

# ENTERPRISE CONNECTIONS

The Newsletter of the



EESC Employers' Group

## EDITORIAL

The new European Commission was finally installed in November, and has since started its activities. Despite the changes brought about by the European Parliament, the Barroso Commission remains in its new composition a largely liberal and business-friendly team.

For Group I it is interesting to note that as President of the new Commission, Mr. Barroso has himself held on to control over the key dossier of the Lisbon Strategy, rather than entrust it to a super commissioner, as was suggested at one time. Nevertheless, the notion of a super commissioner has been kept in the person of Guenter Verheugen, Commissioner responsible for Enterprise and Industry. It is Mr. Verheugen who will take overall responsibility for the Competitiveness Council. As with Mr. Liikanen this year, we hope to open a direct discussion with Mr. Verheugen during a Group meeting next year to argue the employers' case that only growth and the value-creation provided for by business will ultimately enable the Union achieve the Lisbon goals for 2010 and beyond.

Its success in forcing through a change in composition of the Commission, has given the re-elected European Parliament a renewed determination to play a stronger role in the EU decision-making process. Although the EPP and the Liberals make up a

majority of the MEPs, it was interesting to see in the hearings around the Barroso Commission how strong the impact of the Socialists and Greens can be to nevertheless oblige the Commission President to follow the Parliament's wish to change the Commission's composition. Another lesson to be drawn from this episode is that party discipline is slowly gaining the upper hand over national alliances in the European Parliament. This makes the contacts with the political groups so much more important. The Committee, and within it Group I, will work towards establishing closer ties with the Parliament.

Looking back on 2004, I would like to thank all the members of our Group for their commitment, for their time and for their efforts, either as rapporteur, as study group member, or as member of the Committee, thus contributing to the high quality of the 200 or so opinions that we have produced this year. I would also like to thank the Group I members for their confidence in me as your Group Chairman and for your unanimous support during the mid-term elections. I wish all readers an excellent festive season and an excellent 2005.

*Giacomo Regaldo*

## EUROPE'S ACCESSIBILITY BY SEA

The volume of maritime transport in, from and to Europe continues to grow each year. More than 90% of Europe's trade with the rest of the world is routed via its seaports. Moreover, 40% of goods transported within Europe are likewise conveyed by sea.

Given the major importance of this transport sector, the EU should keep a close eye on the growth of these maritime flows and take appropriate measures at an early stage, in order to be able to manage the growth.

Maritime transport can be divided into different types and categories, depending on: the purpose of the voyage (leisure or commercial); whether deep sea or short sea shipping; and the type of load (passenger or goods transport). These categories, and commercial transport, have a particular impact on the single market and are the subject of this opinion.

EU passenger transport by sea is a very sizeable sector (€ 350 million). However, the EU need not

concern itself further with infrastructure in this sector. Key consideration must be given to passenger security, especially on cruise ships. Dry and liquid bulk transport in



Europe experienced a period of enormous growth in the 1960s and 1970s and appropriate measures were taken at the time to adapt ports to larger ships. These markets are now fully developed. Conventional mixed cargoes are clearly in decline. Roll-on/roll-off services are sometimes provided in conjunction with ferries and also represent an important, fully developed market.

Since 1995, container transport is experiencing unprecedented structural growth, both in scale and in ship size.

Congestion is increasingly becoming an issue in the handling of these growing container flows in port terminals and in subsequent transit. In addition to terminal-based measures to remedy this in the port itself, efficient pre- and post-transport procedures are also needed, both at sea and on land.

Given the increase in container traffic, deep-sea container flows will not necessarily spread to other European harbours via the

shipping market. This does not mean that the economic background is not conducive to the growth of smaller ports.

In order to stay competitive on the world stage, it is in Europe's interest that the larger container ports really do take appropriate steps to tackle and resolve the challenges they face. At the moment, no consideration must be given to proposals for any EU financial support mechanisms for ports other than those mechanisms already in place.

Ports are also waterways to the EU, and this has security implications. The European Commission should draw up an overall impact study on the cost of security for ports and to devise an EU scheme for their financing.



The European Union is in a position to establish a level-playing field for fair competition; promote a certain degree of liberalisation of the seaport

market; shed light on state-aid issues by providing clear guidelines; give close consideration to implementing and enforcing the current rules; and secure transparency in money flows.

