



European Economic and Social Committee

Brussels, 4 November 2003

PLENARY ASSEMBLY

29 AND 30 OCTOBER 2003

SUMMARY OF OPINIONS ADOPTED

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

<http://www.esc.eu.int> (Documents)

1. LISBON STRATEGY AND COORDINATION OF ECONOMIC AND SOCIAL POLICY

• *Evaluation of structural reforms*

Rapporteur: Mr Vever (Employers – FR)

– **References:** Exploratory opinion – CESE 1406/2003

– **Key points:**

The EESC would stress first of all the need to make the Lisbon mandate more credible to Europeans and thus disarm criticism about its real significance and social cost: it should be spelt out more clearly that we are justified in having the common ambition of being the prime beneficiaries of the world's number one market, and that the reforms planned will determine the future of our European type of development in an open economy.

In particular the EESC deplores the absence of a common economic policy consistent with the creation of the euro: this should be put right without further delay, and should include an alignment of tax policies compatible with the Lisbon aims regarding competitiveness.

The EESC notes that the single market is still far from being completed even as it is being enlarged: its identity, cohesion and security should be strengthened.

The EESC is also concerned by the extent to which the EU lags behind in the field of research, just at a time when the Lisbon aim of competitiveness is based on the trump cards of a knowledge-based economy.

While stressing how the various structural reforms interact on one another, the EESC would point out that their state of implementation from one country to another varies greatly in the different areas that they cover: opening-up of markets, access to funding, public spending equilibrium, encouraging innovation, adapting the labour market, modernising social protection, improving education and training, simplifying red tape and consolidating sustainable development. The EESC also notes that the reforms are generally further advanced in those states that have respected the discipline of the stability pact than in the others. The EESC would stress the need for more detailed information on national states of play and suggests incorporating into the Europa site a database highlighting best practices involving the Lisbon strategy reforms.

In conclusion, the EESC is convinced of the need to ensure that the structural reforms needed to make the EU more competitive are discussed, understood and allocated better at the various levels among political decision-makers and the players in organised civil society. The effective impact of these reforms in a difficult economic and social landscape, and therefore their success or failure,

will depend ultimately on them being not only pushed forward by political leaders through laws and regulations but also - and above all - on them being supported and passed on by the economic and social players in their specific capacity as contractual partners and creators of initiatives "on the ground."

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- ***Streamlining coordination in the field of social protection***

Rapporteur: Mr Beirnaert (Employers – BE)

- **Reference:** COM(2003) 261 final – CESE 1395/2003

- **Key points:**

The Committee notes the inclusion in the draft European constitution of the principle of coordination of the social policies of the Member States, but feels it to be equally important for this principle to be based on a real political will to draw up concrete strategies.

The Committee finds it particularly positive that the communication aims to reinforce the social dimension of the Lisbon strategy, lending greater political weight to the goals of modernisation and improvement of social protection.

The Committee feels that particular attention must be paid to ensuring that by bringing the different processes together into one global mechanism the specific nature of the individual fields of social inclusion, pensions and healthcare does not become lost. Each of these sectors faces distinct challenges, involves a different set of players and calls for specific objectives.

It is essential that the single report should correctly follow up any undertakings made in the NAPs/inclusion and the strategy reports on pensions and thus maintain the momentum.

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2. **HEALTH AND SOCIAL PROTECTION**

- ***European Centre for Disease Prevention and Control***

Rapporteur: Mr Bedossa (Various interests - FR)

– **References:** COM(2003) 441 final - 2003/0174 (COD) – CESE 1394/2003

– **Key points:**

There is a need for a systematic and structured approach to controlling communicable diseases and other serious health threats. This demonstrates the importance of the preventive approach, which is rightly mentioned in the name of the centre and specified as part of its mission.

In the agrifood sector, successive BSE crises, Creutzfeldt-Jakob disease, scrapie in sheep and avian influenza have posed widespread and serious threats.

In the environmental field, the sudden surge in illness and death rates due to asbestos and exposure to chemical agents, the development of respiratory illnesses due to pollution, and the large number of deaths as a result of the heatwave, i.e. global warming, are also now considered to be serious health crises which are of epidemic proportions. If these new health crises are to be prevented and controlled, an epidemiological model suitable only for communicable diseases must be abandoned, particularly since environmental factors are of increasing importance, even for these diseases. These crises show the importance of studying the interaction and cumulative effect of various risk factors which can lead to serious illnesses and health crises. The European Centre for Disease Prevention and Control must be properly structured and equipped to undertake complex analyses of this type.

