



European Economic and Social Committee

Cypriot Chamber of Commerce and Industry

*The European Economic and Social Committee in the
formulation of European policies*

Speech

by

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Ladies and Gentlemen,

I am especially pleased to have the chance to meet you and talk to you about the European Economic and Social Committee and its activities.

1. **The role and function of the EESC**

The Economic and Social Committee is an integral part of the European Union's institutional system; it rightly regards itself as a staging post for the expectations and demands of organised civil society, since it is composed of representatives of trade union and employer's organisations, associations for specific sectors, and representative organisations of commerce, craft industries, cooperative and mutual societies, liberal professions, consumers, environmentalists, families and other very diverse sectors of civil society, in which European citizens are involved, and which are often described as "intermediary bodies".

By "organised civil society" we mean all of these organisations, associations and structures within which citizens take an active part in pursuing objectives of general interest.

These are all sectors of society which participate in a dynamic and constructive way in public life.

As the European assembly which is representative of organised civil society, the Committee seeks to help compensate for the EU's "citizen participation deficit". Not only do its members have a wide range of expertise in the economic and social fields; the Committee can also act as a catalyst and channel of expression for a multitude of societal interests within the Union.

That is why the Committee is ready to take on its responsibilities not only as a forum for dialogue but also as an institutional intermediary responsible for passing on the legitimate aspirations of citizens through the organisations representing them.

The Economic and Social Committee has developed a special form of institutionalised consultation, and thus helps to ensure that the legislative and executive bodies of the European Union take account of the experience, expectations and proposals of civil society.

However, the Committee also plays another role – that of strengthening the role of organised civil society in countries (or groups of countries) outside the Community, and particularly in the accession countries, where it has established and continues to develop ongoing contacts and structured dialogue with civil society organisations, particularly the social partners.

The Committee's structure, organised in three groups (employers, employees and various activities), encourages a continuing structured dialogue on nearly all questions dealt with by the European Union. We are talking here about the "civil dialogue" which supplements the "social dialogue" between the social partners.

2. The role of the EESC in the accession process for the new Member States

The most important aspect of the EESC's activities in the pre-accession period has been the fact that it works with precisely these social groups which have the greatest responsibility, and perhaps the most difficult task, in ensuring that enlargement is a success.

The need for an effective implementation of the Community *acquis* will depend in many ways on the extent to which organised civil society adapts to new legislation and new practices.

Together with the main civil society organisations in the applicant countries, we have set up Joint Consultative Committees. These JCCs have a structure based on parity, with an equal number on each side and a shared presidency.

The JCCs have very quickly achieved their objective of promoting dialogue between the Committee and the representative organisations of the applicant countries on economic and social questions in relations between the EU and the country concerned, since the JCCs have held their meetings regularly twice a year, with contacts and the drafting of working documents between the meetings, and the adoption of joint declarations at the end of each meeting.

Accession is much more of a political and social process than an administrative one, since it is a matter of constructing the future of Europe as a whole.

Throughout these years of political, economic and social transition, and throughout the accession negotiations, the European ESC has made a vigorous effort to realise the vision of an enlarged Europe, characterised by social consensus and a strong role for citizens and organised civil society.

In our opinions and reports on the applicant countries we have always emphasised the need for social and environmental standards, the social dialogue and the civil dialogue, which for decades have been an integral part of European economy, society and political culture.

They are important for the operation of the market economy, and even more so for that of civil society and democracy. They also belong in part to the Community *acquis*. No government, no parliament can cope on its own with questions which, in properly functioning democratic economies, are settled between the social partners and in consultation with organised civil society.

Moreover, in other opinions the EESC, throughout the accession negotiations, drew the attention of European citizens and political leaders to the social dimension of enlargement and more particularly the employment situation.

The accession negotiations gave a new boost to the development of the social dialogue system and helped to speed up the setting up of enterprise councils at workplaces, while at the same time opening up the prospect of representatives of the central and eastern European countries participating in the European enterprise committees of multinationals. Nonetheless, additional efforts are needed to ensure that this is effectively translated into daily practice.

