



*European Economic and Social Committee*

Brussels, 14 April 2005

**PLENARY ASSEMBLY  
ON 6 AND 7 APRIL 2005**

**SUMMARY OF OPINIONS ADOPTED**

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

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The plenary assembly was attended by **Ms Margot Wallström**, vice-president of the European Commission. Her speech, as well as the debate that followed, focussed on interinstitutional relations, participatory democracy and communication policy.

More specifically, **Ms Wallström** proposed a strong culture of cooperation for the relationship between the Commission and the EESC. The EESC must have greater impact on Commission proposals, on ideas and on legislation. This enhanced input must be enshrined in the new cooperation protocol, currently in negotiation between the two institutions. The Commissioner also stressed the Committee's important role, notably in consolidating the Strategy for Growth and Employment. The Committee, she further insisted, can play "a decisive role in targeting European messages to specific audiences" and is an important player in the EU's emerging overall communication strategy. She proposed organising summits of civil society and called upon the EESC to help breathe life into the concept of participatory democracy.

## **1. STRUCTURAL FUNDS AND SECTORAL DEVELOPMENT**

### **• *Funds (General provisions)***

- **Rapporteur:** Mr Malosse (Employers – FR)
  
- **References:** COM(2004) 492 final – 2004/0163 (AVC) – CESE 389/2005
  
- **Key points:**

While the EESC welcomes the Commission's proposal, which provides a necessary technical and financial framework for cohesion policy in the enlarged Europe and seeks to align cohesion policy with the broad strategic objectives of the European Union, it considers in overall terms that the text should make more reference to the priorities; otherwise, there is a risk that the programme might prove impossible to implement due to resources that are - potentially - insufficient for the task.

Moreover, the EESC views with concern the Commission's proposal to delegate the choice of eligibility criteria and selection of the regions to benefit from the Structural Funds to national level. It deplores the lack of consideration given to the need for local partnerships of all stakeholders.

The EESC comments on the creation of a single fund, decentralised management and the procedures for cancelling appropriations which have not been committed, and welcomes the proposals on promoting a national strategic framework, on the additionality principle and adjusting the level of participation and on the method of global grants. A more in-depth analysis of the impact of the changes proposed with regard to the public/private partnership is essential to ensure that there is no danger of the private component being reduced or even eliminated.

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- ***Cohesion Fund***

- **Rapporteur:** Mr Silva (Various interests – PT)
- **References:** COM(2004) 494 final – 2004/0166 (AVC)– CESE 390/2005
- **Key points:**

The EESC endorses the thrust of the proposal which aims to bring together in the “Cohesion” Regulation only the key objectives and main lines of application and access.

With a view to achieving the "convergence" objective more efficiently and more quickly, the EESC recommends that the Commission work together with Member States.

The EESC urges the Commission to give due thought to the need to apply the conditionality provision on "excessive government deficit" in relation to the objectives of the Member States receiving aid from the Cohesion Fund.

Finally, the EESC advocates allocating more resources to the Cohesion Fund.

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- ***Regional Development Fund***

- **Rapporteur:** Mr Matousek (Employees – CZ)
- **References:** COM(2004) 495 final – 2004/0167 (COD)– CESE 391/2005
- **Key points:**

The Committee welcomes the broad approach of the Commission.

It also welcomes the fact that the actions to be supported by the Fund will be concentrated on the European Union's priorities as defined at the Lisbon and Gothenburg Summits.

It also believes that research and technological development, innovation and entrepreneurship should be given high priority, particularly to support the development of small and medium-sized enterprises (SMEs).

The Committee welcomes the proposals to promote European territorial cooperation, which should be strengthened.

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• ***European grouping of cross-border cooperation (EGCC)***

– **Rapporteur:** Mr Nollet (Employees – BE)

– **References:** COM(2004)496 final – 2004/0168 (COD) – CESE 388/2005

– **Key points:**

The EESC believes that it would be useful for local and regional economic and social actors to be explicitly involved in setting up an EGCC.

The EESC supports the Commission proposal and the targets set. However, it regrets the fact that there is no explicit provision for social-partner involvement in monitoring arrangements.

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• ***European industrial districts***

– **Rapporteur:** Mr Pezzini (Employers – IT)

– **Reference:** Own-initiative opinion – CESE 374/2005

– **Key points:**

The EESC advocates the creation of a **European platform for districts** to provide a programme framework.

