

# **A Programme for Europe:** proposals of civil society



*European Economic and Social Committee*

# Presentation by the President

For the first time in its history, the European Economic and Social Committee is to adopt a comprehensive, detailed and timely document on the ongoing political debate and the urgent and concrete problems facing Europe - *A programme for Europe: proposals of civil society*.

This programme enables the Committee to take a position on two major issues: the need for economic and social recovery on the one hand, and the European elections on the other.

Through this programme, the Committee calls on the European institutions, the Member States, the political and social powers, and hence, on citizens of the European Union, to ensure that the European elections are about European issues and not only about matters of national interest. This is especially important at this time, when all European countries are engaged in the debate on economic and financial recovery. This debate requires European responses and common decisions.

Through *A Programme for Europe: proposals of civil society*, the Committee presents the institutions with a set of measures and actions which Europe must undertake in order to support progress-oriented and sustainable economic and social recovery. The Committee has set itself the goal of supporting the consolidation of European integration, our democracies as well as our responses to public needs.

These needs include an understanding of the very meaning of the European project: a meaning that goes beyond the confines of the market and the institutions and encourages the qualitative development of our society.

*Mario Sepi, President of the EESC*

Brussels, 24 March 2009



# Introduction

*A Programme for Europe: proposals of civil society* has three fundamental objectives: a prospective objective, a political objective and an institutional objective.

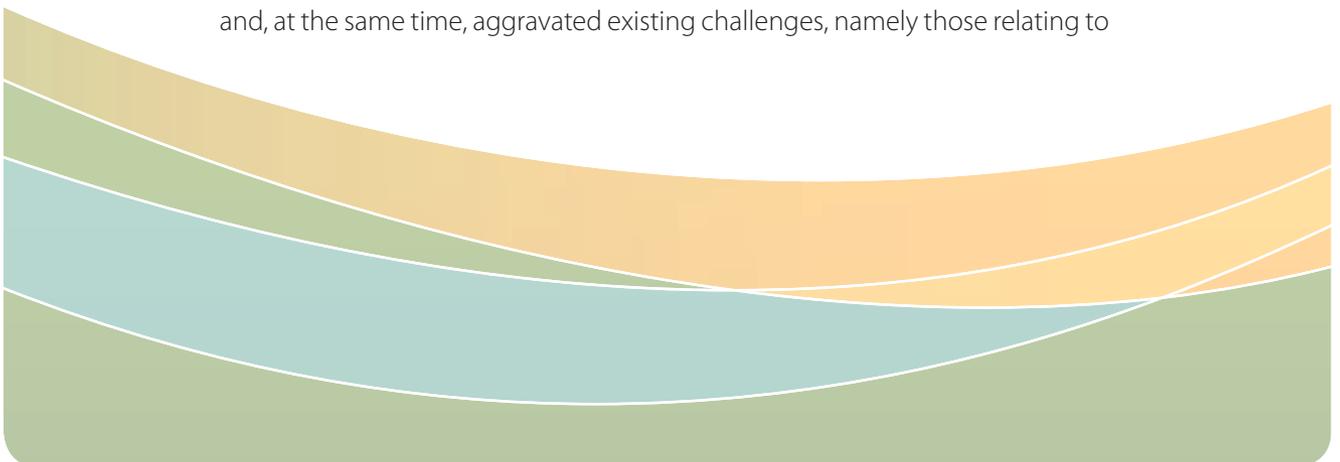
The prospective objective reveals the Committee's *soul* in a global framework that reflects the consistency of its work. This programme permits the Committee's members, who represent civil society organisations in the European Union, to set out their views on the choices that Europe must make for a sustainable future in a world in crisis.

The Committee's political objective is to present what might be termed a civil society manifesto to the other institutions, the European Parliament, the Commission and the Council in particular, in order to support their actions with a view to achieving Europe's shared goals.

Finally, the institutional objective is to place the ideas of the European Economic and Social Committee at the heart of the debate on the challenges facing Europe in the coming years by proposing concrete measures to the institutions.

These three objectives are interlinked by an important central idea that constitutes the Committee's very essence: the development of an inclusive and mutually supportive European model, which must lead to stronger coordination between economic and political rules based on cooperation and integration strategies.

The crisis, which originated in the financial system and has spread to the international economic system, has presented our societies with new questions and, at the same time, aggravated existing challenges, namely those relating to



poverty; social balances, the vitality and innovation of our businesses, natural resources, energy sources, and migration.

In this context of unprecedented change, civil society and citizens expect concrete answers from the European institutions, which are responsible for developing decisive policies for Europe's future.

The EU aims to be a global pioneer in its defence of a long-term development model. The European Economic and Social Committee calls on the institutions to provide strong responses that will enable Europe to play this role to the full.

As we approach the renewal of the European institutions responsible for taking the necessary actions, it is important for civil society, which is made up of the driving forces that are in direct contact with our societies' social and economic realities, to be heard.

*The Committee's proposals are grouped under four headings, namely: economic recovery; fundamental rights and the European social model; sustainable development; governance.*

*These headings are subdivided into 22 specific themes identified as the main areas for discussion. Various bodies of the Committee have contributed actively through the vital work of the ad hoc groups, which have summarised the key political recommendations set out in the Committee's opinions in a synergetic perspective that encapsulates the positions of individual members, the three Groups and the Sections that comprise the Committee.*





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# Economic recovery in the short and medium term

Europe is hard hit by the global economic crisis. More urgent and focused action is required to stabilise the confidence of consumers and investors. A renewed focus on longer-term objectives and values is necessary.

There is a risk of growing disparities within Europe. A “new social deal” is needed to demonstrate clearly to the public and, in particular, to the weaker members of society that they are not being abandoned by the political players.

