



EUROPEAN COMMUNITIES

ECONOMIC AND SOCIAL COMMITTEE

**The Economic and Social Committee,  
what it is, what it does  
and what its medium-term goals are**

# ECONOMIC AND SOCIAL COMMITTEE OF THE EUROPEAN COMMUNITIES

## Origins

The Economic and Social Committee was set up under the Treaties of Rome (1957) to involve economic and social interest groups in the establishment of the European Communities and give them an institutional vehicle for conveying their views on all questions of Community interest to the Commission and Council of Ministers.

## Consultative function

The Committee expresses its views essentially through **Opinions** which it delivers for the intention of the Commission and Council. These Opinions are requested either by the Commission or the Council. In some cases this consultation is **prescribed** by one of the Treaties before adoption of legal instruments, in other cases it is **optional**. Since 1973 the Committee possesses **the right of own initiative**, which means that it may deliver Opinions on any issue of Community interest. This right of initiative has been incorporated in the EC Treaty by the Treaty on European Union.

## Information, participation and integration functions

Over the last few years the Committee has considerably expanded its role as a forum for the dissemination of information and the furtherance of participation and integration. In its role as an **Observatory for the Internal Market** the Committee has organized, with the support of the other institutions, a wide variety of actions designed to improve relations between Community authorities and the general public in Europe.

## Internal working bodies

### The three Groups

The 222 members of the Committee belong in principle to one of three socio-economic groupings:

- Group I:       **Employers**
- Group II:       **Workers**
- Group III:       **Various interests**

## Presidency

The Committee elects a **President, two Vice-Presidents and a 33-member Bureau** from among its members for a term of two years. The President represents the Committee vis-à-vis the outside world. Together with members of the Bureau he organizes and is responsible for the work of the Committee on the basis of Rules of Procedure which, since the entry into force of the Treaty on European Union, the Committee has been able to draw up autonomously.

## Sections

The Committee organizes work in principle through at least six Sections. It currently has nine Sections (listed on page 3 of the cover pages).

## Study Groups

The Sections ask **Rapporteurs** or **Study Groups** (usually six to fifteen members) to prepare Opinions on matters referred to them by the Bureau. The Rapporteurs and Study Groups may be assisted by experts (maximum of six).

## Sub-Committees

The Committee may set up **Sub-Committees** to prepare Draft Opinions on certain given subjects. Sub-Committees operate like Sections but their life-span is limited to the time needed to prepare these Draft Opinions.

## Plenary Sessions

The Committee holds about ten **Plenary Sessions** per year to consider Opinions drawn up by the Sections and any Draft Opinions drawn up by Sub-Committees. The Opinions of the Committee are adopted by a straight majority vote, forwarded to the Community institutions and published in the Official Journal of the European Communities. The Committee may also adopt **resolutions** at Plenary Sessions.

## Various interests

### Relations with national and regional Economic and Social Councils (and similar institutions)

The close relations which the ESC maintains with its national and regional counterparts make it possible to exchange information and engage in joint discussion of specific topics. Every two years the ESC attends the "International Meetings" of economic and social councils.

### Relations with the socio-economic organizations of third countries

The Committee also maintains on-going relations with the socio-economic organizations of several non-member countries and groups of countries: Mediterranean countries, ACP countries, EFTA, Central and Eastern European countries, Latin America, the United States, etc. It is planned to institutionalize meetings with some of these countries under agreements which they have concluded with the European Union.

# **The Economic and Social Committee, what it is, what it does and what its medium-term goals are**

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*“An Economic and Social Committee is hereby established. It shall have advisory status.*

*The Committee shall consist of representatives of the various categories of economic and social activity ....”*

Article 193 of the EC Treaty

*“The Committee must be consulted by the Council or by the Commission where this Treaty so provides. The Committee may be consulted by these institutions in all cases in which they consider it appropriate. It may issue an opinion on its own initiative in cases in which it considers such action appropriate ....”*

Article 198 of the EC Treaty

(approved by the Bureau of the Economic and Social Committee on 30 May 1995)



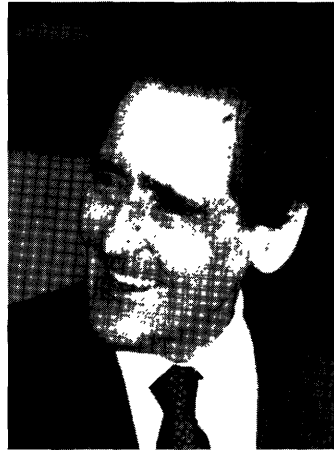
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# Preamble



## Message from the President

*After two thousand years of unremitting internal strife, Western Europe has in the last fifty years enjoyed a period of unbroken peace and progress which is the direct fruit of its efforts to integrate. In recent years, the prospect of becoming drawn into the European integration process has opened out to the whole of the continent and we can now entertain the hope that the wars and unrest still persisting in certain areas will soon be a thing of the past.*

*The European Union stands at the crossroads: on the one hand there are the challenges which the widening and deepening of European integration presents and on the other hand there is the pressing need to maintain close links between growth, competitiveness and employment in order **effectively to create jobs**, to provide satisfactory living standards and a satisfactory quality of life for all of Europe's citizens, to make Europe a safer place and to affirm Europe's role in the world.*

