



European Economic and Social Committee

Brussels, 8 July 2004

**PLENARY ASSEMBLY
OF 30 JUNE AND 1 JULY 2004**

SUMMARY OF OPINIONS ADOPTED

Full text versions of EESC opinions are available in the 20 official languages on the Committee's web site at the following address:

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

1. **ECONOMIC AND SOCIAL COHESION POLICY**

- ***Third report on economic and social cohesion***

- **Rapporteur: Mr Barros Vale** (Employers – PT)
- **References:** COM(2004) 107 final – CESE 962/2004
- **Key Points:**

The EESC expresses concern that despite some progress, regional disparities persist in terms of economic and social development.

There is a need to focus the European economy more on activities based on know-how, innovation and new information and communication technologies, in order to make it more competitive, increase employment and improve quality of life.

The EESC welcomes the new architecture that has been devised for EU cohesion policy after 2006 and the fact that the number of financial instruments available for cohesion policy should be limited and that both the objectives and the associated financial instruments should be limited.

The EESC once again emphasises the need to make the involvement of the socio-economic partners on the monitoring committees mandatory, and must be strengthened by giving them the right to vote.

Lastly, the EESC welcomes the Commission's intention, within the convergence objective, to set up a specific compensation mechanism covering all the handicaps of the outermost regions, as well as regions with permanent structural handicaps.

- **Contact:** ***Mr Roberto Pietrasanta***
(Tel: 00 32 2 546 93 13 – e-mail: roberto.pietrasanta@esc.eu.int)

- ***Industrial change and cohesion***

- **Rapporteur: Mr Leiriao** (Various interests – PT)
- **Corapporteur: Mr Cué** (delegate – BE)

– **References:** own-initiative opinion – CESE 959/2004

– **Key Points:**

The aim of this opinion is to check whether the instruments for fostering economic, social and territorial cohesion are adequate and whether or not the framework conditions are favourable to firms, allowing industrial change to be carried out in a way which is compatible with firms' competitiveness requirements.

Seventeen points are set out in the conclusions and recommendations section; these point to the need for improvement in terms of policies, instruments, criteria for determining regions' eligibility for Community funds, the implementation of good practices, and the search for synergies between policies and instruments, as well as general coordination in implementing the EU's structural strategies, such as the Lisbon Strategy, the Structural Reforms and Sustainable Development.

The thinking behind the above is based on the following ideas; these are set out in sequence and provide the main themes appearing throughout the opinion:

- regional development as a factor regulating globalisation, through the creation of regional clusters, as an effective way to attract firms to an area and encourage them to stay;
- corporate social responsibility and the implementation of "good practices" as part of an approach involving preventive and other measures for anticipating and managing change;
- negotiations and social dialogue in firms to ensure that restructuring is tackled in a socially responsible fashion, with a firm's management and workers adopting a positive attitude to seeking solutions which are seen as successful by the firm, workers and community, thus striking a balance between social and economic aspects;
- action in partnership between businessmen, social partners, civil society (universities, research and innovation centres, associations, etc.) and local authorities, so as to create the right conditions for boosting productivity; and
- proposal to create the status of "most favoured region" for those regions which have high levels of social and employment cohesion and suddenly lose skills because firms relocate, without having any alternative economic activities to sustain local employment levels; these regions would receive financial support, with the specific aim of regenerating the local economic fabric.

– **Contact:** *Mr Miguel Colera*
(Tel.: 00 32 2 546 96 29 – e-mail: josemiguel.colerarodriguez@esc.eu.int)

2. SPATIAL PLANNING AND RURAL DEVELOPMENT

• *Metropolitan areas: socio-economic implications for Europe's future*

– **Rapporteur:** Mr van Iersel (Employers – NL)

– **References:** Own-initiative opinion – CESE 968/2004

– **Key Points:**

The EESC stresses that it is in the interests of the Union that:

- the metropolitan areas in the 25 EU Member States should be defined;
- a set of relevant data on such areas should be produced annually, in particular through the European Labour Force Surveys;
- the main Lisbon Strategy indicators should be evaluated for these areas;
- clusters of activity with high value added should be identified within these areas;
- the Commission should report regularly on the socio-economic situation of metropolitan areas and their ranking.

