

EUROPEAN COMMUNITIES

BULLETIN

8

ECONOMIC AND
S O C I A L
C O M M I T T E E



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Chair

President: Carlos FERRER
(Spain - Employers)

Vice-Presidents: Bent NIELSEN
(Denmark - Workers)

André LAUR
(France - Various Interests)

Secretary-General: Simon-Pierre NOTHOMB
(Belgium)

Origins

The Committee was established by the 1957 Rome Treaties in order to involve the various economic and social interest groups in the establishment of the common market and to provide the institutional machinery for briefing the Commission and the Council on all matters relating to the Community.

The Single European Act (1986) and the Maastricht Treaty (1992) reinforced the ESC's role.

Membership

The Committee has 222 members (195 men, 27 women) representing economic and social interest groups in Europe. Members are nominated by national governments and appointed by the Council of the European Union for a renewable 4-year term of office. They belong to one of three Groups: Employers (Group I - President: Manuel Eugénio CAVALEIRO BRANDÃO - Portugal), Workers (Group II - President: Tom JENKINS - United Kingdom), Various Interests (Group III - President: Beatrice RANGONI MACHIAVELLI - Italy). Germany, France, Italy and the United Kingdom have 24 members each, Spain has 21, Belgium, Greece, the Netherlands, Portugal, Austria and Sweden 12, Denmark, Ireland and Finland 9 and Luxembourg 6.

The Members' Mandate

The ESC members' main task is to issue Opinions on matters referred to the Committee by the Commission and the Council.

It should be noted that the ESC is the only body of its type which advises the EU Council of Ministers directly.

Advisory Role

Consultation of the Committee by the Commission or the Council is mandatory in certain cases; in others it is optional. The Committee may, however, also adopt Opinions on its own initiative. Both the Single Act (17.2.86) and the Maastricht Treaty (7.2.92) extended the range of issues which must be referred to the Committee, in particular the new policies (regional and environmental policy). On average the ESC delivers 180 Opinions a year (of which 10% are Own-initiative Opinions). All Opinions are forwarded to the Community's decision-making bodies and then published in the EC's Official Journal.

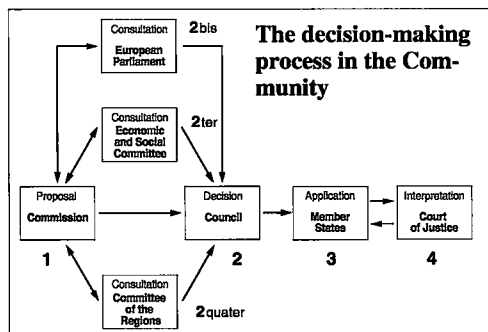
Information and Integration Role

Over the last few years the ESC has stepped up its role in the European Union and has transcended the straightforward duties flowing from the Treaties. Providing a forum for the Single Market, the ESC has, in conjunction with other Community Institutions, organized a number of events designed to improve links between the general public in Europe and the European Institutions.

Internal organization

1. Presidency and Bureau

Every two years the Committee elects a Bureau made up of 36 members (12 per Group), and a President and two Vice-Presidents chosen from each of the three Groups in rotation.



The President is responsible for the orderly conduct of the Committee's business. He is assisted in the discharge of his duties by the Vice-Presidents who deputize for him in the event of his absence.

The President represents the Committee in relations with outside bodies.

Joint briefs: relations with EFTA, CEEC, AMU, ACP countries, Latin America and other third countries fall within the remit of the Committee Bureau and President.

The Bureau's main task is to organize and coordinate the work of the Committee's various bodies and to lay down the political guidelines for this work.

2. Sections

The Committee has nine Sections:

- Economic, Financial and Monetary Questions - secretariat tel. 546.94.71 (President: Jean Pardon - Group I - Belgium)
- External Relations, Trade and Development Policy - secretariat tel. 546.93.16 (President: Roger Briesch - Group II - France)
- Social, Family, Educational and Cultural Affairs - secretariat tel. 546.93.02 (President: John F. Carroll - Group II - Ireland)
- Protection of the Environment, Public Health and Consumer Affairs - secretariat tel. 546.92.27 (President: Manuel Ataíde Ferreira - Group III - Portugal)
- Agriculture and Fisheries - secretariat tel. 546.93.96 (President: Pere Margalef Masià - Group III - Spain)
- Regional Development and Town and Country Planning - secretariat tel. 546.92.57 (President: Robert Moreland - Group III - United Kingdom)
- Industry, Commerce, Crafts and Services - secretariat tel. 546.93.85 (President: Liam Connellan - Group I - Ireland)
- Transport and Communications - secretariat tel. 546.93.53 (President: René Bleser - Group II - Luxembourg)
- Energy, Nuclear Questions and Research - secretariat tel. 546.97.94 (President: José Ignacio Gafo Fernández - Group I - Spain)

3. Study Groups

Section Opinions are drafted by Study Groups comprising an average of 12 members, including a Rapporteur, who may be assisted by experts (usually four with a maximum of six).

4. Sub-Committees

Where appropriate, the Committee can set up a temporary sub-committee, which operates on the same lines as Sections.

5. Plenary Session

The Committee meets in Plenary Session as a rule ten times a year. At the Plenary Sessions, Opinions are adopted on the basis of Section Opinions by a simple

majority. They are forwarded to the institutions and published in the Official Journal of the European Communities.

6. Relations with economic and social councils

The ESC maintains regular links with regional and national economic and social councils throughout the European Union. These links mainly involve exchanges of information and joint discussions every year on specific issues.

Moreover, the ESC maintains similar contacts worldwide with other economic and social councils in the "International Meetings" held every two years.

7. Relations with economic and social interest groups in third countries

The Committee has links with economic and social interest groups in a number of non-member countries and groups of countries, including Mediterranean countries, the ACP countries, Central and Eastern Europe, Latin America and EFTA. For this purpose the Committee sets up 15-30 man delegations headed by the President. For links with the countries of Central and Eastern Europe, some meetings will be institutionalized under the European Agreements.

Meetings

The average number of meetings held each year is as follows:

Plenary Sessions	10
Sections	70
Study Groups	350
Group meetings	85
Meetings of sub-groups recognized by the three Groups	160
Miscellaneous	370
Visitors' groups (approx. 8,000 visitors)	200
TOTAL	1,245

Publications

The ESC regularly distributes a number of publications free of charge (Order in writing by mail or fax - 546.98.22) inter alia its main Opinions in brochure format and a monthly newsletter.

Secretariat-General

The Committee is serviced by a Secretariat-General, headed by a Secretary-General, reporting to the Chairman representing the Bureau.

The number of officials (including temporary and auxiliary staff) is as follows:

Category A (Administrators)	59 (48 men, 11 women)
Category B (administrative assistants)	65 (25 men, 40 women)
Category C (secretarial and clerical staff)	237 (59 men, 178 women)
Category D (skilled employees)	48 (36 men, 12 women)
Language Service	121 (67 men, 54 women)

Total: 530 (235 men, 295 women), more than a third of whom are involved in language work, given the need to operate in the Community's 11 official languages. However, as of 1 January 1995, the Economic and Social Committee and the Committee of the Regions will share a common core of services, drawing the bulk of their manpower from the ESC's secretariat.

1995 Budget

The 1995 Budget appropriations total ECU 83,900,000, of which ECU 57,800,000 have been earmarked for the joint services which the ESC shares with the Committee of the Regions.

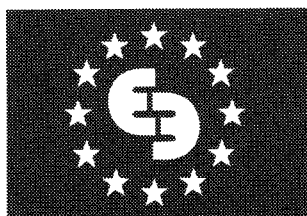
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8

ECONOMIC AND
S O C I A L
C O M M I T T E E



This Bulletin reports on the activities of the Economic and Social Committee, a consultative body of the European Communities. It is published by the ESC's General Secretariat (2, rue Ravenstein, B-1000 Brussels) in the official Community languages (10 editions per annum)

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On-line Database of Economic and Social Committee Opinions

The Economic and Social Committee (ESC) has recently launched a database containing the full text of the Committee's opinions and bulletins. The database contains opinions, in all working languages, since January 1995. The ESC bulletin is available in English and French. The database may be searched using the CCL, a menu system and "Watch ECHO". It is planned to diffuse key documents on the World Wide Web :

<http://www.echo.lu/ces/ceshome.html>

The ESC database will be available free of charge.

I. 339th PLENARY SESSION, 30 AND 31 OCTOBER 1996

The 339th plenary session of the Economic and Social Committee of the European Communities was held in Brussels. The main feature of this session was the renewal of the Committee for its 1996-1998 term.

President and Vice-Presidents

The first action taken was the election of the president and the two vice-presidents of the Committee for a two-year term in accordance with the rules of procedure. Tom Jenkins (UK, Workers) was elected by 110 votes to 17 with 3 abstentions. The two vice-presidents are Johannes Jaschick (Germany, Various Interests) and Giacomo Regaldo (Italy, Employers)

Committee Bureau

As specified by the rules of procedure, the following 36 members were elected for the two-year term.

Paulo Jorge Andrade (Portugal - Group I)
Dame Jocelyn Barrow (UK - Group III)
Bernard de Bigault du Granrut (France - Group III)
Wolfgang Burkhard (Austria - Group I)
Giacomina Cassina (Italy - Group II)
Daniel De Norre (Belgium - Group I)
Roy Donovan (Ireland - Group I)
Christos Folias (Greece - Group I)
Michael Geuenich (Germany - Group II)
Filip Hamro-Drotz (Finland - Group I)
Seppo Ilmari Kallio (Finland - Group III)
Christoforos Koryfidis (Greece - Group II)
Colin Lustenhouwer (Netherlands - Group III)
Eugène Muller (Luxembourg - Group III)
Bent Nielsen (Denmark - Group II)
Staffan Mats Nilsson (Sweden - Group III)
Philip Noordwal (Netherlands - Group I)
Erland Olausson (Sweden - Group II)
Angel Panero Florez (Spain - Group I)
Etienne de Paul de Barchifontaine (Belgium - Group III)
Jacques Pe (France - Group II)
Robert Pelletier (France - Group I)
Jens Peter Petersen (Germany - Group I)
Antonello Pezzini (Italy - Group III)
Josly Piette (Belgium - Group II)
Leopoldo Quevedo Rojo (Spain - Group III)
Martti Olavi Reuna (Finland - Group II)
Victor Hugo Sequeira (Portugal - Group II)
Anne-Marie Sigmund (Austria - Group III)
Georgios Sklavounos (Greece - Group III)
Heinz Vogler (Austria - Group II)
Kenneth Walker (UK - Group I)
José María Zufiaur Narvaiza (Spain - Group II)

Group presidents and vice-presidents

The Committee's three groups (Employers, Workers and Various Interests) elected their respective presidents and vice-presidents as follows:

Group I

President: Manuel Eugénio Cavaleiro Brandão (Portugal)
Vice-presidents: Bernard Boussat (France)
Werner Löw (Germany)
Jorge Stecher Navarra (Spain)
Aina Margareta Regnell (Sweden)
Francis J. Whitworth (United Kingdom)

Group II

President: Roger Briesch (France)
Vice-presidents: Michael Geuenich (Germany)
Ettore Masucci (Italy)

Group III

President: Beatrice Rangoni Machiavelli (Italy)
Vice-presidents: Francisco Ceballo Herrero (Spain)
Eugène Müller (Luxembourg)

Section presidents and vice-presidents

Following the plenary session the nine sections met to elect their bureau members, as follows:

Economic, Financial and Monetary Questions

President: Göke Frerichs (Germany - Group I)
Vice-presidents: Gianpaolo Pellarini (Italy - Group II)
Bernardus Pompen (Netherlands - Group III)

External Relations, Trade and Development Policy

President: John F. Carroll (Ireland - Group II)
Vice-presidents: Maria Teresa Costa Macedo (Portugal - Group III)
Robert Pelletier (France - Group I)

Social, Family, Educational and Cultural Affairs

President: H.C.H. van den Burg (Netherlands - Group II)
Vice-presidents: Pierre Chevalier (France - Group III)
Aina Margareta Regnell (Sweden - Group I)

Protection of the Environment, Public Health and Consumer Affairs

President: Manuel Ataíde Ferreira (Portugal - Group III)
Vice-presidents: Joël Decaillon (France - Group II)
Georges Linssen (Netherlands - Group I)

Agriculture and Fisheries

President: Pere Margalef Masià (Spain - Group III)
Vice-presidents: Manuel António Santos (Portugal - Group II)
Giuseppe Pricolo (Italie - Group I)

Regional Development and Town and Country Planning

President: Robert Moreland (United Kingdom - Group III)
Vice-presidents: Roy Donovan (Ireland - Group I)
Victor Hugo Sequeira (Portugal - Group II)

Industry, Commerce, Crafts and Services

President: John Little (United Kingdom - Group I)
Vice-presidents: Kommer de Knecht (Netherlands - Group II)
C.W.M. Lustenhouwer (Netherlands - Group III)

Transport and Communications

President: Eike Eulen (Germany - Group II)
Vice-presidents: Beata Ann Brookes (United Kingdom - Group III)
Hubert Ghigonis (France - Group I)

Energy, Nuclear Questions and Research

President: José Ignacio Gafo-Fernandez (Spain - Group I)
Vice-presidents: Claus-Benedict von der Decken (Germany - Group III)
John Lyons (United Kingdom - Group II)

*

* *

The session was attended by **Leon Brittan**, vice-president of the European Commission in connection with the adoption of the opinions on “the global challenge of international trade: a market access strategy for the EU” and “international trade and the environment”. The following opinions were adopted:

1. SETTLEMENT FINALITY AND COLLATERAL SECURITY

Opinion of the Economic and Social Committee on the *proposal for a European Parliament and Council Directive on settlement finality and collateral security*
(COM(96) 193 final - 96/0126 COD)

(CES 1254/96 - 96/0126 COD)

Rapporteur : Mr Roy DONOVAN (Ireland - Employers)

Gist of the proposal

The draft directive deals with two main issues of public policy interest and concern in relation to containing, reducing and eliminating systemic risks in large-value interbank funds transfer systems:

- effectiveness of netting and
- finality of settlement.

A related issue, that of the effectiveness of collateral taken for payment systems purposes and monetary policy operations, is also covered.

In relation to effectiveness of netting the directive seeks to make payment netting legally enforceable under all jurisdictions, including against all parties.

In relation to finality of settlement the directive seeks to make payments final, or irrevocable, when they have met transparent rules of the particular payment system.

In order to ensure the operation of the foregoing two concepts, i.e. effectiveness of netting and finality of settlement, the directive seeks to copperfasten them by additional provisions to preclude any retroactive effects, e.g., resulting from the opening of insolvency proceedings, on payments already settled/entered for settlement in a payment system.

Moreover, the directive seeks to determine which insolvency law would apply to the payment system.

Gist of the Opinion

The Economic and Social Committee approved the Commission's proposal for a directive, which sets out to reduce the systemic risks inherent in inter-bank payments which are the subject of netting.

It considers that the directive is necessary for the completion of the internal market and the legal framework in which the future European central bank will operate.

The Committee feels however that the scope of the directive should whenever necessary include securities transactions and securities settlement systems.

2. SINGLE CURRENCY - LEGAL FRAMEWORK (*Own-initiative Opinion*)

Opinion of the Economic and Social Committee on *Market implications of the legislation and regulations required for the transition to the single currency*

(CES 1265/96)

Rapporteur : Mr Umberto BURANI (Italy - Employers)

Gist of the Opinion

After an opinion on the Commission's green paper and another Opinion on the impact of Economic and Monetary Union, this is the third contribution of the Economic and Social Committee to the planned introduction of a single currency.

No official documents have yet been published by the Commission. All the Committee has therefore been able to work on have been working documents and guidelines for a proposed Council Regulation. These documents contain the rudiments of a legal infrastructure for the introduction and use of the Euro.

The Opinion's basic line is that European legislation regarding the introduction and use of the Euro should not only meet the need to create a sound legal framework, but should also be responsive to market requirements. The transition must be kept as straightforward as possible, free of bureaucratic and procedural obstacles and, as far as possible, compatible with the usages and customs of each market.

3. MERGER CONTROL

Opinion of the Economic and Social Committee on the

Communication from the Commission to the Council and to the European Parliament regarding the revision of the merger regulation

Proposal for a Council Regulation (EC) amending Council Regulation (EEC) No. 4064/89 of 21 December 1989 on the control of concentrations between undertakings

Proposal for a Council Regulation (EC) amending Council Regulation (EEC) No. 4064/89 of 21 December 1989 on the control of concentrations between undertakings - Articles 87 and 235 (COM(96) 313 final)

(CES 1266/96)

Rapporteur-General : Mr Edoardo BAGLIANO (Italy - Employers)

Gist of the Commission document

Council Regulation 4064/89 on the control of concentrations between undertakings ("the Merger Regulation") was adopted on 21 December 1989 and entered into force on 21 September 1990.

The Commission first examined the functioning of the Merger Regulation in 1993.

The result of the 1993 exercise was a report from the Commission to the Council which concluded that there were strong arguments in favour of a threshold reduction. However, the Commission considered that it would be prudent to gain further experience of the operation of the Merger Regulation and of the impact of national merger control policies before making any formal proposal for revision. It therefore invited the Council to postpone the review of the thresholds until the end of 1996 at the latest. The Council endorsed these conclusions in September 1993.

The Commission carried out an extensive review of the Merger Regulation, and the European Parliament and Economic and Social Committee were invited to express their opinion¹.

¹

OJ C 18 of 22.01.1996.

The Commission adopted a Green Paper on the review of the regulation on 31 January of this year.

Following the adoption of the green paper, the Commission launched a consultation of Member States, industry associations and other interested parties. The Council, European Parliament, Economic and Social Committee and Committee of the Regions were also invited to express their opinion².

The present proposals come in the wake of the Commission's green paper. They represent the final stage of an extensive consultation conducted in 1995, the results of which were summarized in the green paper.

The first proposal seeks to reduce the turnover thresholds from ECU 5 billion and ECU 250 million to ECU 3 billion and ECU 150 million respectively.

The second proposal seeks to extend the scope of the merger regulation to all full-function joint ventures.

As the second proposal is pursuant to Articles 87 and 235, consultation of the European Parliament is mandatory. Given the nature of the subject, the Commission also considers it appropriate that the Committee be consulted.

Gist of the opinion

The Economic and Social Committee:

- recognizes the Commission's considerable efforts to propose ways of improving the implementation of the merger regulation, which furthermore has hitherto operated very effectively;
- readily confirms its support for the lowering of the turnover thresholds to ECU 3 billion and ECU 150 million, but has serious doubts about the soundness of the proposed system for extending the scope of the regulation to multiple filings;
- considers that the solution adopted for joint ventures does not resolve the problem of legal certainty in the treatment of cooperative joint ventures;
- endorses the various other alterations already put forward in the green paper.

4. MAXIMUM SPEED AGRICULTURAL OR FORESTRY TRACTORS

Opinion of the Economic and Social Committee on the proposal for a European Parliament and Council Directive amending Council Directives 74/150/EEC, 74/151/EEC, 74/152/EEC, 74/346/EEC, 74/347/EEC, 75/321/EEC, 75/322/EEC, 76/432/EEC, 76/763/EEC, 77/311/EEC, 77/537/EEC, 78/764/EEC, 78/933/EEC, 79/532/EEC, 79/533/EEC, 80/720/EEC, 86/297/EEC, 86/415/EEC and 89/173/EEC relating to the maximum design speed of wheeled agricultural or forestry tractors

(COM(96) 196 final - 96/0129 COD)

(CES 1267/96 - 96/0129 COD)

Rapporteur : Mr Edoardo BAGLIANO (Italy - Employers)

² OJ C 295 of 7.10.1996.

Gist of the Commission document

European type-approval for tractors, which was put in place progressively between 1974 and 1991, consists of a framework Directive 74/150/EEC, as last amended by Directive 88/297/EEC, and twenty-two individual directives. The objective was to create a single type-approval system, in which free circulation within the Community would be achieved.

Application of the directives and the whole vehicle type-approval remain optional; in other words, their use is at the behest of each manufacturer. If a manufacturer, however, chooses to certify his vehicle in accordance with the directives, Member States are obliged to permit free circulation to the tractors in question.

In the last few years the use of the optional European type-approval system by manufacturers has diminished considerably. This is above all because the scope of the directives is currently limited to tractors with a maximum design speed of between 6 and 30 km/h. Since a growing number of agricultural and forestry tractors have maximum design speeds in excess of 30 km/h, manufacturers have instead opted to have recourse to national type-approval procedures.

The proposed directive therefore amends the framework directive and the individual directives to increase the maximum vehicle speed from 30 to 40 km/h. This increased speed has been chosen following consultation with Member States and Industry experts.

As a complementary measure, the separate braking Directive 76/432/EEC needs to be amended in order to introduce new technical prescriptions reflecting the fact that in future tractors will be permitted to run at faster speeds.

Gist of the opinion

The Committee endorses the proposed amendment to the maximum design speed for agricultural or forestry tractors, but would call on the Commission to take account of the continuous developments in tractor performance and application in the next amendment to the framework Directive, and make an unequivocal provision for tractors with maximum design speeds of over 40 km/h. This must of course be accompanied by adequate arrangements for safety and environmental protection.

The Committee also calls for the regulations to be consolidated, in the interests of greater transparency.