*The Economic and Social Committee has played a part in this process from the outset and emphasized that economic and social progress must go hand-in-hand: that is the secret of the European social model.*

*The consultative role which the Treaties of Rome assigned to the Economic and Social Committee has produced significant results. With the will of the legislator and above all with the support of the trade associations and organizations which provide its membership, **the Committee must and can play an ever increasing role in the dialogue, which must embrace all socio-occupational organizations.***

*This memorandum gives a brief description of the Economic and Social Committee: what it is and seeks to achieve, what it does and how it sees its role in the future.*

*I hope that it will demonstrate to everyone who is interested in the Economic and Social Committee that the Committee is a dynamic body and a vital cog in the Community decision-making process helping to make Europe more transparent for its citizens.*

Carlos FERRER

## 1. The Committee: what it is and seeks to achieve

1.1. The Committee's consultative role enables its members, and hence the organizations they represent, to act as a **source of information and participate in the Community decision-making process**. With opinions occasionally being diametrically opposed, the Committee's discussions often become real negotiations involving not only the traditional social partners (Groups I and II) but also, and this is the distinguishing feature of the ESC, all the other socio-occupational interests represented (Group III). These discussions and negotiations and the search for convergence are bound to improve the quality and credibility of the Community decision-making process, for they make it more comprehensible and **acceptable** for Europe's citizens and increase the **transparency** which is so vital for democracy. In this way the concept of political democracy is complemented by the concept of economic democracy in which the European Union's economic and social players have a say.

1.2. Firmly rooted in society through the social and economic organizations they represent, Committee members make a vital contribution to public awareness and discussion of the development, content and impact of EU legislation, action and initiatives. They thus ensure continuity between the **process of integration** and organized European society.

1.3. In keeping with the EC Treaty Articles constituting its legal basis, the Committee delivers Opinions which in the first place are addressed to the Commission and the Council and which are published in the Official Journal of the European Communities. The Committee is the only institution in which Opinions are drawn up by a **Rapporteur with the assistance of a Study Group** comprising representatives of the three ESC Groups. Discussions with the Study Group aimed at achieving a consensus and the members' specialist knowledge frequently produce detailed and comprehensive Opinions which are adopted unanimously or by a very large majority. This working procedure, which is peculiar to the Committee, greatly helps to promote public awareness of the Community decision-making process.

## 2. The Committee: what it does

2.1. The Committee is directly involved in the setting-up of the **SINGLE MARKET**. It issues Opinions which seek to enhance its impact and remove the final obstacles on the road to this goal, but also serves as a **forum for monitoring** the large internal market and ensuring that it injects dynamism into EU economic and social activity. In fulfilling this monitoring role, the Committee also seeks out the last remaining obstacles itself (a recent survey showed there were still 62).



2.2. The Committee has striven to make a constructive contribution to the establishment of **ECONOMIC AND MONETARY UNION**. EMU will mark the completion of the internal market and allow the EU to occupy its rightful place in the world of finance. The Committee is keeping a close watch on Member States' efforts to attain the convergence criteria laid down at Maastricht.

2.3. The Opinion delivered by the Committee each year on the Commission's **Annual Economic Report** ensures its participation in the drafting of the **Broad guidelines for Member States' and the Community's economic policies**, as laid down in Article 103 of the EC Treaty. The Committee would prefer this instrument of economic policy to be based more on Treaty Article 189, thereby leaving the Commission the right to take the initiative and restoring the obligatory consultation of the European Parliament and the Economic and Social Committee.

2.4. In recent years, these Opinions have provided the economic and social interests represented on the Committee with an ideal opportunity to voice their views on the guidelines governing pay settlements and working time in the Union.

2.5. The close link between the economic and social dimensions of European integration, and the diversity and representativeness of the Committee's members led the Commission, some years ago, to make an exceptional request for an important Opinion on **Community-wide fundamental social rights**. This work contributed to an agreement (in the Maastricht Treaty's Social Protocol) which was approved by only 11 of the 12 member countries at that time and thus lost much of its impact. The Committee has never concealed its firm desire to see this Social Protocol fully incorporated in the body of the Treaty as soon as possible and adopted by all EU countries.

2.6. The untenably high **unemployment** and the worrying phenomenon of **social exclusion** affecting too many of Europe's citizens have attracted the Committee's attention on various occasions. The Committee produced an Own-initiative Opinion and several follow-up Opinions on growth, competitiveness and employment which is the subject of a Commission White Paper. These Opinions specified how employment prospects could be improved for job seekers and especially **young people, women** and the **long-term** unemployed. Particular emphasis was placed on:

- the importance of major European infrastructure projects for creating jobs;
- the advisability of all interested parties rediscovering all the aspects of the labour market (including vocational training and working time) which could help or hinder job creation.

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This was based on the twin concern:

- that the Community should retain the “**social model**” which constituted its cultural wealth;
- that European enterprises should become **competitive** enough to ensure that they obtained that share of the market which was vital for their survival and growth.