The EESC considers that thought should be given to granting Community recognition to European knowledge-based metadistricts, with a view to establishing a typology for European consortia that would foster the spirit of enterprise, social responsibility, the creation of new activities and the development of further training, and should encourage crossborder partnerships.

In conclusion, the EESC considers that the experience developed in districts and now being focused towards knowledge-based metadistricts, provides an excellent opportunity for:

- increasing employment;
- improving social relations in the labour market;
- broadening the occupational skills of workers, at all levels;
- ensuring safe and healthy workplaces;
- developing and extending ethical and environmental certification (ISO 14000 and EMAS);
- better addressing credit problems and the impact of Basle II;
- improving the quality and competitiveness of products made in Europe;
- supporting and widening export possibilities;
- reasserting the power of work, workers and enterprise over red tape.

In this context, the EESC thinks that it would be useful to hold a public hearing to build on the present opinion, inviting district bodies and other interested organisations from different regions.

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- ***Tourism policy in the enlarged EU***

- **Rapporteur:** Mr Mendoza (Employees – ES)
- **Reference:** Own-initiative opinion – CESE 375/2005
- **Key points:**

The EESC considers tourism to be a key economic sector and industry in the effective construction of the enlarged Europe, which should be developed according to conditions of sustainability in the broadest sense and is intended to contribute effectively to European social cohesion.

The new Member States see tourism as a great opportunity for economic development that can bridge the gap, in terms of income, between them and the old European Union countries. The great variety of culture, heritage and nature that they provide will mean an expansion both of the product range and of internal and external tourism demand.

The EESC believes an enlargement taking in other countries will have a very positive impact on the future of the tourism sector, particularly if the European Tourism Model is applied with conditions of sustainability.

One of the proposals that the Committee would like to see approved and forwarded to all Member State institutions is to mount a wide-ranging education campaign based on the concept of tourism as an industry of strategic importance for Europe.

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- ***MEDIA 2007***

- **Rapporteur:** Mr Pegado Liz (Various interests – PT)
- **References:** COM(2004) 470 final – 2004/0151 COD – CESE 380/2005
- **Key points:**

The EESC welcomes the Commission initiative, which to a large extent takes on board a variety of the EESC's suggestions and recommendations set out in previous opinions.

The EESC believes that the new proposal fails to give adequate coverage to some aspects:

- strengthen initiatives to prevent too much concentration in the industry, which could harm pluralism and cultural diversity;
  - ensure complementarity and consistency with other Community measures for producing a common strategy;
  - attach particular priority to technological development, innovation and cross-border movement;
  - achieve a steady increase in public access to Europe's audiovisual heritage by setting up European networks;
  - guarantee that regular and systematic evaluations are made of the programme's implementation, in order to ensure the best use of the financial resources available;
  - promote European films more in Europe and throughout the world by systematically providing information on festivals.
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## **2. EMPLOYMENT AND TEACHING**

- ***The role of civil society in helping to prevent undeclared work***

- **Rapporteur:** Mr Hahr (Employers – SE)
- **Reference:** Own-initiative opinion – CESE 385/2005
- **Key points:**

The Committee welcomes the Council resolution aimed at taking the undeclared work issue forward and notes that in 2003 the Commission embarked upon an extensive investigation into undeclared work in the enlarged EU; the Committee draws attention to a number of areas which need to be examined more closely and taken into account:

- incentives to declare work should be improved and effective sanctions must be applied;
- women are often in a vulnerable position when it comes to low-paid, undeclared work; their situation needs to be studied in greater depth so that appropriate measures can be taken;
- the authorities have a duty to clearly inform immigrants of their rights and duties, and ensure they have access to the regular labour market and full access to training; some people have their papers confiscated in order to force them to pay back the costs of their clandestine journey;
- business rules and regulations should be changed so as to cut red tape, especially with regard to start-ups; start-up owners must be aware of the demands of society regarding the running of a business, including in the area of labour law and social security for employees;
- there is a need for an extensive producer and consumer directed information campaign to make people aware of the negative impact of undeclared work on government revenue and social security and protection schemes;
- monitoring by the relevant authorities must be stepped up, for example through enhancement of law enforcement capacity and cooperation between all relevant authorities;
- a comprehensive study to shed light on the link between taxes and contributions and the extent of undeclared work would be useful;
- EU companies should take into account that some third countries do not adhere to the generally accepted social standards;
- it is important to ensure that the European Employment Strategy is implemented; a smoothly operating labour market with full employment and quality jobs is the best antidote to undeclared work.