The European Commission has reacted quickly in the wake of the international health crisis caused by SARS.

The EESC is convinced that there will be many more such threats in future on a range of fronts - chemical, toxic, climatological, viral or microbial - and that these will be aggravated by resistance to treatment, such as in the case of tuberculosis, AIDS, malaria and fast-acting hemorrhagic fevers.

The creation of this Centre is a boost to the EU's public health policy as defined in Treaty Article 152 and provided for in the draft EU constitution, now on the table before the IGC.

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- ***Updating Regulations 1408/71 and 574/72 – Social Security***

Rapporteur-general: Mr Boldt (Employees - FI)

– **Reference:** COM(2003) 378 final - 2003/0138 (COD) – CESE 1399/2003

– **Key points:**

The Committee welcomes the proposed amendment of both regulations and assumes that future amendments to Regulations 1408/71 and 574/72 can be included in the major overhaul of these regulations.

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3. ENVIRONMENTAL ECONOMY

- ***Action plan for environmental technology***

Rapporteur: Mr Nilsson (Various interests - SE)

– **Reference:** COM(2003) 131 final – CESE 1390/2003

– **Key points:**

The EESC endorses the Commission's plans for a European initiative to develop and support environmental technology, and its choice of four thematic areas as well as the broader definition of environmental technology as encompassing knowledge, research and production techniques.

The EESC believes that environmental technology can be developed into a strategically important business sector if European corporate competitiveness is enhanced in line with the Lisbon Strategy. Development and commercialisation of environmental technology should be enhanced through various forms of support, rather than through economic and legislative requirements that might hinder exports and lead to production being moved to third countries. Public procurement can already be exploited to encourage demand for products and services with an environmental technology slant. Support can also be provided in areas that create problems for smaller firms, and for small-scale environmental technology successes, perhaps through investment support. The EESC suggests the Commission should indicate to whom or where individual firms can turn in order to draw attention to any obstacles posed by legal frameworks or authorities that lead to environmental deterioration.

Waste issues must be addressed from a global perspective in which solutions are also assessed from the local and regional standpoint. In the main, clean water must owe its existence to a lack of pollution in the first place. In the short term, environmental technology can help to achieve cleaner emissions. Life-cycle analyses must be used to assess whether a new environmental technology is likely to yield environmental gains. The EESC notes that there are still obstacles to ensuring long-term stability for biofuel production.

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4. TOURISM

- ***New forms of tourism***

Rapporteur: Mr Mendoza (Employees - ES)

- **Reference:** Own-initiative opinion – CESE 1384/2003

- **Key points:**

In its opinion, the EESC presents ten aspects of sustainability in tourism, to be implemented through one hundred initiatives. These aspects are:

- tourism and tourists;
- tourism and employment;
- tourism and businesses: entrepreneurial competitiveness and social responsibility of businesses;
- tourism and social cohesion: impact and social balance of tourist activity;
- tourism and stability: reducing seasonal bias;
- tourism, culture and heritage;
- tourism and accessibility for people with disabilities;
- tourism and the environment;
- tourism, peace and solidarity;
- tourism and the players in the sector.

The opinion contains an appendix setting out the background.

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5. **TRANSPORT AND ENERGY**

• *Trans-Euromediterranean energy networks*

Rapporteur: Mr Hernández Bataller (Various interests - ES)

– **Reference:** Exploratory opinion – CESE 1388/2003

– **Key points:**

The EESC regards Euro-Mediterranean cooperation in the energy sector as a key plank in boosting overall energy supply security. It therefore warmly welcomes the work being done to set up trans-Euromediterranean energy networks. Having been asked by Commission Vice President **Loyola de Palacio** to draw up an exploratory opinion on this wide-ranging initiative, the EESC is offering a number of suggestions, which are very significant to its practical implementation and are explained in detail in the opinion. In particular, these focus on the following aspects:

- clear definition of the tasks that the public sector on the one hand and the private sector on the other could carry out, as well as the creation of appropriate conditions for optimising their involvement (financing requirements, available resources, promotion of foreign investment, harmonisation, stability and transparency of the regulatory framework, etc.);
 - guidelines (investment protection agreements, fiscal measures, new financial services etc.) that should be followed when implementing the proposal;
 - complementing the North-South initiatives with proposals that strengthen the South-South dimension;
 - the creation of sustainable energy policies with the emphasis on rational energy use, the promotion of renewable energy sources and alleviating the environmental impact of energy use;
 - maintaining public service obligations, especially the obligation to provide a universal service, etc.;
 - adoption of a joint position by the EU Member States and the partner countries in the various international bodies.
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• *Communication/Maritime transport security – Ship and port facility security*