5. COMPETITIVENESS OF CHEMICAL INDUSTRY

Opinion of the Economic and Social Committee on the *Communication from the Commission to the Council, the European Parliament and the Economic and Social Committee on an industrial competitiveness policy for the European chemical industry: an example* (COM(96) 187 final)

(CES 1255/96)

Rapporteur : Mr José Ignacio GAFO FERNANDEZ (Spain - Employers)

Gist of the Commission document

The Commission considers that the chemical industry of the EU, though among the most modern and competitive in the world, faces a set of challenges that must be met if it is to maintain and, if possible, strengthen its international competitiveness.

These challenges are:

- the health and environmental implications of chemical products and production;
- the European and global dimension of its markets;
- its dependence on imported raw materials and energy inputs; and
- its high reliance on capital and research and technological development.

In order to meet these challenges, a set of actions to be developed by industry, by the Commission and by the Member States has been identified in the present communication. These are grouped around four priority areas of the industrial competitiveness communication³:

- actions to improve the regulatory framework;
- actions to ensure effective competition;
- actions to strengthen intangible investment; and
- actions to develop industrial cooperation.

In cooperation with representatives from the European chemical industry, the Commission will implement a structured follow-up programme and will closely monitor the evolution of the international competitiveness of this sector and the adoption of the various measures proposed in the present communication.

Gist of the opinion

The Committee approves the Commission's communication.

The Committee shares the philosophy which underlies the document, namely that it is up to the industry to define a strategy for the future, and for the Commission to establish a legal and regulatory framework which facilitates the industry's efforts to achieve competitiveness.

The Committee considers that the various areas of action (to improve the regulatory framework, to ensure effective competition, to strengthen intangible investment, to develop industrial cooperation) form a harmonious whole which should be developed in coordination.

The Committee stresses that within these areas there are aspects which should be reinforced, namely:

- Undertake an in-depth cost/benefit analysis, based on sound scientific data, of all new rules on the classification, labelling and use of these products.
- Similarly, possible national exceptions to Community legislation should first be notified to the Commission and may under no circumstances be incompatible with the single market in accordance with Treaty Article 100a.
- Call for effective liberalization of trade with emergent countries and search for alternatives to correct distortions caused by different levels of environmental protection.
- In line with its concern to ensure a high level of environmental protection, the Committee welcomes the establishment of voluntary programmes or agreements on the part of the chemical industry which supplement or go beyond the minimum levels required under existing regulations.

³

- Take sufficient account of the needs and priorities of the chemical sector when drawing up the fifth Community RTD programme. This means strengthening the cooperation between industry, universities and research institutes.
- Reinforce the training side, with more cooperation between industry, universities and other socio-economic players.
- Make better use of the support opportunities opened up by the bilateral cooperation agreements and regional programmes (PHARE, TACIS, MEDA), with the direct participation of the industry and other players in the chemical sector.

The Commission will have to adopt the measures needed to ensure that this communication is followed up effectively through the direct participation of the industry and other socio-economic players.

6. INTEGRATED SME PROGRAMME *(Additional Opinion)*

Opinion of the Economic and Social Committee on the Communication from the Commission - Integrated programme for small and medium sized enterprises (SMEs) and the craft sector - the multiannual programme, concerted actions and other Community actions in support of SMEs (COM(96) 329 final)

(CES 1256/96)

Rapporteur working without a studygroup : Mr Colin LUSTENHOUSER (Netherlands - Various Interests)

Gist of the Commission document

Compared to the 1994 Integrated Programme, this Communication sets out a number of additional initiatives in favour of SMEs as well as identifying actions in the framework of other Community policies which will take account of the new priorities in their implementation. Some of these actions still have to be adopted by the Council, or even to be proposed by the Commission.

Value added: new key actions

- Concerted actions
 - access to SMEs to the Information Society
 - forum on entrepreneurship
 - forum on craft and small enterprises
 - forum on commerce
- Actions under other Community policies
 - simplifying internal market legislation (SLIM)
 - loan guarantees for employment (ELISE)
 - EIF equity support for SMEs
 - introduction of the Euro
 - instrument for transnational investment within the EU
 - support for international cooperation
 - innovation in SMEs
 - market-oriented technological development

- Specific SME policy actions
 - Third multiannual programme for SMEs (1997-2000).

The multiannual SME programme is an essential part of the framework formed by the integrated programme. It provides the legal and budgetary basis for the Community's specific actions in favour of SMEs which are not covered by other Community policies. The current multiannual programme expires on 31 December 1996. The proposal for a third multiannual SME programme has received the unanimous endorsement of the European business organizations representing SMEs and will cover the period 1997-2000. The Florence European Council has urged the Council to adopt this programme by the end of 1996.

Priority measures

- Simplify and improve the administrative and regulatory business environment
- Improve the financial and fiscal environment for SMEs
- Help SMEs to europeanize and internationalize their strategies, in particular through better information and cooperation services
- Enhance SME competitiveness and improve their access to research, innovation, information technologies and training
- Promote entrepreneurship and support special target groups.

Gist of the Opinion

The ESC supports the Commission approach. It trusts that the Council, too, will undertake to support the activities set out in the programme.

The Commission points out that it is planning to draw up a recommendation to the Member States calling upon them to pay more attention to SMEs in proposals for joint financing under the European Regional Development Fund (ERDF). The ESC fully supports this approach.

The Commission announces that it intends to submit a communication on direct taxation. The ESC trusts that this communication will produce real, concrete proposals for assisting SMEs to engage in trans-national activities and reducing the attending costs.

The Commission's views on the preparation of SMEs for the introduction of the euro tie in closely with the ESC's views on this matter, as set out in its Opinion on the third multi-annual programme for SMEs.

The Commission states that it will encourage all Member States to set up national contact points to provide a link between the national-level authorities charged with enforcing the rules governing the internal market and between the Member States and the Commission. The ESC emphatically wishes to be involved in these activities, by virtue of its responsibility for the Single Market Observatory (SMO).

The ESC supports the thesis that all forms of state aid - not merely aid provided by central governments but increasingly also aid made available by regional authorities - need to be examined more intensively and more critically. This latter form of aid, too, needs to comply with the relevant EU rules.

The Commission considers that there is still too little transnational investment by SMEs. The ESC endorses the view that this shortcoming can mainly be ascribed to the lack of a suitable financial instrument. The ESC would, however, draw attention to the fact that it is absolutely vital to involve the banking sector, and also venture capital funds in the preparation of such a financial instrument.

The Commission rightly highlights innovation, research and development and the question of access to the information society. The ESC notes with satisfaction that, in the latter area in particular, measures are to be taken to identify the needs of SMEs and to tackle the obstacles hampering their use of information technologies.

7. MARITIME STRATEGY

Opinion of the Economic and Social Committee on the *Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions: Towards a New Maritime Strategy*
(COM(96) 81 final)

(CES 1257/96)

Rapporteur : Mr Francis J. WHITWORTH (United Kingdom - Employers)

Gist of the Commission Communication

The Communication, which should be viewed in conjunction with another new Communication on maritime industries⁴, rests on two main premises: firstly, that in recent years the EU's shipping industry has become markedly less competitive in a rapidly globalizing market; and secondly, that the EU urgently needs to rethink its shipping policy in order to remedy this situation.

The numerous "maritime" initiatives taken by the Commission in recent years, notably in the fields of external relations, safety and competitiveness, have had mixed results. The most damaging failure of EU shipping policy has undoubtedly been the Council's inability to reach agreement concerning the Commission's 1989 proposal for a Community shipping register (Euros), which would have provided a focus for EU action and helped to boost the competitiveness of the whole EU maritime sector.

The Commission has now decided to withdraw the Euros proposal, together with the proposal defining the notion of Community shipowner. It proposes to establish a new maritime strategy based on four main planks:

- **Safety at sea.** The EU must enforce the strictest international rules, not only on its own fleet but also on ships flying the flag of a third country, so that the latter do not receive more favourable treatment than EU-flagged ships. Port state control should be strengthened. The Commission is also considering legislative action involving financial sanctions for cargo owners who use sub-standard shipping.
- **Access to international markets.** The EU must continue to secure free access to the world shipping market, preferably through a multilateral approach. It should seek international agreement on respect for competition principles in the shipping sector, and should review its maritime trade protection instruments.
- **Promotion of education and vocational training and reinforcement of R&D** under the future framework programme.
- **State aid.** The Commission will propose new guidelines on authorization of State aid for shipping, which will essentially seek to benefit Community shipowners. In the meantime, the Commission will ensure that the present Community rules are strictly enforced.

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COM(96) 84 final of 13.03.1996

Gist of the Committee opinion

The Committee regrets the lack of progress towards enhancing the competitiveness of the EC shipping sector since 1989 and stresses that the consequence of the absence of positive measures is plain to see in the continued decline in the tonnage on EC registers and in the employment of EC seafarers.

Accordingly, the Committee welcomes this new, if belated, initiative and acknowledges that it makes a real attempt to address some of the specific points contained in the 1989 opinion (O.J. No. C56 of 7 March 1990, p.70).

The Committee believes that a competitive and efficient maritime transport sector is an indispensable element for the global competitiveness of the EC economy, not only because of the latter's dependence on such transport for the carriage of its industry's goods and materials, but also because of the contribution to the broader economy made by the whole range of shipping-related activities.

Against this background steps should be taken to:

- neutralize the competitive advantage enjoyed by lower cost substandard ship operation and manning by imposing sanctions on such operators;
- ensure that EC shipping operates in a free market and can compete for the carriage of cargo and passengers on equal terms;
- alleviate cost burdens imposed on EC ship operators (particularly by way of taxation and social on-costs) which their competitors do not have to bear.

Finally, the Committee calls for further clarification and detail in many areas together with more precise facts and figures on which some of the assertions and arguments are based. In particular, it will be necessary for the Commission to identify with some precision which types of EC shipowners and operators should qualify for each of the benefits which it expects to result from its various proposals for positive measures for enhancing competitiveness.

8. AIR-TRAFFIC MANAGEMENT

Opinion of the Economic and Social Committee on the *White Paper on air-traffic management: freeing Europe's airspace*
(COM(96) 57 final)

(CES 1258/96)

Rapporteur : Mr Robert J. MORELAND (United Kingdom - Various Interests)

Gist of the Commission document

The White Paper examines the background to the current situation in air-traffic management in Europe and the shortcomings of the present arrangements, before defining a "single ATM system for Europe" and, finally, outlining the Commission's views on the best institutional arrangements for the future.

The Commission's proposals are based on several facts, namely:

- a) the considerable efforts made over recent years by the various air-traffic control bodies (especially the ECAC, Eurocontrol and ICAO) to improve the situation have largely proved inadequate;

- b) there are many reasons for the inadequacy of the present systems (lack of a single centralized structure, shortcomings in the decision-making machinery, lack of decision-making aids, inefficient use of available resources, lack of means of following up decisions, lack of tools for implementation and support, inadequate cost control).

