PLENARY SESSION
16 AND 17 JULY 2003

SUMMARY OF OPINIONS ADOPTED

Full text versions of EESC opinions are available in the 11 official languages on the Committee's website at the following address:

http://www.esc.eu.int ("Documents")
The plenary session of 16 and 17 July 2003 was attended by Mr Rocco Butiglione, the Italian Minister for Community Policies on behalf of the EU Council president-in-office, and Mr Tarso Genro, Minister in charge of the Special Secretariat of the Brazilian Council for Economic and Social Development.

1. **SINGLE MARKET AND INDUSTRIAL POLICY**

   - **Industrial policy**
     
     Rapporteur: **Mr Simpson** (Various Interests - UK)


     - **Key points:**

       The EESC appreciates that this Communication is essentially a panoramic perspective of the range of relevant questions. It is not, itself, designed to offer detailed policy applications. However, the logical sequence is that the Commission must now follow through on the policy implications and adopt pro-active policies in support of industrial development. The EESC will then offer the benefit of its experience and opinions to the Commission.

       The EESC has concerns that there may have been an insufficient appreciation of the impact of enlargement in a number of areas.

       A critical feature for the extension of the single market is that the infrastructure endowment of many of the new Member States still lags behind the standards of the rest of the European Union. An appraisal of the priorities and financing mechanisms (with a defined contribution from Community sources) to modernise key parts of the infrastructure, including the modernisation of trans-European networks, is commended.

       The value of the Commission Communication is that it sets a framework for a better understanding of the pressures affecting the development of industry in the Community. The essential theme of this Communication, endorsed by the EESC, is that the combined efforts of industry itself, industrial associations, local and regional government, national governments and the Community must acknowledge and respond to the need to maintain, and enhance, industrial competitiveness within a context that offers a sustainable and viable future.

       The EESC welcomes the proposal outlined in this Communication for the launch of a continuing review of all EU policies that impact on industry. The Committee welcomes this positive re-orientation of policy making and commends the intention to use evaluation methods based on impact assessment analyses.

     - **Contact:** **Mr João Pereira dos Santos**
       
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  Rapporteur-general: Mr Cassidy (Employers - UK)


- Key points:

  While welcoming the Commission communication and supporting its recommendations, the EESC believes that there are some significant omissions. In particular, there is insufficient attention given to job creation. Though the Commission communication expresses the belief in general terms that the internal market will create jobs, it does not provide any evidence.

  Furthermore, the Commission communication virtually overlooks consumers and the advantages to which they have a right through the completion of the internal market.

  The Committee also points out that, on its own, the setting-up of the internal market will not resolve the problems on the European labour market but that additional pro-active measures will also be required on this front.

  The EESC believes that labour markets are under constant development, jobs disappear in the course of economic restructuring, changes in the international division of labour, technological development, etc. How to manage change is an important challenge to the European Commission and especially to the social partners.

  The internal market brings with it challenges for the social systems and their future development. Any discussion about the future shape of the social systems must not, however, focus solely on the internal market and budget requirements but must look at the systems as a whole and take account of their objectives.

  Slow progress with the Lisbon process is beginning to cause concern. The Commission communication does not acknowledge that concern.

  Additional welfare benefits within the EU will not be achieved by market liberalisation and enhanced competition alone. A supporting macro-economic policy geared towards growth and employment will do much to help complete the European internal market.

  Lastly, the EESC finds it strange that the strategic priorities for the internal market do not include steps to gain citizens' confidence (consumers and workers) and to ensure that they benefit from the advantages associated with completion of the internal market.

- Contact: Mr Jakob Andersen
  Registry CESE 124/2003 FR-EN-IT-ES-PT/GW/ht
2. **EXTERNAL RELATIONS**

- **The Role of Civil Society in European Development Policy**
  
  **Rapporteur:** Ms Florio (Employees - IT)

- **Reference:** Own-initiative opinion – CESE 933/2003

- **Key points:**

  In its communication on The European Community's Development Policy\(^1\) adopted on 26 April 2000, the Commission emphasised the crucial role of civil society and stated that "... future EC policy will aim at the further strengthening of civil society and the further involvement of civil society actors in Community development aid policy." Similarly, the more recent Commission Communication The Participation of Non-State Actors in EC Development Policy\(^2\) adopted on 7 November 2003 highlighted the importance of the widest possible participation by all sectors of society as a key principle in EC development policy, thus strengthening the democratic fabric of society.