Economic governance requires more harmonisation and proper orchestration. The Committee calls on all stakeholders, particularly the Member States and the Commission, to coordinate their recovery measures and implement them without further ado, taking into account the following recommendations:

1. More investment in innovation, infrastructure, research and education is required for the economy to emerge strengthened from the recession. There must be emphasis on energy-saving and environmentally-friendly projects in order to accelerate the transition to a low-carbon green economy. Support for the business sector should provide companies - particularly SMEs - with easier access to finance but must only be granted if appropriate corporate governance structures are in place. The conditions of the Stability and Growth Pact should not be an obstacle to forward-looking investments creating the potential for future growth.
2. Member States' tax base will have to be broadened, not least by the closure of tax havens, an end to tax competition and measures to tackle tax evasion and fraud. A contribution from those who gained from the lack of appropriate regulation of financial markets must be demanded.
3. Labour market policy must encourage intelligent restructuring of the economy. It is preferable that employees be kept on and trained rather than made redundant. Support for the unemployed should be linked with skills acquisition and retraining. Bringing young people into the labour market should have the highest priority during the recession.
4. Particular solutions must be devised for people with low incomes. Here, certain targeted direct benefits, such as temporary increases in unemployment benefit and the earmarking of transfer payments for purposes serving the general interest could stimulate demand, e.g. training vouchers, climate vouchers for the purchase of solar-energy equipment, public transport season tickets, etc.
5. When it comes to wage bargaining, social partners must follow a medium-term strategy of keeping wage rises in step with productivity growth. Strengthened social dialogue is needed to overcome the crisis and to mitigate the economic and social fallout on ordinary citizens.



6. Greater consideration should be given to joint European projects. Greater flexibility between the various EU budget headings would make it possible for such projects to be part-funded from unused resources. Allocations from various Community funds (e.g. the Structural Funds) should be based on a flexible, pragmatic approach with a view to accelerating the impact of spending.
7. Thought should be given to the idea of a European bond from a European sovereign wealth fund.
8. European solidarity must be shown to EU countries experiencing balance of payments difficulties, in particular the new Member States.
9. There is a need for a globally coordinated reorganisation of the financial markets with a sustainable approach, underpinned by appropriate incentives and conducive to the development of sound financial products that support the real economy. ■





# A revamped Lisbon Strategy after 2010

Europe is being hit hard by the financial and economic crisis. This situation is a test case for the European Union and for the Lisbon Strategy.

The Lisbon Strategy with its three interconnected pillars – growth and competitiveness, sustainable development and social inclusion and employment – is designed to meet the challenges of a globalised world. It is an overarching project for all, with all and by all.

It is now, during the current cycle running until 2010, that a revamp of this Strategy must be prepared. Member States must take clear ownership of the Lisbon Agenda and the coordination mechanism at European level must be reinforced. The existing priorities remain valid, but a particular effort should be made to improve governance and its means, include as many stakeholders as possible and develop the external dimension of the Strategy. The latter should be based on a cooperative and sustainable approach.

Against the backdrop of the deep economic crisis, the Committee proposes the following policy measures in order to revamp the Lisbon Strategy after 2010:

1. Prepare a Commission Proposal for a *Revamped European Strategy for Growth and Employment (2010-2015)* renewing the existing priority areas, adding an external dimension, stressing the need to point the Lisbon Agenda to the future in the current downturn of the economy, improving governance at all levels and defining a convincing communication strategy for the European public.
2. Coordinate more effectively in the Council the policy measures taken at national level by proposing concrete country-specific recommendations, including a roadmap for implementation. Provide, for each Member State, an easily accessible database with information on implementation of these recommendations, delays in relation to the roadmap and implementation gaps. Identify the fields in which the lack of coordination between Member States in non-harmonised policy areas leads or may lead to negative policy spillovers and/or a bad allocation of resources. Try to establish a calculated estimate of this “cost of non-Europe”.



3. On the basis of these priorities, evaluate openly in the Council the Commission's proposals for the country-specific guidelines and draw concrete conclusions for national policy-making. Guarantee more effective macroeconomic coordination between Member States.
4. Make an inventory of European projects that would improve the supply side of the economy in paying special attention to SMEs, foster European integration and/or contribute to the objectives of the Treaty.
5. Ensure that EU internal policies are placed in the perspective of the global challenges and that European strategic objectives are firmly embedded in the world's approach to globalisation, for instance by:
  - promoting firm agreements on international rules on labour, environment, intellectual property, etc.;
  - formulating a global approach to developing countries;
  - championing the European social model throughout the world.
6. Adopt a Council resolution that guarantees the involvement of organised civil society in the revamped Lisbon Strategy, ensuring that it is given a stronger role from conception to implementation, at national and European level as well as globally.
7. Use the European Parliament's network with national parliaments more effectively to encourage governments to take the necessary measures both at European and national level. ■

# A sound industrial basis for the European economy

Industrial policy is granted pride of place on the European agenda and this should continue to be the case. Its aim is to guarantee open markets whilst preventing competition-distorting state intervention. This is crucial in the current crisis, which threatens to raise the spectre of protectionism.

At no point has the importance of a sound industrial basis been demonstrated more clearly than at this time of economic crisis. As the smoke lifts from the battlefield of financial speculation, the genuine value of industry to the *realeconomy* becomes self-evident. Industry and business services are key to wealth as they create tangible value and have the potential to create new jobs. This notwithstanding, industry suffers particularly badly the effects of this crisis and a coordinated European response in the framework of the Lisbon Strategy is essential.

The current emergency situation must not be allowed to cause Europe to lose sight of the long-term challenges that its industrial sectors are facing: increasing competition – sometimes unfair – stemming from a globalised marketplace; the mismatch between skills and needs, particularly in engineering; lack of entrepreneurship; excessive red tape; threats to secure supplies of raw materials and energy sources; the need to find adequate and internationally balanced responses to climate change that do not put competitiveness at risk, etc.

Against this backdrop, the Committee advocates balance between the retention of a competitive edge for EU industry, the need for socially acceptable change and sustainability, and recommends that the following measures be adopted:

1. Pursue an industrial policy directed at safeguarding the internal market and at improving competitiveness through both an integrated approach combining horizontal/sector-specific measures and better lawmaking/enforcement.
2. Special attention should be paid to SMEs and companies making up initial and intermediate links of value chains.
3. Promote business services, often overlooked at EU level, as a means of both improving industrial performance and achieving competitive advantages in the global market.
4. Encourage innovation through EU funding and by enacting and enforcing appropriate legislation on intellectual property; the Community patent should be adopted as a matter of urgency.
5. Foster an industrial policy that takes account of sustainable development goals and boosts eco-industry; climate protection policies should not upset the balance between the three pillars of sustainability and the need to retain a competitive edge for EU industry.



