

EUROPEAN COMMUNITIES

BULLETIN

5

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



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.

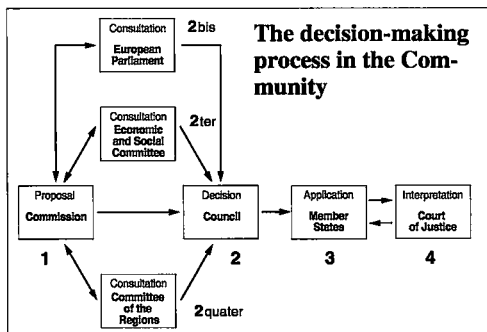
Information and Integration Role

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.

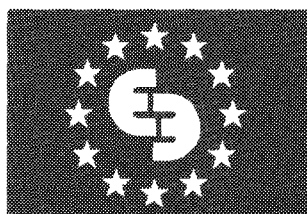
EUROPEAN COMMUNITIES

BULLETIN

96

5

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)

ECONOMIC AND SOCIAL COMMITTEE

Directorate for Communications
Division for Relations with Economic and Social Councils
and socio-economic groups
2, rue Ravenstein, B-1000 Brussels

Tel.: 546 90 11
Fax: 546 98 22

Telegram: ECOSEUR
Telex: 25 983 CESEUR

Catalogue number: ESC-96-009-EN

Brussels: General Secretariat of the Economic and Social Committee, 1996

Reproduction is authorized, except for commercial purposes, provided the source is acknowledged.

Printed in Belgium

C O N T E N T S

I.	336th PLENARY SESSION HELD ON 29 AND 30 MAY 1996	1
1.	Review of sustainable development programme <i>(adopted by 108 votes to 2 with 4 abstentions)</i>	1
2.	Technical standards - Mutual recognition (S.M.) <i>(Additional Opinion)</i> <i>(adopted by 101 votes with 1 abstention)</i>	3
3.	Internal Market Public Procurement (S.M.) <i>(Additional Opinion)</i> <i>(adopted by 108 votes to 1 with 3 abstentions)</i>	5
4.	Linguistic diversity/Information society <i>(adopted by 67 votes to 3 with 2 abstentions)</i>	7
5.	Passenger-ship safety <i>(adopted by 104 votes to 1 with 2 abstentions)</i>	9
6.	Fourth framework RTD programme - Supplementary financing <i>(adopted by 102 votes with 5 abstentions)</i>	10
7.	Protection against ionizing radiation - Medical exposures <i>(adopted by 110 votes to 1 with 2 abstentions)</i>	15
8.	Worker information and consultation <i>(adopted by 118 votes to 3 with 13 abstentions)</i>	17
9.	Air carrier liability <i>(adopted by 83 votes to 2 with 2 abstentions)</i>	19
10.	3rd Annual Report on the operation of the Single Market <i>(adopted by 87 votes to 7 with 6 abstentions)</i>	20
11.	Leghold traps <i>(adopted by 109 votes to 5 with 4 abstentions)</i>	22
12.	Green Paper on Innovation <i>(adopted by 127 votes to 5 with 3 abstentions)</i>	23
13.	Relations EU/United States <i>(Own-initiative Opinion)</i> <i>(adopted by 94 votes to 3 with 6 abstentions)</i>	28
14.	CMO/Financial services natural persons <i>(adopted by 92 votes with 1 abstention)</i>	30
15.	Meat and meat preparations <i>(adopted by 78 votes to 1 with 4 abstentions)</i>	31
16.	Common organization of market/Bananas <i>(adopted by 82 votes to 20 with 21 abstentions)</i>	32
17.	Aid scheme for producers of certain citrus fruits <i>(adopted by 52 votes to 2 with 5 abstentions)</i>	32
18.	Green Paper - Citizens' Network <i>(adopted by 93 votes to 1 with 3 abstentions)</i>	33

II.	FUTURE WORK	34
III.	PRESENCE AND INFLUENCE OF THE ESC	37
IV.	APPOINTMENTS	38
V.	INFORMATION VISITS	38

The complete texts of the Opinions summarized in this brochure can be obtained either in the Official Journal of the European Communities, Office for Official Publications, 2, rue Mercier, L-2985 Luxembourg, or directly from the ESC Division for Relations with Economic and Social Councils and socio-economic groups (Fax: +32.2.546.98.22)

I. 336th PLENARY SESSION HELD ON 29 AND 30 MAY 1996

The Economic and Social Committee of the European Communities held its 336th Plenary Session in Brussels on 29 and 30 May 1996, with Mr Carlos Ferrer in the chair.

The Session was noteworthy for the participation of Mr Mario Monti, member of the Commission, who spoke on the completion of the Single Market, a subject to which the majority of the Session was dedicated.

The following Opinions were adopted:

1. REVIEW OF SUSTAINABLE DEVELOPMENT PROGRAMME

Opinion of the Economic and Social Committee on the *Proposal for a European Parliament and Council Decision on the review of the European Community Programme of policy and action in relation to the environment and sustainable development "Towards Sustainability"*
(COM(95) 647 final - 96/0027 COD)

(CES 689/96 - 96/0027 COD)

Rapporteur : Mr Klaus BOISSEREE (Germany - Various Interests)

Gist of the Commission proposal

The overall evaluation after three years of the Programme's operation is that its approach and strategy to reach sustainable development remain valid. However, the European Environment Agency's Report points to the need for an "accelerated EU environmental policy if the European Union wants to achieve the environmental objectives and targets for the year 2000 and beyond identified by the Programme, i.e. to pave the way to sustainable development".

Five key priority areas have been identified in which Community action needs to be stepped up in order to ensure the more efficient implementation of the approach set out in the Programme in the period running up to the year 2000:

- the development of improved approaches to integration of the environment into other policy areas. The present decision sets out Community measures necessary to better integrate environmental considerations into the agriculture, transport, energy, industry and tourism sectors;
- broadening the range of instruments to bring about changes towards sustainable development, focusing in particular on market-based instruments, various other horizontal instruments and the use of the Community's own financial support mechanisms as a means to promote sustainable development;
- increasing the effectiveness of Community environmental legislation by measures aimed at improving its implementation and enforcement, including improving and, where appropriate, simplifying the legislative framework;
- additional action in relation to communication, information, education and training to raise awareness of sustainable development issues and initiate changes;
- reinforcing the Community's role in international action on the environment and sustainable development. This implies in particular action to strengthen its approach to cooperation on the environment with Central and Eastern Europe, to reinforce overall international action in relation to environment and sustainable development, and to formulate approaches to trade and the environment.

To complement those five priority areas, five further issues have been identified as requiring particular attention at this stage if implementation of the Programme is to be accelerated:

- improving the factual basis for the formulation of Community environmental policy by the provision of reliable and comparable data, statistics and indicators, sound scientific information and the assessment of the cost and benefits of action or lack of action;
- the development of action to promote awareness and changes in behaviour by industry and consumers with a view to moving towards more sustainable patterns of production and consumption;
- further developing the concepts of shared responsibility and partnership;
- encouraging initiatives at local and regional level on issues vital to sustainable development, in particular in relation to the use of spatial planning as an instrument to facilitate sustainable development, to the urban and rural environment, coastal areas and nature conservation areas;
- further development on the environmental themes identified in the Fifth Programme, in particular climate change and ozone depletion, acidification and air quality, management of water resources, waste management, noise, nature protection and biodiversity, as well as chemicals management.

Gist of the Opinion

The Commission's Action Plan represents a comprehensive set of EU level measures. From this point of view, the ESC endorses the Commission's proposal. The Committee likewise endorses the selection of priority measures. Despite the ESC's basically positive attitude to the draft decision, it does however, wish to make the additional points and criticisms set out below.

The co-decision procedure which the Commission has invoked in this case may make the draft decision more binding and is therefore welcomed by the ESC. It is, however, doubtful whether measures contained in the Commission's action plan are sufficiently concrete to be dealt with under the co-decision procedure.

One of the main concerns to the ESC is that the proposed action plan should be made **more specific**. Specific timetables and objectives should be set out in respect of the proposed action. The ESC takes the view that it is essential to make the proposal more specific in order to assure all the parties involved about where they stand when drawing up their plans and in view of the political dimension involved.

The Commission proposal does not pay adequate attention to the social dimension of environmental policy. In this context the ESC put forward, in an earlier Opinion¹, proposals for easing the burden of labour costs when environmental taxes are introduced. These proposals should provide the background for the new economic instruments of environmental policy. In the document under consideration the Commission refers to the UN's "Agenda 21" and the projected intermediate review to be made at a special session of the UN General Assembly scheduled for 1997; the Commission is also prepared to support the work of the responsible UN commission. The Commission is, however, tight-lipped as to the content and objectives of this measure.