In the light of these inherent weaknesses in the present system, the Commission proposes, as a starting point, dissociating as far as possible the two ATM functions: the "regulatory" function and "operational" function (i.e. the actual services). Thus ATM services would continue to be the responsibility of individual countries, but the regulatory framework would have to be established by a single centralized authority.

The Commission suggests that Eurocontrol be "reinvented" and restructured so that it can play this role of single regulatory authority for the whole of Europe, a Europe extending beyond the EU 15 since Eurocontrol already has 20 member states (the 15 less Spain and Finland, plus Cyprus, Hungary, Malta, Norway, Slovenia, Switzerland and Turkey).

The Commission therefore proposes giving this organization greater political legitimacy, investing it with the power to take decisions, implement them and monitor their implementation, and to give it the resources to perform its tasks properly. As the EU already has competence in many of the fields for which the new-look Eurocontrol would be responsible, the Commission considers that the EU should become a full member of this organization. This will allow the Commission to ensure that all decisions are compatible with the Treaty and are taken in a transparent and democratic way.

Finally, the Commission considers that the member states might find it easier to allow the new Eurocontrol to play a role in the military use of airspace, subject of course to safeguards allowing the member states to retain control of this use.

Gist of the Opinion

The Committee endorses, in general, the Commission's description of the shortcomings of the current air-traffic management system in Europe and strongly supports the need for action to improve the system in the interest of reducing delays, air safety and in providing consistency of national management systems. The Committee believes the situation demands a multinational solution and supports the Commission's conclusion that EUROCONTROL should be "reinvented" with stronger regulatory powers.

The Commission does, however, need to provide more detailed information on its view on the differences between regulatory and operational functions and the role of the bodies responsible for their performance. The Committee's view is that central flow management should be the responsibility of the "re-invented" EUROCONTROL with all other operational services being provided by national authorities.

In any event the Committee would welcome the membership of those EU Member States and other European States that are not members currently. Indeed, the Committee believes that the jurisdiction of EUROCONTROL should be comprehensive of all European countries.

The Commission's proposal - that the EU should be a party to the "re-invented" EUROCONTROL - is, in the Committee's view, a possible political solution. However, it does raise questions that need to be answered such as "what would be the role and mandate of the Commission?" "What would be the voting balance of the European Union vis-à-vis other non-EU states?" and "under which jurisdiction would military airspace fall?"

Variants on the Commission's proposal should, in the Committee's view, be considered. However, a Commission involvement is necessary, particularly if there is a need to translate EUROCONTROL decisions into Community legislation or other action.

Finally, an obligation should be placed on any new structure to submit annual reports on its activities to the Council, the European Parliament and the Economic and Social Committee.

9. HONEY, COFFEE, COCAN ETC.

Opinion of the Economic and Social Committee on the

Proposal for a European Parliament and Council Directive relating to cocoa and chocolate products intended for human consumption (96/0112 COD)

Proposal for a Council Directive relating to certain sugars intended for human consumption (96/0113 CNS)

Proposal for a Council Directive relating to honey (96/0114 CNS)

Proposal for a Council Directive relating to fruit juices and certain similar products intended for human consumption (96/0115 CNS)

Proposal for a Council Directive relating to certain partly or wholly dehydrated preserved milk for human consumption (96/0116 CNS)

Proposal for a European Parliament and Council Directive relating to coffee extracts and chicory extracts (96/0117 COD)

Proposal for a Council Directive relating to fruit jams, jellies and marmalades and chestnut purée intended for human consumption (96/0118 CNS)

(COM(95) 722 final - 96/0112 COD to 96/0118 CNS)

(CES 1259/96 - 96/0112 COD to 96/0118 CNS)

Rapporteur : Mr Kenneth J. GARDNER (United Kingdom - Employers)

Gist of the Commission proposals

The proposals are designed to honour the Community's commitment to simplify and streamline legislation in the light of the subsidiarity principle. To this end, the Commission proposes:

- reformulation of the seven Directives concerned and alignment on the general provisions subsequently adopted for all foodstuffs, notably the rules on labelling, hygiene, additives, contaminants, extraction solvents and materials coming into contact with food;
- adaptation of the vertical Directives to changes in technological processes and consumer taste since they entered into force. To this end, the proposals include an Article introducing a procedure for rapid adaptation to technical progress, based on the procedure established by Decision 87/373/EEC for consultations between the Commission and the Member States;
- deletion of certain rules considered obsolete in the light of the experience gained and of the general trends in Community legislation;
- deletion of the rules on prepackaged products in certain vertical Directives (on chocolate, sugars and coffee extracts) to allow comprehensive assessment of the product ranges;
- in line with the Directive on the labelling and presentation of foodstuffs, deletion of the rules in the vertical Directives on the labelling of products not intended for the final consumer.

The seven proposals are each based on a common structure, consisting of an operative part followed by an Annex. The operative part includes provisions on the scope of the Directive, labelling and the committee procedure. The Annex contains the definitions and designations of the products and details of their composition.

Gist of the Opinion

Subject to a number of comments, the Committee approves the Commission's proposals. It believes that they simplify existing directives on the products in question, and make them less prescriptive. The Committee also acknowledges the Commission's concentration on horizontal measures to protect consumers and the environment.

The ESC believes that all references to the various additives should be omitted from the draft directives, since they are now regulated by the Directives on additives, sweeteners and colours. Instead, in each directive for foods where additives are permitted, there would be a separate article with a cross-reference to the three additive directives.

The Committee considers the proposed implementation dates throughout to be unrealistically short. Given the time required nowadays for finalizing directives and the time taken by Member States for national implementation, they should all be revised.

With reference to languages, the Committee points out that in several cases the proposal prescribes product names which are not those used by all consumers in a particular language. Normal consumer usage should be permitted throughout, and the Austrian terms must be added throughout.

10. FISHERIES - HEALTH PROTECTION

Opinion of the Economic and Social Committee on the for a Council Directive amending, with regard to *Gyrodactylus salaris*, Directive 91/67/EEC concerning the animal-health conditions governing the placing on the market of aquaculture animals and products and the Proposal for a Council Directive amending Directive 93/53/EEC introducing minimum Community measures for the control of certain fish diseases

(COM(96) 279 final - 96/0157 CNS and 96/0158 CNS)

(CES 1260/96 - 96/0157 CNS and 96/0158 CNS)

Rapporteur : Mr Seppo Ilmari KALLIO (Finland - Various Interests)

Gist of the Commission proposals

The proposals are designed to identify the regions of the EU which are free of the parasite and protect them from its introduction by organizing trade in salmonid fish from regions which have not been declared free of it. The Commission also proposes to introduce a certification requirement in order to prevent the placing on the market of fish from infected areas.

Gist of the Opinion

The Committee supports the Commission's proposal to amend Directive 91/67/EEC in order to transfer the parasite *Gyrodactylus salaris* from list III to list II of Annex A. The amendment will enable more effective control of the parasite, which poses a serious threat to wild stocks of Atlantic salmon.

The ESC also endorses the Commission's proposal for the introduction of a certification requirement designed to prevent the spread of viral diseases such as IHN and VHS through transfers in non-approved zones and the proposal to align EU rules with the OIE's recommendations by shortening the testing and sampling period required for obtaining approved status to two years.

The Committee underlines the importance of cooperation within the EU and the need to step up cooperation with non-EU states so that more effective action can be taken against dangerous fish diseases and parasites. In

addition, the Committee proposes that research related to fish diseases and parasites should be increased so as to ensure that adequate prerequisites exist for the control of dangerous fish diseases.

The Committee endorses the Commission's proposal to amend Directive 93/53/EEC so that it applies to viral diseases (IHN and VHS) only, because the measures laid down in the directive should not be applied to the parasite *Gyrodactylus salaris*, which is to be transferred to list II.

The ESC feels that special attention should be paid to improving the readability of existing directives.

The Committee underlines the importance of disseminating information on amendments to the directives to consumers and industry and commerce.

11. GREEN PAPER - FAIR, EFFICIENT, TRANSPORT PRICING

Opinion of the Economic and Social Committee on the Commission Green Paper entitled: Towards fair and efficient pricing in transport - policy options for internalizing the external costs of transport in the European Union
(COM(95) 691 final)

(CES1261/96)

Rapporteur : Mr Michael KUBENZ (Germany - Employers)

Gist of the Commission document

The fact that the current pricing system is inefficient and unfair, combined with concerns about traffic congestion, accidents and pollution, caused the heads of state and government at the June 1995 Cannes Summit to ask the Commission to review current policies in order to establish fair competition between different modes of transport. If no substantial changes are made in investment and in linking different modes of transport, the situation will soon become unsustainable.

This Green Paper is a response to this call for action; its aim is to launch a wide-ranging debate on the means to be employed to make the transport pricing system fairer and more efficient.

The Commission believes that the solution is to introduce a pricing system which takes account of the fact that costs differ across time, space and modes. The aim is not therefore to increase prices, but to use pricing to curb congestion, accidents and pollution.

At the same time, progress in telematics makes electronic road pricing possible now. However, the Commission is aware that it will be several years before systems can be fully introduced throughout Europe.

Consequently, to solve short-term problems, the Commission also proposes a series of ideas in this Green Paper, which could provide speedy solutions:

- adjusting existing Community legislation on road charges for heavy goods vehicles;
- electronic kilometre charges based on infrastructure damage;
- road tolls in urban areas;
- differentiated fuel taxes reflecting differences in fuel quality;
- differentiated vehicle taxes varying according to vehicles' environmental and noise pollution.

Gist of the Opinion

The Economic and Social Committee regrets first and foremost the absence of complete EU statistics and precise definitions of the phenomena under examination.

The definition and calculation of the external costs to be allocated to transport users are hotly disputed at present. There is, therefore, an urgent need to improve the data base so that pronouncements can be made for all EU transport modes, on the basis of uniform assessment and calculation methods.

The ESC also thinks that external benefits are insufficiently taken into account and should receive much closer attention.

Although the purpose of the Green Paper is to propose a balanced, i.e. fair and efficient transport pricing system, this can clearly be only one of the means of achieving a common transport policy based on market-economy principles. The Committee therefore thinks that shortages and congestion (as in the case of transport infrastructure capacity) should be alleviated (a) by using prices to control demand and (b) by improving supply.

Any projected reform of transport taxes and prices must form part of an integrated strategy. In theory, this coordinated strategy covering all transport modes must set the "right" price relationships between the different modes. Increasing the prices of a single mode could create unjustified distortions, not only on the transport market but also in related industrial and commercial operations.

In this connection, if transport modes are to compete on an equal footing, a fair and transparent sharing of the cost burden is essential. In the absence of such harmonization, the success of the liberalization process and the opening-up of transport markets would be permanently threatened.

Increasing taxes, levies and charges on road transport could provoke a shift to other modes and, as a result, promote the closer interconnection of all transport modes, provided all modes are able to absorb the ensuing additional burden without difficulty. If, however, these changes in the modal split cannot be made because of a lack of alternatives or other factors, such as distances travelled or the failure to integrate traffic flows in production systems, the overall economy will suffer losses without there being any reduction in external costs.