2.7. The “**European social model**” is deeply rooted in the conscience of European society. A raft of social legislation counterbalances the market economy and provides a framework for solidarity, especially in favour of the most needy; the constant quest for a better quality of life is an important feature of this model, which depends on all interested parties accepting their responsibilities and engaging in dialogue. The concrete expression of this model within the overall process of integration reveals an extraordinary ability to emerge from successive crises TOGETHER through progress on the social, economic and democratic fronts. The Committee is anxious to perpetuate this European social model, as part of our common heritage.

2.8. At European level, **enterprises must be competitive** if the internal market is to exert its full momentum in terms of economies of scale and competition and if these enterprises are to survive in the world marketplace. This requires tightening up the rules of competition within the Community and applying an international system of fair competition rules. The globalization of markets makes distance irrelevant when it comes to where production is located and decisions are taken. The dangers of moving production outside the Community because of very low wages and much lower social standards must be countered by efforts to improve productivity, product quality, efficiency and management.

2.9. Through its Opinions and contacts with the economic and social interest groups of non-Member countries, the Committee attempts to promote its preferred “model of socio-economic dialogue”.

2.10. A summary of the Committee’s activities in connection with the Community’s different policies and initiatives is provided in Appendix I.

### **3. The ESC’s priorities for the immediate future**

3.1. In one way and another, **EMPLOYMENT** looms large among the concerns of the Sections which prepare papers for the full Committee. The only way to meet these concerns is to maintain a close correlation between growth, competitiveness and employment. Employment is a social, economic, industrial and regional problem. It directly affects transport, the environment,

agriculture, technology and our relations with third countries. Hence the proposal to adopt an interdisciplinary approach for the consideration of these problems, involving a regular summary of the ESC contribution on employment issues and culminating in a 1995 plenary session devoted specially to employment.

3.2. Through its 1995 Own-initiative Opinion programme, the ESC has decided to give priority to **EMPLOYMENT IN THE EU**. The following have been targeted:

- Cyclical and structural aspects of employment;
- Local development in EU regional policy;
- Working hours;
- Youth unemployment;
- Coordination of technological research and development policies;
- Employment implications of new technologies, and especially clean technologies;
- Repercussions of the CAP on jobs and the social situation of farmers and farmworkers in the EU.

3.3. The **Internal Market Forum** is clearly a central focus of the Committee's activities.

#### **4. The ESC's medium-term priorities**

4.1. Under the Treaty, the ESC is the appropriate body for comparing the views of the different socio-economic categories and for constantly seeking the widest possible consensus between its members when preparing Opinions on EU proposals and initiatives before the final decision is taken.

4.2. Thus, the Committee provides a forum for wide-ranging discussions between representatives of the different social and economic interests, which is complementary to the "dialogue between management and labour" which the Commission is called upon to develop under Article 118B of the EEC Treaty.

4.3. If it is true that "management and labour" negotiate in the framework of an autonomy conferred on them by their status and their traditions, which are peculiar to each Member State, the diversity of ESC membership imparts a broader, more general character to its internal debates.

4.4. The ESC prepares the ground for the socio-economic dialogue which can take place at all levels (EU, national, regional or sectoral) on the basis of the principle of subsidiarity.

In this scheme of things, **the ESC is becoming a major catalyst of socio-economic dialogue between socio-economic groups in the European Union.**

4.5. This will be translated into practice, without any doubt, by the ESC's involvement through its consultative role in examining a wide range of Community issues of concern to ordinary individuals in Europe. **The problem of employment will be at the top of the agenda for a long time.**

4.6. In the meantime, the Committee is actively seeking to define its role in the context of social transformation and the involvement of the organizations it represents in this process. Its objective remains the same, namely to consider the future of the **European social model** and plan strategies which are as close as possible to the EU's citizens and their concerns. This will inevitably be a dynamic process, focussing both on the fundamental changes taking place within European society and on new forms of organization for particular interests (women, pensioners, the socially excluded, but also the environment, etc.).

## **5. The ESC and the 1996 Intergovernmental Conference**

5.1. The ESC is pleased at its good relations with the EU institutions. With respect to the Commission and Council its consultation function has developed more than satisfactorily. Promising cooperation links are developing with the European Parliament. The ESC has welcomed the Committee of the Regions, whose establishment under the Maastricht Treaty it greets. In accordance with Protocol 16 of this Treaty the ESC has placed all its organizational structure at the disposal of the COR, but it appears that such an arrangement does not satisfy either the COR or the ESC and it would therefore be better to reconsider it.

5.2. Finally, to consolidate its consultative function and its role in preparation of the dialogue between social and economic representatives, the ESC is developing a number of initiatives in the light of economic and social realities at the dawn of the XXIst century; it is endeavouring to involve all the economic and social interest groups of the Member States in this process, particularly through existing national and regional Economic and Social Committees.



# **PRINCIPAL AREAS OF ACTIVITY OF THE ECONOMIC AND SOCIAL COMMITTEE**

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## APPENDIX I



# ECONOMIC, FINANCIAL AND MONETARY QUESTIONS

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The introduction of a **single currency** will necessitate great vigilance on the part of the economic and social interest groups in view of the costs, deadlines and practical, not to say psychological, problems involved.

**Fiscal policy** complements budgetary and other national policies. The ESC pays particular attention to indirect taxation. In the case of VAT, the Committee is awaiting proposals on the final arrangements.