The Action Plan skates over the link with the "Citizens' Europe" advocated in the Treaty of Maastricht. The Action Plan treats citizens merely as the target group for campaigns to publicize issues relating to sustainable development and as potential guinea pigs for changes in behaviour patterns. There is no reference to enhancing the participation of citizens and their organizations in the transposition and implementation of the Action Plan. This field also covers proposals to make enjoyment of a healthy environment a civil right.

¹ OJ No. C 155 of 21 June 1995

The ESC makes a number of additional proposals and critical observations in respect of the following points:

- integration of the environment into other policies (Article 2),
- broadening the range of instruments (Article 3),
- implementation and enforcement of legislation (Article 4),
- awareness-raising (Article 5),
- international cooperation (Article 6),
- improving the basis for environmental policy (Article 7),
- sustainable production and consumption patterns (Article 8),
- shared responsibility and partnership (Article 9),
- promotion of local and regional initiatives (Article 10),
- environmental themes (Article 11).

2. TECHNICAL STANDARDS - MUTUAL RECOGNITION (S.M.) (*Additional Opinion*)

Opinion of the Economic and Social Committee on *Technical standards and mutual recognition*

(CES 690/96)

Rapporteur : Mr Johannes M. JASCHICK (Germany - Various Interests)

Background

The Single Market Observatory

In its Opinion on the first Commission report on the operation of the Internal Market the ESC undertook an in-depth analysis of the current situation. The results of this work were much appreciated by the European Parliament, the Council of Ministers and the Commission and led the Council in June 1995 to propose that a Single Market Observatory be set up in the ESC. The crux of the Opinion was a list of 67 serious obstacles preventing the general public and economic operators from benefitting fully from a frontier-free European Market.

On the basis of these findings, the ESC Bureau instructed the Section for Industry, Commerce, Crafts and Services to draw up an Opinion specifically on the subject of technical barriers to trade.

The principle of free movement of goods

Long before the idea of subsidiarity was introduced, standards, testing, certification and supervision were dealt with by self-regulatory methods, with the emphasis on those directly involved, and a more limited role for the public authorities.

Basically in the EC it is axiomatic that quantitative restrictions and all "measures having equivalent effect" be removed, as laid down in Articles 30 and 34 of the EEC Treaty. The term "measures having an equivalent effect" can be explained using as a basis the so-called "Dassonville Formula" elaborated by the European Court of Justice, which declares that: "All trading rules enacted by Member States which are capable of hindering, directly or indirectly, actually or potentially, intra-Community trade are to be considered as measures having an effect equivalent to quantitative restrictions". This decision was supplemented by the path-breaking Court of Justice decision based on the 1979 Cassis de Dijon ruling and states that: "In the absence of common rules relating to the production and marketing of (a good), it is for the Member States to regulate all matters relating to the production and marketing of (a good) on their own territory. Obstacles to movement within the Community resulting from disparities between the national laws must be accepted in so far as those provisions may be recognized as being necessary in order to satisfy mandatory requirements relating in particular to the effectiveness of fiscal supervision, the protection of public health, the fairness of commercial transactions and the defence of the consumer".

These principles basically apply to all products which benefit from the free movement of goods in the EC.

Previous attempts to remove technical barriers to trade

One area into which the EC is putting a great deal of effort is the removal, by aligning national rules, of restrictions on the free movement of goods imposed by technical barriers to trade. Previous approaches to this problem had taught us that these procedures were too lengthy and cumbersome; even the EC provisions themselves contained, besides the basic safety requirements, the standards as appendices.

With the Single Market programme, the Commission established priorities for action to create a smoothly-operating internal market. This also brought with it the requirement for a new, accelerated harmonization procedure to deal with technical barriers to trade. To meet this requirement, the Council of Ministers adopted the so called "new approach" in 1985. The aim is that the Community legislation concentrate on establishing the essential requirements in the (in most cases) directives. Putting these requirements into practice is a separate issue, achieved by imposing standards formulated by European standards bodies, as listed in the Annex to Directive 83/189/EEC.

In 1990 this "new approach" was supplemented by the so-called "global approach" for matters relating to testing and certification. This comprises a module-based procedure; once the procedure has been completed, depending on the possible dangers associated with the products concerned, manufacturers can obtain certification for their products.

Nevertheless, despite all the EU's efforts, technical barriers to trade still constitute one of the greatest problems for the Single Market.

Gist of the Opinion

This Opinion was drawn up within the framework of the Single Market Observatory and deals essentially with restrictions on the free movement of goods in the EU caused by differing national regulations - and the national standards, testing, certification and supervision procedures to which they sometimes refer or specify - and the problem of inadequate mutual recognition between the Member States.

Two hearings, accompanied by a questionnaire, were held in Milan and Stockholm to prepare the Opinion.

To help understand this very complex issue, the Opinion is preceded by an explanation of some terms. This is followed by a description of previous attempts by the EU to remove technical barriers to trade. It contains detailed comments on, in particular, the so-called "old approach", the "new approach" to technical harmonization and standardization, and the "global approach" to conformity assessment.

The current situation with regard to standards and testing and certification procedures is then discussed, focusing on the themes: standards and trade policy, mutual recognition of national provisions, notified bodies and test findings, and the high demand for standards.

On this basis the Committee has formulated some specific recommendations for future standardization policy, touching on the following areas:

- standardization and trade policy;
- transparency and legal status of standards;
- consistency and uniform transposition of directives;
- clear and timely mandate;
- participation of groups concerned;
- language barriers and lack of information;
- notified bodies and CE mark;
- Market supervision.

Separately from this Opinion the Committee will publish a summary of the oral and written contributions received by the ESC in connection with the hearings and questionnaire.

3. INTERNAL MARKET PUBLIC PROCUREMENT (S.M.) *(Additional Opinion)*

Opinion of the Economic and Social Committee on *Public Procurement*

(CES 691/96)

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

Background

Despite the well documented successes in creating a Single European Market there are still many obstacles which remain to be overcome. These were indicated in responses received by the Economic and Social Committee to 200 questionnaires, and in the oral evidence given by over 40 of the participants representing national and European interest groups at a one day Hearing organized by the Committee on 30 June 1994. A total of 62 substantive obstacles were mentioned of which 32 referred to the free movement of goods, 15 to the freedom to provide services and freedom of establishment, 13 to the free movement of people and 2 to the free movement of capital. Among the main issues which were raised in these monitoring exercises, those concerning the Public Procurement are:

- Complex bureaucratic requirements in certain Member States effectively work as barriers to trade in the construction industry.
- Difficult in practice to get contract unless the company is established locally.
- For construction contracts some Member States require the submission with tender documents of a balance sheet not more than 6 months old.
- The thresholds for the publication of requests for tenders in the Official Journal are too high to ensure access for SMEs.
- Complaints about short delays between publication date and tender date.
- Difficulties are experienced by SMEs in getting access to tenders in other Member States due to stringent prequalification requirements.
- Translation problems often make it impossible for SMEs to respond to public tenders in other Member States within the prescribed period.

The full operation of the Internal Market is crucial to economic and social development within the European Union. However, the expectations which existed at the time of passage of the Single European Act have not yet been met. It is essential that a vigorous programme be adopted to eliminate all remaining obstacles.

There is need to achieve an appropriate balance between EU and national regulation. The implementation and control of existing regulation must be supervised rigorously. The responses to the hearing and questionnaire have pointed to the need for greater harmonization of legislation.

In its "Report on the Single Market in 1994" the Commission states:

During the year the Community legislative framework in the public procurement field was supplemented with entry into force of the last consolidated directives. Several important decisions by the Court of Justice also clarified aspects of the public procurement rules. The Commission strove to take greater account of the special problems encountered by SMEs in bidding for contracts by holding a seminar devoted specifically to the question

and by looking into various concrete measures that could be taken to help SMEs. In the external relations field, the new government procurement agreement was signed in Marrakesh on 15 April in the context of the Uruguay Round.

Following the entry into force in 1994 of the last consolidated directives (Directives 93/36/EEC (Supply Contracts), 93/37/EEC (Works Contracts) and 93/38/EEC (Water, Energy, Transportation and Telecommunications Contracts)), the Commission stepped up checks on transposal of the legislation, taking action against those Member States that failed to fulfil their general obligation to communicate their national implementing measures and examining the measures communicated by Member States that had transposed these and earlier directives.