3. Mediterranean policy and the EESC's commitment

Euro-Mediterranean policy is one of the priorities of the EESC, which was involved in the original setting up of this co-development policy. On the basis of the Barcelona declaration of 1995, we coordinate the Euro-Mediterranean activities of the economic and social councils and similar bodies, especially by organising an annual summit; the last of these took place in Malta on 6 and 7 November 2003.

Major changes in the pipeline

- We all agree that we are living in historic times, as we are on the verge of three major transformations for the European Union, the Euro-Mediterranean partnership and our new neighbours, namely the Intergovernmental Conference, the enlargement of the EU and the implementation of a new "neighbourhood policy".
- The draft constitution for the European Union, submitted to the Intergovernmental Conference, provides for some major changes in external policy. In particular, this draft aims through the appointment of an EU minister of foreign affairs to remedy the imbalance between Europe's economic weight and its political weight. We are convinced that a greater political influence for Europe can help with the peaceful resolution of conflicts, particularly in the Middle East.

Enlargement: an opportunity for all

- The enlargement process constitutes a new dynamic boost for the unification of Europe, for the strengthening of peace, security and prosperity across the European continent and beyond it. It will also bring with it a number of positive consequences for the Mediterranean region. The cooperation established by the Barcelona process will be enlarged with the participation of the eight central European states joining the EU. This will bring a further dynamic to the development of multi-lateral and bilateral relations in the whole of the region concerned.
- Interdependence between the enlarged Union and its neighbours is already a reality. The Euro, as a major currency for international transactions, has created new opportunities for intensifying economic relations; transnational investment flows and trade relations between the partners will increase. This amounts to a substantial contribution to strengthening economic growth and employment, and thus ensuring lasting social cohesion and continuous economic dynamism.

The new European strategy

- In this context we welcome the launching by the European Commission of the strategy of "enlarged Europe – neighbourhood – a new framework for relations with our eastern and southern neighbours" addressed to the countries which will be on the new frontiers of the enlarged European Union. This new strategy was an essential response to the legitimate fears which the enlargement process may have raised in a number of countries, and particularly Mediterranean countries. Enlargement and the new neighbourhood policy defined by the EU will give rise to a wider cooperation area for the Mediterranean partners and provide them with new outlets for their goods.
- The representatives of organised civil society in the accession countries, the Mediterranean partner countries and the enlarged Europe's new neighbours need to exchange experience and best practice with their counterparts and the institutions of the European Union. The development of regular contacts in the framework and under the auspices of the European Economic and Social Committee – the EU's "house of organised civil society" – facilitates cooperation among all the actors of civil society in a unique institutional forum at European level.
- The economic and social councils and similar institutions will be very vigilant to ensure that the enlargement process benefits all the new Member States, but also the neighbouring countries, both in terms of economic, social and human development and in financial terms. In this context, further attention will need to be given to the best way of involving in the neighbourhood policy the countries which have benefited from the Euro-Mediterranean process since 1995.
- The main challenge for the Mediterranean partner countries is that of economic development and the gradual introduction of a free-trade area in the service of economic and social development. Although the macro-economic situation of the Mediterranean countries has positive aspects, it is clear that the rate of growth in recent years has proved insufficient to match the rapid increase in the labour force and raise the standard of living.
- In this context there is a need to promote the spirit of enterprise and partnership between public and private sectors. Due account should be taken of this particularly when programming the MEDA funds. More consistency in the activities supported by the EU, both internally with the Structural Funds and externally through the MEDA programme, will bring greater cohesion for the whole of the Euro-Mediterranean region and its neighbours.
- In this context, it is necessary to increase the flow of direct investment. On this point we support the initiative of the Presidency of the Union and the European Commission aiming to set up a branch of the European Investment Bank with specific responsibility for the Mediterranean.

The importance of ensuring social cohesion

- The introduction of free trade must not be regarded as an end in itself but rather as an instrument of development. Thus we stress the urgent need to strengthen social cohesion in the Euro-Mediterranean partnership, and particularly the need to focus on making full use of human resources. It is clear that the third aspect of the partnership – the social, cultural and human aspect – must be developed further.
- Although the level of development of the regions concerned varies considerably according to most of the traditional criteria, the challenges for ensuring a better economic and social cohesion policy are similar: close involvement of socio-economic actors; development of proper management of public affairs, giving a role to organised civil society; education; basic infrastructure; sustainable development.