Examination of the **Annual Economic Report** enables the Committee to keep abreast of action taken by the Member States to meet the Maastricht convergence criteria.

The “**Broad guidelines of the economic policies of the Member States and of the Community**” derive from recommendations made by the Council on the basis of proposals from the European Council and ... the Commission. The Committee can make its views known by means of Opinions on the Annual Economic Report, but this is an unsatisfactory procedure. The Commission should enjoy the “traditional” right of initiative in this context and be required to consult the European Parliament and the Economic and Social Committee.

The gradual establishment of **ECONOMIC AND MONETARY UNION** will entail the transfer of certain decision-making responsibilities from the national to the Community authorities. Notwithstanding all the efforts aimed at ensuring subsidiarity, national governments will lose some of their sovereignty in a good many areas of economic policy. Traditionally, national policy is conducted by governments acting on the basis of “complete sovereignty” in subtle complicity with their national parliaments and the **social partners**.

In so far as the latter will lose their powers to the Community, they and the “dynamic economic forces” represented in the Economic and Social Committee must be allowed to play a part in the Community decision-making process.

This means that the work of the ECOFIN Section, which prepares Opinions on texts (Annual Economic Report) that form the basis for the definition of the “Broad Guidelines”, will become increasingly important. In this connection, the Committee is closely monitoring the application of the procedure provided for by Article 103 of the EC Treaty, hoping that its lack of transparency and undemocratic character will be eliminated at the time of the institutional revision of the Treaties in 1996.



# SOCIAL AFFAIRS

In supporting the **White Paper on European Social Policy**, the ECOSOC has emphasized the backlog of European-wide basic social rights not yet achieved. This emphasis is the heart of a number of Opinions approved by the Committee in recent times and includes the following issues: the right of association and of collective bargaining; the right of job seekers to public placement services free of charge; parental leave and leave for family reasons; modifying the burden of proof in the area of equal treatment for women and men; the prohibition of discrimination against workers who uphold their rights or refuse to perform unlawful tasks; free movement and the transfer of occupational pension schemes.

The Committee has also urged that the World Trade Organization's priorities should include a "**social clause**" referring to established ILO conventions concerning the prohibition of forced labour, freedom of association and the right to free collective bargaining, minimum working age and abolition of child labour, equality of opportunity and treatment.

The Committee maintains that social and economic activity are interdependent, that fundamental social rights and wealth creation go hand-in-hand; each is an equal source and guarantee of the other. This remains the basis for the Committee's support for the White Paper on Growth, Competitiveness and Employment. Attempted structural labour market reforms may prove fruitless if the broad guidelines of economic policy (Article 103 of the Treaty) do not single out growth, jobs and competitiveness as the EU macroeconomic priorities.

The Committee has likewise stressed that employment growth and labour market restructuring require "**active**" **training measures** and employment subsidies with the view to update and enhance skills and qualifications. Joint effort by management and the workforce should be stepped up in this context. The social dialogue, set against a stable and credible macroeconomic background, could also help to induce real wages increases at a lower rate than productivity, creating extra resources for job investment.

The Committee has submitted that it is both commendable and cost-effective to improve preventive occupational health and safety standards at the workplace, an area where consensus is normally achieved and where the particular expertise of the Committee is widely appreciated. The Committee is still awaiting a response from the EU authorities to its proposals on occupational health and safety training.

# COMMON AGRICULTURAL POLICY

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Through its Opinions, the Committee has kept abreast of the difficult transition towards **reform of the Common Agricultural Policy**, which it has long desired. In the Committee's view, this reform should make it possible to adapt the CAP to the increasingly important world economic and political role that Europe is called upon to play.

The Committee endorses the reasons for and objectives of the reform. At the same time, in the light of the principles laid down in the EC Treaty, it recommends that the CAP concentrate on the following indispensable **objectives which, in its view, continue to be valid:**

- guaranteeing farmers' incomes on the basis of EU **self-sufficiency**, both as regards foodstuffs production and the harmonious development of rural areas in which agriculture is crucial to economic and social stability;
- a geographical distribution of structural aid for agriculture which takes account of the **diversity of agricultural activity** - different types of production unit - through an effective regional structural programme designed to reduce marked income differentials;
- the fixing of farm prices which allow for the need to distinguish high-**quality** from poorer-quality products, on the one hand, and to **discourage over-production**, on the other;
- the revision of **environmental** and **fiscal** policies as part of the ongoing attempt to achieve **complementarity** with the instruments used to attain the CAP objectives;
- the protection of **employment** among agricultural producers and their families and employees by means of a legal support mechanism allowing the adoption of efficient social welfare measures.

# RESEARCH, ENERGY AND NUCLEAR QUESTIONS

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In the area of research, the recent approval of the fourth RTD framework programme for 1995-1999 has mapped out the main medium-term direction of Community policy. In this regard, those aspects which should be highlighted are improved coordination between Community and national policies in the field, the contribution made by RTD to the quality of life and job creation and, in particular, its contribution to the competitiveness of the economy of the EU. The Committee considers that this policy should be a key part of the EU's political and economic relations with third countries.