  In view of the EESC's extensive involvement in and experience of this field, the own-initiative opinion on the role of civil society in European development policy can make a significant contribution to the debate currently under way within the European Union.

  Within this context the EESC recommends:

  - The reaching of a common agreement in the short to medium term defining the practical arrangements and instruments for the participation of NSAs, culminating in a regulatory system conferring full legitimacy based on dialogue
  - The preparation of a "roadmap" on the basis of broader and clearer selection systems in order to facilitate dialogue with NSAs and their participation
  - The inclusion in the process of decentralisation to the delegations of mechanisms for a real exchange with third country NSAs
  - The necessity for specific training initiatives for boosting the capacity of third country NSAs
  - The necessity for establishing a constant and comprehensive flow of information at grassroots level
  - The importance of strengthening anti-corruption measures as a criterion for granting funds

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\(^1\) COM(2000) 212 final.
\(^2\) COM(2002) 0598
• Arrangements should be introduced to monitor the real involvement, in qualitative and quantitative terms, of NSAs in procedures for defining and assessing development policies in those countries receiving European funds

• In order to ensure that NSAs are effectively involved in the political dialogue, initiatives by NSAs, such as the forum of employers’ associations or the trade union committees within the Euromed and EU-Mercosur frameworks, must be supported by the Commission

• In order to avoid contradictions between EU policies and those of Member States, the EU must act to set equal framework criteria for all the Member States

• The Committee stresses the importance of boosting the role of women in cooperation policies, affirming their rights within development processes

• The EESC recommends that the World Bank, the International Monetary Fund and the International Labour Organization join with the European institutions in helping to strengthen and promote the social partners and civil society organisations in the developing countries

• The Committee proposes that more EU funds should be channelled directly to NSAs in the developing countries.

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EU-China relations

- Rapporteur: Mr Etty (Employees, NL)
  Co-rapporteur: Mr Dimitriadis (Employees, EL)

- Reference: Own-initiative opinion – CESE 934/2003

- Key points:

The EESC believes that China can only achieve a successful transition to a market economy with significant political reform. In future EU-China contacts, including those between the EESC and the China Economic and Social Council (CESC) this issue should be on the agenda.

The Committee strongly supports the efforts to train legislators and members of the judiciary involved in China’s implementation of the WTO rules at the various relevant levels.

With respect to the enforcement of WTO rules, the Committee recommends that the Commission should cooperate closely with the EU Chamber of Commerce in China.

The involvement of organised civil society seems highly desirable to tackle the negative aspects of transition. The European Commission is aware of the crucial role NGOs can play. Unfortunately, they have so far paid little attention to the role of free and independent economic and social interest groups.
With respect to NGOs, the EESC proposes, in close cooperation with the CESC, to work closely to help make improvements in the transparency and clarity in regulations for NGOs.

China, as a prominent member of the International Labour Organisation, should ratify all eight fundamental human rights Conventions of the ILO and implement them and should withdraw its reservation on Article 8.1(a) of the International Covenant on Economic Social and Cultural Rights.

In its human rights dialogue with China, the European Commission should pay even more attention to China’s persistent violation of the right to organise and the right to bargain collectively and stress the importance of full involvement of free, independent and democratic economic and social interest groups in the transition to a market economy.

The EU should support and enhance dialogue between organised civil society, economic and social interest groups in China and the EU.

The development of political, civil economic, social and cultural rights under the conditions of “one country, two systems” in Hong Kong and Macao will be closely followed by the European Economic and Social Committee. It points to the OECD Guidelines for Multinational Enterprises as a reference point for the activities of Hong Kong based companies and their subcontractors in mainland China. The EESC delegation to Hong Kong and Macao concluded that relations between the EU and Hong Kong and between the EU and Macao have continued to be excellent since the hand-over, but now need to become more structured.