6. Guarantee a level playing field for European industry in the global market by, for instance, promoting social and environmental standards in trade agreements.
7. Create the right conditions for the bringing to fruition of European flagship industrial projects.
8. Stimulate entrepreneurship and strengthen human capital whilst ensuring that European vocational training is based upon the needs of industry and attracts qualified and young people, in particular to engineering and technology fields.
9. Secure supply of energy and raw materials by introducing market and price transparency.
10. Bring about the advent of “socially and economically responsible regions” that would ensure a coordinated use of resources for all major industrial initiatives in a given, homogeneous area. ■

# SMEs – a driving force for growth and employment

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Small and medium-sized enterprises (SMEs) are the heart of the European economy and social model; it is vital to support them in order to unlock the potential for growth and job creation represented by the European Union's existing 23 million SMEs.

In this time of economic crisis, SMEs and self-employed people are particularly vulnerable and often face financial difficulties, which may prove fatal.

Notwithstanding this, it is SMEs which have the greatest potential to regenerate, to turn economic difficulties into entrepreneurial opportunities, to readjust in a timely manner and to reinvent themselves. In doing so, they are the prime source of growth and employment.

In view of this, the Committee firmly believes that the Council, Parliament and Commission should make additional efforts to support SMEs, thus helping to foster an entrepreneurial spirit during the recovery period by implementing the following measures:

1. The Commission should immediately draw up a roadmap with clear timelines for the implementation of the specific initiatives specified in the Small Business Act.
2. Commission departments should better coordinate to serve SMEs, inter alia by promoting the "Europeanisation" of companies.
3. Specific measures are needed to put the commitment to cutting red tape into practice, for example by setting up "one-stop shops" for all administrative formalities.
4. There should be an immediate commitment to creating and implementing European tools to promote capitalisation, networking, investment and life-long learning in SMEs and among the self-employed.
5. A coherent framework is needed for SMEs, putting them at the centre of EU policies, reflecting their key role in the European economy.
6. There should be an improved operational environment for initial and intermediate companies (IICs, i.e. companies which are initial and intermediate links in the supply chain).
7. Further efforts are needed to improve conditions for SME and IIC participation in the 7<sup>th</sup> Research and Development Framework Programme, RTDI programmes and Eurostars.
8. SMEs and IICs must have better access to finance. In this context, the European reference system for SME micro-credit should be reinforced, for instance by:
  - establishing a clear set of agreements between the European micro-credit fund and individual micro-credit institutions;
  - establishing EU rating systems;
  - providing training for micro-credit stakeholders and applicants for micro-credit. ■

# Research and development: in support of competitiveness

Research, Technological Development and Innovation (RTDI) are a key driving force for European competitiveness, helping to ensure that Europe remains a global leader.

Competitiveness goes beyond the traditional measure of national GDP in that it incorporates social, economic and environmental sustainability as a core component of economic performance.

Sustainability is not a goal but a continual process ensuring that Europe remains competitive through active involvement in RTDI activities focusing on three key dimensions: people, profit, planet.

To increase the contribution of research and development to sustainable European competitiveness, the Committee makes the following recommendations to the European institutions:

1. A more precise global indicator than the GDP indicator should be adopted by wide consensus, incorporating the social, economic and environmental dimensions of competitiveness.
2. The European Research Area (ERA) should be further strengthened and supported, with continuous enhancement of European research infrastructure through national and regional roadmaps for RTDI.
3. The European research partnership should be given continued support through financial, fiscal and infrastructure measures and encouraged to forge strategic international alliances.
4. A bottom-up method should be used when planning research objectives so as not to hamper researchers' creativity and in order to take into account the views of RTDI operators.
5. A holistic approach to funding should be adopted so as to ensure optimisation of RTDI potential in Europe.
6. Educational institutions should be given sustainable support to make them aware of the RTDI requirements of industry and enable them to meet them.
7. An entrepreneurial mindset should be stimulated in industry, which should be encouraged to be more open to innovation in Europe.
8. A process of continuous evaluation and enhancement of the reception conditions for researchers in the ERA should be introduced, with the aim of preserving its appeal for the best researchers.
9. European SMEs' capacity to innovate and their contribution to RTDI should be given particular attention.
10. RTDI funding of enabling technologies (information and communication technologies – ICTs) should be increased, taking into account the fact that these technologies are themselves instrumental in innovation in other research areas. ■

# A financial system to boost the social market economy

The global financial crisis has wiped out several trillion US dollars of investments in various financial products. European governments have taken drastic measures at national and European level to prop up and stabilise the financial system. They are reaching the limits of their capacity to act.

An expert group put in place by the European Commission, led by Mr De Larosière, has produced a report that only partially addresses the complex interplay of cause and effect. Moreover, it neither explores fully the options for remedial measures nor proposes changes to the extent necessary to provide a level playing field for financial market actors.

To help European policymakers take the restructuring of financial markets beyond crisis management and to rebuild trust in financial institutions, the Committee proposes the following measures that should be backed up by national and Community economic recovery plans and further confidence-building measures:

1. Efficient and effective international and Community banking regulation and supervisory structures should be developed that ensure stability and transparency of financial markets for consumers, public regulators, investors and other stakeholders and that define unmistakably the responsibilities of managers of financial institutions, financial advisers, product developers, rating agencies and other financial market actors so as to win back long-term trust.
2. The envisaged system should define unambiguous regulatory and supervisory responsibilities at national, Community and international level, and provide for institutions that ensure the required cooperation between authorities; it should safeguard against personal greed and collective selfishness on the part of financial market actors, involve representative bodies of civil society to secure transparency, and ensure that the banking sector focuses on its core business, i.e. to provide the required capital to the real economy.
3. Financial actors' quest for profits must be channelled to serve the real economy. A European instrument must be created to direct European savings towards productive investments.
4. A preliminary check needs to be carried out to identify dangers posed by new products and services and there must be ongoing monitoring by the competent bodies endowed with the requisite authority.
5. This new financial architecture should support a single European market in financial services that also takes due account of the specific features of national markets, and should create and support bodies based on mutual assistance or on serving general interest.



6. Regulatory requirements should apply to all actors. Hedge funds, investment banks, sovereign wealth funds and other equity funds should be obliged to register their activities on the European capital market. Their economic and strategic goals and the means by which they instil a sense of responsibility into staff and management should be disclosed in a governance report. Managers with personal responsibility for the actions and business orientation of a company should be held personally accountable.
7. As regards balance sheets, the principles of completeness and of economic realism (return to real values) must be reinstated. Banks in particular should comply with these requirements, also in relation to holdings, by ensuring that overvalued assets do not undermine the credibility of balance sheets and by making their holdings visible alongside those of companies and subsidiaries. ■



# Cohesion policy: contributing to the real economy

The ongoing crisis has unveiled persistent structural weaknesses in the European economy. These weaknesses require a focused approach in the European Union's cohesion policy.

