



European Economic and Social Committee

Brussels, 30 November 2001

PLENARY ASSEMBLY

28 AND 29 NOVEMBER 2001

SUMMARY OF OPINIONS ADOPTED

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The last Plenary Assembly of 2001 was notable for the attendance of **Mr Romano Prodi**, President of the European Commission, and of **Ms Annemie Neyts**, Belgian Deputy Minister for Foreign Affairs responsible for agriculture, who attended on behalf of the Council Presidency. Both guest speakers focused on the future of Europe and the role of the Economic and Social Committee in their statements.

Thirty opinions were adopted. The highlights of the session were the discussions about the Bureau reports on the ESC and organised civil society (Rapporteur: **Mr Westerlund** – GR II - S) and the ESC development strategy (Rapporteur: **Mr Little** GR I - UK).

1. **INTERNAL MARKET**

Relaunching the internal market in services.

- ***An internal market strategy for services (SMO)***

Rapporteur: **Mr Vever** (Employers - F)

- **Reference:** Additional opinion - CES 1472/2001

- **Key points:**

The Committee supports the Commission's relaunching of the internal market in services by deciding to intensify work on current questions, update the analysis of barriers and introduce an overall, innovatory approach in 2002.

It therefore emphasises, like the Commission, the need to revive and speed up Community work on a new basis, which will need to be overall, co-ordinated and flexible.

On the analysis of barriers, the Committee draws the Commission's attention to the need to define a methodology and make a more precise distinction between the different types of barrier - distinguishing more clearly between the real barriers to be removed and the reality of European cultural diversity, to which operators will still have to adapt.

In order to give the new strategy the necessary impact, the Committee supports the Commission's intention to propose that the Parliament and the Council adopt a new horizontal legal instrument, and trusts that this instrument will be politically effective, legally binding, comprehensive in its approach, focused on essential needs, likely to activate and coordinate other, complementary, instruments, and flexible in its implementation. The Committee recommends that the transposition of the essential requirements of the framework instrument and the various flanking directives be entrusted to joint regulatory committees, based on experience with the "SLIM" committees, made up of representatives of administrations, service providers and users.

The Committee expects that this new approach will make possible significant, irreversible results in speeding up completion of the internal market in services by the end of the current terms of office of the Commission and the Parliament and before the next new accessions.

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- **Galileo joint undertaking**

Rapporteur: **Mr Bernabei** (Employers - I)

- **Reference:** COM(2001) 336 final - 2001/0136 CNS - CES 1475/2001

- **Key points:**

The Committee feels that the establishment of the joint undertaking should be accompanied by a single strategic development plan for the Galileo system at European level.

In addition to the Joint Undertaking it will be necessary to establish:

- a public-private "Galileo Promotion Company";
- two joint bodies for the Joint Undertaking and the Promotion Company: an institutional steering forum and a security and privacy body.

The Joint Undertaking should be funded solely through public funding, so as to avoid any conflict of interest. It should also pave the way for a European Agency/European Company which will be responsible for the operational management of the system.

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- **State aid to the coal industry**

Rapporteur: **Mr Gafo Fernández** (Employers - E)

- **Reference:** COM(2001) 423 final - 2001/0172 CNS - CES 1477/2001

- **Key points:**

The Committee proposes that the present framework of aid should not be revised in 2008, as proposed in the draft Regulation, but should be kept fully in force until 2010. However, it advocates assessing the system in force in 2008. Retaining the 2010 deadline will give more time for two EU applicant countries with major coal industries (Poland and the Czech Republic) to bring them in line with the Community regime and thus avoid a transitional period.

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- **Simplification (SMO)**

Rapporteur: **Mr Walker** (Employers - UK)

- **Reference:** Additional opinion - CES 1496/2001

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- **Labour force sample survey**

Rapporteur: **Mr Sklavounos** (Various interests - EL)

- **Reference:** COM(2001) 319 final - CES 1483/2001

- **Key point:**

The Economic and Social Committee welcomes the Commission proposal to limit to the end of 2002 the derogation that allows Member States, which are not in a position to implement a continuous (quarterly) survey, to carry out an annual survey only.