Regarding **energy**, the European Union is faced with the important task of defining the scope and form of a possible common energy policy. The Committee has recently expressed its view on the need to extend the internal market to the energy sector and move forward in building an energy policy which is coordinated at Community level and has its basis in the balance between security of supply, the application of the principle of unrestricted competition and the protection of public service obligations. A fair compromise must also be reached between all these factors and environmental protection. This policy must be defined to take advantage of the possibilities of EU-wide application, while at the same time fully respecting Member States' freedom to choose how to make use of their primary energy resources. It is also necessary to a) study in greater depth the sectoral protocols which round off the European Energy Charter and b) evaluate the case for developing a similar agreement within the framework of the Euro-Mediterranean dialogue.

In the field of **nuclear power**, the Committee considers that opening a debate on what its role will be in the EU of the future is a priority. A suitable time to start the discussion is the Commission's presentation of its Illustrative Nuclear Programme for the Community for 1995-1999.

# ENVIRONMENT, PUBLIC HEALTH AND CONSUMER AFFAIRS

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The ECOSOC has actively contributed to the preparation of the **Community Programme of policy and action in relation to the environment and sustainable development**, and is closely monitoring its implementation; at present, the Committee is in the process of reviewing the progress of this programme from the point of view of the socio-economic groupings it represents.

The Economic and Social Committee is following with great interest all experience in the Member States and outside the European Union involving representatives of the economic and social interest groups in the effort to provide less environmentally harmful products and reduce the environmental burden.

For example, it has recommended that the procedure for the award of a **Community Ecolabel** should be as transparent and unbureaucratic as possible, and that the responsibility for major decisions should lie with the economic and social interest groups. At present, the establishment of the criteria for the Ecolabel is being discussed in the **Ecolabel Forum** at ECOSOC headquarters with the assistance of its Secretariat.

Great support was also given to the initiative on the ECOAUDIT SCHEME, as a supplementary, voluntary environmental protection tool.

The proposal on “packaging waste”, a key link in the interface between environmental protection policy and the completion of the internal market, allowed active participation by the parties concerned. On this subject, the Committee has striven to make an effective contribution by assembling the fullest possible information and holding direct consultations to ascertain the views of all parties involved. The usefulness of this approach can be evaluated examining the final result of the conciliation procedure between Council and Parliament, after a long and difficult debate: many points of the final decision correspond to the compromise that had been worked out in the debate at the Economic and Social Committee.

In its Opinion, the ECOSOC noted with satisfaction the recent Council Resolution on **industrial competitiveness and environmental protection**, and in particular the Council’s invitation to “give greater emphasis to the development of environmental technologies including cleaner technologies”. It added that technological innovation to improve the environment can bolster competitiveness and development, thus also boosting employment. It also stressed that, in facing a period of economic difficulty, recovery cannot be divorced from sustainable development - indeed such development can encourage it.

The ECOSOC has contributed to the debate on the recent communication on "growth and environment" by discussing in depth the relationship between **employment, growth and environmental protection**.

The Committee feels that there is substantial evidence to suggest that, of the wide range of market-based instruments available, environmental taxes and charges will prove to be effective, in a large number of cases, in achieving significant pollution-abatement levels and reduced consumption of resources. However, there is also reason to believe that other market-based instruments (deposit-refund systems, tradable permits, tax and financial incentives) will be particularly effective in attaining certain specific objectives of environmental policy. The Committee is aware that the transition towards sustainable development **will not be automatic**, and would emphasize the need for a **coherent, long-term policy strategy**.

In the field of **public health**, the Committee welcomed the consolidation of the legal basis for Community action enshrined in the Maastricht Treaty, which extends the protection offered to European citizens. The ECOSOC has always underlined the importance of public health in terms of both economic and social repercussions and its possible positive or negative impact in generating solidarity in Europe and in developing European citizenship. For this reason, in the Opinion on the Communication on the framework for action in the field of public health, it advocated an interpretation of Article 129 based on a horizontal, interdisciplinary approach, involving cooperation between the different policies.

Finally, in a recent proposal for an Own-initiative Opinion, the Committee underlined the need to examine the problem of drug prices and the different reimbursement systems in Member States' health and social security schemes, with a view to ensuring "equal treatment" of European citizens.

The Committee welcomed the insertion of the chapter on **consumer policy** in the Maastricht Treaty and concentrated its work on different aspects of the relationship between the implementation of the internal market and the guarantee of a high level of consumer protection.

The Committee believes that, when carrying out the measures provided for under Article 129a, the Community must give priority to establishing the conditions which will enable consumers most effectively to fulfil their role as market arbiters. Consumer policy is to be regarded as an accompaniment to economic policy since it provides mechanisms to correct the possible inadequacies, imbalances and shortcomings of the market.

# **INDUSTRY, INTERNAL MARKET, SMALL AND MEDIUM-SIZED ENTERPRISES**

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## **Internal Market Forum**

Last year, in acknowledgement of its unique ability to represent the views of principal strands of economic and social activity, the ESC accepted an invitation from the European Parliament and the European Commission, to set up a forum to monitor the functioning in practice of the Internal Market. The results were impressive. Through responses to questionnaires from all Member States and a subsequent hearing, the Committee identified a list of 62 significant obstacles which still inhibited the free movement of goods, services, people and capital throughout the Union. As a result, it made a series of practical recommendations on how these and other remaining obstacles can be overcome.