Producing such information and making it available for all should:

- contribute towards the recognition of metropolitan areas and provide more in-depth knowledge of their social, economic and environmental situation;
- make it easier to assess the strengths and weaknesses of these areas on a European scale;
- improve the definition and implementation of both European and national policies, adapting them to the specific characteristics of these areas;
- provide local and regional authorities with an assessment of the competitive ranking of their areas on a European scale. Today such assessments are either non-existent or drawn up at huge expense on the basis of incomplete information;
- enrich the debate on European regional policy by facilitating dialogue between all the parties concerned on the basis of objective information;
- provide the private sector with information which could prove useful when defining business strategies.

The EESC believes it is essential for a "metropolitan areas" unit to be set up within Eurostat, which would be responsible for producing the aforementioned data each year.

The EESC hopes that the European institutions will agree with the broad thrust of this opinion. The EESC believes that, against the background of the establishment of a forum bringing together metropolitan areas and the Commission, the situation of these areas should also be on the agenda of the Competitiveness Council and the informal Council for Regional Planning and Urban Issues.

- **Contact:** *Mr Alberto Allende*
(Tel.: 00 32 2 546 96 79 – e-mail: alberto.allende@esc.eu.int)

- ***Rural Development: follow-up to the Salzburg Conference***

- **Rapporteur:** Mr Bros (Various interests – FR)
- **References:** Own-initiative opinion – CESE 961/2004
- **Key Points:**

The Committee proposes (i) examining the **consistency between future regional policy and future rural development policy** in order to limit the number of grey areas; (ii) **taking a closer look at the three main lines of action put forward for future rural development policy** (i.e. the competitiveness of the farming sector, environmental protection and the contribution to economic and social cohesion in rural areas) and (iii) focusing specifically on the various **facets of administrative simplification**.

The Committee asks the Commission and the Council to make it clear, in the interests of territorial cohesion, that **rural development must remain one of the top priorities of regional policy**. Hence, this policy must fully address the difficulties rural areas face in the fields of job creation, continuing training and access to new information technologies. The Committee would stress that the primary purpose of the second CAP pillar must be to support agriculture as it adapts to meet the changes in public expectations. The Committee would urge the Council and the European Parliament to ensure that **adequate financial resources are made available for the rural development policy** as otherwise it would be devoid of substance. The Committee reiterates its opposition to any move to establish separate directorates-general and appoint different commissioners for agriculture and rural development issues. The Committee would again make the point that **one aim of multifunctional agricultural production is to maintain a living countryside** and stresses that **exchanges of experience and the transfer of good practice** should also play a special role. Lastly, the Committee feels that support for farming investments should continue to be strengthened.

Simplifying planning means having no more than one fund for managing rural development activities. That said, **the Committee would stress that this single fund must be managed in a**

way consistent with the management of the Structural Funds. The Committee feels that the **Leader initiative** should continue backing local initiatives by exploring new avenues for development in rural areas.

- **Contact:** *Mrs Eleonora Di Nicolantonio*
(Tel.: 00 32 546 94 54 – e-mail: eleonora.dinicolantonio@esc.eu.int)

3. **EMPLOYMENT, SOCIAL AND SOCIETAL RIGHTS**

- ***Social protection: making work pay***

- **Rapporteur:** Ms St Hill (Employers – UK)

- **References:** COM(2003) 842 final – 2003/0307 COD – CESE 966/2004

- **Key Points:**

The Committee calls for convergence in European Member States efforts to make work pay by making employment truly an economically attractive option to unemployment or welfare by targeting the full range of barriers to paid work. The key issue facing member states in making work pay is to design a common and reasonable level of in and out of employment supports which maintain people's incentives for labour market attachment. The Committee has distinguished between the contributions of quick-gain policies to provide short but terminal benefits for the low-skilled, and the more long-term human capital investments which are the key to making work pay, especially for those most vulnerable, in the sustainable long term.