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- **Financial collateral arrangements**

Rapporteur: **Mr Barros Vale** (Employers - P)

- **Reference:** COM(2001) 168 final - 2001/0086 COD - CES 1468/2001

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- **XXXth competition policy report**

Rapporteur: **Mr Sepi** (Workers - I)

- **Reference :** SEC(2001) 694 final - CES 1469/2001

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- **Food ionisation**

Rapporteur: **Mr Jaschick** (Various interests - D)

- **Reference:** COM(2001) 472 final - CES 1489/2001
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- **Common procurement vocabulary**
Rapporteur: **Mr Hernández Bataller** (Various interests - E)
 - **Reference:** COM(2001) 449 final - 2001/0179 COD - CES 1470/2001
 - **Contact:** *Mr Jakob Andersen*
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- **European Charter for Small Enterprises**
Rapporteur: **Mr Giron** (Various interests - F)
 - **Reference:** Additional own-initiative opinion - CES 1471/2001
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- **Immunity from fines**
Rapporteur: **Mr Sepi** (Workers - I)
 - **Reference:** Additional opinion - CES 1488/2001
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- **Market access to port services**
Rapporteur: **Mr Retureau** (Workers - F)
 - **Reference:** COM(2000) 35 final - 2001/0047 COD - CES 1495/2001
 - **Key points:**

The Committee notes with interest that the Commission proposal seeks to eliminate restrictions on access to the port services market and to open up existing monopolies more to competition. However, it has misgivings about the means proposed. It also thinks that the proposal involves some pointless bureaucratic aspects, which could make management more cumbersome.

The Committee suggests establishing a **committee of port partners and players**, so that port users' interests can be taken into account, and has reservations about the way in which the issue of **self-handling** is dealt with given the risks of personal injury and of serious pollution or accidents, which could result from careless handling of certain types of cargo.

In the Committee's view, therefore, the proposal on port services ought to be placed by the Commission in the context of the debate on the Transport White Paper and made part of an overall approach, with due regard to the **role of ports** in providing sustainable transport, in protecting the environment, and in the field of employment, economic and social cohesion and regional development.

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- **Speed limitation devices**

Rapporteur: **Mr Colombo** (Workers - I)

- **Reference:** COM(2001) 318 final - 2001/0135 COD - CES 1476/2001

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- **Civil aviation security**

Rapporteur: **Mr Green** (Employers - DK)

- **Reference:** COM(2001) 575 final - 2001/0234 COD - CES 1485/2001

- **Key points:**

The Committee backs the proposal, including the decision to issue a regulation rather than a directive, which would take a long time to implement.

However, since this proposal deals only with security measures for boarding an aircraft, it considers that legislation dealing with **on-board security** should be proposed and adopted as quickly as possible. The same comment applies to three other pieces of proposed legislation dealing with civil aviation security which are currently under consideration.

The ESC considers that, with regard to infrastructure, the suggested timeframe for implementing the proposal is unrealistic.

Finally, the significant additional expenditure involved in implementing the proposals should be shouldered by the Member States.

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2. ECONOMY, CURRENCY AND TAXATION

The ESC calls on the European Commission to react to the new economic environment.

- New economic challenges

Rapporteur: Ms Konitzer (Workers -D)

- **Reference:** Own-initiative opinion - CES 1487/2001

- **Key points:**

The Committee:

- invites the Commission to submit - urgently - specific proposals as to how the economic policy and macroeconomics policy mix of the Community and the monetary union should be adapted to the changed world economic situation; it should be made clear what contribution is expected from individual players;

- calls for prompt resumption of discussions in the Council and in public on how economic policy coordination should be strengthened within the euro area (COM(2001) 82 final) to ensure pragmatic but effective improvements in this area as soon as possible;

- underlines the need to urgently consider ways of enhancing the effectiveness of the Treaty provisions relating to economic policy and the articulation of the Community economic interest in the process of adapting the Treaties with a view to enlargement.

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- Cross-border payments in euro

Rapporteur: Mr Burani (Employers - I)

- **Reference:** COM(2001) 439 final - CES 1497/2001

- **Key points:**

The Committee endorses the aims of the Commission proposal. At the same time, it raises the question of how to avoid **any rise in domestic charges**, which some might seek to justify on the grounds of higher costs for international transactions.

Any **downgrading of service quality**, or withdrawal by banks of services they may consider unprofitable, is to be avoided.

It is for the Commission and Council **to judge whether the implementation deadlines are consistent with the need for an orderly change with no harmful effects for consumers.**

- **Contact:** *Mr Roberto Pietrasanta*
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- **Tax policy in the European Union - Priorities**

Rapporteur: **Mr Morgan** (Employers -UK)

- **Reference:** COM(2001) 260 final - CES 1486/2000

- **Key points:**

In response to the tax policy objectives particularly highlighted by the Commission **the Committee:**

- would support the use of all proposed alternative mechanisms - infringement proceedings, non-legislative solutions and enhanced cooperation - in order to achieve progress in spite of unanimity remaining the legal basis;
 - fully endorses the efforts to implement a VAT legislative strategy for the next five years and to eliminate tax obstacles to cross-border provision of occupational pension;
 - would welcome, in the area of environmental and energy taxation, a re-emphasis on goals complemented with guidelines;
 - believes, with regard to excise duties on alcohol and tobacco, that competition should be allowed to drive approximations over time;
 - intends to express its views on corporate taxation in a separate opinion.
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- **Taxation of savings income**

Rapporteur: **Mr Ravoet** (Employers -B)

- **Reference:** COM(2001) 400 final - CES 1481/2001

- **Key points:**

The ESC welcomes the proposal and is pleased to note that all the parties involved in this field have recently made strenuous efforts to resolve this issue.