The EESC would encourage development cooperation actions with respect to living conditions and social justice, employment and social security issues, and support for business training.

The EESC agrees that the EU should further encourage the transfer of know-how, technology or policy experiences.

The Committee believes that in order to take full advantage of trade and investment liberalisation, China’s economy requires extensive restructuring.

The European Commission's China programmes should more prominently reflect the importance it places on governance, civil society, human rights, and sustainable development and include a women-specific agenda for poverty reduction.

The EESC and the China Economic and Social Council have decided to engage in regular consultation, dialogue and research on economic and social issues, human rights and the rule of law. Future EESC visits to China should not only be used to strengthen contacts with the China Economic and Social Council, but also to renew and to widen contacts with the NGO community.

Contact: Mr Michael Wells
Preparation of the 5th WTO Ministerial Conference

Rapporteur: Mr Vever (Employers - FR)

- Reference: Own-initiative opinion – CESE 940/2003

- Key points:

The 5th WTO Ministerial Conference in Cancun (Mexico) on 10-14 September 2003 will carry out a mid-term review of the Doha Development Agenda. It is going to play a decisive role in the completion of negotiations by the end of 2004. The success of this conference is particularly necessary in the present circumstances in order to revive economic growth, which has fallen sharply since Doha, bolster investor confidence, which has been shaken by the ongoing stock market and financial crisis, and improve the general climate, which is still dominated by international security concerns and the war on terrorism.

The EESC notes that the situation in the run-up to this conference is contrasting.

If negotiations are to receive a new decisive fillip at the Cancun Conference, the EESC thinks that all parties must feel that an overall and dynamic balance - borne out by impact assessments and proportionality tests - has been attained with regard to market access.

The EESC would also underline the importance of obtaining at the conference a significant reduction in non-tariff barriers, with more transparency in the field of government procurement, an agreement on foreign direct investment, more appropriate and effective anti-dumping and anti-subsidy provisions, and progress in making allowance for environmental protection.

The EESC also points out the key importance of development for the success of the Doha Agenda. This presupposes in particular real progress in launching the work programme which has been agreed on to facilitate the implementation of commitments, by way of the special and differential treatment of developing countries, greater clarification of developing countries' situations and categories, by making a clearer distinction between countries which lag behind persistently and countries which already enjoy the benefits of an emerging economy, and effective support for administrative capacity building in the least developed countries.

The EESC reiterates the importance which it continues to attach to progress in the field of fundamental social rights, which cannot be called into question for the sake of the development issues at stake.

Finally the EESC invites the various civil society players (businessmen, socio-occupational organisations, social partners, NGOs) to take steps to:

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– participate in information campaigns about the issues at stake in the Doha Agenda,
– organise international meetings, at a cross-sectoral level or within sectors of activity, and
– contribute through their assessments, proposals and participation, to the success of sustainable development worldwide.

The EESC will take part in these initiatives. Before the conclusion of the Doha Cycle at the end of 2004, it will present operational proposals for improving participatory democracy by involving organised civil society in the WTO’s activities. These proposals will be the result of joint deliberations with its partners in the European Union and in non-EU countries.

– Contact: Mr Jean-François Bence
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3. RESEARCH AND HEALTH

• Health care

Rapporteur: Mr Bedossa (Various Interests – FR)

– Reference: Own-initiative opinion – CESE 928/2003

– Key points:

With due regard for the respective competences of the Member States and of the EU, the problems raised and the contributions made by numerous players, the European Economic and Social Committee proposes a series of measures which are the result of using the Open Method of Coordination.

The Open Method of Coordination must be put in place as a matter of urgency, and could have the following objectives:

– to modernise national systems by developing a quality healthcare programme;
– to improve cooperation between Member States.

Cooperation must enable common objectives to be identified, if possible for healthcare and care for the elderly. These objectives could then form part of national action plans, and regular updates could be produced.
In order to establish this Open Method of Coordination, to make it visible and credible and to give it a solid basis, the Committee considers it essential to set up a simple, flexible, efficient structure responsible for a series of priority actions.