Rapporteur: Ms Savopoulou (Employers – EL)

- **Reference:** COM(2003) 229 final - 2003/0089 (COD) – CESE 1387/2003
- **Contact:** *Mr Luis Lobo*
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- ***Short sea shipping – Intermodal charging units***

Rapporteur: Mr Chagas (Employees - PT)

- **Reference:** COM(2003) 155 final - 2003/0056 (COD) – CESE 1398/2003
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- ***Electronic toll payments***

Rapporteur: Mr Levaux (Employers – FR)

- **Reference:** COM(2003) 132 final - 2003/0081 COD – CESE 1389/2003
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6. IMMIGRATION

- ***Cooperation programme with third countries/ migration***

Rapporteur: Ms Cassina (Employees – IT)

- **Reference:** COM(2003) 355 final - 2003/0124 COD – CESE 1392/2003
- **Key points:**

The EESC approves and supports the establishment of a programme with these goals and hopes that the European institutions will waste no time in endorsing it.

In the absence of a clearly defined visa, entry and integration policy, it is difficult to interpret the proposal for a cooperation programme with migrants' countries of origin in a balanced way, particularly when it comes to the setting of priorities.

Another crucial area is vocational training for potential migrants, which would not only make a skilled workforce available to European companies, but would also help the countries of origin to improve their competitiveness so as to be able to attract foreign direct investment.

In order to offer clear information on expatriation procedures, the EESC calls for the proposed measures to include at the very least the launch, if only on a trial basis, of a system similar to EURES, and involving the social partners in the EU and in the migrants' countries of origin.

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7. **EMPLOYMENT LAW**

- *Legal network for civil and commercial matters*

Rapporteur: Mr Retureau (Employees - FR)

- **Reference:** OJ C 311/16 – 14.12.2002 – CESE 1401/2003
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8. **SMEs:**

- *State aid for training*

Rapporteur: Mr Wolf (Various interests - DE)

- **Reference:** OJ C 190 – 12.8.2003 – CESE 1386/2003
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9. **INTELLECTUAL PROPERTY**

- *Enforcement of intellectual property rights*

Rapporteur: Mr Retureau (Employees - FR)

- **Reference:** COM(2003) 46 final - 2003/0024 COD – CESE 1385/2003
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10. **EDUCATION AND TRAINING**

• *Programme to promote bodies in the field of education*

Rapporteur: Mr Panero Flórez (Employers - ES)

- **Reference:** COM(2003) 273 final - 2003/0114 COD – CESE 1393/2003
- **Key points:**

With a few reservations, the Committee fully supports all the various initiatives outlined in the proposal for a decision. The majority have already been up and running for some time, hence the interest in their continuation.

Actions intended to strengthen, improve and promote Europe's education and training systems, both inside and outside the Union, are always to be welcomed by the Committee.

Those activities whose aim it is to support such prestigious bodies as those listed under Action 1 in the proposal for a decision, merit special mention by the Committee. These institutions carry out important work, each in their own specialist field, reflecting the most positive values that are closest to citizens and that are necessary to secure the success of the European integration process. The Committee therefore expresses its support for continuing the grants received by these bodies via the measures outlined in the proposal.

The Committee also feels it to be necessary to support training of national judges in Community law.

The Committee calls to mind that this proposal for a decision is one of a set of seven proposals presented subsequent to the application of the Financial Regulation. The Committee would ask the Commission to adopt a coherent approach when drawing up this type of proposal, in particular with respect to the criteria governing access to funding.