Lastly, the Green Paper should also be assessed with reference to the goals of development of the economically weaker peripheral countries, cohesion in Europe and the integration of Central and Eastern European countries. Because of productivity problems, these countries will not be able to share in the economic progress and growth of the European Single Market until their accessibility is guaranteed and their ability to sell their products is not impaired by their distance from the market.

12. CONFIDENCE PACT - EMPLOYMENT

Opinion of the Economic and Social Committee on the *Commission's Communication on action for employment in Europe - a confidence pact*
(doc. CSE(96) 1 final)

(CES 1262/96)

Rapporteur : Mr Pierre CHEVALLIER (France - Various Interests)
Co-Rapporteurs: Mr Klaus SCHMITZ (Germany - Workers)
Mr Kenneth WALKER (United Kingdom - Employers)

Gist of the Commission's Communicaton

Unemployment has been endemic in Europe since the 1970s. Moreover, the rate of structural employment is increasing regularly; at the end of each recession the level is higher. Since 1991, aggregate employment has

fallen by over 4% in Europe. A reaction is called for. The persistence of unemployment is undermining European society and placing millions of men and women in precarious situations. A climate of confidence must be restored. It is a prior condition for the recovery of investment and consumption.

To combat unemployment, Europe must work to achieve stronger growth and target it on future-oriented industries. It also needs to work for more job-intensive growth. There is nothing new in this. It was at the root of the strategy proposed in 1993 in the Commission's White Paper on Growth, Competitiveness and Employment and was further developed by successive European Councils. The aim of this strategy is to increase both the efficiency and competitiveness of the European economy and to improve the operation of the labour market. It is still relevant and must continue to serve as a reference for common action.

The idea in proposing a European Pact of Confidence for Employment is to attain a three-fold objective. First, full mobilization of all the actors in a comprehensive strategy. All must be made to face their responsibilities - national, regional and local authorities, the social partners and the Community institutions. The European Union (even less the Commission) cannot solve the problem of unemployment alone. But the Union must define the general framework for the fight for jobs and launch a concerted drive to seek the commitment of one and all.

The Pact also sets out to incite the actors to make better use of the multiplier effect. Europe has many assets. Thanks to its democratic structures, its strong economy, its people's educational achievements and its tradition of social dialogue. Thanks also to the integration process, which has yielded undeniable political and economic benefits. But its potential has not yet been used to optimum effect. This is especially true in the fight for jobs. Given the high degree of economic interdependence in Europe, sustained coordinated action will give more value added than the sum of individual measures in dispersed order.

In macro-economic terms, convergence is as much an imperative as an opportunity. We have seen in the past the damage inflicted on an economy by deficient coordination.

The same applies to the internal market and infrastructure, where the persistence of excessively nationally-oriented attitudes is depriving the European economy of the value added that a more concerted approach would offer. The trans-European networks are a shining example. The fact that an ecu spent in one Member State is at the same time an ecu spent for the benefit of a neighbouring State linked to the same network is often underestimated. The synergy which could be created by genuine private sector-public sector partnership is also underestimated.

As for labour markets, fuller lessons should be learnt from the joint examination of national multiannual programmes. The interaction between national measures and their repercussions in the European context must be grasped more thoroughly, notably when tax measures are adjusted to cut labour costs.

A third issue at stake in the Pact is to incorporate the fight against unemployment in a medium and long-term view of society. There is no miracle cure for unemployment. But the people are looking to their governments to anticipate the changes that are heralding tomorrow's society - new lifestyles, new expectations concerning the environment, technological change, demographic shifts, and the globalization of the economy.

A medium and long-term view, then, is vital. But it must be a coherent, all-embracing view. Often specific measures are taken which, however laudable in themselves, are ineffectual or socially unacceptable. Take flexibility on the labour market, for example. If designed by one side alone, it may be seen as an instrument used by the strong against the weak. But the perception changes if flexibility is coupled with security and ways are sought, for instance, of reconciling business needs with the workers' needs.

The point of the Pact is not to create new European Community powers, nor to increase its expenditure, nor to bring in new criteria for EMU. It is to launch a collective enterprise involving the public authorities and the social partners alike and defining their respective commitments in a coordinated comprehensive strategy. This operates on the macro-economic level (Chapter 1) and in the internal market (Chapter 2); we must engender a

climate propitious to growth. But that is not enough. If jobs are to be created, employment systems must be revitalized and ways and means of mounting an active employment policy must be devised (Chapters 3 and 4).

Gist of the Opinion

The Committee unreservedly endorses the objectives of the confidence pact and it supports the concrete proposals for achieving these objectives and puts forward a number of additional proposals.

The Committee underlines the gravity of the crisis caused by on-going unemployment and the recession. In the light of the dramatic situation facing the EU, the Committee calls upon all political, economic and social players at all levels - be they international, national, regional or, in particular, local - to play their part and take effective action. With this aim in view, the Committee calls upon the European Council in Dublin formally to adopt the Confidence Pact and to draw up a multi-annual plan backed up by specific measures and a binding timetable.

The Committee believes that the IGC should incorporate the coordination of employment policy in the Treaty on European Union.

The Committee underlines the need to give a fresh impulse to transport infrastructure schemes, the establishment of the information society and the various areas of industrial policy.

If EU products are to be more competitive at world level, the single market will have to be strengthened by additional legislation. The Committee highlights the importance of laying down a timetable for the adoption of the remaining measures required to give effect to the single market, and backs the Commission in its efforts to ensure that Member States transpose the single market directives and apply them in practice. These various measures must go hand-in-hand with the achievement of economic and monetary union on schedule. The Committee attaches great importance to the timely achievement of EMU in order to stimulate confidence and employment.

The Committee recognizes the need for a programme to reduce the burden of administrative and regulatory constraints, which cost far too much in Europe and are especially placing SMEs - and in particular micro-businesses - at a disadvantage. In this context, the Committee welcomes the SLIM initiative and would wish to see it extended to other areas as soon as possible. There is a need to set out a more precise definition of SMEs in order to embrace micro-businesses. A number of other steps are called for in this context: a tightening of the wording of Article 118a of the Treaty; the establishment of a European Bank for Small and Medium-sized Enterprises (EBSME) separate from the EIB; and a reduction in the burden of financial charges and the excess of red-tape which bears heavily on SMEs.

The Committee believes that there is a need for a root-and-branch restructuring of the Structural Funds. It stresses that these Funds must be used to create lasting, additional jobs. From 1997 it will be possible to re-focus the Funds in such a way that they will have a greater impact on employment prospects; the Committee firmly believes that this opportunity should be taken. The Committee calls upon the local and regional authorities to recognize the importance of territorial pacts between socio-economic organizations and public administrations for promoting local development initiatives.

The Committee accepts the need to pursue an incomes policy conducive to competitiveness and employment. It would, however, point out that this should not be equated with a low-wage economy. Labour costs are not the sole determinant of competitiveness: in some cases, labour costs can be offset by quality, design and "*non-price competitiveness*".

The Committee fully recognizes the interaction between interest rates, wages, investment, employment and productivity. It calls upon the Member States and the various players in these fields to endeavour to achieve the necessary balance. The Committee strongly underlines how essential it is that none of the measures taken to boost employment should have the damaging effect of curtailing guarantees in respect of health, safety and social provisions.

The Committee approves in principle the policy of redirecting sums spent on unemployment benefit to active employment measures. New jobs must not, however, be created at the expense of existing ones.

The Committee recognizes that the social partners have made progress in their endeavour to reach agreements on the organization of work, flexibility and shorter working hours. This must be built on.

Finally, the Committee points to the special importance which it attaches to measures to bring improvements in the following areas: initial training, vocational training, ongoing adjustment to cope with technological and structural developments, links between schools and businesses, and the mutual recognition of qualifications.

13. TRADE AND ENVIRONMENT (*Own-initiative Opinion*)

Opinion of the Economic and Social Committee on *international trade and the environment*

(CES 1264/96)

Rapporteur : Mr Joop KOOPMAN (Netherlands - Various Interests)

Reasons for drawing-up the opinion

The general public is becoming increasingly sensitive to matters relating to the deterioration of mankind's heritage (for example, damage to the ozone layer and climatic change) and also affecting the diversity and treatment of animal species. In the same vein, although interaction between trade and the environment goes back in time as far as trade itself, awareness of the impact of this interaction is relatively recent.

Thus producers from the countries which apply stricter environmental standards are showing increasing concern about the consequences for their competitiveness on world markets. At the same time, public authorities and firms in other countries are worried about new obstacles to imports of products manufactured according to less rigorous standards.

With these developments in mind and following a number of studies carried out by the OECD and under GATT *inter alia*, the April 1994 Marrakesh Conference, on the occasion of the signature of the Final Act of the Uruguay Round negotiations, decided to set up a committee on trade and the environment, within the World Trade Organization (WTO).

The aim of this committee is to submit a report and recommendations to the Ministerial Conference in Singapore in late 1996 on possible changes to the multilateral trade rules, so as to better integrate the increasing interaction between trade and the environment. This committee is working on seven topics; for example, environmental measures and access to markets (particularly for developing countries), the relationship between world trade measures, environmental taxes and measures such as recycling requirements, and the problem of exports of domestically prohibited goods.

On 28 February the Commission adopted a Communication on Trade and the Environment, putting forward the argument that trade is not necessarily detrimental to the environment and that trade and environmental policies could interact to promote sustainable development. The most effective method of reconciling these two policies wherever possible is to conclude international and multilateral agreements and to steer clear of unilateral trade measures.

Gist of the Opinion

The Committee feels that freer world trade serves economic efficiency, offers the consumer more possibility of choice at lower prices and as such can contribute towards sustainable development through a more efficient use

of raw materials and natural resources. The primary cause of environmental problems is not liberalized trade but the failure of markets and governments to price the environment appropriately. The Committee therefore supports any effort to internalize environmental costs, including the "polluter pays" principle.

With national environmental problems, i.e. where the effects are limited to a country's own territory, each country has the right to solve its own problems in its own way, provided that this is not discriminatory and does not lead to hidden protectionism. At the same time, each country has the right to apply measures governing domestic products. With transboundary, regional or global environmental problems, countries which are confronted with the same problems must get together to come up with common solutions. In multilateral environmental agreements (MEAs) of this type, complementary trade measures can form an essential component.

The Commission states that it is possible to use international trade as an engine for achieving sustainable development if the proper environmental policy measures are taken at national and international level. The Committee shares this view, but at the same time is aware of the negative environmental effects which world trade can cause.

The ESC notes the conclusion drawn by the Commission that no systematic relationship can be found between environmental policies and competitiveness impact. However, it must be borne in mind that such figures are based on averages. In many sectors, and not the least insignificant, the effects are much greater, and so too are the chances of industries relocating to countries with lower environmental standards. Be that as it may, the Committee thinks that constant attention should be paid to analyzing the relationship between competitiveness and environmental policy, so as to achieve the best possible results.

