whole. Cultural democracy, understood as 'cultural security', 'cul-



European social, economic and cultural values have a big impact on European citizens' daily lives

tural reliability' and 'social and cultural governance' needs to be promoted. It is necessary now to initiate an open debate on the creation of cultural rights/freedoms/responsibilities (¹).

Finally, the EESC thinks that the European Parliament and itself, as the two representative institutions in this area, should work together closely.

(¹) EESC 517/2004, Opinion SOC 170, item 4.1, p. 3.

April plenary session

Sustainable development must be one of the objectives shaping the policies of the EU in the coming decades



Sustainable development means changes to the market economy and even closer links with the environment. Mr Ernst Ehmark and Mr Lutz Ribbe

Clarifying what is meant by 'sustainable development'; making the European citizen aware of its importance; re-orienting the EU's policies by taking account of a process that is more and more relevant and vital to the (daily) economic, social and environmental life of Europeans. For the last EESC session in the Ravenstein building, the rapporteurs for the exploratory opinion on sustainable development (**Mr Lutz Ribbe** — Group III, Various interests, Germany, and **Mr Ernst Ehmark** Group II, Employees, Sweden) wanted to send out a clear and unambiguous message.

'Productivity has to be redirected towards sustainable development. Productivity must not be measured only in terms of value of the product divided by its production cost, but evaluated in a broader context, complementing it with quality of life and less use of non-renewable resources at global level,' says the text that was finally adopted.

With 77 votes for, 23 against and 14 abstentions the opinion showed perfect 'timing' with regard to the work of the European Commission and the finalisation of a consultation document on sustainable development due out by the beginning of summer.

'The successful integration of sustainable development into the process of developing European policies will ultimately depend on the place that each and everyone of us gives it in our daily lives,' declared **Mr Ribbe** to the plenary session.

'It is essential for the citizens of Europe to have proper access to information and be sufficiently aware of the issues of sustainable development and its impact on their lives. Sustainable development means changing the market economy and linking the environment, employment and competitiveness even more closely with issues of distributive and intergenerational justice,' he added.

Sustainable development: what the EESC says

- ❑ The Committee regrets the lack of progress and political commitment to implementing an EU sustainable development strategy.
- ❑ Views vary widely as to what sustainable development actually is, what its impact might be or what will happen if the EU fails to implement a sustainable development policy and what specifically needs to be done and by whom to adapt current production and consumption patterns.
- ❑ A key task of a revised EU sustainable development strategy must be to ensure that EU citizens, business and European society as a whole are made fully aware of the benefits which will result from sustainable development.
- ❑ A revised strategy has to take full account of enlargement.
- ❑ There should be close links between the EU strategy and national strategies.
- ❑ The revised EU sustainable development strategy will require a re-examination of how growth and productivity are currently assessed.
- ❑ Sustainable development depends on developing a wide social consensus and broad support. The new strategy should therefore be worked out and implemented within the context of a broad policy debate. The Commission should publish a consultation document by early summer at the latest. The results of the consultation should then be fed into the Commission's contribution for a revised strategy by the Spring European Council in 2005 as well as to the EU's new financial perspective.

Sustainable use of natural resources (Communication — with debate)

Rapporteur: **Mr Lutz Ribbe**
(Group III, Various interests, Germany)

The essential aim of the European Commission's strategy on the sustainable use of natural resources is to decouple economic growth from environmental degradation over a period of 25 years. To achieve this it will develop a framework and measures including clear long-term targets for the use of natural resources and the related environmental impacts, the use of market-based instruments and other flexible approaches that allow resources to be used in a sustainable way

without further harming the environment, while achieving the objectives of the Lisbon strategy.

The EESC welcomes the Commission communication since a resource strategy is sorely needed to achieve the goal of decoupling resource use - and the concomitant environmental impact — even further from economic growth. However, the EESC feels that the 25-year timescale is clearly too short. While it backs moves by the Commission to focus on difficulties that can be resolved in the short and medium term, especially given that some renewables are being overexploited at an alarming rate, that must not mean shelving the long-term issues that have already been identified regarding the physical and political availability of renewable resources.

The EESC also recommends giving a higher profile to the concept of protecting natural resources.

An internal market without company tax obstacles (with debate)

Rapporteur: **Mr Brian Cassidy**
(Group I, Employers, United Kingdom)

The Commission proposal has to be adapted to take account of the needs of SMEs.

The communication is an overview of the European Commission's efforts to remove the tax obstacles affecting businesses operating across frontiers within the internal market. It is concerned with the elimination of tax obstacles to cross-border business and to removing obstacles to the smooth functioning of the internal market and tax-related inefficiency arising from 15 different bases of assessment, a question which particularly affects small and medium-sized enterprises.

With SMEs in mind, the EESC has been supportive of the Commission in its efforts to eliminate distortions of the internal market arising from different rules and regulations on company tax treatment in the various Member States. This problem can only become worse after enlargement. The EESC believes that there is merit in the possibility of 'Home State Taxation' (HST) for SMEs, perhaps with a turnover ceiling. Such a system provides a solution for cross-border activities of SMEs, making their fiscal administrative burden lighter.

The EESC urges Member States to recognise the need for an agreement which will encourage SMEs, as the main creators of new jobs in the EU, to expand outside their home country.

Finally, the EESC acknowledges the difficulty faced by Member States changing their present systems. They need to be able to compare their existing tax take with their likely share under any new system. This will require open coordination between them and the need for trust and confidence between all of them.