Taking account of the extra time that Spain, Greece and Portugal have been allowed for transposing Directive 93/38/EEC (and Directive 90/531/EEC), most Member States have failed to meet the deadlines of 14 June 1994 and 1 July 1994 for transposing Directives 93/36/EEC and 93/38/EEC, while there are still major delays in transposing some of the earlier directives, in particular Directive 92/50/EEC on services and Directive 92/13/EEC on review procedures in the utilities sectors.

On the 23 infringement proceedings in hand for failure to communicate national measures implementing the public procurement directives, nine were initiated in 1994 and concern Directive 93/36/EEC.

Following its examination of measures communicated, the Commission discovered five new infringements over and above the 16 for which it had already initiated proceedings in previous years. These sometimes involve questions of principle that could jeopardize the opening-up of public procurement in the Member States concerned.

The situation with regard to Directive 92/50/EEC is alarming, since most Member States have so far failed to communicate their national implementing measures, which they are not expected to adopt in the near future, and the others have adopted measures that are sometimes far from satisfactory.

The Commission of course continued to follow up proceedings initiated in connection with its scrutiny of the transposal of earlier directives (the amended Works Directive 91/305/EEC and the amended Supplies Directive 88/295/EEC) and brought one case for faulty transposal against Germany to the Court of Justice.

The Commission stepped up its checks on application of the rules by contracting authorities and contracting entities in each of the Member States. These checks focused in particular on the conditions in which Member States award contracts for the supply of pharmaceutical products. It also dealt with all infringements, discovered as a result of complaints or through its own investigations, involving the application of rules of Community law that can be relied on in the public procurement field (directives and Treaty articles); the number of such infringements doubled as compared with 1993, most probably as a result of the progressively wider implementation of the directives following entry into force of the most recent texts.

Of the 206 cases dealt with in 1994 (including 121 new cases opened), the Commission settled matters with the Member State concerned in 66 cases before the infringement proceedings had run their full course. To that end, it set up procedures for dialogue and consultation (in particular through bilateral meetings with individual Member States to discuss a range of issues) in order to offer Member States the legal and technical assistance they need and to endeavour to find mutually acceptable solutions to disputes in accordance with Community law.

On 14 and 15 January the Commission held a seminar on opening up public procurement in the single market and affording SMEs greater access to contracts. The seminar was attended by those involved in procurement: lawyers, public purchasers, company managers and representatives of trade associations.

One of the major concerns evoked by participants was the difficulty experienced by small and medium-sized enterprises in securing access to public contracts. If SMEs are to gain maximum benefit from the opening-up of public procurement, they need to have local partners, a full range of business advisory services, rapid, precise and reliable information, and properly qualified staff.

These topics were discussed in detail in working groups focusing on the application of Community law on public procurement, training, standardization and service networks.

Gist of the Opinion

The initial measures to be taken are as follows:

Stress that the most urgent, priority task is for all Member States to complete the drafting of national laws on the application of the Directives on public contracts and, further, to adjust their laws to the general spirit of the Community legislation where implementation has proved insufficiently compatible.

The codification of the law and its implementation must precede any change in existing Community law, which should possibly be based on the accumulated experience of several years of full operation of the present system.

Assess the appropriateness of stepping up training programmes, financed by the European Commission and possibly organized through the socio-occupational groups in each country, so as to raise the awareness of and prepare staff in both the contracting entities and firms, with special attention to SMEs interested in participating in these public contracts.

Using the structures already in existence in some Member States set up associations or forums for the promotion of public contracts. Their job would be, inter alia, to develop relevant training programmes and to serve as a point of reference at national level for resolving problems of interpretation of Community and national legislation.

Develop new alternatives and procedures for improving the advertising of contracts e.g. via improved access and electronic dissemination, and promote the participation of SMEs via the formation of European Economic Interest Groupings (EEIGs), which are already subject in this respect to national or Community rules.

Lay down via a Commission communication the criteria for the application of technical standards geared to the priority criteria listed in the Directives.

Step up coordination between the European Commission and the national authorities in this area and with the public contract forums in order to accelerate the change in mentality with regard to the management of public contracts, to make it easier to pinpoint and overcome obstacles and to provide technical support to public bodies at local or regional level putting out to tender contracts covered by the Directives.

The Committee considers that the Commission should, as a matter of urgency, relaunch the Advisory Committee set up with the European economic and social interest groups. This could serve as an essential complement to the national associations, enabling the Commission to receive suggestions from tendering enterprises and at the same time to communicate to these its concerns and priorities.

Ask the Member States to set up national bodies to collect and forward to the European Commission, within a reasonable time, aggregate national-level data based on standardized criteria on the size and openness of public contracts.

4. LINGUISTIC DIVERSITY/INFORMATION SOCIETY

Opinion of the Economic and Social Committee on the *Decision on the adoption of a multiannual programme to promote the linguistic diversity of Europe in the information society*
(COM(95) 486 final - 95/0263 CNS)

(CES 692/96 - 95/0263 CNS)

Rapporteur : Mr Giampaolo PELLARINI (Italy - Workers)

Gist of the Commission document

If European citizens and SMEs are to take full advantage of the global information society, they will need multilingual facilities for creating, exchanging and accessing information, wherever they happen to be.

The opportunities are unlimited, but the realization requires dedicated and sustained efforts by developers and service providers.

The three action lines proposed in the present programme seek to create an environment which is conducive to the expansion of the language industries such as language engineering and translation industries.

Action Line 1: Supporting the construction of an infrastructure for European language resources.

The Commission will lend its support to the launch of the activities of the European language resources association (ELRA), whose aims are to:

- compile an inventory of the language resources available to the Community;
- introduce mechanisms to ensure that such resources are disseminated throughout the Community;
- promote the application of common standards to ensure compatibility and quality certification.

The Commission will also, where necessary, make a financial contribution to expenditure involved in the introduction of concerted European action among the bodies concerned. Such action will, in particular, concern questions of standards, the dissemination of information and networking.

Action Line 2: Mobilizing and expanding the language industries.

The aim of this action line is to spur the language industries into action by stimulating technology transfer and demand through a limited number of shared-cost demonstration projects which could act as a catalyst in certain key sectors.

Action Line 3: Promoting the use of advanced language tools in the European public sector.

The aim of this action line is to encourage cooperation between administrations in the Member States and the European institutions in order to reduce the costs of multilingual communication in the European public sector.

A special effort will be made to bring the language tools for the new official languages up to the level of the others.

Gist of the Opinion

The Committee approves and endorses the objectives set out in the Commission proposal, but would however like the Commission, the Council and the Parliament to note that, in order to respect the terms of the Treaty regarding the economic and social cohesion of the EU more attention and action is required.

If the possibility of enjoying fluent, two-way communication is the main challenge facing the world today, as economic, cultural and political globalization increases, then we will, by the turn of the century, have to address the need for European *linguae francae*.

There is a need for specific provision to be made allowing the majority of European citizens rapidly to master two or three Community languages, in particular by strengthening learning at school, which remains the principal means of language learning.

The usefulness of a shared working language entails the risk of linguistic standardization and excessive simplification produced by the dilution or loss of cultural values rooted in, and transmitted by, various languages which are gradually being pushed back.

Facilitating the capacity for mutual understanding between various languages, in part by boosting the use of technology, is therefore a worthwhile objective, although it is only a partial one, in that it cannot be dissociated from the main problem of European working languages which must be in a position to develop and expand at the same time.

5. PASSENGER-SHIP SAFETY

Opinion of the Economic and Social Committee on the *Proposal for a Council Directive on safety rules and standards for passenger ships*
(COM(96) 61 final - 96/0041 SYN)

(CES 693/96 - 96/0041 SYN)

Rapporteur : Mr Eduardo CHAGAS (Portugal - Workers)

Gist of the Commission document

International Conventions on passenger ship safety, such as the SOLAS Convention², exclude from their scope of application passenger ships operating on domestic voyages. This gap in international safety regulations has led to varying levels of safety legislation in the Member States and subsequently varying levels of application.

Council Regulation No. 3577/92 (maritime cabotage)³ demonstrated the need to close this gap in order to guarantee fair competition between operators. In its Communication "A Common Policy on Safe Seas" of 24 February 1993⁴, the Commission announced the adoption of common safety requirements for passenger ships. In addition, a Council Resolution of 8 June 1993⁵ called on the Commission to propose measures to guarantee safety at sea for passenger ships in Community waters.

The aim of the present proposal is therefore to guarantee a uniform and harmonized level of safety for human life and goods on passenger ships when they are on domestic voyages, and to provide a level playing field based on convergent standards which avoid distortions of competition in the Community.