The ESC believes that unilateral action to deal with transboundary or global environmental problems outside the jurisdiction of the importing country should be avoided. Transboundary and global environmental problems are best resolved through a multilateral approach within MEAs, and the starting point should be that the use of trade restrictions should be no more than what is necessary to effectively achieve the objectives sought.

The Committee considers that the concerns of developing countries and countries with economies in transition must be taken very seriously. The different responsibilities for countries which result from this are recognized in Principle 15 of the Rio Declaration, which states that countries, because of their differing contributions to the global environmental degradation, have common but differing responsibilities. Particular preference should be given therefore to "positive" measures, i.e. measures which reward desirable behaviour. The EU has at its disposal sufficient powerful instruments, such as the association agreements with the central and eastern European countries, the Euro-Mediterranean Partnership with its MEDA budget entry and the Lomé Convention, to support these countries in their efforts to achieve a more sustainable development of their economics.

The Committee agrees with the need to develop an adequate framework within GATT/WTO for trade measures taken pursuant to an MEA. Although trade measures at present only occur in a limited number of MEAs (18 of the 180 existing conventions), which to date have never been challenged, it is very important to develop a level playing field. The Committee feels that this would be only fair to nations which feel let down by such measures; it would also guarantee the integrity of the open trading system and ensure that Community objectives were achieved through suitable measures. The Commission is to be congratulated on preparing a working paper on this matter. What the Commission's proposal says in short is that for measures which are taken pursuant to MEAs there will be a "lighter" WTO regime than for other measures. The Committee feels that this proposal seems to strike a proper balance between countries' needs to find a solution together to common environmental problems and the importance of maintaining integrity in the world trading system.

As regards processes and production method-related measures (PPMs), a distinction should be drawn between the various types of PPMs. If a PPM has an environmental effect on a product, then a country can take certain measures as regards imports of products manufactured with such a PPM. But if a PPM has no effect on the product in the importing country, the WTO rules do not allow for any measures against such products. Nor is unilateral action permitted regarding the importing of products for which the PPM causes environmental

effects solely in the producing country. If the manufacture of a product has direct transboundary or global effects, then these effects should be tackled in MEAs.

A special problem is posed by voluntary eco-labelling schemes based on a life-cycle assessment (LCA) approach. There is no consensus on the question of whether such eco-labelling schemes are completely covered under the provisions of the TBT (technical barriers to trade) Agreement, seeing that such schemes are voluntary. An additional problem is that views differ from country to country on how environmental requirements, and especially eco-labelling, should be determined. In view of this obscurity and the trade distortions which might result from it the Committee feels that there are grounds for formulating a certain number of requirements with which eco-labelling should comply and that an international agreement should be concluded on transparency requirements.

The ESC agrees with the Commission that proper dispute settlement machinery must be developed for existing and future MEAs. It is worth recommending that the treatment of disputes which occur should be as public as possible with possibilities for participation by non-governmental organizations, bearing in mind society's interest in such matters.

The Committee can agree with the Commission's suggestion that the WTO should establish a notification system for trade in domestically prohibited goods (DPGs) that are not already covered by existing international agreements and exports from WTO members which are not parties to those agreements.

The Committee considers that the activities of the WTO's committee for trade and the environment (CTE) must be geared to achieving results, its approach should be a balanced one and it should be open to input from environmental experts and other international organizations. The Committee would emphasize the importance of the CTE's activities being more transparent. The Committee fully supports the Commission's suggestion that the CTE should also investigate the negative environmental effects of trade liberalization in its work programme.

The ESC has already drawn attention to the importance of strengthening co-operation with other international organizations. It is convinced of the need for a generally recognized and authoritative environmental organization which, as it were, can act as the natural counterpart to the WTO.

The Committee considers that the trade and environment issue is too heavy an agenda item, and priorities need to be established. It agrees with the Commission that the incorporation of MEAs into the multilateral trading system should be given the highest priority.

14. THE GLOBAL CHALLENGE OF INTERNATIONAL TRADE

Opinion of the Economic and Social Committee on the *global challenge of international Trade: a market access strategy for the European Union*
(COM(96) 53 final)

(CES 1263/96)

Rapporteur : Mr Jan van DIJK (Netherlands - Workers)

Background

The prosperity of the European Union depends in large part on foreign trade and investment. The Union has an open economy in which many jobs are dependent on exports, thus making the common trade policy a keystone of the EC Treaty.

Accordingly, the Commission sets out a number of proposals for implementing this strategy in its Communication of 14 February 1996 entitled "The Global Challenge of International Trade: A Market Access Strategy for the European Union".

The proposals take the form of explicit goals: the Community's trading partners must adhere to and comply with obligations under the WTO agreements, while the Community should respect its own obligations under these agreements. In trade policy, existing market opening instruments should be exploited to the full. The Community must also take action to eliminate or reduce all barriers to economic flows. Finally, firms must be informed of the resources available, including trade policy instruments, for protecting the Community against unfair trading practices.

The Community has two main groups of instruments for achieving these objectives: instruments at the multilateral level (implementation and consolidation of the results of the Uruguay Round, various actions to open up markets and to identify new areas of liberalization) and the bilateral level (bilateral negotiations of a general or sector-specific character and effective implementation of agreements providing for market access or for free trade with third countries individually or with regional blocs). These two sets of instruments can be complemented with back-up policies, i.e. actions enhancing export opportunities for European firms (mutual recognition, industrial cooperation, specific export promotion activities).

In this first analysis, which the Commission hopes to subsequently refine and develop, the focus is on improved access to markets worldwide as one of the Community's prime objectives. While lending the WTO its full support, the Commission stresses that the next round of WTO negotiations should give priority to tackling problems whose resolution would create new opportunities for European firms.

Summary of the Opinion

The Committee supports the strategy of the Commission to achieve better access to third country markets, in order to promote European exports and thereby create more jobs in Europe. The Committee also asks for the complete application of the results of the GATT-Uruguay Round.

Among the issues on the "new trade agenda" for the WTO, the Economic and Social Committee puts a particular emphasis on the future debate on trade and competition policy.

The priority for WTO negotiations in this field should be to strengthen the world trading system and enhance competition through the establishment of a multilateral policy framework which aims at avoiding potential conflicts between trade and competition policy objectives.

An agenda for negotiations at WTO level for reform could include:

- setting standards for strengthened domestic competition laws, including an enlargement of their scope, and taking account of transparency, enforcement and dispute-settlement procedures;
- increasing the scope of international competition agreements and fostering convergence of competition principles;
- improving conditions for market access, both domestically and internationally, notably in the service sector.

Achieving multilateral rules for investment will be of particular importance for substantial progress being made in market access. The Economic and Social Committee notes that negotiations on a Multilateral Agreement on Investment (MAI) are well advanced in the framework of the OECD.

The Economic and Social Committee in its Opinion on the global harmonization of direct investment regulations⁵ of 28/29 February 1996 (rapporteur: **Mr Cal**) has already expressed its view on the MAI in a comprehensive way.

Concerning labour standards, the Economic and Social Committee has expressed itself in several opinions in favour of social clauses in international trade agreements.

At the moment there is a wide agreement on five labour standards:

- non-discrimination (ILO Convention 111);
- the prohibition of forced labour (ILO Conventions 29 and 105);
- the prohibition of child labour (ILO Convention 138);
- the right to organize (ILO Convention 87);
- the right for collective action (ILO Convention 98).

The inclusion of labour standards in international trade agreements will give the international Community the instrument to force countries to respect widely accepted labour standards and the Economic and Social Committee favours the inclusion of labour standards in international trade agreements in the framework of the WTO.

In the first instance, a moral appeal should be published to persuade the government to respect the labour standards. If this policy will be without any result, a stimulus policy can be applied.

When the first phase is without any result, the ILO should transfer the dossier to the WTO.

Multilateral Environmental Agreements should be encouraged as long as they are in accordance with the rules of the WTO. They should be drafted by international environmental bodies. The issue of trade and environment is dealt with in the Opinion "trade and environment" (rapporteur: **Mr Koopman**) on the agenda of the plenary session on 31 October 1996.

The Economic and Social Committee strives for an international equitable and fair trade, which means that the Committee prefers multilateral agreements above bilateral agreements, where possible.

The actions the Community undertakes to improve market access on the bilateral level should always be in parallel and in coordination with its multilateral trade policy.

In order to effectively achieve the objective of further liberalization in third country markets the Community should use all available trade policy instruments.

At the same time, it wonders if all the bilateral agreements will fit in the rules of the WTO.

The Economic and Social Committee welcomes the establishment of a database with information on tariff and non-tariff barriers to European exports, to which the Commission itself, business, labour and commercial attachés of Member States in third countries will contribute.

The success of the market access strategy depends to a large extent on the successful cooperation of enterprises and industrial associations with the Commission. Special concern should be given to the involvement of the SME, which should, in particular benefit from improved information.

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OJ No C 153 of 28.05 1996.

15. EU-CUBA RELATIONS (*Own-initiative Opinion*)

Opinion of the Economic and Social Committee on *relations between the EU and Cuba*

(CES 1270/96)

Rapporteur : Mr Ramon BAEZA SANJUAN (Spain - Workers)

Reasons for drawing up an opinion

In June the Commission adopted a communication on relations between the EU and Cuba.

After examining this communication, the General Affairs Council of 2 October 1995 adopted some conclusions in which it:

- affirms the EU's aim of encouraging a peaceful transition to democracy and economic liberalization in Cuba by strengthening and expanding its relations with Cuba;
- emphasizes the importance it attaches to respect for human rights and fundamental freedoms and the desirability of supporting the political and economic reform process in Cuba;
- reiterates the aim of keeping up humanitarian aid and other action to meet the immediate needs of the population;
- considers that an active accompanying role by the EU, serving to create conditions for binding Cuba into the international community, should help speed up the internal transition process.

The Council has accordingly decided to establish a dialogue, to be conducted by the Troika, with its Cuban interlocutors in order to determine the appropriate framework and level for future relations between the EU and Cuba, in the light of developments in Cuba's economic and institutional reforms.

The dialogue should provide an opportunity for a full and thorough discussion on the reforms under way and other reforms needed, in particular on the development of civil society, safeguards for the observance of human rights and fundamental freedoms and the extension of private initiative.

Against this background the Committee, given its experience in these matters, can usefully put forward some recommendations on the development of trade with Cuba and give its views on whether to open negotiations for an economic and commercial cooperation agreement.

Gist of the Opinion

In its opinion the Committee notes that the current crisis in Cuba stems, to a large extent, from the failure of the international model to which its economy had subscribed since the beginning of the 1960s. The rapid collapse of the eastern bloc was a severe blow to the Cuban economy, which suddenly and simultaneously lost the international transfers to which it had become accustomed, its export markets, and the suppliers of its basic inputs.