This year the Committee plans to intensify the work of the Internal Market Forum. Building on the results of last year's initial examination, it will complete a series of internal market reports based on hearings throughout the Member States of the Union which will culminate in a comprehensive submission to the Commission in the Spring of 1996.

## **The Information Society - An Action Plan**

The Committee has drawn up an initial Opinion on an action plan for the Information Society which offers such exciting potential for economic development and job creation but involves considerable change for everyone. It recommends how the transition to the Information Society can be eased, issues which require closest study, the development of local pilot projects and the creation of new areas of potential demand, so as to best serve the interests of all segments of society.

## **Small and Medium-Sized Enterprises**

The SME sector in modern society is recognized as a vital element in the development of a more competitive industrial structure, and in the creation of more jobs. In recent months the Committee has completed important Opinions on an integrated programme for the development of SME's, on the financial problems which they face, and on improving their fiscal environment. It has made a large number of practical recommendations for action.

# STRUCTURAL POLICIES - REGIONAL POLICIES

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The Economic and Social Committee has delivered detailed Opinions on the reform of the Structural Funds, the setting-up of the Cohesion Fund, and the Community initiatives.

The Committee has always supported the involvement of the socio-economic partners in the implementation of regional policy and welcomes the Council's recognition of this principle. This is such a key concern of the Committee that it has devoted a two-part Own-initiative Opinion to it, on the role of (i) the socio-economic partners and (ii) the public authorities in the implementation of the partnership arrangements.

**Spatial planning** has come increasingly to the fore in the 1990s, as is clear from the recent "**Europe 2000+**" paper which will give the Committee its third opportunity to issue an Opinion on the subject. The purpose of the work is to devise a policy which spans rural development (supplementing the CAP), the reshaping of urban areas, the upgrading of the main communication arteries - thereby opening up the disadvantaged regions and decongesting overdeveloped areas - and environmental protection.

The Committee has noted on several occasions that **tourism** is one of the few sectors currently generating new employment (with a workforce of almost 10 million), and that it is also one of the few sectors in a position to double its income - currently put at 6% of aggregate Community GDP - over the next ten years. The Committee endorses the view of the sector's operators that tourism should now be given a European framework and a place in the Treaty of Rome. While the development of tourism is largely a matter for the private sector at national or even regional level, the fact remains that its economic importance obliges the Community to establish conditions in which it can flourish.

# TRANSPORT AND COMMUNICATIONS

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In the recent past, issues relating to **road transport** have been tackled in a number of documents. They include in particular: Transport 2000+; the Green Paper on transport and the environment; the White Paper on the common transport policy; and the Report of the Committee of Wise Men on road haulage.

In its Opinion on the White Paper on the common transport policy, which covers all modes of transport, the Committee called for the application of the following instruments: pricing policy; grants to improve availability; transport management using information technology; specific infrastructure measures.

With regard to transport by road, future work will have to be concentrated on infrastructure costs (evaluation of external costs), road safety, social aspects (driving time, rest periods) and relations between the European Union and third countries, the aim being to achieve adequate harmonization of the terms of competition between the interested parties.

The Committee broadly endorsed the liberalization of **air transport** aimed at abolishing restrictions on new entrants into the European market and dismantling most of the price and capacity control mechanisms, whilst preserving instruments for combatting unfair competition.

In particular, it urges the Commission and Member States to mount a resolute attack on problems arising from inadequate airport capacity and traffic management systems. Problems to be taken into account in the near future include traffic control and management, satellite navigation, state aids, relations with third countries, flight times for crews and groundhandling services.

Directive 91/440/EEC on the development of **the Community's railways** was followed by proposals for directives on licenses and the distribution of rail infrastructure capacity which aim to put in place a general framework for a uniform, non-discriminatory Community system of access to infrastructure and the collection of dues so that rail undertakings and their clients can fully benefit from the possibilities of the internal market in this sector.

Following the adoption in the 1980s of several Regulations aimed at establishing a framework for **sea transport**, Community work in this area has focused on the attempt to introduce positive measures to halt the decline in sea transport and improve safety. The establishment of a Community EUROS register might make EU sea transport much more competitive and would also answer a wish expressed by the Committee. Work on adopting EUROS should therefore be resumed with all urgency.



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The Committee has given its firm support to the action programme on safety in sea transport presented by the Commission.

The Committee contributed to the Community's work on **trans-European transport networks** by issuing an Opinion in which it stressed that the main task in developing a master plan for a multimodal trans-European network was to establish the criteria and individual measures for interoperability between the various modes at Community level.

# EXTERNAL RELATIONS

The Committee, which has long concerned itself with the Community's relations with the countries of Central and Eastern Europe, broadly welcomed the Association Agreements and Union accession option. It unreservedly endorsed the commitment of the contracting parties to political and economic freedom and stressed that it was unthinkable to consider an economic area which was not at the same time a social area. It also called for socio-economic interest groups to be involved in structured dialogue, with action being taken to set up consultative committees. The Committee will pay particular attention to these countries in the context of pre-accession strategy.

Whilst welcoming the conclusion of the partnership agreements with Russia, the Ukraine and Belarus, the Committee felt that the principles of social justice should be more firmly embedded in the accords and that socio-economic interests should be more involved in cooperation with these countries.