The European Economic and Social Committee intends to make healthcare issues an area for action, whilst respecting the existing Community political and legal framework. The Committee feels there is a need to develop tools at European level which draw on the collective European intelligence beyond discussions on the future of national social security systems. The Committee perceives a need for political will to promote awareness of the realities of healthcare and to foster excellence in innovative practice in the medical and social domain. This is why it proposes creating effective bodies to guarantee EU citizens the fundamental right of access to better health for all.

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**Life sciences and biotechnology**

Rapporteur: Mr Braghin (Employers – IT)


- **Key points:**

  The EESC considers it a matter of top priority that the EU and Member States take on board the competitiveness of the biotech industry, which is a key element in achieving the Lisbon objectives.

  The "cluster" and "biotech incubator" models represent a yardstick to assess competitiveness, synergies, technological transfer and the most useful approaches for funding. Cooperation between Member States and the Commission and learning and sharing best practices should be particularly strong in this sector, in order to find ways to trigger a more accelerated process of growth.

  More effort should be made to understand the types of SMEs that compose the industry and their specific needs for funding.

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4. **CONSUMER PROTECTION AND FOOD SAFETY**

**Credit for consumers**

Rapporteur: Mr Pegado Liz (Various Interests - PT)

Key points:

While recognising that a Commission initiative to review the directive on consumer credit is appropriate, the European Economic and Social Committee cannot support adoption of the proposal as it stands: it must firstly be radically amended, principally on account of the need to:

• ensure it is compatible with the provisions of other Community legislative instruments dealing with related matters;
• carry out a detailed simulation of the impact of every aspect of the proposed measures, especially regarding progress in completing the single market in financial services and boosting consumer confidence;
• fine-tune several of the suggested provisions in the light of the principles of proportionality and necessity, ensuring that opting for total harmonisation does not lead to a potential fall in the level of consumer protection, presently guarded against by retaining a minimum clause.

The most important aspects which, in the EESC’s view, need to be adjusted to meet the proposal’s aims, concern:

• the legal basis on which the directive is to be adopted;
• its scope, with regard both to what is included and what is excluded;
• the way in which the total harmonisation method is used without guaranteeing maintenance of a high level of consumer protection;
• the failure to take account of over-indebtedness, assuming that matters can be resolved with an inappropriate and at times disproportionate list of information obligations, leaving aside others which are effectively essential;
• the need to flesh out the structure, functioning and guarantees concerning the use of centralised databases.

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• **Financing consumer policy actions**
  Rapporteur: **Mr Hernández Bataller** (Various Interests - ES)


  – **Key points:**

The Committee agrees with the Commission that the creation of a general legal framework for the financing of Community actions in favour of consumer policy.

The Committee does not consider that the introduction of a two-year project cycle in principle and a call for proposals at least every two years implies that the projects financed must have a duration of two years as this would be excessively rigid.

The Committee notes that only one organisation will be awarded this type of subsidy and believes that the Commission should be more flexible.

The Committee asks the Commission to ensure that the criteria relating to representation on the Consumer Committee do not become dependent on the criteria used to grant funding.

It is important to distinguish the size and resources of the organisations, whether they operate at national or Community level and the "Community interest" of their proposals.

The Committee finds it strange, against the current background of European integration, that no requirement is placed on these organisations to operate in a democratic and transparent manner and to make their organisational data available to the public.

The Committee finds it unusual that the support for the co-financing of specific projects cannot also attain 95% of eligible project implementation costs.

Finally, the Committee would remind the Commission of the need to set aside public money for the creation of a European research body for the protection of consumer rights.

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• **Feed and food controls**
  Rapporteur: **Mr Chiriaco** (Employees – IT)


  – **Key points:**

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The Committee supports the integrated approach of the Commission proposal and considers the proposal a useful contribution to making food safety a more tangible priority of the official system of controls for feed and foodstuffs.

The Committee considers that to guarantee the success of the integrated approach, a strong partnership between the various players in the sector should be promoted, based on mutual trust and transparency, and an appropriate balance between official control systems and self-regulation, responsibility and voluntary certification on the part of producers.