The Committee highlights the substantial scope for the contribution of private firms and employers in meeting European employment objectives. Effort should be made to identify feasible demand policies that target changing employer behaviour in ways that promote the achievement of Lisbon objectives of more quality, sustainable employment throughout Europe.

In addition to supporting good practice, sanctions on inappropriate employer behaviour including discrimination on the basis of gender, race, sexual orientation, religion or age must be enforced to support innovation, increased labour supply and the possibility of having longer working lives in European economies.

A range of instruments and benefit schemes need to be applied in Member States backed by strong national coordination which balances labour supply and demand instruments. The combined household effects of benefits or tax levels on income must be carefully balanced and anticipated,

paying particular attention to the incentive structures these create for poor households. Other measures such as the provision of childcare, flexible working times, job security, job mobility and training opportunities have been highlighted as essential to a comprehensive policy framework for making work pay.

– **Contact:** *Mr Alan Hick*

(Tel.: 00 32 2 546 93 02 – e-mail: alan.hick@esc.eu.int)

• ***Revision of Directive 93/104 on the organisation of working time***

– **Rapporteur:** Mr Hahr (Employers – SE)

– **References:** COM(2003) 843 final – CESE 964/2004

– **Key points:**

The subject of this communication is Directive 93/104/EC of 23 November 1993, as amended by Directive 2000/34/EC, laying down minimum requirements with regard to the organisation of working time in order to ensure a better level of safety and health protection for workers.

The Committee:

- considers the method of consultation used by the Commission to be inadequate, given that working time is subject to collective bargaining; the Commission should have consulted the social partners before launching the consultation procedure with the European institutions and the two Committees;
- sees a need for a more thorough analysis of the way the Working Time Directive has been implemented in Member State legislation and of its impact;
- feels that the existing provisions give the social partners the necessary flexibility to adjust working time, given that a 12 month *reference period* is already used in many Member States by virtue of collective agreements;
- notes that the Court judgments on *the definition of working time* may give rise to some problems but would not, under the current circumstances, wish to recommend any of the particular solutions put forward by the Commission;
- does not intend to take a stance towards the *opt-out* at this stage, despite having certain reservations; a more thorough analysis of the situation involving the social partners is required;
- would draw attention to the special difficulties faced by parents in combining working life with family responsibilities.

- **Contact:** *Mr Torben Bach Nielsen*
(Tel.: 00 2 546 96 19 – e-mail: torben.bachnielsen@esc.eu.int)

4. **THE INTERNAL MARKET IN ECONOMIC, FINANCIAL AND FISCAL AREAS**

- ***Multiannual programme/SMEs***

- **Rapporteur:** Mr Dimitriadis (Employers – EL)

- **References:** COM(2003) 758 final – 2003/0292 COD – CESE 950/2004

- **Key Points:**

The EESC endorses the amendments to the Decision 2000/819/EC proposed by the Commission.

The EESC considers the SME Guarantee Facility to be particularly useful and calls for this funding to be substantially stepped up and for every effort to be made to directly include those countries that have not been covered up until now (Greece, Ireland and Luxembourg). The EESC supports efforts to extend the Guarantee Facility with a view to accession of the new Member States; therefore the budget for the programme should be reviewed.

The EESC calls on the Commission to take the necessary steps to further enhance the ETF Start-up Facility, since it is an essential instrument particularly for creating innovative SMEs and supporting high-risk business ventures.

The Committee calls for substantially increased funding to be found in order to cover the greater needs of SMEs in the information, new technologies and biotechnology sectors. The EESC believes that after the experience already gained with the Sixth Framework Programme for Research and Technological Development small-scale programmes should be reintroduced for SMEs.

The EESC agrees with the Commission's proposal to phase out the JEV early, bearing in mind its present criticised structure. However, the EESC would like to emphasize that it continues to support transnational joint ventures.