In order to achieve these objectives, the Commission considers all of the following provisions to be necessary:

a first set of provisions to divide passenger ships into different classes according to the sea area in which they operate;

a second set of provisions to lay down the general safety requirements to be applied to the different classes of passenger ships;

a third set of provisions for the additional safety requirements, equivalents and exemptions. Clearly, all Member States have neither the same configuration of coastlines nor the same geographical and climatical conditions, and neither have all passenger ships the same constructional and design characteristics. Therefore these provisions endeavour to offset insufficient or excessive requirements by introducing additional requirements or exemptions;

² Safety of Life at Sea Convention

³ Council Regulation (EEC) No. 3577/92 of 7 December 1992 applying the principle of freedom to provide services to maritime transport within Member States (OJ No. L 364 of 12.12.1992, p.7). ESC Opinion 1257/89 (OJ No. C 56 of 7.3.1990, p. 70).

⁴ OJ No. C 34 of 2.2.94, p. 47

⁵ OJ No. L 271 of 7.10.1993, p. 1.

A fourth set of provisions covering inspections and the granting of certificates which will enable authorized organizations to carry out inspections and testify that ships are in a seaworthy condition.

Finally, the Directive lays down procedures for negotiating within the IMO framework the harmonization of the international safety standards applicable to passenger ships engaged on international voyages and the granting of exemptions to such ships, when engaged on short international voyages or on international voyages in sheltered areas.

Gist of the Opinion

The Committee welcomes the proposal for a Directive and, above all, the plan to harmonize the application of safety rules and standards for passenger ships on domestic voyages, thereby avoiding distortions of competition in this area.

The Committee considers it appropriate that the requirements laid down differ according to class of ship and whether the ships have already been built or have yet to be built. This allows the requirements to be adapted to specific operating conditions, thereby reducing the possible additional burden of structural or equipment changes.

The Committee emphasizes the importance of European cooperation within the framework of the Paris memorandum. The Committee would recall its Opinion on the proposal for a Council Directive on Port State Control in Community ports - an area in which a great deal remains to be done.

Lastly, and in line with earlier Opinions, the Committee maintains that the Commission should not replace the Member States on the IMO. However, this should not stop it coordinating the Member States' participation in this organization, making proposals and giving a lead.

6. FOURTH FRAMEWORK RTD PROGRAMME - SUPPLEMENTARY FINANCING

Opinion of the Economic and Social Committee on the

Proposal for a European Parliament and Council Decision adapting for the second time Decision No. 1110/94/EC on the fourth framework programme of activities in the field of research, technological development and demonstration (1994-98) as adapted by Decision No. XXX/96/EC, and the

*Proposal for a Council Directive adapting for the second time Decision 94/268/Euratom concerning the framework programme of activities in the field of research and training for the European Atomic Energy Community (1994-98) as adapted by Decision 96/XX Euratom
(COM(96) 12 final - 96/0034 COD and 96/0035 CNS)*

(CES 694/96 - 96/0034 COD and 96/0035 CNS)

Rapporteur : Mr Henri MALOSSE (France - Employers)

Gist of the Commission proposals

The fourth framework programme was definitively adopted on 26 April 1994. Two decisions were taken on this issue, the first relating to the fourth European Community framework programme of activities in the field of research, technological development and demonstration (1994-1998)⁶, the second on the framework programme

⁶ OJ No. L 126 of 18.5.1994, p. 1

of activities in the field of research and training for the European Atomic Energy Community (1992-1998)⁷. The Committee had made its views known on the Commission's proposals for the fourth framework programme on 25 November 1993⁸.

In line with Article 130g of the Treaty establishing the European Community, the framework programme has a four-pronged remit:

- implementation of research, technological development and demonstration programmes, by promoting cooperation with and between undertakings, research centres and universities;
- promotion of cooperation in the field of Community research, technological development and demonstration with third countries and international organizations;
- dissemination and optimization of the results of activities in Community research, technological development and demonstration;
- stimulation of the training and mobility of researchers in the Community.

As provided for in Article 130i(3) of the same Treaty, these activities are implemented via specific programmes. Between 27 July and 8 December 1994, twenty of these specific programmes were adopted under the 1994-1998 framework programme, fifteen of them in the first area of activity. The ESC was also invited to state its views on these programmes.

Initially, in order to implement these twenty specific programmes, the two decisions in question provided for a total of MECU 12,300 from the Community budget, of which MECU 11,046 was earmarked for the European Community framework programme and MECU 1,254 for the Euratom programme.

With the accession to the European Union of Austria, Finland and Sweden, Community resources have increased; spending on research and development is also set to rise as these countries take part in the specific programmes. Consequently, an initial 6.5% rise in the financing mentioned above was approved on 4 and 26 March 1996⁹. The Committee had endorsed this initial adjustment on 5 July 1995¹⁰.

This percentage rise is the equivalent of an addition of MECU 800 to the total level of funding allocated to the fourth framework programme. The overall figure has thus risen from **MECU 12,300 to 13,100, with MECU 11,746 as opposed to MECU 11,046 allocated to the European Community framework programme (a rise of MECU 718) and MECU 1,336 as opposed to MECU 1,254 earmarked for the Euratom framework programme (an increase of MECU 82)**. This additional funding has been distributed across the board to the various specific programmes.

Under Article 1(3) of both decisions of 26 April 1994 an additional MECU 700 may, should the need arise, be allocated to the fourth framework programme by 30 June 1996 at the latest. However, the decision on whether to release this additional finance was pegged to "an assessment of the state of implementation of the framework programmes, their contribution to the competitiveness of Community industry at international level, value for money and the development of the financial perspective of the European Union".

In line with the four criteria outlined in both these decisions, the Commission believes the conditions have been fulfilled for the approval of the additional MECU 700.

⁷ OJ No. L 115 of 6.5.1994, p. 31

⁸ OJ No. C 34 of 2.2.1994, p. 90

⁹ OJ No. L 86 of 4.04.96, pp. 69 and 72

¹⁰ OJ No. C 256 of 2.10.95, p. 12

The Commission also stresses that its analysis of both the Community's research needs in key areas of interest for industry and society, and the state of affairs in the European Community's main competitors, highlights a number of areas in which enhanced research by the European Union would accrue considerable benefits; the Commission therefore calls for an urgent, substantial increase in research funding.

However, in the light both of budgetary constraints on Community research funding and the need to avoid spreading financial resources too thinly, thereby diminishing their impact, the Commission considers it essential to target the supplementary financing towards areas of research where "taking account of the situation in all Member States, and of the activities of industry and the private sector, the evidence suggests there is the most urgent demand for additional European effort". In other words, certain areas have greater priority than others.

For this reason, the Commission proposes a two-pronged approach to the specific programmes concerned in order to meet research needs; two distinct, but complementary facets are to be explored:

- increased redefinition of activities and enhanced inter-programme Community coordination with measures implemented by the Member States, with a view to halting the fragmentation of RTD measures and to avoiding a duplication of effort and
- additional financial support to enhance certain research activities; the selective nature of this financing will make it possible to expand the activities to the degree required to make them viable.

The following criteria govern the choice of priority areas where the Commission believes there is substantiated urgent need for more research, justifying not only enhanced inter-firm coordination but also the allocation of additional funding:

- the existence of an industrial base in Europe (including SMEs and sub-contractors);
- market opportunities;
- impact on cohesion;
- benefits for employment;
- spread of technology;
- respect for the environment and options for sustainable development;
- consensus in industry and among the public;
- globalization of the markets.

Moreover, this choice also meets the Union's need to ensure that funding is better targeted to a limited number of generic, key technologies which will benefit a wide variety of different economic sectors.

The Commission therefore proposes a financial adjustment to the specific programmes under way at the moment in the following **five** selected priority areas:

- aeronautics (new-generation aircraft) (MECU 165);
- educational multimedia (MECU 125);
- the automobile (car of tomorrow) (MECU 130);
- transport intermodality and interoperability (MECU 90);
- the environment (MECU 190, of which MECU 85 is earmarked for water protection measures and MECU 105 for nuclear safety).

In **three** other areas which are also considered to be of priority importance, the Commission proposes amending the scientific and technical content of the specific programmes in order to target research activities more directly and to ensure better inter-programme coordination. At this stage, however, in the light of the criteria it has

adopted and of the additional available resources, the Commission does not envisage granting additional funding in these cases. The three areas are:

- life sciences (vaccines and viral diseases);
- trains and railway systems of the future;
- maritime systems.

With the exception of the environment, these priorities correspond to the issues dealt with by the seven research-industry operational units (Task Forces) which the Commission has set up with a view to improving the coordination of RTD activities at Community and national level. A new Task Force on water is due to be established shortly.