*The EESC Rapporteur for this subject is Mr SIMONS, from the Employers' Group*

# THE EUROPEAN ENVIRONMENT AND HEALTH ACTION PLAN

The Commission launched an *Environment and Health Strategy in June 2003* proposing an integrated approach involving closer cooperation between the health, environment and research areas. Its added value is the development of Community System integrating information on the state of the environment, the ecosystem and human health.

## The Action Plan has three main themes

- Improving the information chain to understand the links between sources of pollution and health effects (actions 1-4);
- Filling the knowledge gap by strengthening research and addressing the emerging issues on environment and health (actions 5-8);
- Reviewing policies and improving communication (actions 9-13).

## INTEGRATE AND STRENGTHEN EUROPEAN ENVIRONMENT AND HEALTH RESEARCH

The first group of actions is intended to improve the information chain by developing integrated environment and health information to better understand the links between sources of pollutants and health effects.

**Actions 1 & 2** - The key information aspect is to monitor exposure to environmental risk factors; including food, the home environment, and behaviour that could be associated with health risks, will contribute to the determination of relevant human exposure.

**Action 4** - The responsibility for health and environment is shared by several ministries. The Member States should appoint as soon as possible a body or authority with the responsibility and necessary powers and tools to coordinate efforts to achieve the desired goals.

**Action 5** - consists of an analysis of what has already been achieved within the framework of the JRCs or existing research

**Action 6** - The establishment of a Europe-wide research network in order to track the causes and mechanisms of specified diseases.

**Actions 7 & 8** - In order to put forward more precise objectives, it will be necessary to ensure that potential health and environmental hazards are identified and properly addressed.

**Actions 9 & 10** - A solid basis for a real communication and training strategy should be promoted within the actions of Member States, which are responsible for this sphere of action.

**Actions 11, 12 & 13** - The Action Plan focuses particularly on gaining a better understanding of the links between environmental factors and respiratory diseases, neurodevelopment disorders, cancer and endocrine disrupting effects, all with a rising incidence in children.

Research into factors that affect air quality in offices and homes should be addressed as a matter of urgency. Scientific data should be compiled by a clearly specified deadline in the not-too-distant future.

## THE ACTION PLAN SHOULD BE THE INITIAL NOT THE FINAL PHASE OF THE PROCESS

It is assumed that each action can be integrated in existing initiatives and EU funded programmes such as the EU Public Health Programme, the Sixth Environment Action Programme (mentioned in Volume II only), and the Sixth Framework Programme for Research.

In order to achieve the Action Plan, the Commission will engage in and promote cooperation with the European Environment Agency, the European Food Safety Agency and the principal stakeholders (Member States, national, regional and local authorities, health, environmental and research centres, the industrial and agricultural sectors, and other relevant bodies). It will also coordinate with international organisations, such as the WHO, OECD and relevant United Nations agencies.

*The EESC Rapporteur for this subject is  
Mr BRAGHIN, from the Employers' Group*

# THE KRAKOW CONFERENCE REPORT SOCIAL ENTREPRENEURSHIP AND ECONOMIC EFFICIENCY

On the 29<sup>th</sup> October 2004 as a representative of Employer's Group of the European Economic and Social Committee (EESC) Jacek Krawczyk took part in the conference on "Social Entrepreneurship and Economic Efficiency" in Krakow.

This was the 2<sup>nd</sup> European Social Economy Conference in the Central and Eastern Europe organised by the CEP-CMAF under the patronage of the Polish Government, the European Commission and the European Economic and Social Committee.

The conference was devoted to the topic of the Social Economy in the enlarged Europe. Special focus was given to the

following dimensions of the Social Economy:



1. Entrepreneurship model within the Social Economy,
2. A concept acknowledgement at the national, European and world level,
3. The legitimacy of the Social Economy,
4. Major current debates upon the Social Economy,
5. Follow-up of the commitments and the new ambitions.

Krakow Social Economy 2004 was supposed to address new challenges including:

- New union of 25 countries with the new constitution,
- Continuing with the EU enlargement,
- New relations with neighbours to be built,
- The Lisbon strategy and urgency for the actions within, the future of the European Funds.

The conference was attended by a large number of participants; with a wide variety of participants' profiles. One could meet people from villages, small towns and big cities, representatives of business entities and NGOs.

The variety of the sectors of the Polish economy was also very rich, beginning

from the financial industry, insurance through agriculture, housing to education and healthcare. From what I was able to receive as a feedback from the participants, the event was very well received by them.