- **Contact:** *Ms Aleksandra Klenke*
(Tel.: 32 2 546 98 99 – e-mail: aleksandra.klenke@esc.eu.int)

- ***Internal market payments***

- **Rapporteur: Mr Ravoet** (Employers – BE)
- **References:** COM(2003) 718 final – CESE 951/2004
- **Key Points:**

The Committee supports the European Commission's aim to increase consumer confidence, legal certainty and market efficiency for payments in the Internal Market. It further welcomes the fact that self-regulation and co-regulation are considered as a possible way forward in several of the areas mentioned in the 21 annexes.

It is clear that if self-regulatory measures do not prove successful, a European Regulation should be envisaged.

The Committee suggests that the overall framework should concentrate on providing transparency to consumers and should be consistent with the European Consumer Policy Strategy.

- **Contact:** *Ms Aleksandra Klenke*
(Tel.: 32 2 546 98 99 – e-mail: aleksandra.klenke@esc.eu.int)

- ***Dividend taxation of individuals***

- **Rapporteur: Mr Retureau** (Employees – FR)
- **References:** COM(2003) 810 final – CESE 963/2004
- **Key Points:**

The EESC considers that the treatment of double taxation and the taxation at source of inbound and outbound domestic dividends with a view to ensuring their non-discriminatory treatment are major objectives, without jeopardising the basic principle of the equality of individuals before charges levied by the state at national level. The Member States could also consider cooperation between countries with similar tax practices, in order to study the best tax practices available.

Finally, the EESC feels that the Commission's communication opens the door to resolving problems that are often the subject of referrals to the Court of Justice and that should be avoided in the future so as to avoid overburdening it needlessly with appeals in this area.

- **Contact:** *Ms Borbála Szij*
(Tel.: 00 32 2 546 92 54 – e-mail: borbala.szij@esc.eu.int)

- **Consultation procedures – financial credits**
- **Rapporteur:** Mr Frank von Fürstenwerth (Employers – DE)

- **References:** COM(2004) 159 final – 2004/0056 CNS – CESE 952/2004

- **Contact:** *Ms Aleksandra Klenke*
(Tel.: 32 2 546 98 99 – e-mail: aleksandra.klenke@esc.eu.int)

5. **RELATIONS WITH ACCESSION COUNTRIES**

- ***EU-Turkey relations with a view to the European Council of December 2004***
- **Rapporteur:** Mr ETTY (Employees – NL)

- **References:** own-initiative opinion – CESE 965/2004

- **Key Points:**

With this opinion, the EESC presented its position on EU-Turkey relations with a view to the European Council decision of December 2004 which should decide whether to set a date for the opening of accession negotiations with Turkey.

The EESC points out that Turkey has demonstrated for several decades that it has, unequivocally, chosen to turn itself to Europe.

The EESC notes that results of the reform process in Turkey have been particularly impressive in the past two or three years.

The EESC insists that Turkey should meet the same political criteria as other candidate member states before negotiations can be opened and that its performance in the reform process should be measured by the same standards as those used for other candidate member states. Every effort should be made on the side of the EU to avoid even the suggestion of double standards.

The EESC considers that what the EU can and must realistically demand of Turkey is that such credible progress will have been made by the end of 2004 that it can be expected that a "point of no return" will have been passed by then.

Therefore, the EESC states that a positive decision on the opening of negotiations with Turkey on accession to the EU must be taken if the Government of Turkey by December next, will have

- taken measures to satisfy the demands with respect to the role of the army in Turkish society (the army should limit itself to its basic function of defence and security);
- shown determination to fully implement in practice the legal reforms concerning the cultural rights of the Kurds in the South-Eastern provinces of the country;
- started to implement the intentions expressed and commitments made with regard to voluntary return, rehabilitation and compensation of displaced victims of the violence in the South East in the 1980s and 1990s;
- brought its legislation and practice with regard to basic trade union rights and freedoms fully in line with ILO Conventions 87 and 98;
- cleaned the Associations Law from all anti-democratic stains and refrained in practice from restrictions on the free functioning of genuine civil society organisations including religious foundations; and
- created conditions for the free and independent functioning of the Economic and Social Council of Turkey.

The EESC trusts that the December 2004 European Summit will conclude that the political criteria have been met and therefore will decide to open negotiations at the earliest opportunity.