More specifically, these Task Forces were set up with three objectives:

- to define research priorities better in closer consultation with industry, including SMEs and the users of the results, taking greater account of the needs of society.
- to ensure that the means available under the fourth framework programme are more efficiently coordinated and targeted towards the identified priorities;
- to ensure a better match between supply and demand, where research and technological development are concerned, and to promote an environment favourable to innovation by providing additional funding and facilitating inter-firm cooperation.

Gist of the Opinion

The Committee:

- stresses that research, technological development and innovation are one of the most urgent areas for action to enhance the competitiveness of Community industry and to make a positive impact on employment, against the backdrop of economic and social cohesion;
- is concerned that, at a time when the level of technology in the EU is increasingly lagging that of its major competitors, there is a serious risk that the RTD financial commitments made under the fourth framework programme (1994-1998) will be called into question;
- insists on the importance of immaterial investments, especially in the fields of education, training and research, as part of the strategy for revitalizing competitiveness and employment in the European Union;
- **broadly approves the Commission proposals;**
- backs increased focusing of resources and a coordination of effort on concerted priorities;
- stresses, however, that the proposals on the table go beyond mere mid-term revision and anticipate the forthcoming debate on the Fifth Framework Programme;
- regrets that the Commission has not made use of the supplementary financial leeway offered by the initial adjustment of the fourth framework programme and calls on the budgetary authorities to give substance to the European Community's commitment to an emphasis on long- and medium-term employment-enhancing policies;

- feels that the Commission has failed to give adequate reasons for the way it selected priority areas for supplementary funding;
- reiterates its concerns regarding the lack of transparency in the way in which the research-industry Task Forces were set up and in the choice of common-interest projects for which the Community is now proposing particular action, especially on the financial side;
- is concerned about the long-term risks inherent in the European Union specializing in a limited number of industrial areas and the danger this poses for economic and social cohesion;
- stresses the importance for the European Union of having a real research and development technology strategy, so as to allow all those involved in research and innovation to take part in this strategy and, in particular, set their RTD objectives and priorities;
- reiterates its backing for task forces where they are vehicles for coordinating research projects at every stage of their implementation with a view to enhancing their coherence;
- urges that greater attention be given to the option of supplementary programmes or European Union participation in RTD programmes undertaken by a number of Member States (Articles 130k and 130l of the Treaty);
- asks that consideration be given to the option of certain research activities accorded priority status by the Commission proposals being assigned to complementary programmes co-financed by the Member States to whom they are of greatest interest;
- regrets that the proposals under review do not provide for any new measures to increase SME involvement, despite the fact that SMEs are a major source of job creation in Europe;
- proposes that a horizontal SME task force be established to coordinate all the policies and instruments designed to promote development and strengthen the technological and innovative capacity of SMEs;
- asks that some of the proposed supplementary financing go towards activities designed to disseminate and utilize the results of research activities to promote the dynamism of the research-innovation-market process;
- proposes the establishment of a task force on innovation which would guarantee the synergy required between research policy and industrial policy in the pursuit of industrial competitiveness, employment growth and economic and social cohesion;
- approves the enhancement of research activities in the field of educational multimedia given the challenges facing Europe's education and training systems;
- welcomes the Commission's proposal to increase the level of funding allocated to the safety of nuclear fission and in particular to improving nuclear safety in Central and Eastern Europe and in the CIS;
- calls for the enhancement of scientific and technical cooperation between the European Union and, on the one hand, non-Member Mediterranean countries and, on the other, the associated countries of Central and Eastern Europe, in line with the goals set out in the Commission Communication on perspectives for international cooperation in research and technological development and the related Resolution adopted by the Research Council on 25 March 1996.

7. PROTECTION AGAINST IONIZING RADIATION - MEDICAL EXPOSURES

Opinion of the Economic and Social Committee on the *Draft Proposal for a Council Directive on health protection of individuals against the dangers of ionizing radiation in relation to medical exposures, replacing Directive 84/466/Euratom*
(COM(95) 560 final)

(CES 695/96)

Rapporteur : Mr Claus-Benedict VON DER DECKEN (Germany - Various Interests)

Gist of the Commission proposal

The use of ionizing radiation had led to considerable medical advances in terms of diagnosis, therapy and prevention. Since the end of the last century and the introduction of X-rays for diagnostic purposes - the earliest application of ionizing radiation in medicine - the increasing use of radiology and the expansion in applications of ionizing radiation have meant that medical exposure constitutes the principal source of exposure to artificial ionizing radiation for citizens of the European Union.

According to recent estimates of the Scientific Committee of the United Nations for the study of the effects of ionizing radiation (UNSCEAR), people in industrialized countries are currently subjected to an average of one X-ray or nuclear medicine examination per year.

Community Directives laying down basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation¹¹ a) guarantee the protection of practitioners empowered to carry out medical acts involving the use of ionizing radiation, and b) ensure strict monitoring of the exposure of the general public to ionizing radiation. However, they contain no specific provisions on the protection of patients against unnecessary exposure when undergoing medical examinations or treatment involving the use of ionizing radiation.

It was only in 1984 that the Council adopted a Directive¹² (the Committee's Opinion on the relevant proposal dates back to 3 July 1980¹³) aimed at avoiding unjustified and even improper exposure to ionizing radiation during treatment or examination, but without calling into question its legitimate use and the benefits patients derive in terms of screening, diagnosis or treatment.

The provisions of this Directive thus aim to:

- ensure that only practitioners with the necessary skills and experience can carry out medical acts involving the use of ionizing radiation;
- guarantee the strict surveillance of radiological and nuclear medicine installations and equipment on the basis of criteria of acceptability which the Directive asks Member States to fix;
- ensure that inadequate, defective installations are improved and that installations no longer meeting the criteria of acceptability are taken out of service or replaced;
- prevent the pointless proliferation of installations in the fields of radiotherapy, radiodiagnosis and nuclear medicine.

¹¹ Directive 80/836/Euratom of 15 July 1980 - OJ No. L 146 of 17 September 1980, page 1, as amended by Directive 84/467/Euratom of 3 September 1984 - OJ No. L 265 of 5 October 1984, page 4.

¹² Directive 84/466/Euratom of 3 September 1984 - OJ No L 265 of 5 October 1984, page 1.

¹³ OJ No C 230 of 8 September 1980, page 1

In July 1993¹⁴ the Commission forwarded to the Council a proposal for a Directive aimed at replacing existing Directives on basic radiation safety standards. The proposal was based on the need to strengthen and update the provisions of existing Directives, bearing in mind the experience acquired in implementing them as well as scientific and technical progress in the field of radiation protection.

Since this proposal for a Directive (Committee Opinion of 23 February 1993¹⁵) still did not cover the medical uses of ionizing radiation, the Commission considers that, for the same reasons, the time is now ripe to replace the Directive adopted in 1984.

Whilst reaffirming the validity of the objectives pursued under the Directive in question, the Commission proposes a number of amendments. The most important of these aim:

- to define more clearly the scope of the Directive regarding the exposure of individuals as part of medico-legal, insurance or legal procedures, and to enlarge the Directive's scope to include volunteers in research and individuals helping in the support and comfort of patients;
- to strengthen the provisions regarding application of the principle of "justification" and "optimization" in the field of medical exposures;
- to ensure that, in addition to the requirement that ionizing radiation in medical procedures is always used under the responsibility of a practitioner (a requirement already laid down in the 1984 Directive), practical aspects of the medical procedure can be delegated to other individuals authorized by the competent national authorities;
- to develop an obligation to control the quality of installations and to introduce programmes which guarantee quality, including assessments of the doses received by the patient;
- to introduce additional requirements applicable to paediatric exposures, health screening programmes, practices involving high doses, the exposure of pregnant and breast-feeding women and the exposure of carers and volunteers;
- to introduce the concept of potential exposures and to make sure that their probability and magnitude are kept as low as reasonably possible;
- to ask Member States to guarantee the introduction of procedures for auditing the implementation of the requirements of the Directive.

Gist of the Section Opinion

The Committee agrees with the Commission that the 1994 Council Directive is in urgent need of revision, and endorses the main Commission proposals subject to a certain number of specific comments.

It also agrees with the Commission that the need to restrict the general public's exposure to radiation as a result of inappropriate radiological applications will require a series of measures of the type to be found in the draft Directive.

However, the Committee notes with great regret that, twelve years after its adoption, the 1984 Directive has still not been implemented in full in all Member States. Above all, the inventories of radiological equipment required under Article 3 have not been drawn up.

¹⁴ OJ No C 245 of 9 September 1993, page 5.