With the aim of maintaining the competitiveness of European financial markets in view, the need is imperative to have prior assurance that the same measures will be applied in the dependent and associated territories and that equivalent measures will be taken in a number of nearby and/or key financial centres.

The Committee calls upon all parties concerned to suggest improvements to the proposal whilst endeavouring to contain implementation costs as far as possible.

Consideration should be given to including in the definition of "interest payment" other investments, which may give rise to interest indirectly, such as certain insurance products.

It is essential for paying agents to be involved as closely as possible in the further development of this system as they have a key role to play in its actual implementation. With this aim in view, the Commission is asked to consider making improvements to the impact assessment.

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- **Labour cost index**

Rapporteur: **Ms Hornung-Draus** (Employers -D)

- **Reference:** COM(2001) 418 final - 2001/0166 (COD) - CES 1492/2001

- **Key points:**

The ESC basically welcomes the Commission's proposal but wishes to express reservations about some points:

- With regard to the inclusion of micro-enterprises in the survey, the ESC recommends that the Commission examine the possibilities for allowing exceptions or a simplified survey procedure.
 - "Labour costs excluding bonuses": The ESC expressly asks that this partial index be waived on grounds of cost, or at least only requested annually.
 - The ESC suggests that the 70-day time limit be extended to 90 days for a transitional period of five years, so that the Member States can change their statistical systems over to the new requirements.
 - The ESC believes that it would be a good idea first to set up a partial index which does not include NACE Rev. 1 sections L, M, N and O.
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- **Sweden: structural reforms**

Rapporteur: **Mr Walker** (Employers -UK)

– **Reference:** Own-initiative opinion - CES 1498/2001

– **Key points:**

In many ways, the economic, social and technical evolution of Sweden over the last decade has been a success story. The challenge for the future must be to build on this success by maintaining the technological lead, enhancing productivity, modernising the labour market and refining the taxation system in order to create a sustainable and improved welfare system which will support the spirit of social cohesion which lies at the heart of Swedish society.

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• **CMO/bananas**

Rapporteur: **Mr Espuny Moyano** (Employers - E)

– **Reference:** COM(2001) 477 final - 0187/2001 CNS - CES 1479/2001

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• **Structural Funds for 2000-2006**

Rapporteur: **Mr Christie** (Workers - UK)

– **Reference:** COM(2001) 378 final - CES 1480/2001

– **Key points:**

For the Committee it is evident that the Commission has gone to considerable lengths to ensure the proper implementation of the new Structural Fund Regulations with regard to Objective 1 programmes. However, it is essential that this effective start on the new programming phase is reinforced throughout the period of the programme by timely reporting, monitoring and evaluation of outcomes in the regions themselves.

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3. SOCIAL

The ESC calls for **vigorous action from governments to give children protection on the Internet.**

- **Child protection/Internet**

Rapporteur: **Ms Davison** (Various interests - UK)

- **Reference:** Additional opinion - CES 1473/2001

- **Key points:**

The Committee would emphasise the benefits of the Internet for children, but is nonetheless concerned that police remain unable to trace the majority of children abused for child pornography on-line. It underlines the need to strengthen cooperation in this area. Europol and Interpol especially need to be targeted.

The Committee endorses the Internet Action Plan and would strengthen it with more resources particularly with regard to the need to define harmful material, to avoid downloads charged to premium lines, unless there is confirmation by adult signature, and to provide mechanisms which would allow suspicious behaviour towards children to be noted, reported and dealt with.

Finally, the plan needs to be backed up by legislation and by vigorous action on the part of governments, ISPs and the socio-economic interest groups.

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- **Network and information security**

Rapporteur: **Mr Retureau** (Workers - F)

- **Reference:** COM(2001) 298 final - CES 1474/2001

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- **Safe and sustainable pensions**

Rapporteur: **Ms Cassina** (Workers-I)

- **References:** COM(2001) 362 def - CES 1491/2001

- **Key points:**

The opinion focuses on certain aspects of consistency between the policies involved, and of the methods for developing cooperation in this area.

The overriding objective of the method used is to achieve a real synergy and consistency between social, employment and economic policy. Without prejudice to the remit and responsibility of national lawmakers and authorities in this area, the goal of consistency can be best achieved by systematically involving the social partners all levels. They are key players in all societal change. To neglect this would be to condemn all pension strategies to failure. The Committee notes that the Commission has not paid sufficient attention to this, and observes that the conclusions of the Stockholm European Council highlighted the role of the social partners in managing change.