EU cohesion policy, which is financed from the Structural Funds at an overall cost of EUR 347 billion during the programming period 2007-2013 (EUR 100 per capita per annum), invests in the real economy. Some 70% of cohesion funding are concentrated on the priorities of the Lisbon Agenda, supporting research and innovation, infrastructure, and developing human capital potential.

The European Commission's economic recovery plan contains provisions to speed up projects receiving support from the Structural Funds, and to allocate these funds in response to needs emerging as a result of the crisis. Increasing pre-financing of projects and accelerating reimbursements for major projects will contribute, the European Commission feels, towards "priming the economic pump" in this critical phase of the economic downturn.

The Committee gives its full support to the concrete actions proposed by the Commission in the area of cohesion policy and Structural Funds. It believes that proactive, coordinated and efficient use of the available resources at European, national and regional level can help Europe to emerge from the economic crisis in a stronger position, and therefore recommends that the following measures be adopted:

1. The main role of the Structural Funds should remain to contribute towards greater convergence of Europe's regions and towards building up essential infrastructure in recently-joined Member States, whilst taking into account the priorities of the Lisbon Agenda through better coordination between the different Commission services.
2. Community legislation and practices have to be simplified and adapted to real needs. Better governance of Structural Funds and regional policy is crucial. Both the Commission and the Member States should accept an active role of organised civil society and the private sector, in particular social economy organisations, in defining and executing projects.
3. The Commission should draw up concrete proposals to resolve the problems relating to project pre-financing in regional policy: excessive payment periods, the sustainability of the proposed projects, and the *de minimis* rules.
4. EU cohesion policy should not be limited to financial programmes alone. Parallel to the execution of current programmes, the Committee strongly advocates a future-oriented cohesion policy for Europe that includes special attention for cities, large urbanised areas and metropolitan areas. ■

# Towards a new European social action programme

The economic crisis ought not to have become a social crisis. Even although, thanks to the European social model, it is possible to cushion the impact of the downturn on the European public, the critical state of the world economy must prompt the European Union to re-assert its social policy goals and ambitions.

To restore grassroots confidence in a united, solidarity-based Europe, the European institutions must set in motion a new social action programme, responsive to citizens' needs as they face up to the challenges of globalisation, and underpinned by joint efforts to reinforce solidarity, respect for workers, fundamental social standards and economic competitiveness. All the instruments and tools provided for under the treaties must be brought together effectively in order to put in place a roadmap that stretches well beyond 2010 and comprises legislative action, the open method of coordination, social dialogue, and civil dialogue that incorporates grassroots initiatives.

The Committee recommends that the new European social action programme should focus on:

1. The new social objectives of the Lisbon Treaty, notably full employment and social progress.
2. A plan to convene a second European Council on the European social model (Hampton Court 2), and to hold citizens' summits, facilitated by the Committee, to explore social realities.
3. The safeguarding of social rights as defined under the Charter of Fundamental Rights of the European Union.
4. The contribution of the social partners and civil society to the development of the programme.
5. The adoption of a Charter of social sustainability establishing welfare performance targets.
6. The ratification and implementation of International Labour Organisation (ILO) conventions.
7. The formulation and application of modern labour market policies that make it possible to anticipate change through social partnership and knowledge lift.
8. The adoption of employment-friendly social provisions, with high quality work, mobility opportunities and fair pay.
9. The adoption of a forward-looking legislative framework making it possible to unblock and/or improve certain directives, to phase out opt-outs, and to anticipate new forms of employment and new risks at the workplace.



10. The involvement of the social partners and organised civil society in the transposition, implementation and evaluation of Community social legislation.
11. The inclusion of co-regulation, self-regulation, agreements and voluntary codes of conduct and standards that supplement EU framework legislation in the social field in line with the principles of corporate social responsibility.
12. The adoption of a stable legal framework to promote collective transnational agreements.
13. The reinforcement of participatory democracy, social dialogue and civil dialogue through the new opportunities offered under the Lisbon Treaty.
14. The citizens' right of initiative as an additional means of promoting a social Europe that is closer to the citizens.
15. An exploration of the possibilities offered by the enhanced cooperation envisaged under the Lisbon Treaty, enabling Member States to go further and more rapidly in social policy.
16. Action to improve the open method of coordination with quantitative and qualitative targets, social indicators and the involvement of local-level social players. ■

# A re-energised European social agenda

The Commission's renewed social agenda sets out policy priorities and cross-cutting and multidimensional concrete measures for the years to come, covering a wide range of areas from employment policies to education, health, immigration and intercultural dialogue.

This agenda was adopted prior to summer 2008, and in the light of the major global economic and financial crisis, it is essential for the European Union to promote a Europe based on mutually reinforcing solidarity, respect for employees and economic competitiveness. The Committee therefore calls for the adoption of a real social policy action programme and renewal of the social agenda, based on the following measures:

1. Implementing active measures to combat poverty, discrimination and social exclusion, including the setting of welfare performance targets, the taking into account of transnational patients' rights and the promotion of solidarity between generations.
2. Affirming mobility as an opportunity for all and it making it clear that fundamental social rights take precedence over economic freedoms and competition rules; if necessary, political and legal measures must be taken to exclude the possibility of any encroachment on inalienable fundamental rights and remove any ambiguity which may have arisen as a result of rulings by the European Court of Justice on freedom to provide services and the free movement of workers.
3. Taking gender equality into account as a necessary principle for the achievement of the European Union's objectives of growth, employment and social cohesion, and adopting specific measures to end the persistent pay gap between men and women.
4. Strengthening the open method of coordination, in particular through the increased use of quantitative and qualitative targets.
5. Strengthening industrial relations systems at EU and national level: a proper consultation of the European social partners under Article 138 of the Treaty establishing the European Community must be ensured in order to guarantee implementation of their joint long-term work programmes and promote collective transnational agreements within a stable legal framework.
6. Supporting Member States in adapting, harmonising and monitoring the common flexicurity principles: a stable legal framework for collective bargaining must be adopted to strengthen the role of social dialogue in the debate on flexicurity.



7. Adjusting education and training to improve employability, targeting skills gaps in the labour market, assuring the match between supply and demand for training, and promoting better access to lifelong learning to all age and social groups.
8. Giving more emphasis to workplace innovation and new kinds of professional skills, while fostering greater clarity and simplicity in the recognition of professional qualifications. ■



# Combating social exclusion

One in six Europeans lives below the poverty line. The process of social exclusion, which becomes more widespread in times of economic crisis and can be either a cause or a consequence of poverty, constitutes a major challenge to both European and national decision-makers, and all social and economic actors must act together to help meet the challenge.