- **Contact:** *Mr Jacques Kemp*
(Tel.: 00 32 2 546 98 10 – e-mail: jacques.kemp@esc.eu.int)

6. **INDUSTRIAL AND SECTORAL POLICIES**

• ***Textile industry***

- **Rapporteur:** Mr Pezzini (Employers – IT)
- **Corapporteur:** Mr Nollet (Employees – BE)
- **References:** COM(2003) 649 final – CESE 967/2004

– **Key Points:**

It is vital that the Commission, in conjunction with the Member States and the social partners, should succeed in helping the clothing-textile sector to modernise its technology and meet the challenges of globalisation. In addition to the technological platforms already established by Community policies, a fourth platform could be envisaged, dedicated to the many innovative aspects of textiles of modern design.

Innovation capacity must be increased – particularly as regards SMEs – by means of projects and programmes agreed at local level, with the contribution of all social partners and the involvement of research centres. It would be extremely useful to create a network of excellence with close links with enterprise and the labour market which can tap into the opportunities provided by the Sixth Framework Programme and implement a technical foresight programme to promote technological development in the sector.

The EESC believes that the full weight of the European vision of a "social market economy" should be brought to bear on changing the WTO rules for the better. Respect for a number of social, environmental and economic priorities must be imposed without delay, given that the EU, as a global economic player, can make global governance more effective.

Preferential customs tariffs could only be applied to the 49 least developed countries. The negotiations launched in Doha should lead to greater reciprocity between the Pan-Euro-Mediterranean area and the countries of Asia.

The Committee supports the Commission's efforts to secure tougher trade protection instruments. EU customs controls must also be stepped up in order to achieve a common customs system as soon as possible.

In order to combat counterfeiting and fraud and to provide consumers with more information, a label of origin system could be studied. The EESC suggests exploring the possibility of textile traceability.

- **Contact:** *Ms Aleksandra Klenke*
(Tel.: 32 2 546 98 99 – e-mail: aleksandra.klenke@esc.eu.int)

• **Shipbuilding**

- **Rapporteur:** Mr van Iersel (Employers – NL)

– **References:** COM(2003) 717 final – CESE 949/2004

– **Key Points:**

LeaderSHIP 2015 starts with the objective of a world-wide level playing field. The EESC underlines the importance of this policy area as a corner stone for the entire strategy. It fully supports the present EU trade-policy approach, aiming at an effective international agreement which ensures tight disciplines world-wide.

R&D and innovation are of paramount importance. This is a key element to ensure success.

The EESC's view is that the European guarantee fund as suggested in LeaderSHIP should become operative as soon as possible.

The EESC welcomes the agreement between industry and the Commission on the kind of environmental requirements and policies which are necessary in the sector.

The EU still has considerable weaknesses concerning the enforcement of applicable rules on safety and security in shipping.

The strengthening of short sea shipping and the objective of moving traffic from road to sea are also important environmental goals. To achieve these goals modern infrastructure, including ports as well as ships, must be further improved.

The human factor is an essential element and the EESC welcomes the intention to intensify the sectoral dialogue in which the Commission, employers and the trade unions each have their role to play.

The EESC agrees with the increasing approach in Europe in favour of special segments of the manufacturing industry such as shipbuilding and aeronautics in relation to defence objectives, with an interaction between civil and defence industry.

– **Contact:** *Mr João Pereira dos Santos*
(Tel.: 32 2 546 92 45 – e-mail: joao.pereiradossantos@esc.eu.int)

7. **ENERGY – PRODUCTION ET DISTRIBUTION**

• *Fusion energy*

- **Rapporteur: Mr Wolf** (Various interests – DE)
- **References:** Own-initiative opinion – CESE 955/2004
- **Key Points:**

The Committee believes that, in the long term, the peaceful use of fusion energy has the potential to play a very important part in resolving questions of energy supply in a sustainable, environmentally sound and competitive way.

This is due to the potential advantages of this technology of the future.

There is, for instance, an infinite supply of fuel resources for the foreseeable future. There is no generation of "climate-change" gases, fission products or actinides.