The shortage of energy supplies, together with the lack of spare parts, seriously affected transport and contributed to the 85% reduction in Cuba's installed industrial capacity.

Despite this desperate economic situation, the predictions that there would be an uprising in society proved to some extent unfounded because Cubans feared losing the high social welfare standards - particularly in the areas of education and health - which were one of the main hallmarks of the revolution.

Considerable economic reform has taken place in Cuba.

In August 1993, the government took the first and the most significant of its decisions in the area of economic liberalization when it decriminalized the holding of foreign currencies by Cubans (Decree-law 140/93). This action was a turning point insofar as reversing the move towards liberalization would now be very difficult. Self-employment in a number of occupations in the industrial and service sectors has been authorized and the "farmers' markets" have been reintroduced.

The efforts made by the Cuban authorities to attract foreign capital are also noteworthy. Joint ventures have been encouraged since 1990, with no restrictions on the repatriation of earnings by foreign investors, and customs duty and company tax exemptions.

Up to now, political reform has been considerably less radical than economic reform. Nonetheless, since 1991 some changes have been made in the country's political and institutional system.

Most of the regime's political opponents are outside Cuba itself. Many groups opposed to Castro are based in Florida (United States) in particular. They can be split into those in favour of an agreement on political reform with the Cuban authorities, and those advocating radical change and not ruling out armed intervention.

Cuba has still not ratified the main international agreements on human rights. The freedoms of association and expression exist at levels far below those in democratic countries. There are also several hundred political prisoners in Cuba who are detained in conditions identical to those of common criminals. There is no proof that they are being physically mistreated, but there have been complaints of psychological pressure and bias in judicial proceedings.

Many of the important decisions taken by the Cuban leadership since the end of the revolution have been influenced by the constant tension which has marked Cuba's relations with the United States. After a slight improvement, relations became strained once again following the shooting down by the Cubans of two American civilian aircraft. President Clinton finally signed the Cuban Liberty and Democracy Solidarity Act of 1995 (better known as the Helms-Burton Act) which he had previously vetoed.

In this connection, the Committee welcomes the conclusions for the General Affairs Council held on 15-16 July 1996 in which the Council reiterated the EU's objections to the extraterritorial effects of this US legislation and asked the Commission to draw up a series of counter-measures.

Cuba is now the only Latin American country which has not signed a cooperation agreement with the European Union, despite the fact that its economic and political ties with most Member States have increased considerably in recent years.

The EU is Cuba's most important trading partner and the main (and practically the only) donor of official development and humanitarian aid.

In December 1995, the Madrid European Summit asked the Commission to "present, in the first half of 1996, draft negotiating directives for a trade and economic cooperation agreement which will be examined by the Council in the light of developments in the political and economic situation in Cuba".

The Commission has, however, decided not to put forward a draft negotiating mandate during the Italian presidency, taking the view that there are still doubts about the future of the Cuban reform process. Both the Commission and the Cuban government stress that cooperation and dialogue are continuing and want to reach agreement at the earliest opportunity, but do not wish to set deadlines which may put a strain on current relations.

The Committee takes the view that the European Union can play a leading role in the reform process on which Cuba has recently embarked. This would also strengthen the Union's presence in Latin America. Concluding a trade and economic cooperation agreement founded on the reciprocal reduction of import tariffs together with

arrangements for development cooperation (that preferably aims to satisfy the basic needs of the most underprivileged sectors of the population) would seem to be the best way of placing EC-Cuba relations on a more systematic and effective footing.

In line with the Treaty on European Union and the most recent cooperation agreements with third countries signed by the EU Council, the cooperation agreement between the Union and Cuba should be founded on respect for human rights and democratic principles. This is a clause which should be mutually applicable to both parties.

The Committee also mentions a number of important points which could be covered by a cooperation agreement. These include:

- stepping up trade and easing mutual market access;
- boosting and protecting investment to pave the way for a stable, attractive environment that encourages increased investment to the advantage of both parties;
- fostering contacts and cooperation between the economic and social players with a view to developing economic and social infrastructures;
- promoting collaboration between civil society organizations concerned with training, etc. This would help to consolidate ongoing vocational training; and
- cooperation in the areas of the environment and tourism promotion.

16. GREEN PAPER - FINANCIAL SERVICES AND CONSUMERS

Opinion of the Economic and Social Committee on the *Financial Services: Meeting consumers' expectations - Green Paper*
(COM(96) 209 final)

(CES 1268/96)

Rapporteur : Mr Giampaolo PELLARINI (Italy - Workers)

Gist of the Commission proposal

The Green Paper concerns the workings of the single market in the financial services sector (banking, insurance, share trading) from the angle of the individual consumer. This market, which has been in operation for three years, is the subject of a study due to be completed at the end of 1996, in tandem with the consultation procedure which the Commission plans to conclude in mid-October.

The fifty existing financial services directives, along with provisions devised to ensure stability and trust in this sector, already take account of protection of consumers' rights and interests, with specific reference to information, safeguard of their legal interests and guaranteed access to appeal procedures. Part I of the Green Paper deals with such matters.

Part II focuses on a number of problems which have already arisen in cross-border transactions. The Green Paper looks at the issues of discrimination against non-residents, legal restrictions on freedom to provide financial services in the Union, the quality of service and information, practices of unregulated intermediaries, the lack of harmonization in taxation and the specific field of compulsory civil liability motor insurance.

The last part deals with future challenges, especially as regards distance selling, since financial services are excluded from the scope of the draft directive currently under discussion. This sector, which is expanding

rapidly in an increasingly competitive climate, militates for particularly detailed information and strong safeguards to protect the consumer (right of withdrawal, cooling-off period, unsolicited sale).

Gist of the Opinion

The ESC considers the white paper to constitute an important opportunity to study the existing problems and barriers in greater depth, in order to provide better protection for the user of financial services and encourage wider cross-border provision of financial services.

Contributions were made to the in-depth study and discussion of these subjects by representatives of consumers' associations and banking, insurance and financial organizations at a hearing held by the ESC, also attended by CEEC observers. There will be a further opportunity to compare notes at the hearing to be held by the Commission in November 1996, at which the ESC will be represented.

The ESC notes that the document presented by the Commission is full of information and reflections, but also of questions and contradictions. It seems to present consumer protection as secondary and, above all, subordinate to the completion of the single market. The Committee believes this viewpoint ought to be changed, with both objectives being given equal importance. If consumers gain nothing in the way of greater convenience and better services, the single market might appear to be solely of benefit to producers of goods and providers of services, irrelevant to citizens' requirements.

Bearing in mind the difficult position of consumers faced with the complexities of many financial services and the laws governing them, it would be useful if the Commission were to prepare a publication for a general readership giving an easily understandable summary of the most important measures in the fifty directives on financial matters.

In the ESC's view, two alternative approaches are possible to producing reliable, comprehensive protection for financial service users: a horizontal directive establishing common rules for financial services targeted at private individuals and, if necessary, specific rules in the directives for individual sectors; or alternatively, the continuation of the current situation, with the Commission continuing to legislate through specific directives, with the aim of identical treatment for all financial products as regards consumer protection.

The Committee is convinced that the codes of conduct are also certainly useful and should be encouraged: however, a basic legal framework is required for both more effective protection and more transparent competition with a level playing field across the Community.

Community-level harmonization should focus on three principal aspects: market transparency and consumer information, contractual terms and consumers' right to redress.

Another important problem is the definition of the "general good" taken into account by every Member State to limit the supply of financial services. The ESC believes there is a need for a more precise definition of this concept, to prevent it being used simply for protectionist purposes, to the detriment of consumers' freedom of choice.

Concerning the question of which courts are competent for contracts concluded with consumers, the Committee does not share the green paper's approach, according to which applying the law of the consumer's country of residence "may create a potential conflict with the principle of mutual recognition applicable within the single market, which tends towards the application of the law of the service provider".

The Committee believes that reference should be made to Article 5 of the Rome Convention of June 1980, under which the applicable law is that of the country where the consumer usually resides. This is the clearest and most satisfactory solution, since the principle of mutual recognition is only applicable in the field of public commercial law, not contract law, particularly given the provisions in favour of favour of consumer protection.

The Committee concludes, after a series of specific comments on various points of the green paper, that a white paper on financial services and consumers should be drawn up, listing the rights to be protected and the mechanisms for protection (right of access, information, transparency of services and means of redress). The ESC also calls for a broad inquiry into disputes on financial services, in collaboration with trade associations from the sector and consumer organizations, in order to identify the priorities for Community intervention.

17. PUBLIC SERVICE OBLIGATIONS/ENERGY (*Own-initiative Opinion*)

Opinion of the Economic and Social Committee on *Public service obligations in the internal energy market*

(CES 1269/96)

Rapporteur : Mr Bernardo HERNÁNDEZ BATALLER (Spain - Various Interests)

Aim of the opinion

At the current stage in the debate on the energy regulations and looking to the future of energy policy in the European Union, the Committee could make a valuable contribution by issuing an opinion on the subject of public service obligations in the internal energy market.

Both Commissioner Papoutsis and the Commission's director-general for energy, Mr de Miguel, have declared their interest in the Committee initiating a debate on this subject (which is of exceptional importance) in order to remove the obstacles which have been blocking the directive on the internal electricity market for four years now.

It should be borne in mind that the Commission believes that the cornerstone of energy policy should be the integration of the Community's internal market, starting with full application of the principle of non-discrimination provided for in the Treaty, so as to guarantee both freedom of investment and free movement of energy. This implies liberalization which does not risk leaving it to the market to provide those services which, because they are designed to meet public interest requirements, might not be protected in the event of it being necessary to make non-profitable segments of the sector universally available.

It is for this reason that the Commission, in its Green Paper entitled "For a European Union Energy Policy" (COM(94) 659 final), set as one of the Community's energy priorities the definition of the following "essential elements":

- protection of the public service function;
- security of supply;
- environmental protection;
- energy efficiency.

In order to preserve the public service function, which is an "essential element", it would be necessary to:

- determine those sections of the energy sector responsible for protecting key interests, i.e. those sections where operators entering the sector in a competitive environment may be subject to additional public interest requirements;
- define the scope of these services, which should include maintaining and improving supply, a minimum set of defined services of a specified quality, accessible to all, under the same conditions for all, at an affordable price;

- determine how and by what means costs can be charged to sector operators, defining inter alia possible guarantees (security, sureties, reserves, systems for auditing accounts etc.) to ensure compliance with commitments which are incumbent on everyone who, freely and unconditionally, wishes to enter the market under these conditions, and the system of implementation and its consequences.

It should be understood that these arrangements for public authority intervention must be (i) in proportion to the objectives, (ii) justified, and (iii) compatible with the Treaty's provisions;

- moreover, it is necessary to safeguard the interests of those people living in areas where, under full competition, use of such services is not guaranteed under equal economic conditions; such areas could become marginalized, thus exacerbating regional imbalances.