European integration 'a valuable example to be followed for India and southern Asia'



In his speech to the EESC plenary session on 29 April, **Mr N. N. Vohra**, co-chairman of the EU-India Round Table, reminded his audience of the investment opportunities in his country. 'European companies have not sufficiently exploited the real investment possibilities that India offers,' he declared.

While describing the process of European integration as 'a valuable example to be followed for India and southern Asia, lands of multiculturalism and multilingualism,' he continued by stressing the importance of democracy and the rule of law ('an article of faith for one billion people') while the citizens of India were voting in the polls.

Replying to the questions of the audience, particularly those from Sukhdev Sharma (Group III, Various interests, United Kingdom) on the impact of a possible change of government on EU-India trade, and of **Ann Davison** (President of the EESC's Section for External Relations) on how to involve civil society more in world-trade negotiations, he answered that all Indian political parties supported a policy of openness and change, which was the only way forward in a country where 400 million workers still had no trade-union representation and 300 million people were still living below the poverty line.

A real single market in insurance



The insurance contract is a key element in the operation of an internal market as it provides greater security for relations between professionals and consumers. Differences in national laws on the main provisions of an insurance contract are likely to obstruct establishment of a single market and hamper the cross-border marketing of this financial instrument.

About 50 representatives of the main organisations concerned, including some from the new Member States, gave their views on the matter on 26 April at a hearing organised by the EESC in Brussels. High-level contributions to the debate came from academics, the European Insurance Committee (EIC), cooperative and mutual organisations, the supervisory authorities, the European Consumers Organisation (BEUC), and the European Commission.

The EESC is preparing an own-initiative opinion to promote the creation of a real single market in insurance, which is scheduled for autumn 2004.

COMING EVENTS

7-9 June, Sofia

Official visit of EESC President **Roger Briesch** to the headquarters of the Bulgarian Economic and Social Committee. Meeting with the president and prime minister of the Bulgarian Republic and the president of the Bulgarian Economic and Social Committee

17-20 June, Kashmir, India

Seventh meeting of the EU/India Round Table

30 June-1 July, Brussels

First EESC plenary session at its new headquarters on Rue Belliard

The EESC Communication Group will meet on 24 June. Other dates scheduled in 2004 are 2 September, 21 October and 2 December

Ratification of the European Convention on Migrants' Rights: EESC European level initiative

4 May 2004: three UN agencies (the Office of the High Commission for Human Rights (OHCHR), Unesco and the International Labour Office), the EU Council presidency, the representatives of other Member States, and of many NGOs, such as the International Organisation for Migration, the Red Cross or the International Confederation of Free Trade Unions, met at the EESC's invitation to discuss the International Convention on the Rights of Migrant Workers and the Members of their Families. This establishes, for the first time, basic human rights for migrants, with no limitation as to geography or the category of the persons concerned (children, refugees, etc).

Europe, with approximately 13 million residents from non-EU countries, is one of the main destinations of migrants but no Member State up to now has ratified the convention. The EESC has therefore decided to raise the matter at European level by drawing up an own-initiative opinion (rapporteur: Mr Pariza Castaños, Group II, Employees, Spain) and organising a hearing, a move which has been welcomed with great interest by the invited international organisations. As the OHCHR representative put it: 'This initiative by the EESC is the first at European level and is very important for getting the convention ratified.'



Mr Pariza Castaños

Third meeting of EU, Latin American and Caribbean civil society organisations



Strengthening the role of civil society players, the structures for dialogue and the contribution of these players to the existing dialogue. Mr Briesch

The European Economic and Social Committee organised the third meeting of European-Latin American-Caribbean civil society organisations, with the support of the European Commission and in cooperation with the Mexican State Secretariat for External Relations. The meeting brought together civil society delegates from all the countries of Latin America and the Caribbean and EESC members, together with representatives of the European institutions, Latin American and Caribbean governments, and international organisations.

Keynote speakers included **Mr Briesch**, EESC President, **Mr Wagner**, Minister, President of the

Economic and Social Development Council of Brazil, **Mr Duplá del Moral**, Director for Latin America, External Relations DG, **Mr Abascal**, Minister for Employment of Mexico and **Mr Canales Clariond**, Minister for Economic Affairs of Mexico.

Those attending the third meeting formulated civil society recommendations to be addressed to the summit of Heads of State or Government of the European Union, Latin America and the Caribbean which will take place in Guadalajara on 28 and 29 May 2004, focusing on the following main themes:

- deepening the European Union-Latin America and Caribbean partnership, with a view to regional integration, with a significant economic, social, occupational, political and cultural dimension, together with the promotion, strengthening and involvement of organised civil society in EU-LAC agreements;
- preparing an agenda for social cohesion facilitating sustainable economic growth and development and fostering the credibility of public institutions; initiatives to reduce external debt; improvements in education, health, social protection, access to essential services, equality between men and women and anti-discrimination measures; substantial, balanced and reciprocal opening up of markets; a structured labour market with a supply of decent jobs and official mechanisms facilitating negotiation between the social partners; the support of the European Union and the international community and economic and trade relations which are consistent with this objective;
- strengthening the role of civil society actors, in particular establishing and strengthening structures for dialogue, and the contribution of these actors to the existing dialogue under the agreements between the European Union and the countries and regions of Latin America and the Caribbean; to this end, the public authorities are called on to recognise the role played by civil society in the governance of the integration process and in securing increased social cohesion.

The EESC has been invited to present the conclusions of the third meeting to ministers from the EU, Latin America and Caribbean countries at the Guadalajara summit. In addition, EESC President **Roger Briesch** has been invited to attend the summit of EU and LAC Heads of State on 28 May.

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