At the European Union level, the Committee considers that the following measures are crucial to combating social exclusion more effectively:

1. The European Year for Combating Poverty and Social Exclusion in 2010 is an extremely important initiative, but it must be allocated more funding to target the crisis's consequences more effectively.
2. The social partners and other actors concerned must play a more active role in the preparation of the national action plans for inclusion.
3. The "social experimentation" method in the area of active inclusion should be utilised for people who fall outside the reach of traditional support mechanisms and the European Commission should set up a European network to observe the implementation of this method.
4. The European Social Fund should provide increased support for social actors that set up employment and training projects for underprivileged people.
5. There should be statutory safety nets offering minimum social standards to all those in need, including a minimum income and a pension that enables people to live with dignity, as well as access to financial services and high-quality health and social services.
6. The European Union Employment Guidelines should include firm measures to combat obstacles to women's access to the labour market and the persistent gender pay gap, which reduce women's social protection and pension provision.
7. The priority of all measures to combat social exclusion should be to target poverty among children, early school leaving and the sometimes difficult transition from school to work.
8. A specific fund supporting the provision of services to older people should be created to help them access fulfilling activities, such as work, voluntary work, life-long learning, and other social activities.



9. Respect for the fundamental social rights of disabled people should be evaluated, on the basis of agreed inclusion indicators, reliable statistical data and measurable employment targets. The “disability-proof clause” established by the EU Structural Funds regulation is a tool to be further exploited. National associations should be more closely involved in improving disabled people’s access to education/training and in making workplaces more accessible.
10. An effective legal basis for action, along with a coherent strategy for the Roma should be adopted by the European institutions, including an institutionalised platform that can help shape European policies for the inclusion of the Roma.
11. A directive on combating all forms of discrimination, as well as multiple discrimination, should be adopted without delay, in order to fully meet the requirements of Article 13 of the Treaty establishing the European Community. ■

# Promoting the integration of third-country nationals

Integration is a two-way process, founded on the rights and obligations of third-country nationals and the host society. Integration policies must address both immigrants and the host society, in order to build a society in which all citizens have the same rights and obligations, and share the values of a democratic, open and pluralist society.

The Committee emphasises immigration's positive contribution to Europe's economic and cultural development.

Employment is a key part of the integration process. The Committee supports the idea of opening channels of legal immigration for the purpose of employment and the policy of combating the employment of illegal immigrants, who are often exploited, but considers that it is impossible to combat illegal employment by penalising employers alone.

To improve the cultural, social and economic integration of third-country nationals, the Committee recommends that the European institutions adopt the following measures:

1. Promote civic integration, based on the principle of bringing immigrants' rights and duties into line with those of the rest of the population and on the fundamental concept of citizenship.
2. Ensure that the European integration forum plays an active role and is genuinely involved in shaping and evaluating integration policies.
3. Consult immigrant representative associations when drafting integration policies and involve these associations in the programmes implemented in this field.
4. Earmark sufficient funds for integration and support local and regional authorities to ensure that they take action in this field.
5. Support new commitments from the social partners and NGOs that are likely to encourage practices conducive to social integration and to combating racism, xenophobia, and any other form of discrimination.
6. Ensure that the open method of coordination is fully applied in integration policies.
7. Support the social actors in implementing projects for employment and vocational training based on the participatory integration of immigrants, which will enable the projects' beneficiaries to be involved on an equal footing.



8. Also involve the trade unions and employers' associations in the public authorities' efforts to combat illegal employment.
9. Open a European-level debate on the suitability of drawing up regularisation measures, whilst averting the risk of irregular immigration being considered as a "back door" to legal immigration.
10. Create opportunities for legal immigration in the sectors most affected by irregular work, backed up by an information and educational campaign highlighting the consequences of undeclared work. ■

# Respect for fundamental rights

The creation of a true European area of freedom, security and justice must strike the right balance between the three dimensions, so as to protect democratic values, which has not been sufficiently the case with legislation adopted to date. The Charter of Fundamental Rights of the European Union, which accompanies the Lisbon Treaty, is a cornerstone of the European model and all policies and decisions adopted at European level should comply with it.

Immigration policy and legislation, in particular, should fully respect the fundamental rights of each individual, as well as the principles of equal treatment and non-discrimination.

The Committee also wants to underscore the importance of services of general interest, which are enshrined in the Charter of Fundamental Rights of the European Union and defined in the protocol attached to the Lisbon Treaty.

To ensure better respect for fundamental rights in these two areas, which particularly concern economic and social activities, the Committee calls on the European institutions to adopt the following measures:

1. Ensure the largest possible participation of organised civil society in the running of the Management Board and the Fundamental Rights Forum of the new European Union Agency for Fundamental Rights.
2. Expand the scope of EU citizenship to include third-country nationals who are stable or long-term residents in one of the European Union Member States.
3. Add two new principles to the list of ten common principles underpinning common immigration policy: respect for fundamental rights and freedoms and for the rule of law.
4. Swiftly adopt the horizontal directive establishing a common set of rights for third-country workers legally residing in a Member State.
5. Ratify the UN Convention on the protection of migrant workers (once the Lisbon Treaty comes into force).
6. Adopt a proactive approach, once the Lisbon Treaty comes into force, to anticipate initiatives on immigration matters which will now fall under the ordinary legislative procedure, and ensure that they fully respect human rights and fundamental freedoms, in compliance with the Charter of Fundamental Rights of the European Union.
7. Prepare a Community initiative to launch a real debate on establishing guidelines on services of general interest in view of their importance for the Union's social and territorial cohesion in the context of globalisation and in line with the aim of promoting universal access and user rights provided for by the Lisbon Treaty. ■

# Renewal through sustainable development

Sustainable development, with its three pillars of environment, social and economic considerations, must be at the heart of European recovery and resurgence, and genuinely guide future policies. The European recovery plan should take the form of a “sustainable new deal” and should be a positive instrument to promote sustainable development. The European Union needs to use every means available to promote growth based on low carbon technologies, energy efficiency, and rational raw-material use, and to foster sustainable consumption and production.