They also pointed out the importance of such events for rebuilding the image of the co-operative sector in Poland. This sector underwent big changes in the beginning of the 1990s. Initially a lot of large co-operatives were dissolved since they acted like state-owned countrywide enterprises.

The Krakow Social Economy 2004 has created a good opportunity for newly created Polish co-operatives to present their achievements. Some of them like the financial co-operative SKOK have been able to build a major position on the Polish market as savings and loan institution.

The programme structure of the conference was very complex. On the one hand - plenary sessions dedicated to the key topics of the conference, and on the other 12 working groups covering selected issues like:

- Training and education for the Social Economy entrepreneurs,
- The place of the Social Economy in the civil dialogue,
- Ethics, values and practical experience of the mutual society in the enlarged Europe,
- Sustainable local development: activation of the social capital and of local authorities/social economy partnership,
- Creation of the Social Economy Development Fund in the enlarged Europe,
- The co-operative entrepreneurship: a

dimension to be developed in Eastern Europe,

- Access of the new Eastern Social Economy to the European structural funds.

It has pointed out that the EESC was given a high profile during the conference. The EESC stand was located next to the entrance and the variety of materials and documents presented was more than satisfactory, which led to a major interest in EESC from the participants.

The members from other EESC Groups created additional opportunity for participants to learn more about the Committee. Mr. Krawczyk had also an opportunity and privilege to further promote the EESC.

*Report from Mr Krawczyk  
of the EESC Employers' Group*

## TOURISM AND SPORT

The recognition of tourism and sport in the draft Constitutional Treaty is a major step towards the promotion and development of the competitiveness of European businesses operating in the two sectors. The Nice Summit gave to **sport its rightful place in the Constitution for Europe** adopted in June 2004, where it is the subject of a specific provision.

Last summer, Europe hosted the European Football Championships in Portugal and the XXVIII Olympic Games and the Paralympics Games in Greece. A series of world sporting events will take place in Europe over the next five years. The impact of these future events, in terms of tourism and economy, will be huge.

Tourism and sport are two sectors, which are going to make an increasingly significant contribution to Europe's economic prosperity and social well-being in the future. Public authorities are increasingly viewing them as key channels for disseminating positive values and messages and for developing economies, which are socially and environmentally sustainable.

### FUTURE CHALLENGES FOR EUROPE

The European Union is now made up of 25 states, with all the benefits that brings for the 450 million inhabitants of the new Community. There will be a greater number of accessible destinations, people wishing to travel, athletes and events to incorporate as quickly as possible into Europe's programmes and circuits.

As regards the competitiveness of the tourism sector, the coming years could be a great opportunity for Europe to develop and exploit market choices, focusing on high-quality reception facilities and the provision of sustainable services.

### A TWIN STRATEGY FOR TOURISM AND SPORT

The economic dimension of sport has grown out of all proportion in recent years. Major sporting events have become general large-scale social gatherings, which send out messages and promote values to all age groups throughout the world.

The impact of sport on employment is considerable. There are over two million businesses operating in the sector in Europe employing over 8 million people, not counting auxiliary staff.

Sport on the one hand takes advantage of tourist infrastructure and services and on the other generates tourism. The complex links between tourism and sport are part of a wider relationship that includes the social, cultural, and environmental sectors. The modern tourist is in search of increasingly comprehensive holidays, which can satisfy recreational, cultural and sporting needs, all in one package.

### SECURITY AND THE OLYMPIC TRUCE

Security must underpin the organisation of all events in the coming years and it must be based essentially on prevention.

The United Nations General Assembly of 6 September 2000 adopted the following Declaration: "We urge Member States to observe the Olympic Truce, individually and collectively, now and in the future, and to support the International Olympic Committee in its efforts to promote peace and human understanding through sport and the Olympic Ideal".

The European Union should promote **studies and research** to make possible a comparative analysis at European level of the social, economic and environmental impact of the tourism-sport combination.

Also, a **joint European monitoring agency** and a data bank should be set up to collect and classify knowledge and best practice and disseminate them in the Member States in order to promote development in the two sectors.

A **European tourism agency** should be set up with the role of safeguarding the specific characteristics of this sector, analysing its problems, setting out potential lines for development and identifying innovative instruments for sustainable growth.