The intrinsic safety characteristics prevent any uncontrolled energy release.

The radioactivity of the combustion chamber material may drop to the radiotoxicity of coal ash in between one hundred and, at most, several hundred years; this substantially defuses the question of final storage.

The potential of fusion energy particularly complements that of renewables – but with the advantage over wind and solar energy that it is not dependent on the weather, the seasons or the time of the day. That is also true of the relationship – adjusted to suit actual requirements – between centralised and decentralised systems.

The Committee also strongly backs an increase in support for R&D for fusion energy. For European industry building ITER and developing DEMO will strengthen the economy enormously and boost expertise and innovation in a technologically most demanding new area. That is also of crucial importance for the implementation of the Lisbon and Gothenburg strategies.

The Committee emphatically welcomes the European Council's unanimous support for the European bid for the ITER project and calls on the Council, the Parliament and the Commission to launch initiatives and to genuinely exhaust all possibilities – if necessary working out new structural approaches to the international division of labour – to ensure that, whatever happens, ITER is located in Europe, given its strategic role.

- **Contact:** **Mr Siegfried Jantscher**
(Tel.: 00 32 2 546 82 87– e-mail: siegfried.jantscher@esc.eu.int)

- ***Electricity interconnections /Slovenia***

- **Rapporteur: Mr Simons** (Employers – NL)

- **References:** COM(2004) 309 final – 2004/0109 COD – CESE 958/2004

- **Contact:** *Mr Siegfried Jantscher*

- (Tel.: 00 32 2 546 82 87– e-mail: siegfried.jantscher@esc.eu.int)*

8. **TELECOMMUNICATIONS SPACE POLICY**

- ***Progress report/GALILEO***

- **Rapporteur: Mr Buffetaut** (Employers – FR)

- **References:** COM(2003) 112 final – CESE 956/2004

- **Contact:** *Mr Raffaele Del Fiore*

- (Tel.: 00 32 2 546 97 94 – e-mail: raffaele.delfiore@esc.eu.int)*

9. **TRANSPORT – SAFETY AND SECURITY**

- ***Port security***

- **Rapporteur: Ms Bredima** (Employers – EL)

- **References:** COM(2004) 76 final – 2004/0031 COD – CESE 954/2004

- **Contact:** *Mr Luís Lobo*

- (Tel.: 00 32 2 546 9717 - e-mail: luis.lobo@esc.eu.int)*

- ***Licensing of railway undertakings***

- **Rapporteur: Mr Chagas** (Employees – PT)

- **References:** COM(2004) 232 final – 2004/0074 COD – CESE 957/2004

- **Contact:** *Mr Luís Lobo*
(Tel.: 00 32 2 546 97 17 - e-mail: luis.lobos@esc.eu.int)

- ***International code/ Maritime safety***

- **Rapporteur:** **Ms Bredima** (Employers – EL)
- **References:** COM(2003) 767 final – 2003/0291 COD – CESE 953/2004

- **Contact:** *Mr Luís Lobo*
(Tel.: 00 32 2 546 97 17 – e-mail: luis.lobos@esc.eu.int)

10. **IMMIGRATION POLICY**

- ***International Convention on Migrants***

- **Rapporteur:** **Mr Pariza Castaños** (Employees – ES)
- **References:** Own-initiative opinion – CESE 960/2004

- **Key Points:**

In line with the opinions it has drawn up on European immigration policy and in support of the opinion of the European Parliament, the European Economic and Social Committee would encourage the Member States of the European Union to ratify the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.

The EESC calls upon the President of the Commission and the current Presidency of the Council to undertake the necessary political initiatives to ensure that the Member States ratify this convention within the coming 24 months and that the EU also ratify the convention when the Constitutional Treaty authorises it to sign international agreements. To facilitate ratification, the Commission should carry out a study analysing national and Community legislation relating to the convention. Furthermore, the social partners and other civil society organisations will join with the EESC and the Commission in promoting ratification.

- **Contact:** *Mr Pierluigi Brombo*
(Tel.: 00 32 2 546 97 18 – e-mail: pierluigi.brombo@esc.eu.int)