¹⁵ OJ No C 108 of 19 April 1993, page 48.

The Committee's specific comments relate to:

- the terms employed and their definitions, which do not always tally with the terms used in certain Member States;
- the question of who is responsible for decisions to carry out examinations as part of medico-legal procedures;
- the need to avoid the unsupervised proliferation of radiological installations;
- the dissemination and use of previous diagnostic information in connection with the justification of all individual medical exposures;
- the establishment and use of reference levels for the doses used in radiodiagnostic examinations;
- the practice of using medical physicists;
- the dividing up of responsibilities between doctors in connection with the use of radiation;
- radiological training for medical and paramedical staff;
- the exposure of children to radiation in connection with medical examinations.

8. WORKER INFORMATION AND CONSULTATION

Opinion of the Economic and Social Committee on the *Communication from the Commission on worker information and consultation*
(COM(95) 547 final)

(CES 696/96)

Rapporteur : Mrs Ursula ENGELEN-KEFER (Germany - Workers)

Co-Rapporteur : Mr Bernard BOUSSAT (France - Employers)

Gist of the Commission document

The communication follows a commitment given in the Medium Term Social Action Programme 1995-1997, to initiate consultations with the social partners on the advisability and possible direction of Community action in the field of information and consultation of employees in national undertakings. It also aims to respond to recent concerns expressed about the fate of certain proposals¹⁶ currently deadlocked at the Council, more especially the proposal for a European Company Statute.

The adoption of the European Works Councils Directive one year ago has put the problem in a different light.

Now that it has been shown to be possible and desirable to establish general legal standards in this area at European level, the next step is to consider whether it is necessary to maintain the piecemeal approach of the five proposals before the Council.

¹⁶ Proposals for Directives concerning the involvement of employees complementing the Statute for a European company, a European association, the European cooperative, the European mutual society and the articles on the involvement of employees in the "Fifth Company Law" Directive.

The Commission considers that various options are possible for Community action:

Maintain the status quo

This option would mean continuing the discussions in the Council on the basis of the above-mentioned proposals and maintaining the fragmented approach to Community action on employee information, consultation and involvement. But as things stand, this option seems to offer little hope of progress.

Global approach

Attempts would be made to establish general frameworks at European level on informing and consulting employees, as opposed to the fragmented approach. A Community instrument on information and consultation at national level would be required, given that there is already a legal framework for trans-national level.

Immediate action on the proposals concerning the statute for a European company, a European association, a European cooperative society and a European mutual society

If a global approach involving the establishment of general frameworks is adopted, then, given the existence of the European Works Council Directive, immediate steps could be taken to break the deadlock on these proposals. This is particularly the case regarding the proposal on the European Company Statute, the adoption of which is urgent as it is an important instrument for the organization of companies at European level and meets the needs of major trans-European transport infrastructure projects (the Member States have indicated that they will need two years to introduce the implementing provisions for the Statute, in spite of its immediate legal effect). With the global approach and the withdrawal of the specific social provisions associated with these proposals, there are two possibilities:

no European company, European association, European cooperative society or European mutual society could be set up in a Member State which has not transposed the European Works Councils Directive, or

the European Works Council Directive could apply in the same way as it does to other companies of European dimension, without additional conditions being applied.

Summary of the Opinion

It is advisable to adopt a separate approach to information and consultation arrangements and participation.

The Commission should initiate a review of this subject and, to this end, should carry out a comparative study to establish the degree of legislative convergence or divergence between individual countries and the extent to which Community action is advisable and necessary.

Before embarking on a possible new European initiative on workers information and consultation, the comparative study should be submitted to, and discussed by, the social partners, so that they might judge if it is opportune to draw up an EU framework regulation, preferably stemming from an agreement, which could be fleshed out at national level.

The proposals relating to the European Company Statute focus both on worker information and consultation and on the more far-reaching participation of worker representatives at the level of company organs. Adoption of the European Company Statute must not enable enterprises in Member States providing for greater involvement to avoid this wider obligation by adopting the European legal form.

There can be no question of transposing the particular participation model of only one or a few Member States to the rest of the Community. At the same time, it must not be possible to circumvent worker participation with the aid of a Community legal instrument. Workers in the countries concerned should not suffer a loss of rights deriving from Europe's inability to provide for involvement at a level beyond that of mere information and consultation. This fact automatically rules out Commission Options 2 and 3 for Member States in which workers

already enjoy more comprehensive participation rights. Consequently, a solution must be found which ensures that existing national participation legislation cannot be limited or circumvented by any form of European Company.

It would also be advisable to disassociate the European Association, European Cooperative and European Mutual Society from the European Company Statute and provide for separate adoption of the corresponding Regulations. This decision should be taken as quickly as possible in order to establish a level playing field between corporate enterprises and partnerships of people. Representatives of cooperatives, mutual societies and associations must be involved in the drawing up of such a European legal framework.

9. AIR CARRIER LIABILITY

Opinion of the Economic and Social Committee on the Council Regulation (EC) on air carrier liability in case of air accidents
(COM(95) 724 final - 95/0359)

(CES 697/96 - 95/0359)

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

Gist of the Commission Document

Air carrier liability is governed by the 1929 Warsaw Convention¹⁷ which establishes a system of standards and rules for the carriage of passengers by air, in particular in respect of liability for passengers and cargo in the event of an accident, loss of baggage and delay, while at the same time limiting the costs for air carriers.

Various attempts to bring the Convention into line with the new economic and social conditions have never been concluded and this has led many Member States to take unilateral measures at national level. Moreover, there are still differences between liability rules for internal and international flights.

Since the third aviation package¹⁸ has created an internal aviation market where the rules for the operation of air services have to be harmonized, the present Commission proposal is designed to improve compensation for passengers in the event of an accident by establishing a number of principles at Community level, i.e.:

all limits on air carriers' liability to be waived;

introduction of air carriers' strict liability up to ECU 100,000;

carrier to be obliged to pay a lump sum (which can go up to ECU 50,000) in the ten days following an accident;

passengers to have choice of jurisdiction.

Finally, the Commission notes that studies have demonstrated that such improved protection for passengers will only have a minimum impact on the cost of airline company insurance premiums.

¹⁷ Convention for the unification of certain rules relating to international carriage by air, signed in Warsaw on 12 October 1929 and amended in the Hague on 28 September 1955.

¹⁸ Regulations (EEC) Nos. 2407/92, 2408/92 and 2409/92 (OJ No. L 240 of 28.8.92, page 1).

Gist of the Committee Opinion

The Committee welcomes the Commission's proposal. It does, however, feel that the Commission's approach needs to be amended, particularly to deal with:

- difficulties over the advance payment provision;
- legal interpretations over the words "domicile" and "permanent residence";
- the need for proof of fault;
- possible effects of higher costs on smaller airlines;
- the limitation to EU carriers;
- the need to protect the interests of and provide clarity for the user.

The Committee feels that these problems must be settled in such a way that the final regulation is able to act as a catalyst for a new, more appropriate world-wide system for the benefit of the travelling public.

10. 3rd ANNUAL REPORT ON THE OPERATION OF THE SINGLE MARKET

Opinion of the Economic and Social Committee on the *Single Market in 1995 - Report from the Commission to the Council and the European Parliament*
(COM(96) 51 final)

(CES 698/96)

Rapporteur : Mr Bruno VEVER (France - Employers)

Co-Rapporteur: Mr Flavio PASOTTI (Italy - Various Interests)

Gist of the Commission document

Since 1993 the Commission has published a report at the end of each year on the operation of the single market¹⁹. This is the third such report.

The presentation of the present report is radically different to that of its two predecessors. Whereas the previous reports were extensive documents which went into all the details and were extremely difficult to read, the Commission has now adopted a more sweeping approach and has concentrated on six main areas which are designed to give a new impetus to the single market. These areas are:

- Completing and streamlining the legislative framework of the single market;
- Making the single market work;
- Confirming the single market as the cornerstone of Economic and Monetary Union;
- Securing a single market for the citizen;
- Adapting the single market to technological and other changes;
- Preparing the single market for enlargement.

The Commission concludes that great progress was made in 1995. There is a growing awareness in the Member States of the important role played by a properly functioning single market in paving the way for Economic and Monetary Union and, above all, in strengthening industrial competitiveness. It is also being recognized more and more that the single market is synonymous with growing prosperity and a better quality of life for its citizens and is providing more opportunities and benefits for businesses.

¹⁹ OJ No. C 393 of 31.12.1994;
OJ No. C 39 of 12.2.1996.