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11. **RESEARCH**

- ***Modification of specific RDT programmes***

Rapporteur-general: Mr Wolf (Various interests - DE)

- **Reference:** COM(2003) 390 final - 2003/0151 CNS – CESE 1400/2003
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12. FOOD SAFETY

- ***Animal feed hygiene***

Rapporteur-general: Mr Donnelly (Various interests - IE)

Reference: COM(2003) 180 final – 2003/0071 COD – CESE 1404/2003

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13. ENVIRONMENTAL PROTECTION

- ***Persistent organic pollutants (POPs)***

- **Rapporteur:** **Ms Cassina** (Employees – IT)
- **Reference:** COM(2003) 331-332-333 final – CESE 1391/2003
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14. AGRICULTURE AND FISHERIES

- ***Fisheries/Conversion (Morocco)***

Rapporteur-general: Mr Chagas (Employees – PT)

- **Reference:** COM(2003) 437 final – 2003/0157 CNS – CESE 1397/2003
- **Contact:** *Mrs Eleonora Di Nicolantonio*

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- ***Fisheries/Compensation for additional costs caused by remoteness***

Rapporteur-general: Mr Sarró Iparraguirre (Various interests - ES)

– **Reference:** COM(2003) 516 final – 2003/0202 CNS – CESE 1396/2003

– **Contact:** *Mrs Eleonora Di Nicolantonio*

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- ***Agricultural accountancy data network***

Rapporteur-general: Mr Allen (Various interests - IE)

– **Reference:** COM(2003) 472 final – 2003/0182 CNS – CESE 1405/2003

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15. CODIFICATION AND SIMPLIFICATION OF COMMUNITY LEGISLATION

- ***Statistics relating to the trading of goods***

Rapporteur: Ms Florio (Employees – IT)

– **Reference:** COM(2003) 364 final – 2003/0126 COD – CESE 1402/2003

– **Key points:**

The EESC welcomes the development in the area of statistics and data collection achieved by the Commission and the Member States aimed at strengthening and monitoring the progress of economic and monetary union.

In view of the importance of such an instrument, a wide-reaching information campaign – focusing particularly on SMEs – will be needed to explain how, under the new regulation, information will be collected and how it will be used.

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16. **TAXATION**

● ***Reduced rate of VAT***

Rapporteur-general: Mr Bedossa (Various interests - FR)

- **Reference:** COM(2003) 397 final – 2003/0169 CNS – CESE 1407/2003
- **Key points:**

The Committee welcomes the “Proposal for a Council Directive amending Directive 77/388/EEC as regards reduced rates of value added tax.”

The Committee agrees with the Commission on the issue of passing on the VAT rate in consumer prices. Often, this is highly negligible and, if anything, temporary. It is undoubtedly a step backwards for the single market, given the high cost to the budget of measures of this kind.

The Committee welcomes the moves to draft the new Annex H, with a view to rationalising and simplifying it so that it becomes *ipso facto* the sole reference for defining the scope of reduced, super-reduced and zero rates.

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● ***VAT - Derogations***

Rapporteur: Mr Pezzini (Employers – IT)

- **References:** COM(2003) 335 final – 2003/0120 CNS – CESE 1409/2003
- **Key points:**

The Committee supports the Commission's proposal to set up a procedure for the adoption of formal decisions by the Council on derogations. Nevertheless, the EESC calls for a rationalisation of the numerous derogation arrangements currently in existence.

The Committee shares the Commission's view on the need to harmonise the implementation measures provided by the Council. However, it urges the Commission to put together the new proposal on the VAT Committee.

The EESC calls for there to be a move to qualified majority voting on VAT matters, with the exception of the setting of rates, until a European compensation system is introduced.

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- ***Common system of taxation / parent companies and subsidiaries***

Rapporteur-general: Ms Polverini (Employees – IT)

- **Reference:** COM(2003) 462 final – 2003/0179 CNS – CESE 1408/2003

- **Key points:**

The Committee supports the Commission's proposal which is intended to eliminate or at least reduce double or multiple taxation of profits distributed by a subsidiary in the State of a parent company or permanent establishment.

The Committee also agrees with the proposal to broaden the range of companies which can benefit from the directive in order to include a series of legal persons so far excluded.

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- ***Direct and indirect taxation / Mutual assistance of the competent authorities***

Rapporteur-general: Mr Pezzini (Employers - IT)

- **Reference:** COM(2003) 446 final – 2003/0170 CNS – CESE 1403/2003

- **Key points:**

The EESC accepts the need to put in place an effective system of information exchange between Member States in order to combat fraud and tax evasion.

Taking into account existing national procedures and of the political desire not to overturn these, the EESC accepts the proposed amendments as move towards convergence and as a further, albeit inadequate, step towards modernising cooperation between Member States.

The EESC takes the opportunity to denounce once again the limits imposed by the principle of unanimity, which governs all decisions on Community tax legislation, and reaffirms the need to replace this with qualified majority voting.

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