Making the growth of GDP the central policy goal produces serious distortions. Growth cannot be measured purely in quantitative terms. There are many social and environmental factors that are vital to human welfare that are not included in GDP because the goods and services in question are not traded in the market place. Alternative indicators need to be developed that will better measure the progress towards sustainable development.

In order to rethink prosperity in terms of sustainable development, the Committee recommends adopting the following measures.

1. Sustainable development should be made the single overarching goal for all European economic, social and environmental policies. In 2010, the European Union should adopt a single overarching strategy for the promotion of sustainable development, which should incorporate key elements from the existing three strategies, the Lisbon, sustainable development, and energy and climate strategies.
2. The European Union's budget should be rethought in the light of sustainability. Public expenditure must take into account economic, social and environmental aspects, and attribute to the rights of future generations the same importance as the current ones.
3. New measures of progress in human welfare and sustainable development should be developed and should increasingly be used in preference to GDP to define goals and policies.
4. The European Union should press for a similar approach to sustainable development in other parts of the world as part of its external relations policy so as to ensure a level playing field for development and that industrial competitiveness is not undermined.
5. The 7<sup>th</sup> Research Framework Programme should focus on key areas of sustainability such as environmental technologies and clean energy. ■

# Managing our natural capital sustainably

Natural resources are our natural capital and therefore the backbone of the economy. Our well-being and future, as well as our economic prosperity, are dependent on our respect and responsible use of the resources nature gives us.

While over the last quarter of a century, world economic growth has doubled, 60% of the ecosystem that provides food, water, energy and clean air is being degraded or used unsustainably.

Maintaining biodiversity is essential, not only from an ethical point of view, but also economically. The cost of the economic losses brought about by the decline of the ecosystem is already estimated at several hundred billion euros to date.

European Union funds and subsidies should be a driver for the sustainable management of natural resources. Agriculture, depending on the practices promoted, can have either beneficial or detrimental effects on biodiversity. The Common Fisheries Policy should also be a tool for biodiversity protection, by moving towards management based on ecosystems and not only on species.

If European Union policies are to contribute to sustainable management of our natural

capital, the Committee recommends that the following measures be adopted:

1. Step up action on resource efficiency, not only concerning energy, but also on raw materials and water, above all by ensuring implementation of existing legislation, in the fields of biodiversity, water and waste management.
2. Ensure effective implementation of the existing legislation on protecting biodiversity.
3. Design and implement the Common Agricultural Policy and the Common Fisheries Policy in a way that ensures the protection of natural resources.
4. Unblock adoption of the framework directive on the protection of soil in Europe.
5. Take into account the question of water scarcity and provide for measures to prevent water wastage when revising the framework directive on water.
6. Take more account of the role of forests in Europe and worldwide, as havens of biodiversity, places of carbon storage, a source of bio-energy, a means of preventing desertification and a source of building materials. ■

# Taking firm action on climate change

Climate change is one of the greatest challenges facing the world today. To have a chance to tackle it we need a strong political will on all levels and a resolute societal commitment.

To prevent ever exceeding a 2°C rise in the world's temperature compared with the pre-industrial era, a substantial reduction is needed in global greenhouse gas emissions. Compared with 1990 levels, developed countries' emissions will have to drop by between 25% and 40% by 2020, and between 60% and 80% by mid-century. This requires a revolution in the way we live, produce and consume. Success here is contingent on a joint effort by all emitters, who will be coming together within the ambit of the United Nations in Copenhagen in December 2009. Europe must take credible action on its own territory and gear itself up for a 30% cut by 2020 in line with its existing, conditional offer.

The necessary economic transition provides opportunities, but also presents major challenges: on the one hand, green technologies can create jobs in Europe but, on the other, carbon-intensive industries must reduce their emissions substantially. To bring about this transition, all actors must contribute to transparent economic governance that highlights the costs and benefits of different policy measures and technologies in their entirety.

The Committee calls upon the European institutions to make a firm commitment to action against climate change, not least by implementing the following recommendations:

1. To conclude an ambitious post-Kyoto agreement in Copenhagen in December 2009, including a strong commitment by the major carbon emitters based on the principle of common, differentiated responsibilities, to achieve the necessary overall cut in emissions while maintaining the competitiveness of EU industries.
2. To adopt further legislation as soon as possible to reach the European Union's emission reduction targets, with a vision of delivering a 30% reduction by 2020 if there is agreement at Copenhagen, and of bringing all the relevant industrial sectors into the Emission Trading Scheme.
3. To make sure that European Union funds are spent in keeping with the objectives of low-carbon development including training the workforce for skilled jobs in this field.
4. To ensure cost-effective compliance with environmental concerns, by internalising external costs, including social costs, into the prices of all forms of energy, and bearing global competitiveness in mind. Competing energy technologies need to be assessed with their full life-cycle costs and benefits.
5. To combine efforts to limit climate change with measures to adapt to the effects of already-known climate change: preparing for and managing storms, droughts and floods, adjusting farming in line with climate alterations, and anticipating migration movements and new diseases. ■

# Making energy security a true common goal

50% of the European Union's energy needs are met through imports and if no action is taken, this will increase to 70% between 2020 and 2030. The second gas crisis between Ukraine and Russia has clearly shown that it is time to move towards a true European energy security policy.

Security of supply means not just the physical availability of supplies, but also their availability at socially acceptable prices. The only successful way out of the current energy and climate change crisis will be for the global economy to manage a rapid transformation of its energy base away from its current excessive dependence on the burning of fossil fuels. This is why it is vital, during the transition to a low-carbon economy, that an active and responsible climate and energy policy is integrated into the European Union's external policy.

Taking account of these global issues and the interdependence between suppliers and users of energy, the Committee believes that Member States and all other stakeholders should take joint action to strengthen the EU's energy security on the basis of the following recommendations:

1. Plan according to a precise timetable massive investment in energy infrastructure to make the European grid fit for input from smaller, decentralised sources of renewable energy and to permit Europe-wide energy solidarity so that European Union demand for oil may stop growing within a few years.
2. Carefully examine the opportunities and risks related to nuclear energy.
3. Further develop and consistently apply the evaluations of the impact of technology choice on sustainable development, in particular the impact of biofuels on the ecological life-cycle: the Committee feels that the partial substitution of diesel or petrol by agrofuels is one of the least effective and most expensive climate protection measures, which represents an extreme misallocation of financial resources.
4. Cooperate actively at European level on external energy policy, showing solidarity, and working against energy being used as a weapon in international disputes.
5. In the context of external contract negotiations, require that the third countries apply the rules of reciprocity, equal treatment, transparency and protection of investments.
6. Consult and actively involve the civil society representatives in defining the external energy strategy.
7. Provide for international North-South and East-West interconnections for gas and electricity and support projects to diversify supply sources beyond the European Union.
8. Support the transition of the European grid with crisis prevention measures, such as early warning, information sharing and stockpiling/substitution. ■

# Tapping the potential of energy efficiency

Energy efficiency and energy saving are the most cost-effective means to meet the targets adopted in the EU climate change and energy package, i.e. a 20% reduction of greenhouse gas emissions (1990 levels) by 2020 and the non-binding target to achieve a 20% saving of the European Union's energy consumption (compared to projected 2020 levels) by 2020.