However, specific areas are still fraught with problems such as: the continuing existence of technical barriers to trade; incomplete legislation on key issues such as taxation and company law; uneven or over-bureaucratic enforcement of legislation; need for a stronger competition policy, especially in the fields of State aid and the liberalization of public utilities; demands for measures to compensate for monetary fluctuations; and public procurement. One particularly serious point is that the single market has not yet been sufficiently focused on the needs of its citizens, who are often not aware of the opportunities offered to them.

Gist of the Opinion

The Committee notes that progress has been made in 1995 in adopting new decisions affecting the Single Market and in implementing Directives. However the ESC

- finds that such progress is not yet enough to compensate for the persistent drawbacks in terms of global optimization, international competitiveness, economic growth, job-creation, currency stability, ease of understanding for ordinary citizens and economic operators;
- is also concerned about the effects on the operation of the Single Market of the increasing tendency of the Member States to introduce their own national regulations in parallel with the European Union.
- intends, particularly within the framework of its Single Market Observatory, to examine a number of major topics which have been too neglected by the Commission in its report, notably those concerning employment policy, SMEs, consumer protection and environment protection.

The Committee calls for decisive action to be taken in the course of the next three years to revitalize the process of completing the Single Market, seizing the opportunities offered by the Intergovernmental Conference, the achievement of Economic and Monetary Union, and the last few years before further enlargement.

The Committee calls for priority to be given, through completion of the Single Market, to improving the employment situation. This should be possible because of the increased competitiveness and economic growth generated by the process of optimization, whilst bearing in mind the structural and social adjustments that need to be made at the same time.

The Committee would like the Intergovernmental Conference to examine ways and means of extending qualified majority voting to all questions where obstacles to the operation of the Single market are concerned, accompanied by an extension of Community powers regarding the free movement of persons and customs cooperation.

The Committee calls upon the Commission, when the latter draws up its report in the second half of 1996 on the impact of the Single Market, to lay down a timetable for adoption of the remaining required measures, based on the key aim of achieving EMU in 1999, and including a methodology for imposing Community convergence on national administrative practices, even if some long-term projects might require extra deadlines.

The Committee supports the Commission's guidelines on the introduction of effective penalties to clamp down on irregularities. It also proposes that a report be drawn up by the Commission on the real situation in the different Member States.

Whilst supporting the Commission's idea of "better legislation", and expressing the hope that it might itself be involved in the prior monitoring of compliance with subsidiarity, the Committee underlines the role Member States might also play in lightening the burden of regulations in Europe: a Reflection Group should be set up to look carefully at this aspect, which has not so far been tackled, to examine ways of remedying upstream the dual problem of the proliferation and disparity of regulations in Europe.

The Committee endorses the Commission's declared intent to monitor national aid likely to affect the operation of the Single Market, whilst recommending that there be an identical monitoring of Community aid.

The Committee underlines the need to avoid monetary divisions in the Single Market, including any schisms when a limited number of Member States enter the final stage of EMU in 1999: an economic and monetary convergence mechanism in place throughout the European Union should guarantee that all Member States comply with the various disciplines and end up by joining EMU.

Finally, the Committee underlines the need to clarify the final organization and preservation of a Single Market that is "progressing satisfactorily" (harmonization, mutual recognition, diversity); it would like to be involved in the planning of a clear explanatory guide for all citizens and reiterates its recommendation that the setting-up of Single Market Observatories be promoted in the different Member States, principally at borders and at regional level.

11. LEGHOLD TRAPS

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending Council Regulation (EEC) No. 3254/91 prohibiting the use of leghold traps in the Community and the introduction into the Community of pelts and manufactured goods of certain wild animal species originating in countries which catch them by means of leghold traps or trapping methods which do not meet international humane trapping standards
(COM(95) 737 final - 95/0357 SYN)

(CES 699/96 - 95/0357 SYN)

Rapporteur : Mrs Giacomina CASSINA (Italy - Workers)
Co-Rapporteurs: Mr Johannes M. JASCHICK (Germany - Various Interests)
Mr Giuseppe PRICOLO (Italy - Employers)

Gist of the Commission proposal

Council Regulation (EEC) No. 3254/91 envisages, in its Article 3, the implementation of an import prohibition on certain furs and products thereof, unless the Commission had established that a third country had banned the use of leghold traps or had implemented trapping methods for the thirteen species listed in its Annex I that met internationally agreed humane trapping standards.

The suspension of the prohibition referred to in Article 3, paragraph 1 of the Regulation, decided with Commission Regulation (EC) No. 1771/94 (extending the prohibition from 1 January 1995 to 1 January 1996), in accordance with its Article 5, has not allowed the completion of the development of international humane trapping standards. This implies that the option for a third country to ensure that the trapping methods used for the species listed in Annex 1 to Council Regulation (EEC) No. 3254/91 meet internationally agreed humane trapping standards is **not** available.

The Commission is currently exploring alternative ways to achieve such standards and will enter into or pursue negotiations with third countries in order to achieve a framework agreement on humane animal trapping standards, in particular for the animal species listed in Annex I.

The Commission is to review the progress of the negotiations no later than 31 December 1996 and at the same time, in cooperation with the competent authorities concerned, the progress made by third countries in the development of humane trapping methods.

Gist of the Opinion

After examining the legal and commercial considerations underpinning this new proposal, the ESC is concerned over the Commission's failure to exert sufficient pressure for the establishment of supervisory procedures guaranteeing humane trapping standards and feels that the proposed amendment to Regulation 3254/91 is only acceptable if accompanied by clauses and commitments which specifically tailor the amendments to the goal of humane trapping.

In particular the ESC calls for:

- a timetable to be established which makes it clear that negotiations with the third countries concerned are to be concluded this year (1996);
- the Commission, in its relations with the third countries concerned, to tackle the problem of indigenous peoples using traditional trapping methods and of providing these peoples with adequate technical assistance to persuade them to accept and develop humane trapping methods;
- negotiations with producer countries to include a "transparency clause", aimed at consumers, whereby imported pelts and furs would be accompanied by a declaration indicating trapping/killing methods as well as the place where the animal was trapped/farmed;
- the Commission, on a broader front, to undertake both to amend existing agreements with third countries and, when negotiating future agreements, to include a clause providing for joint commitment and cooperation in the promotion of environmental protection;
- the Commission to prepare without delay a communication setting out the strategies to be pursued by the EU within the WTO to ensure that the environmental and health-protection dimension of fur imports goes hand in hand with a drive to protect the environment in the producer countries.

12. GREEN PAPER ON INNOVATION

Opinion of the Economic and Social Committee on the *Green Paper on Innovation*
(COM(95) 688 final Vol. I and II)

(CES 700/96)

Rapporteur : Mrs Ulla Birgitta SIRKEINEN (Finland - Employers)

Co-Rapporteur: Mrs Ursula KONITZER (Germany - Workers)

Gist of the Commission document

This Green Paper aims to identify the various factors - positive or negative - on which innovation in Europe depends, and to formulate proposals for measures which will allow the innovation capacity of the Union to be increased.

In the context of this document, innovation is taken as being the successful assimilation and exploitation of novelties in the economic and social sectors.

The Commission uses the following plan to deal with all the different fields that make up this subject:

- an introduction, which analyzes the relationship between innovation and society (specifically, the world of business and that of the public authorities);
- a second section, containing a study of the different areas of innovation (industry, employment, economic and social cohesion, and so on). It concludes with the rules of play required for innovation to be properly implemented:
 - . maintaining effective competition
 - . promoting effective and suitable legal protection
- a third section, which gives an overview of the current differences and convergence in this area among the various EU Member States and their competitors outside the Union;

- A fourth section, which analyzes the main obstacles in Europe that restrict innovation, namely:
 - . problems with financing
 - . the need for simplified administrative formalities through the creation of a favourable regulatory environment
 - . poor promotion of human resources (improvements in the education and training programmes)
 - . the need to channel research into innovation
- finally, a fifth section containing recommended courses of action, which concludes the Green Paper.

Overall, the Commission document sets out a series of proposals which aim at the necessary removal of obstacles to mobilize society towards policies on innovation, while complying with the principle of subsidiarity. This new context calls for the work of businesses, institutions and public authorities to be directed towards:

- transforming the results of technical research and skills into innovations and competitive advantages;
- translating intangible investments (which are a deciding factor for the future of competitiveness, growth and employment) into commercial and financial successes;
- increased investment in high technology and in the dissemination of new techniques, products and services to enable both their swift commercialization on the global market and also the strengthening of European industry compared with that of Japan and the United States;
- monetary stability (a reduction in long-term interest rates, eliminating distortions in competition between the economies of the Member States, etc.) to enable European businesses to make long-term investment plans;
- more public funding of the financing of investment in technology;
- the liberalization of trade under conditions of fairness and respect for intellectual and industrial property rights;
- setting up an interactive education and training system which removes the barriers between teaching, research and industry and boosts the development of creative talent and the information society.