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- ***Community Programme for Employment and Social Solidarity - PROGRESS***

- **Rapporteur:** Mr Greif (Employees – AT)
- **References :** (COM(2004) 488 final)– CESE 386/2005
- **Key points:**

Overall, the EESC welcomes the Commission's proposal on *PROGRESS 2007-2013*, although it has reservations about a number of specific points.

The problems concern in particular: (a) greater consistency with other policy areas of the Community, (b) budget allocations (which should be increased) and their distribution (which has just been set out), (c) broad access and usefulness to users despite rationalisation at Commission level, (d) transparency and participation in the programme committee, and (e) civil society involvement, at both national and European level.

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- ***Quality assurance in higher education***

- **Rapporteur:** Mr Soares (Employees – PT)
- **References :** COM(2004) 642 final – 2004/0239 COD – CESE 387/2005
- **Key points:**

The requirement for high quality education and training is vitally important for achieving the Lisbon Strategy objectives. In this connection, the EESC reiterates how important greater student and worker mobility is for developing the knowledge society in Europe. Such mobility may be a key factor in making a Europe-wide labour market a reality and building a more competitive knowledge-based society.

This is also the tenor of the proposed Recommendation since, in order to fully achieve such mobility, mutual recognition of qualifications and diplomas is necessary, and this in turn requires effective, coherent mechanisms throughout Europe involving all the parties concerned. Here it is particularly important that suitable working methods be devised for assessing the quality of higher education in Europe and for its accreditation.

Nevertheless, the EESC feels that these assessment mechanisms, which are of course important for boosting the quality of higher education and for giving it credibility, must not be overly dependent on

the immediate requirements of the market, since long-term objectives and prospects for education have to be taken into account, starting with basic research.

Moreover, the EESC stresses that funding for higher education is still a key factor in achieving the fundamental objectives concerned. It would not be right for higher education establishments to be prevented from gaining access to better quality evaluation and accreditation agencies because of financial constraints.

The EESC would reassert two key principles for achieving the objectives relating to mutual recognition, which should be expressly mentioned in the text of the Recommendation to Member States:

- quality assurance systems cannot be imposed, but have to be accepted by those involved, in particular lecturers and academic authorities, and must ultimately aim to help improve the higher education provided in the Member States;
- higher education establishments must have access to the resources needed to fund structures for promoting, supporting and implementing quality methods and techniques, in particular for involving of those parties actually providing the education, which is indispensable.

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### **3. SINGLE MARKET**

#### **● *Priorities of the single market 2005-2010***

- **Rapporteur:** Mr Cassidy (Employers – UK)
- **Reference:** Additional own-initiative opinion – CESE 376/2005
- **Key points:**

The Commission should concentrate on simplifying, consolidating and improving the consistency of existing European legislation so that the potential of the Single Market can be fully exploited.

In the view of the EESC, the main obstacles to the achievement of the Single Market are the Member States. Some are dilatory in implementation, others implement in an over detailed way, creating antagonism towards the Single Market and to the EU. Others obstruct e.g. by passing national legislation prohibiting cross-border takeovers of financial institutions such as banks. Others allow their nationalised industries to make cross-border takeovers without permitting reciprocity. The

availability of unlimited funds to some countries' nationalised industries represents a distortion of competition and is one which the Commission has so far been reluctant to tackle.

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- ***The Large retail sector – trends and impacts on farmers and consumers***

- **Rapporteur:** Mr Allen (Various interests – IE)
- **Reference:** Own-initiative opinion – CESE 381/2005
- **Key points:**

This own-initiative opinion looks at the increasing concentration in food retailing and makes a general analysis of the effects this has, and might have, on different actors, such as consumers, supermarket employees, farmers and suppliers. It highlights the following trends and problems:

- for consumers, the large retailers price policy with its constant strive for lower prices, might be positive in the short run, but it can have considerable negative effects on food quality, consumer choice and environmental conditions in the long term.
- the workforce in the Large Multiple Retailers tends to be mainly poorly-qualified, part-time, and female. Though the specific working conditions in the supermarkets might create good opportunities for persons with family responsibilities, studies etc, to work flexible hours, they might also lead to exploitation and bottom end salaries. It is most important that no discrimination against part-time workers should apply.
- the differences between the prices paid to the farmers, the supplier, and those paid by the final consumer are being analysed in the opinion. It concludes that there is a trend towards lower prices being paid to the producers, while the consumers do not pay less for the final product in the supermarket, i.e. the supermarkets' profit margins increase. This leads to harder working and living conditions for farmers and other suppliers. Aggressive pricing and below-cost selling add pressure on the producer and supplier.