*The EESC Rapporteur for this subject is  
Mr PESCI, from the Employers' Group*

# SUSTAINABLE DEVELOPMENT STRATEGY

The EU has two broad cross cutting strategies. The ten-year **Lisbon Strategy**, aims for the EU *"to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion"*.

The **Sustainable Development Strategy** is a *"development that meets the needs of the present without compromising the ability of future generations to meet their needs"*. Its basic aim is to ensure that economic growth, environmental quality and social inclusion go hand in hand, increasing citizens' welfare. To achieve this, the strategy puts major emphasis on coherent policy making and management of trade offs between conflicting objectives and interests.

Five **priority issues** where problems arise and which pose potentially irreversible threats to our well-being:

## I - COMBATING CLIMATE CHANGE

*Emissions of greenhouse gases from human activity are causing global warming. Climate change is likely to cause more extreme events (hurricanes, floods) with severe implications for infrastructure, property, health and nature.*

Under the Kyoto protocol the EU has committed to reduce its average greenhouse gas emissions by 8% between 2008 and 2012. Progress has also been made over recent years at EU level. The 2003 Energy Tax Directive extends the Community system of minimum tax rates from mineral oils to other energy products (coal, gas, electricity), and in 2005, an EU-wide allowance trading scheme for greenhouse gas emissions will help achieve the Kyoto emission reduction targets in a cost-effective way.

## II - MANAGEMENT OF NATURAL RESOURCES

*The loss of biodiversity in Europe has accelerated dramatically in recent decades. Fish stocks in European waters are near collapse. Soil loss and declining fertility are eroding the viability of agricultural land.*

Strong economic performance must go hand in hand with sustainable use of natural resources and levels of waste, maintaining biodiversity, preserving ecosystems and avoiding desertification. The reforms of the Common Agricultural Policy have encouraged farmers to orientate their cultivation choices to better reflect market signals. Environmental state aid guidelines ensure that distortions of competition are balanced by real environmental benefits.

## III - PUBLIC HEALTH

*Severe threats to public health are posed by new antibiotic-resistant strains of some diseases and potentially, the longer-term effects of the many hazardous chemicals currently in everyday use threats to food safety are of increasing concern.*

This is a difficult issue to tackle in statistics, and we lack consistent time series. Several studies at national level have highlighted the potential health risks associated with exposure to chemicals, even at low doses. The World Health Organisation estimates that every year, unhealthy environments continue to cause the death of over 5 million children worldwide.

In laboratory samples, up to 70% of the pathogens responsible for chest infections, including pneumonia, are found to be resistant to one of the first-line antibiotics. It is estimated that about 60% of antibiotics in human medicine are prescribed for upper respiratory infections, even though, the great majority are caused by viruses against which such antibiotics are ineffective.

## IV - MOBILITY AND TRANSPORT

The EU is encouraging a shift from road transport to other transport modes with a lower environmental impact, such as clean buses and shipping, inter alia via funding from trans-European network projects.

Opening the market for rail freight transport aims to enhance the competitiveness of railways. Significant progress has also been made in vehicle and fuel technology. Use of biofuels in transport is being supported by new legislation. To improve road safety, the EU has launched the eSafety initiative, which aims to halve the number of deaths on European roads by 2010.

## V - AGEING SOCIETY

Increases in life expectancy are obviously welcome, but combined with low birth rates, the resultant ageing of the population is likely to cause a slowdown in the rate of economic growth and threaten the quality and financial sustainability of pension schemes and public health care. Spending could increase by up to 8% of gross domestic product in many Member States between 2000 and 2040.

## SUSTAINABLE DEVELOPMENT INFORMAL GROUP

The EESC **Employers' Group** is willing to make a valuable contribution, in order to solve these many challenges. For this reason, Mrs Sirkeinen organised a **Sustainable Development Informal group**. The necessity of balance between Economy, Social Policy and Environment at EU level and a very close connection between business and environment are the main subjects of discussion within this Informal group.

*Sustainable development offers the European Union a positive long-term vision of a society that is more prosperous and more just, and which promises a cleaner, safer, healthier environment; a society which delivers a better quality of life for us, for our children, and for our grandchildren.*



## FUTURE CONFERENCES

Joint Conference EESC-ESC of Luxembourg  
The Lisbon Strategy within the framework of Luxembourg  
Luxembourg, 26 & 27 January 2005

Stakeholder Forum on Sustainable Development  
Brussels, April 2005

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