The Community's Mediterranean policy has been one of the Committee's main concerns for several years. Confident of its expertise in this area, the Committee will shortly make known its views and formulate certain recommendations aimed at strengthening this policy and the creation of a Euro-Mediterranean partnership.

Being aware of the importance of trans-Atlantic relations, the Committee initiated work on EU-US relations and established valuable contacts with American economic and social interest groups.

The Committee also called for greater dialogue with the countries of Latin America and, in this context, is continuing its work on links with Mercosur. In addition, it intends to examine the question of the EU's relations with ASEAN in the context of the Union's new Asia policy, and relations between the EU and South Africa.

Furthermore, in addition to its regular, established contacts with economic and social interests in the ACP states, EFTA and the Arab Maghreb Union, the Committee laid the foundations for dialogue with its Turkish counterpart.

As regards international trade, the Committee considered that the Uruguay Round Agreements represented a balanced, satisfactory result, provided that the parties involved fulfilled all their obligations. The Committee also thought that the World Trade Organization should take steps to resolve new problems - environment, social clause, investment and competition - without delay.



# **Bibliography**

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## APPENDIX II



# Summary of the principal Opinions adopted in recent years

## Economic, financial and monetary questions

Opinion on the **1995 Annual Economic Report**

CES 321/95                      March 1995                      OJ C ...

(Own-initiative) Opinion on **Monetary Policy**

CES 1029/94                      September 1994                      OJ C 393 (31.12.94)

(Own-initiative) Opinion on the **Economic and financial aspects of the White Paper on Growth, Competitiveness, Employment - the Challenges and Ways Forward into the 21st Century (\*)**

CES 750/94                      June 1994                      OJ C 295 (22.10.94)

(Own-initiative) Opinion on the Commission **White Paper on Removing the Legal Obstacles to the use of the ECU**

CES 236/94                      February 1994                      OJ C 133 (16.5.94)

(Own-initiative) Opinion on **The analysis of policies to be pursued in the Community during the transitional stage of EMU**

CES 1165/93                      November 1993                      OJ C 34 (2.2.94)

## Social affairs

Opinion on the Commission **White Paper on European Social Policy - A Way Forward for the Union**

CES 1307/94                      November 1994                      OJ C 397 (31.12.94)

(Own-initiative) Opinion on the **Social Aspects of the White Paper on Growth, Competitiveness, Employment - the Challenges and Ways Forward into the 21st Century (\*)**

CES 752/94                      June 1994                      OJ C 295 (22.10.94)

Opinion on the Third report from the Commission to the Council, the European Parliament and the Economic and Social Committee on the **application of the Community Charter of the fundamental social rights of workers**

CES 754/94                      June 1994                      OJ C 295 (22.10.94)

Opinion on the **Green Paper on European Social Policy: Options for the Union** (Communication by Mr Flynn)

CES 387/94                      March 1994                      OJ C 148 (30.5.94)

Opinion on the Second Report from the Commission to the Council, the European Parliament and the Economic and Social Committee on the **application of the Community Charter of the Fundamental Social Rights of Workers**

CES 1032/93                      October 1993                      OJ C 352 (30.12.93)

Opinion on the **First Report on the Application of the Community Charter of the Fundamental Social Rights of Workers**

CES 811/92                      July 1992                      OJ C 287 (4.11.92)

Opinion on **Basic Community Social Rights**

CES 270/89                      February 1989                      OJ C 126 (23.5.89)

**Common agricultural policy**

Opinion on the **Commission proposals on the prices for agricultural products and on related measures (1995-1995)**

CES 412/95                      April 1995                      OJ C .....

(Own-initiative) Opinion on the **Contract between Agriculture and Society**

CES 1014/94                      September 1994                      OJ C 393 (31.12.94)

(Own-initiative) Opinion on **Young farmers and the problem of succession in agriculture**

CES 573/94                      April 1994                      OJ C 195 (18.7.94)

**Research, energy and nuclear questions**

(Own-initiative) Opinion on **Community Energy Policy**

CES 1016/94                      September 1994                      OJ C 393 (31.12.94)

Opinion on the **Communication from the Commission to the Council, the European Parliament and the Economic and Social Committee on energy and economic and social cohesion**

CES 1020/94                      September 1994                      OJ C 393 (31.12.94)

Opinion on the **Proposals for Council Decisions concerning the specific programmes for implementing the fourth European Community framework programme for research, technological development and demonstration activities (1994-1998) and the Proposals for Council Decisions concerning the specific programmes for implementing the European Community framework programme for Community research and training activities for the European Atomic Energy Community (1994-1998)**

CES 1019/94                      September 1994                      OJ C 393 (31.12.94)

**Environment, public health and consumer affairs**

Opinion on **Economic Growth and the Environment: Some implications for economic policymaking**

CES 405/95                      April 1995                      OJ C ....