While backing this last objective, the Committee also recommends the setting of new specific targets for different kinds of products and services, not least those that are of particular significance within the single market. With a few exceptions, the commitment of Member States to achieving these objectives has lacked seriousness. This is especially true in the main sectors of energy consumption: private transport and housing. This makes the public commitment all the more essential and, given that their decisions in these areas are often guided by costs, it is of crucial importance to support their choices through economic incentives and targeted information.

In order to tap the full potential of energy efficiency, the Committee recommends the following measures:

1. Examine the feasibility of specific energy efficiency targets for different types of goods and services.
2. Ensure that the initiatives in the field of energy efficiency are specific and feasible and monitor how far the practical results fall short of the objectives, as was the case with vehicle emissions, CO<sub>2</sub> reduction in general, greenhouse gas emissions and renewable energies.
3. Support energy efficiency through non-discriminatory incentives and subsidies: reduced VAT or tax relief for the purchase of energy-efficient and environmentally sound technologies or for the installation of better heat insulation in existing buildings.
4. Initiate an energy-labelling scheme for food to give the European consumer the possibility to make informed choices in this area.
5. Provide for energy-saving programmes and support for the less well-off, who meet the costs of rising energy prices but do not have the means to invest in new domestic equipment.
6. Promote dissemination of new technologies, making the most of the opportunities provided by the 7<sup>th</sup> Framework Programme for Research and Technological Development of the European Union, the Competitiveness and Innovation Framework Programme (CIP), the LIFE+ programme and the Structural and Cohesion Funds.
7. Provide clear, effective and ongoing information at European, national, regional and local level on the various energy-saving technologies, the energy impact assessments of the various forms of consumption and the incentive measures put in place by the authorities. ■

# For a renewed governance of international organisations

Over the last few years, civil society organisations, NGOs and developing countries have been raising numerous questions about the democratic deficit in the decision-making processes of many international organisations. Against the backdrop of globalisation, these organisations play a vital role as arbiters in international relations, and unequal treatment between developed and developing countries in terms of ways of governance undermines their credibility. In order to become more legitimate and accountable, these organisations need to boost the participation of developing countries in their decision-making processes and establish structured dialogue with civil society.

In order to help improve governance in international organisations, the Committee feels that the European Union should take the following suggestions into account:

1. Support should be provided for the establishment of structured dialogue between international organisations (UN, World Bank, IMF, OECD, WTO, ILO, etc.) so that action can be coordinated to achieve better results and avoid conflicting programmes and wasted resources.
2. Regional inter-governmental organisations should be brought into this structured institutional coordination, with a view to involving them in efforts to achieve the Millennium Development Goals.
3. Steps should be taken to boost the powers of developing countries in international institutions, especially in the IMF and the World Bank.
4. Institutional organisations should pay special attention to the critical issues facing developing countries with regard to poverty, epidemics, the environment and agricultural production.
5. Developing countries should be provided with ongoing, unbroken support by transferring resources and technical expertise to them so that they can take part effectively and efficiently in the work of international organisations.
6. Action should be taken to encourage international organisations to increase transparency and to make a formal commitment to provide access to their documents within a timescale that enables stakeholders to respond.
7. Civil society should be involved in the way international organisations are run, using established, structured mechanisms. >>

8. The civil society representatives to be involved in the running of international organisations should be selected by democratic means, in line with their representativeness, independence and expertise, and their organisations' resources must be shown to be managed in a transparent fashion.
9. The basic principles which should underpin relations between civil society and international organisations should be reiterated by means of a clear declaration promoting mutual dialogue and rejecting any form of violence; a commitment to transparency; commitments on information and access to documents, consultation, evaluations and internet forums. ■

# Promoting economic, social and cultural rights throughout the world

There is currently a pressing need throughout the world to promote economic and cultural rights for political, economic and social reasons. With the advent of the economic crisis – which has cast a shadow of uncertainty over standards of living and is jeopardising development in many countries in the north and south – maintaining economic, social and cultural rights is becoming an urgent priority for many countries.

The Committee considers that neither profound change nor urgent economic problems must cause us to relax our vigilance with regard to the protection of internationally established economic, social and cultural rights, and it recommends that account be taken of the following proposals:

1. In a situation in which cultural relativism prevails and there is a question mark over universal rights the search for new ways to approach the issue must not obscure the fact that universal rights cannot be undermined.
2. Ensure that economic, social and cultural rights are truly recognised in the context of negotiations conducted by the European Union in international bodies, in its external policy, its development policy, in its dealings with third countries and in the framework of existing bilateral or regional political dialogues.
3. Call for the universal ratification of the protocol to the international pact on economic, social and cultural rights, which is in the process of being adopted.
4. Include the issue of respect for economic, social and cultural rights in the negotiating mandates for the EU's new international agreements.
5. Stress the importance of protecting work and the associated rights as set out in the conventions of the International Labour Organisation (ILO) (the right to work, freedom of association, and the right to collective bargaining, non-discrimination in the workplace, and the prohibition of child labour and forced labour) and support the agenda for decent work set out by the ILO.
6. Take account of the importance of the right of association for socio-occupational organisations, which contribute to the constructive dialogue that is so needed.
7. Give thought to creating "focal points" to support those working to defend human rights, thereby enabling the European Union institutions and bodies to operate as part of a network, each within its own area of expertise.
8. Given their role in social dialogue, consider the social partners as key players and partners for the EU, fully involved in the process of political dialogue and provide EU support in countries where the social partners and other civil society organisations work in difficult conditions. ■

# The international promotion of the European model

In today's world, the model developed by the European Union in respect of political and economic integration with the single market, social standards and protection of fundamental rights interacts with other social models, indeed they are interdependent. The emergence of new global players, the new international division of labour, hegemony of financial capital, fragmentation of the production chain and the appearance of new cultural reference points on the global stage help to demonstrate the effectiveness of this model, while at the same time threatening to undermine it.