The Committee considers that food safety in the European Union cannot be guaranteed without promoting and strengthening cooperation with third countries through agreements and specific measures, in line with their level of development, as well as international cooperation with regard to the Codex Alimentarius, by strengthening the EU’s presence in this field, and the WTO.

The Committee recommends paying particular attention to harmonising controls in the applicant countries and promoting training and information activities, not only for control staff, but also for the players in the various sectors and the general public.

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- **Pesticides: Maximum residue levels**
  - **Rapporteur:** Mrs Cassina (Employees – IT)
  
  
  - **Contact:** Mrs Eleonora Di Nicolantonio  
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5. **TRANSPORT/TELECOMMUNICATIONS**

- **Pedestrian protection**
  - **Rapporteur:** Mr Levaux (Employers - FR)
  
  
  - **Contact:** Mr João Pereira dos Santos  
    (Tel.: 00 32 2 546 92 45 – e-mail: joao.pereiradosantos@esc.eu.int)
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- **Two-wheel motor vehicles – hand-holds**
  Rapporteur: Mr Pesci  (Employers - IT)


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- **Two-wheel motor vehicles – stands**
  Rapporteur: Mr Pesci  (Employers - IT)


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- **Air service agreements /Member States and third countries**
  Rapporteur: Mr Ghigonis  (Various Interests – FR)


  - Contact:  Mr Siegfried Jantscher
    (Tel.: 00 32 2 546 82 87 – e-mail: siegfried.jantscher@esc.eu.int)

- **General rules for granting Community financial aid /eTEN**
  Rapporteur: Mr Simons  (Employers – NL)


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6. **ENVIRONMENTAL PROTECTION**

- **Greenhouse gas emissions monitoring mechanism/ implementation of the Kyoto Protocol**
  Rapporteur: Mrs Le Nouail  (Employees – FR)

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- Contact Mr Johannes Kind
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- Pan-European environmental cooperation (Kiev)
  Rapporteur: Mr Ribbe (Various Interests – DE)


- Contact: Mr Johannes Kind
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- Waste electrical and electronic equipment /Amendment
  Rapporteur-general: Mrs Cassina (Employees – IT)


- Contact: Mr Robert Wright
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7. AGRICULTURAL MARKETS

- CMO/raw tobacco (codified version)
  Rapporteur-general: Mr Moraleda Quilez (Various Interests – ES)


- Contact: Mrs Eleonora Di Nicolantonio
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- CMO/pigmeat (codified version)
  Rapporteur-general: Mr Caball i Subirana (Various Interests – ES)


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8. **ECONOMIC AND SOCIAL COHESION**

- **2nd progress report – cohesion**
  
  Rapporteur: Mr Barros Vale (Employers - PT)


  - Key points:

    The EESC notes that the albeit positive achievements of the last few years with respect to economic and social cohesion have not eliminated the disparities existing between the regions of the Union. There is a risk that these disparities will increase with enlargement, which in the Committee's opinion means that while assistance must focus on less-developed regions, especially in the accession countries and using instruments in addition to those proposed by the Commission, a high unemployment level must be adopted as a priority criterion within each cohesion objective.

    The EESC endorses the options proposed by the Commission in the context of enlargement with respect to eligibility criteria for Objective 1, but it also thinks that an assessment is needed as to whether the funding allocation is sufficient to guarantee an ambitious cohesion policy in the enlarged Union of 25 countries.

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9. **TAXATION**

- **Rates of Excise Duty/Tobacco – prolongation for Corsica**
  
  Rapporteur: Mr Burani (Employers - IT)


  - Key points:

    The EESC feels that the reasons advanced do little to justify the provision, so much so that one might wonder whether this were not almost a case of state aid rather than a temporary tax exemption. However, the EESC is well aware of the political circumstances and of the state of relations between Corsica and mainland France. A refusal would have consequences reaching far beyond the relatively small figures at stake. Consequently, and mindful of its responsibilities, the EESC reluctantly endorses the proposed directive as submitted.
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