The opinion states that, though Large Multiple Retailers might bring a lot of advantages to the economy and the consumers, it is very important for Member States and the Commission to be aware of the potential problems, and to react accordingly. The opinion concludes that:

- greater information and transparency is needed on the pricing structure and profit margins as between retailers, suppliers (food processors) and primary producers;
- Member States need to ensure that adequate competition exists in the regions within Member States;

- one particular area of competition law that should be looked at is the definition of Public interest. It should not be confined to prices and market forces only.

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- ***Business-to-Business Electronic Markets***

- **Rapporteur:** Mr Lagerholm (Employers – SE)
- **References:** COM(2004) 479 final – CESE 377/2005
- **Key points:**

The Committee is of the opinion that:

- By and large, the Commission Communication covers important questions on the acceptance of e-markets and it does so in a fair way.
- However, the Committee would like to stress that this is not the sole action needed. To a certain extent, it is also understandable that the market has a somewhat reluctant attitude. Especially the more advanced forms of e-markets are different from the traditional business models of SMEs.
- Looking upon cross-border trade, there are other obstacles of much greater importance.
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- ***PRISM 2004 (SMO)***

- **Rapporteur:** Ms Sharma (Employers – UK)
- **Reference:** Information report – CESE 835/2004 fin
- **Key points:**

The EESC feels that the efficiency of the PRISM database must be improved and care taken to ensure that its contents reflect the expectations of its potential users and be in line with trends and priorities of the Single Market.

An action plan has been designed to update this instrument and increase the Committee's role and visibility. This "business or action plan" includes short, medium and long-term objectives with time frames to monitor future progress.

PRISM now requires a concerted effort to attract resources and finance to highlight it to a prominent position and to ensure it is used for the purpose it was originally intended. With the accession of the new Member States this has come at an ideal time to grow and strengthen the site.

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#### **4. ENVIRONMENTAL AND CONSUMER PROTECTION**

- **LIFE+**
  - **Rapporteur:** Mr Ribbe (Various interests – DE)
  - **References:** COM(2004) 621 final – 2004/0218 COD – CESE 382/2005
  - **Key points:**

Basically the EESC endorses the approach of integrating environmental policy into all other policy areas as the limited funds available for the LIFE programme would not of themselves be enough to further environmental protection in the EU.

However, in the EESC's view, both the Commission's proposal and the overall context of current discussions on the financial perspective for 2007-2013 pose a potentially very serious threat to the future success of the LIFE programme. Firstly, there is no guarantee whatsoever that funding will actually be available for environmental interests under other budget headings. Secondly, by transferring responsibility to the national level as planned the EU is surrendering a modest, but nonetheless highly effective policy instrument. The EESC therefore urges that the innovative aspects of LIFE-Environment and LIFE-Nature should be retained in a fund managed by the Commission itself.

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- ***European Pollutant Register***

- **Rapporteur:** Ms Sánchez Miguel (Employees – ES)
- **References:** COM(2004) 634 final – 2004/0231 COD – CESE 383/2005
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- ***Pre-packed products***

- **Rapporteur:** Ms Sharma (Employers – UK)
- **References:** COM(2004) 708 final – 2004/0248 COD – CESE 379/2005
- **Key points:**

The Committee believes that the new directive allows for greater potential for innovation, market research and development opportunities creating wider choice and variety for consumers.

The Committee also welcomes the imminent review of the metrological quantity as a major priority for consumer and European industry protection.

However, some consumers can be confused by excessive variations in packaging sizing and by packaging that may not qualify as deceptive but still gives the impression of greater contents.

It is imperative that the aims of the Packaging/Packaging Waste directive (PPW) are achieved, regardless of whether sizes are regulated or not.

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- ***Food additives and sweeteners***

- **Rapporteur:** Ms Davison (Various interests – UK)
- **References:** COM(2004) 650 final – 2004/0237 COD – CESE 384/2005
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- ***Certain dangerous substances (CMR)***

- **Rapporteur:** Mr Sears (Employers – UK)

- **References:** COM(2004) 638 final – 2004/0225 COD – CESE 378/2005

- **Key points:**

The EESC supports the limitations on marketing and use contained in this proposal.

However, as with previous amendments to Council Directive 76/769/EEC, the EESC regrets the linking of unrelated products in a single text which might, in other circumstances, require specific and continuing amendments to match external realities.

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