Thanks to its solidarity and social dialogue mechanisms, the European social model can have a cushioning effect, especially during a period of global economic crisis. Through EU policies with an external impact, this model affects the social situation of third countries and their sustainable development.

The Committee believes that maintaining and developing the European model means taking these interactions into account and hence promoting the European model of integration and social cohesion outside the European Union, through the following measures.

1. Promoting – in a spirit of constructive cooperation with other regional integration organisations – the values and mechanisms that underpin European integration and make it possible to construct common policies while respecting diversity.
2. Passing on the experience of European economic and social cohesion in international partnerships and in the European Union's development policy.
3. Ensuring that common European Union positions are established and coordination improved in the various international policies and bodies in order for EU foreign policy measures to succeed and its social objectives to be achieved.
4. Prioritising external policy measures aimed at developing education and training, fundamental labour standards, social protection and gender equality.
5. Incorporating the social, employment and environmental dimensions into trade and association agreements signed by the European Union.
6. Promoting social regulation, negotiation between the social partners and universal social protection systems as a central pillar of European development policy.
7. In line with the European concept of corporate social responsibility, calling on European multinational companies to promote social dialogue within the sectors and the third countries where they operate.

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8. Promoting a new regulatory order for the international financial system.
9. Framing proactive and integrated migration policies that facilitate co-development between migrants' countries of origin and host countries.
10. Urging the WTO to work with the ILO on labour rights so as to make the objective of decent work for all central to global governance.
11. Urging the international financial institutions to make their policies more consistent with the objective of providing decent work.
12. Taking account, among the essential components of EU external policy, of the need to consolidate civil society organisations, creating mechanisms through which these can be involved in and communicate with institutions working for regional and global integration, recognition in trade and association agreements of consultative bodies that represent organised civil society, and promotion of structured dialogue between social interlocutors and organisations of the European Union and third countries and regions. ■

# The global food challenge and European development policy

Around 860 million people in the world are chronically hungry due to extreme poverty, while up to 2 billion people lack food security intermittently due to varying degrees of poverty. Food security is complex as it depends on a number of factors which, in 2008, combined to produce a real food crisis across the world.

Beyond the notion of food security, there is the question of food sovereignty, namely the rights of people to define their own food and agriculture production, and the promotion of ecologically sustainable trade policies and practices. This is very important in developing countries where at least 70% of the population lives in rural areas. The importance of farming in the economies of developing countries means that agriculture is a key sector for fostering sustainable development, creating jobs, slowing migration and reducing poverty.

In order to reinforce food security at international level, the Committee recommends that the following measures be adopted as part of the European Union's development policy:

1. The agricultural sector must be made a strategic development priority. The short-, medium- and long-term planning of agricultural policy in collaboration with local farmers' organisations should contribute to self-sufficiency in food, the development of processing industries, and to halting the rural exodus.
2. The decisions concerning development, food and new energy technologies should take account of both social and economic equality and the promotion of regional development. Better strategies should be drawn up for the distribution of life essentials (water, food, shelter, energy, income) and for investments that are not solely economic in nature.
3. Efforts should be made to establish rules for agricultural trade which guarantee food supplies in all countries and in all circumstances. Developing countries which are dependent on imported food should be accorded trade advantages that support the strengthening of national production.
4. The European Union must support the producer associations and market organisations in the developing countries and in this way support the basic conditions for food supply.
5. To ensure the availability of food and stabilise prices, a worldwide stockholding obligation programme should be created, along the lines of the scheme established for storing oil in the European Union, and a fund should be set up to stabilise agricultural raw material prices.
6. Only 1% of the 9<sup>th</sup> European Development Fund has been earmarked for agriculture. Considering the importance of the agricultural sector in developing countries, it is important that this percentage be increased and farmers' associations be involved in drawing up the National Indicative Programmes. ■

# Participatory democracy and citizen initiatives in the European Union

The European political system is built upon relatively young structures and for this reason is less closed than those of most Member States. For example, although the European democratic model is based on representative democracy, it already contains clear elements of participatory democracy. The Lisbon Treaty seeks to strengthen the position of representative associations and of civil society in the European institutional debate and the possibility for European citizens to propose legislation on their own initiative (new Article 11 of the Treaty on European Union).

Social dialogue, which has evolved since the 1970s, and in which the European Economic and Social Committee has been closely involved, has proven, through its achievements, the relevance of forms of governance based on participation in a modern democratic system. Drawing on its experience as a representative of the dynamic forces of European civil society, the Committee has on several occasions stated its willingness to play an active role in strengthening the participatory aspect of the European democratic model.

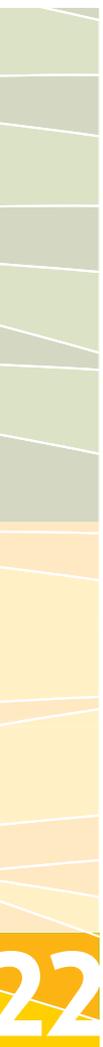
With its White Paper on European Governance, the European Commission has given a clear signal for more public participation and set in motion a comprehensive process of reflection on all dimensions of such participation. Following the work of the constitutional convention entrusted with preparing the

constitutional treaty, the term “civil dialogue” has entered official language.

In order to put in place a genuine mechanism of participatory democracy, the Committee recommends taking into account the following principles and adopting the following measures:

1. Participatory democracy must complement representative democracy, but cannot replace it, as both models have different frameworks for legitimisation.
2. A basic precondition and legitimising basis for participation is adequate representativeness of those speaking for organised civil society. Representativeness must be qualitative as well as quantitative.
3. Civil dialogue is a form of governance and a fundamental element of the future European democratic model. It is an interactive public debate which, as such, extends to legislative matters and requires an institutional basis.
4. Consultation and participation are two different forms of involvement that are governed by different conditions: in the consultation process, the consulting body generally determines who is to be consulted in a top-down approach, whereas participation is a basic civil right based on a bottom-up principle within the framework of participatory democracy.

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5. The Committee proposes organising an institutional platform for civil dialogue and contributing actively to its development.
  6. The presence of Committee members in national civil society organisations and in the real-life economic and social

environment of Europe is an asset for the implementation of citizens' initiatives, as provided for by the Lisbon Treaty. This is why the Committee is ready to use this innovative democratic tool. ■



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