This is a sector in which the situation varies from one Member State to another; the opinion should therefore provide an overall view of the different arguments.

Public service obligations in the energy sector constituted one of the central pillars of the ESC own-initiative opinion on energy policy⁶.

It should also be borne in mind that the topic transcends the energy sector and its conclusions could be applied, with appropriate exceptions, to other key sectors such as telecommunications or postal services.

Summary of the Opinion

The ESC reiterates the need to create an internal energy market as one of the basic pillars of Community energy policy.

The ESC recognizes that the supply of gas and electricity is crucial to all citizens and that economic efficiency therefore needs to be tempered by respect for the public interest, namely the regular and continuous supply of these products as an indispensable social objective.

The Committee notes the need for a regulatory framework of minimum criteria which focuses as far as possible on striking a balance between the competition rules and the fulfilment of public service obligations.

The establishment of some minimum criteria enabling the Member States to define these obligations in the energy sector, will provide operators with a basic legal framework. The Member States will have to impose these obligations in a clear, non-discriminatory manner in accordance with Community rules and notify them to the Commission.

Without prejudice to the above comments, and given that public services are the guarantors of fundamental social rights and economic and social cohesion, the ESC urges the Commission to support the position of the European Parliament and either (a) to incorporate the concept of public service and its underlying principles in the Treaties as part of the revision procedure at the Intergovernmental Conference, or (b) to adopt a "Public Services' Charter" to be incorporated in the new Treaty as an appendix. Such a charter, with its valuable interpretative function, would make Community regulations more transparent and more secure.

⁶ OJ No. C 393 of 31 December 1994, page 95

II. FUTURE WORK

Ecofin Section

ECO/220

- Programme for the introduction of a new common VAT system
COM(96) 328 final
Deadline: February

Environment Section

ENVI/416

- Consumer goods/sale and guarantees
COM(95) 520 final - 96/0161 COD
Deadline: November

ENVI/437

- Operation of aeroplanes covered by Annex 16 to the Convention on International Civil Aviation
COM(96) 413 final - 96/0209 SYN
Deadline: November

ENVI/432

- Food additives other than colours and sweeteners
COM(96) 303 final - 96/0166 COD
Deadline: December

ENVI/434

- Classification, packaging and labelling of dangerous preparations
COM(96) 347 final - 96/0200 COD
Deadline: January

ENVI/438

- Mechanisms for monitoring Community CO₂ and other greenhouse emissions
COM(96) 369 final - 96/0192 SYN
Deadline: January

ENVI/431

- Groundwater protection and management
COM(96) 315 final - 96/0181 COD
Deadline: January

Industry Section

IND/593

- Accession of EC to the protocol relating to the Madrid Agreement concerning the international registration of marks
COM(96) 367 final - 96/0190 CNS
Deadline: January

Transport Section

TRA/320

- Fishing vessel safety
COM(96) 255 final - 96/0168 SYN
Deadlines: November

Social Section

- **SOC/325**
Social security schemes/employed and self-employed persons and their families
COM(96) 318 final - 96/0170 CNS
Deadline: December/January
- **SOC/329**
Application of social security schemes to migrant workers
COM(96) 452 final - 96/0227
Deadline: December/January
- **SOC/330**
Green Paper on Education, Training and Research: obstacles to transnational mobility
COM(96) 462 final
Deadline: February

Agriculture Section

- **AGR/635**
Community system for fisheries and aquaculture
COM(96) 350 final
Deadline: January

Energy Section

- **ENERG/238**
Community energy legislation
COM(96) 320 final - 96/0174 CNS - 96/0175 CNS
Deadline: November
- **ENERG/239**
Illustrative nuclear programme
COM(96) 339 final
Deadline: April

IN ANTICIPATION

Environment Section

- **ENVI/439**
Community law in the area of the environment
COM(96) 500 final
Deadline: March
- **ENVI/440**
Evaluation of the impact of a number of plans and programmes on the environment
COM(96) 511 final
Deadline: March

ENVI/441

- Closer alignment of provisions for restricting the marketing of certain dangerous substances and preparations
COM(96) 513 final
Deadline: March

Industry Section

IND/593

- Green Paper on child protection and human dignity in audio visual and information services
COM(96) 483 final
Deadline: to be decided

Transport Section

TRA/326

- Minimum level of training for seafarers
COM(96) 470 final - 96/0240 SYN
Deadline: February

Energy Section

ENERG/...

- Cooperation on agreed Community energy objectives
COM(96) 431 final - 96/0218 CNS
Deadline: February

Agriculture Section

AGR/638

- Common organization of the market in the raw tobacco sector
COM(96) 478 final - 96/0241 CNS
Deadline: December

AGR/639

- Arrangements for the management of fishing in the Baltic Sea
COM(96) 489 final - 96/0244 CNS
Deadline: January

AGR/640

- Specific measures to help producers of cephalopods operating in the Canary Islands
Deadline: to be decided

III. PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE

The President's activities

As part of his tour of European capitals to publicize the Economic and Social Committee's concerns regarding the IGC, **Mr Ferrer** met:

- in Vienna on 30 September, **Mr Franz Vranitzky**, Federal Chancellor of Austria

- in London on 16 October, **Mr David Davis**, Minister of State at the Foreign and Commonwealth Office

On 3 October 1996 **Mr Ferrer**, accompanied by a delegation of Spanish ESC members, was received by **King Juan Carlos of Spain** in Madrid.

Sections' and members' activities

On 8 October 1996 **Mr Christie**, member of the Regional Development Section, took part in a conference on "Cooperation for European territorial development - Atlantic arc region", held in Santiago de Compostela, organized jointly by DG XVI and the Committee of the Regions.

On 16 and 17 October, **Mr Colombo**, member of the Section for Protection of the Environment, Public Health and Consumer Affairs who has served as rapporteur on the topic on several occasions, took part in a conference in Madrid on economic aspects of waste, organized by a Spanish organisation in the waste sector.

Between 23 and 25 October **Mr Moreland**, President of the Regional Development Section, took part in the XXIVth General Assembly of the CPMR (Conference of Peripheral Maritime Regions of Europe) in Puerto de la Cruz (Canary Islands).

On 24 October **Mr Colombo**, member of the Section for Protection of the Environment, Public Health and Consumer Affairs, took part in a meeting of the Pharmaceutical Products Intergroup in Strasbourg.

On 25 October 1996 **Mr Regaldo**, member of the regional development section, took part in a workshop on tourism in the European Union organized by the Universidade Lusófona de Humanidades e Tecnologias.

Other activities

- October 1996: Conference in Brussels organized by the European Parliament and the Committee of the Regions on EU local and regional authorities.
- October 1996: Conference in Brussels on "Managing economic transition in central and eastern Europe and central Asia".

Relations with economic and social councils and similar bodies

10 October 1996: working meeting at the ESC building with a delegation from the French and Spanish economic and social councils on the Continental Diagonal (regional policy)

IV. IN MEMORIAM

It is with sorrow that the president and members of the Economic and Social Committee, the secretary-general and the secretariat announce the death of **Mr Richard Pickering** (UK - Group II) on 10 October 1996. **Mr Pickering** had been a Committee member since 21 September 1994.

V. RETIREMENTS - APPOINTMENTS

At its 339th plenary session held on 30 and 31 October 1996 the president announced the resignations of:

- **Gian Paolo Carrozza** (Italy - Workers), a Committee member since 21 September 1994
- **Andre Laur** (France - Various Interests), a Committee member from 20 September 1978 to 19 July 1984 and from 21 September 1989 to 28 October 1996. **Mr Laur** was a vice-president of the Committee from 1994 to 1996.

However, the retiring members will remain in office until the appointment of their successors by the Council.

The Council appointed **Mr Daniel Retureau** (France) to replace **Mr Jacques Tixier**, a Group II member who had resigned.

VI. FORMER MEMBERS' ASSOCIATION

Former members' visit to Rhodes

From 20 to 22 October the association of former members of the Economic and Social Committee visited the island of Rhodes at the instigation of **Mr Vassilaras**, former president of Group III.

A meeting with the leaders of the chamber of commerce, industry and crafts showed that the local economic operators were familiar with the Committee's opinions and reports, particularly those concerning tourism and island regions.

An exchange of views with the Rhodes hoteliers' association brought problems in the sector to light, including pressure from the large scale tour operators working from a dominant position and the effects of competition from Turkey, where the sector benefited from heavy state subsidies.

Participants also met the committee of the Dodecanese workers' trade union, who underlined that workers were obliged to work extra hours or take up illegal employment to make up for shortfalls in earnings caused by businesses operating only during the summer. They hoped that the forthcoming revision of the Maastricht treaty would take greater account of the social dimension of the European Union.

The Association party were pleased to observe that economic and social interest groups in Rhodes appreciated the role played by the Economic and Social Committee.

VII. INFORMATION VISITS

During the period covered by this Bulletin, the following groups visited the Economic and Social Committee.

2 October 1996	Deutsche Gesellschaft, Berlin, Germany
3 October 1996	CFDT - Retraités, Tourcoing, France
3 October 1996	Centre de Formation et de Promotion des Maisons Familiales Rurales, La Guyonnière, France
4 October 1996	Danish Confederation of Trade Unions
8 October 1996	Politische Akademie Biggensee, Attendorn, Germany

9 October 1996 Soprelor (early retirees and pensioners of Lorraine), France
Politischer Jugendring, Dresden, Germany
Allianza de Mutualisme de America, Mercosur, Latin America
European Trade Union College, Italy
Olive oil producers, Jaen, Spain

10 October 1996 Juridisk Selskab I Aarhus, Denmark

11 October 1996 Arbeiterskammer Vorarlberg, Austria
European Regional Affairs Consultants, Boxtel, Netherlands

14 October 1996 Fundacion Asturias, Spain
Instituto de Castelo Branco, Portugal

15 October 1996 Mercosur journalists, Latin America
Patronat Català Pro Europa, Spain

17 October 1996 Deutsche Gesellschaft, Berlin, Germany

21 October 1996 Deutche Gesellschaft, Berlin, Germany

22 October 1996 Assemblée Permanente des Chambres de Métiers, Paris, France
Lycée Jeanne d'Arc, Sainte Adresse, France

23 October 1996 Turkish delegation
Politisches Bildungswerk VISG, Bonn, Germany

24 October 1996 Gewerkschaft der Privatangestellten, Linz, Austria
Etablissement national d'enseignement supérieur agronomique, Dijon, France

25 October 1996 Institut Marie Haps, Brussels, Belgium

28 October 1996 Portuguese national confederation of agricultural cooperatives

29 October 1996 Municipality of Obidos, Portugal
Funktionaerernes og Tjenestemaendenes Faellesrad, Copenhagen, Denmark

30 October 1996 South London Training and Enterprise Council, UK