Social partner involvement must also be promoted and/or stepped up in employment policy and, in particular, in economic policy.

Achieving social consensus is not just a matter of providing people with accurate, exhaustive information; it also means ensuring all stakeholder civil society and social partner organisations can play an enlightened, active role.

The Committee would particularly stress the need to develop sufficiently detailed indicators, which can give a true picture of the full implications of the framework analyses and projections.

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- **Asylum – minimum reception standards**

Rapporteur: **Mr Mengozzi** (Various interests - I)

Co-Rapporteur: **Mr Pariza Castaños** (Workers - E)

- **Reference:** COM(2001) 181 final - 2001/0091 (CNS) - CES 1482/2001

- **Key points:**

The Committee welcomes the draft directive's objectives and broadly endorses it. It does however have a few comments to make regarding its provisions, with the premise that minimum standards must be based on best practice, and notes that the subjects addressed must be considered in the context of fundamental human rights, and that they slot into an international legal framework. In this respect, it is regrettable that the Commission avoids using the word “rights”, replacing it with other terms. This paints a picture of an asylum seeker as someone basically deprived of rights.

The Committee endorses the setting of a six-month period after which access to the labour market cannot be denied. However it feels that such a provision is inappropriate in the case of vocational training, as such training should be offered as widely as possible.

Material reception conditions must provide an adequate standard of living so as to protect the health and well-being of the asylum seeker and dependent family members.

The sum and type of allowances granted to asylum seekers should not differ too much from one Member State to another and should be determined with reference to the minimum social security entitlement. The directive should not include provision for the use of vouchers.

Reception procedures should be less protracted, as it is not desirable that people fleeing from repression and persecution - in the absence of evidence to the contrary - should find their rights suspended for a lengthy period from the moment they set foot in the host country.

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- **Cooperation on activities concerning the information and communication policy of the European Union**

Rapporteur-general: **Mr Gafo Fernández** (Gr. I - E)

- **Reference:** COM(2001) 354 final - CES 1493/2001

- **Key points:**

The Committee endorses the objectives pursued by the Commission but thinks that insufficient account is taken of the role which the Committee can play here. With particular reference to the cooperation protocol which it recently signed with the Commission, the Committee puts forward specific suggestions which it asks the Commission to consider.

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4. ENVIRONMENT

Meeting citizens' priorities.

- **A sustainable Europe for a better world**

Rapporteur: **Mr Ehnmark** (Workers - S)

Co-Rapporteur: **Mr Ribbe** (Various interests - D)

- **Reference:** Additional own-initiative opinion - CES 1494/2001

- **Key points:**

In a "Call to the Laeken Council" the opinion states that sustainable development is a new vision for the future of Europe and sees the Laeken Declaration as a special occasion to sharpen the vision of sustainable development as a major task for the EU. This it says is a radical approach with formidable challenges to society but one aimed at shaping policy and

action to meet the long-term priorities of citizens. As such it impinges on all activities of the Union and its Member States, opening the way for its citizens to be closer to the union and its policies.

This means that EU policies must be built from bottom-up and command wide public support, needing active involvement of citizens backed by well-working information and consultation procedures.

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- **Stable derivatives of human blood or human plasma**

Rapporteur: **Mr Ribeiro** (Various interests - P)

- **Reference.:** COM(2001) 480 final - 2001/0186 (COD) - CES 1484/2001

- **Key points:**

The Committee welcomes the Commission's proposal clarifying the wording of Directive 2000/70/EC.

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- **Economic growth, taxation and sustainability of pension rights in the EU**

Rapporteur: **Mr Byrne** (Employers - IRL)

Co-Rapporteur: **Mr van Dijk** (Workers - NL)

- **Reference:** Own-initiative opinion - CES 1490/2001

- **Key points:**

The ESC draws attention to the correlation between demographic change and pension schemes.

The Committee is pleased to note that Member States are now actively involved in planning to improve the sustainability of their pension payments. It is inappropriate to propose common solutions for Member States since their basic positions differ so much.

In this context the Committee believes that Member States should examine the potential use of supplementary schemes (the second and third pillars) as supportive measures, but recognises that supplementary pensions are not a panacea.

The Committee agrees with the Commission that there is also a need to modify pension arrangements to reflect changes in society itself.

The use of the open method of coordination and the setting of common objectives with appropriate indicators will provide an opportunity to transfer experience from one Member State to another.

The Committee recommends that the applicant countries be encouraged to undertake similar assessments of their pension systems to assess long-term sustainability.

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