Opinion on the **Commission Communication on the framework for action in the field of public health**

CES 848/94                      July 1994                      OJ C 388 (31.12.94)

Opinion on the **Green Paper on access of consumers to justice and the settlement of consumer disputes in the Single Market**

CES 742/94                      June 1994                      OJ C 295 (22.10.94)

Opinion on the **Communication from the Commission** to the Council and Parliament and the Economic and Social Committee: **Green Paper on Remedying Environmental Damage**

CES 226/94                      February 1994                      OJ C 133 (16.5.94)

Opinion on the **Proposal for a Council Directive on packaging and packaging waste**

CES 345/93                      March 1993                      OJ C 129 (10.5.93)

Opinion on the **Proposal for a Resolution** of the Council of the European Communities on a **Community programme of policy and action in relation to the environment and sustainable development**

CES 808/92                      July 1992                      OJ C 287 (4.11.92)

#### **Industry, internal market, small and medium-sized enterprises**

Opinion on the **Communication from the Commission** to the Council and the European Parliament and to the Economic and Social Committee: **Europe's Way to the Information Society. An Action Plan**

CES 193/95                      February 1995                      OJ C 110 (2.05.94)

Opinion on the **Commission's Communication** to the Council and the European Parliament on the **improvement of the fiscal environment of small and medium-sized enterprises**

CES 1403/94                      December 1994                      OJ C 397 (31.12.94)

Opinion on the **Communication from the Commission - Integrated Programme in favour of SMEs and the Craft Sector**

CES 1030/94                      September 1994                      OJ C 393 (31.12.94)

Opinion on the **Communication from the Commission** on **the financial problems experienced by small and medium-sized enterprises**

CES 850/94                      July 1994                      OJ C 388 (31.12.94)

(Own-initiative) Opinion on the **Industrial aspects of the Commission's White Paper entitled "Growth, Competitiveness, Employment: the Challenges and Ways Forward into the 21st Century" (\*)**

CES 751/94                      June 1994                      OJ C 295 (22.10.94)



Opinion on the **Communication from the Commission** to the Council and the European Parliament: **Reinforcing the effectiveness of the Internal Market**  
CES 890/93                      September 1993                      OJ C 304 (10.11.93)

#### **Structural policies - Regional policies**

(Own-initiative) Opinion on **Spatial planning and inter-regional cooperation in the Mediterranean area**

CES 320/95                      March 1995                      OJ C ...

Opinion on **Europe 2000+ - Cooperation for European territorial development**

CES 313/95                      March 1995                      OJ C ...

(Own-initiative) Opinion on **Tourism**

CES 1021/94                      September 1994                      OJ C 393 (31.12.94)

Opinion on the **Proposal for a Council Regulation (EC) establishing a Cohesion Fund**

CES 237/94                      February 1994                      OJ C 133 (16.5.94)

(Own-initiative) Opinion on the **Involvement of the social partners in Community Regional Policy**

CES 104/94                      January 1994                      OJ C 127 (7.5.94)

Opinion on the Green Paper on **The Future of Community Initiatives under the Structural Funds**

CES 894/93                      September 1993                      OJ C 304 (10.11.93)

Opinion on the **Amendment of the Structural Fund Regulations** (Framework Regulation, Coordinating Regulation, and ERDF, ESF, EAGGF-Guidance and FIFG Regulations)

CES 601/93                      May 1993                      OJ C 201 (26.7.93)

#### **Transport and communications**

Opinion on the **Communication from the Commission on The way forward for Civil Aviation in Europe**

CES 190/95                      February 1995                      OJ C 110 (2.05.95)

Opinion on the **Proposal for a European Parliament and Council Decision on Community guidelines for the development of the trans-European transport network**

CES 1305/94                      November 1994                      OJ C 397 (31.12.94)

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Opinion on ***Towards the personal communications environment: Green Paper on a common approach in the field of mobile and personal communications in the European Union***

CES 1007/94            September 1994            OJ C 393 (31.12.94)

Opinion on the ***Communication from the Commission on A common policy on safe seas***

CES 1170/93            November 1993            OJ C 34 (2.2.94)

Opinion on the ***Commission Communication on the Future Development of the Common Transport Policy (CTP)***

CES 1006/93            October 1993            OJ C 352 (30.12.93)

#### **External relations**

(Own-initiative) Opinion on the ***World Summit on Social Development***

CES 194/95            February 1995            OJ C 110 (2.05.95)

(Own-initiative) Opinion on the ***Relations between the European Union and Russia, Ukraine and Belarus***

CES 55/95            January 1995            OJ C 102 (24.04.95)

(Own-initiative) Opinion on the ***Regional Structure of World Trade***

CES 1027/94            September 1994            OJ C 393 (31.12.94)

(Additional) Opinion on ***The Effects of the Uruguay Round Agreements***

CES 1028/94            September 1994            OJ C 393 (31.12.94)

(Own-initiative) Opinion on ***The European Union's Relations with Latin America***

CES 102/94            January 1994            OJ C 127 (7.5.94)

(Own-initiative) Opinion on ***Relations between the European Union and Turkey***

CES 1314/93            December 1993            OJ C 52 (19.2.94)

(Own-initiative) Opinion on the ***Lomé IV Convention - Mid-term review***

CES 1017/93            October 1993            OJ C 352 (30.12.93)

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(\*) The three Opinions on the White Paper on Growth, Competitiveness, Employment were accompanied by a **Resolution** which the Economic and Social Committee adopted on 1 June 1994.

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