Essential involvement of civil society

- Our main concern with regard to the Euro-Mediterranean partnership is the relatively little impact which this agreement has had on the peoples concerned, leading to rising frustration and scepticism equalled only by the hopes which the agreement had raised in 1995. We are convinced that no international agreement, particularly one which seeks to transform economic, social and environmental conditions, can be truly successful without the support of the populations concerned.
- The main problems are lack of information, access to funds and the low level of civil society involvement in the partnership. As regards the continuing lack of information, despite the action taken by the European Commission and the Member States, awareness of the partnership and of the European Union should be raised by better informing the public in the countries concerned, particularly through intermediate structures. As regards access to funds, the procedures should be made less complex and clearer, and the current tendency to concentrate funds on large-scale projects to the detriment of projects for disadvantaged social groups should be reversed. As regards the involvement of civil society, we as representatives of organised civil society have an important role to play in encouraging the setting up and strengthening of civil society organisations and structures for dialogue.
- This popular support should be expressed not only in the context of the partnership but also within the European Union. On this point we are encouraged by the enthusiasm for joining the European Union shown by the people of the new Member States.

4. The EESC's contribution to the constitutional debate

In order to ensure the lasting success of the Union and its enlargement, it is essential for the institutional structure and decision-making procedures of the Union to be reformed, and rebuilt

on new foundations, through the drafting and adoption of a coherent, transparent Constitution which will help to increase the Union's democratic legitimacy.

We are expecting the effort made by the Convention and the Intergovernmental Conference to lead to a re-founding of the European Union characterised by a balance between cultural diversity and political unity which will preserve traditions and identities.

The Union must have strong democratic legitimacy.

This implies not only that the powers and responsibilities of the institutions should be clearly defined, but also that the active participation of civil society should be fully guaranteed.

In the Convention, we argued for a constitutional basis for the civil dialogue at European level. The nature of this dialogue needs to be clarified. By civil dialogue we mean two things:

- dialogue between the European organisations representing civil society, on the development and future of the Union and of its policy;
- structured, regular dialogue between all these organisations and the Union.

A permanent dialogue amongst civil society organisations is essential to the establishment of a fruitful dialogue between civil society and the Union, encouraging the establishment of a consensus within society on the process of European integration and its development.

For this civil dialogue to be effective, it is also necessary to specify the context and place for it. Without prejudice to its structure and its powers, the EESC is by its very nature and composition best suited to be the "facilitator" and forum for this civil dialogue.

We have also argued for recognition of the specific nature of the social dialogue and of the role of the social partners in the context of the Constitution.

Moreover, the European Economic and Social Committee stands at the crossroads of the European social and civil dialogues; it can thus facilitate a structured process of collective debate involving the various categories of economic, social and civic life which it represents, particularly in the strategic debates on future European citizenship and the development of the European social model.

The EESC endorsed the draft constitution drawn up by the Convention, for it constitutes an important step forward.

The Convention's draft constitution represents an added value for the European Union in terms of democracy, clarity and the raising of awareness.

We had hoped that the Heads of State or Government, as well as the ministers of foreign affairs, would have had the wisdom not to jeopardise the consensus which had emerged in the Convention and not to modify the wording and the provisions in such a way as to endanger the institutional balance which had been found.

Unfortunately, we have reason to be disappointed. The Intergovernmental Conference has already begun to unravel the draft constitution which we endorsed.

The failure of the IGC last December reveals an approach guided solely by the national interest followed by certain governments, and the limitations – quickly reached – of the diplomatic method when it comes to defining a project for the future of Europe.

It shows the absence of a collective will to make the common European interest prevail over private interests.

Only a democratic process, of which the draft Constitution drawn up by the Convention is the fruit, makes it possible to achieve progress with European integration while giving the European project greatly enhanced legitimacy.

However, absence of agreement is preferable to a second-rate compromise.

As the institutional representatives of organised civil society, we have a duty to remind governments and diplomats to follow the route mapped out by the Convention.

We expect all the Heads of State or Government to show a genuine will to achieve integration, in accordance with the wish of the majority of citizens, who adhere clearly to the principle of a European Constitution and want to see the process of building Europe speeded up.