The instruments which are required to attain these objectives are a set of effective and suitable "rules of play", based on maintaining effective competition and legal rules for the protection of intellectual property (which is a decisive factor in the constant adaptation of changes in technology to society).

Competition among independent enterprises is the main driving force of innovation, above all in an economy which is increasingly global.

Community rules on cooperation agreements, mergers and state aid also fully cater for the research and innovation fields.

The Commission favours the spread of technology transfer agreements, since this type of agreement makes it possible to exploit patents more fully and can provide innovative SMEs or independent inventors with the rewards they deserve.

Regarding the creation of an effective legal framework, the Commission opts for prior harmonization of the different national rules on industrial and intellectual property, as well as adapting existing rules to the new circumstances introduced by technical innovation.

In the third chapter of the Green Paper, the Commission presents a varied and contrasting picture of innovation policies in the different Member States. There is, however, some convergence in this area:

- the priority given to industrial research financed or carried out, in general terms, by enterprises and information society applications
- a willingness to simplify administrative procedures and open up competition
- forward-planning activities based on the search for conditions in which the different technologies may be exploited
- more interest in innovation financing, as regards both the creation of technology firms and also tax regulations at national level to enable private capital to be used for innovation
- an increasing interest in strengthening the technology absorption capacity of SMEs and spreading technology by stimulating demand
- a significant effort to train businesses in "economic intelligence" and its methods, together with the development of easy-to-access data supply
- the promotion of apprenticeship and ongoing training throughout one's life (a European observatory of innovative practices in vocational training is planned).

The Commission rounds off this picture with a list of the main obstacles in the way of attaining these desired innovation policies:

- the fragmentation of material and financial efforts in very many areas, which are not forthcoming - as they are in the United States and in Japan - in a number of priority sectors which are vital to competitiveness;
- poor financing for industrial research;
- Europe's inability to anticipate technological change (the Community task forces, the Institute for Prospective Technological Studies in Seville and the ETAN network, for instance, are all very recent);
- the lack of integration of technology into apprenticeships for scientific disciplines and the insufficient level of ongoing training among employees in businesses;
- the low mobility of know-how and people within the EU caused, inter alia, by the lack of coordination between social and taxation rules, the absence of a diploma recognizing individual competence, and the administrative inflexibility of Europe's different education systems;
- a defective European system for raising finance (few individual investors, major banks which are slow to take risks across the field of innovation, the lack of an electronics sector stock market specializing in growth or high-tech enterprise securities, similar to NASDAQ in the United States, etc.);
- a tax environment which does little to promote innovation, mainly due to the diversity of tax systems in respect of venture capital, which stunts the development of transnational investment
- excessive administrative formalities, which are too heavy a load for - especially new - businesses
- existing legal formulae which are ill-suited to cooperation at European level (the European Economic Interest Grouping (EEIG) is the only statutory instrument in force for European cooperation).

Finally, the Commission proposes a series of actions to remove all these obstacles at both national and Community level, applicable to both these areas of cooperation.

Some measures need to be taken at Community level for reasons of efficiency, e.g.:

- bolstering the mechanisms enabling SMEs to take part in Community research;
- furthering various types of mobility (social mobility, mobility between professions, mobility between research institutes and enterprises, etc.) by removing the regulatory barriers;
- fostering industrial and intellectual property by harmonizing national systems;
- boosting the pooling of experience and the spread of good practice.

As far as cooperation between the Member States and the Community is concerned, the following measures are worthy of note:

- simplifying access to Community and state public aid in this area;
- setting up decentralized "one-stop shops" for access to information and administrative formalities, with a view to simplifying tax and social protection issues;
- supporting the introduction of voluntary agreements between enterprises and public authorities;
- updating public action for innovation, particularly in the fields of research, professional training and measures for the regions.

This Green Paper also contains various annexes containing:

- . descriptions of the most recent task forces set up by the Commission in this area;
- . a list of innovation centres in the Member States;
- . a simplified research contract for the Fourth Framework Programme;
- . tables and statistical data to illustrate the main document.

The previous Commission work and activities that have contributed to the drafting of this Green Paper are:

- the White Paper on Growth, Competitiveness and Employment: The challenges and ways forward into the 21st Century;
- the White Paper on Education and Training in the European Union;
- the Commission report presented to the Madrid summit in December 1995 on "Small and Medium-sized Enterprises, a Dynamic Source of Employment, Growth and Competitiveness in the European Union";
- the Commission communication on an Industrial Competitiveness Policy for the European Union;
- the Commission communication on international cooperation in the field of research;
- the Commission communication on promoting fiscal transparency with regard to venture-capital companies (25 May 1994);
- Commission directives on legal protection for industrial designs and models, and on plant-protection products;
- Community task forces on projects of common industrial interest;

- Commission pilot activities in venture capital and the financing of investments in own technologies;
- joint action in the area of regional policy (Art. 10 of the ERDF and the INNOVATION programme);
- the Commission's INNOVATION programme;
- the IMPACT programme and INFO 2000 to improve the working of the European information market;
- the programme of work of the Institute for Prospective Technological Studies in Seville;
- the Brite-Euram programme (1991-94) to promote and encourage SMEs to take part in Community R&TD programmes;
- the SOCRATES and ERASMUS programmes (education) and the LEONARDO programme (occupational training), together with the BIOMERIT biotechnology pilot project (COMETT programme);
- the EN ISO 9000 programme on quality management in enterprises;
- the Commission recommendation concerning the taxation of SMEs (25 May 1994);
- the Commission recommendation on the transfer of SMEs (7 December 1994);
- Fourth R&TD Framework Programme;
- the CIAMEI report on European society;
- the Convention for the European Patent, which has been ratified by a number of Member States;
- the WTO agreement on intangible investments regarding SMEs.

Gist of the Opinion

In the Committee's view, the publication of the Green Paper on Innovation is important because:

- innovations are the foundation of competitiveness, employment and economic and social development;
- innovations pave the way for ongoing cohesion;
- innovation is an extensive, decentralized process comprising many elements and should be approached on the basis of the subsidiarity principle, albeit in a coordinated fashion.

The Committee also considers that:

- innovation is essentially a social process which is based on creativity, know-how and competition and which requires the cooperation of all those involved. Innovative training and work organization are of key importance here;
- innovations occur mainly in firms. Many factors in many policy areas contribute to the generation of innovations. The primary task of the authorities is to create conditions that are conducive to innovations and, if necessary, to support their generation where market forces fail to do this to a sufficient degree. This requires that the Commission and the governments of the Member States make innovation a priority and coordinate their decisions so that they foster, rather than weaken, the opportunities for innovation.

- Innovation can be best promoted by:
 - . orienting research towards sectors and projects that offer potential for innovations;
 - . improving the conditions of SMEs so as to enable them to participate fully in innovation and market networks and to apply research results, which is a key issue for cohesion;
 - . systematically assessing the legal and regulatory framework from the point of view of innovations;
 - . ensuring that the internal market functions effectively;
 - . gearing education and training to the needs of innovation; and
 - . ensuring that adequate financing is available and that the fiscal regime is beneficial to innovation.

The ESC urges the Commission to take immediate action on the basis of its action programme. Priority should be given to measures that are the most urgent and which most clearly fall within the remit of the authorities and the Commission. Synergy between the Commission's various policies is essential for the achievement of results.

13. RELATIONS EU/UNITED STATES (*Own-initiative Opinion*)

Opinion of the Economic and Social Committee on the Relations between the European Union and the United States

(CES 701/96)

Rapporteur : Mrs Ann DAVISON (United Kingdom - Various Interests)

Reasons for drawing up an Opinion

The ties linking the European Union and the United States are closer than any other in the world. The EU and the USA share major interests and each is the other's main trading partner.

On 7 July 1995 the Section for External Relations, Trade and Development Policy adopted an Information Report on the Relations between the European Union and the United States. The Section thinks that bilateral trade disputes of varying intensity which disrupt transatlantic relations from time to time are due to the different approaches in the European Union and the United States with regard to the nature of the market economy and the regulation of market failure. There are also differences in the EU and US approaches to commercial policy. Besides, the Section thinks it is important for the European Union and the United States to join together in implementing a policy of pro-active multilateralism and that the transatlantic dialogue ought to be extended to new groupings with commercial, social and environmental interests.

On 26 July the Commission adopted a Communication entitled "Europe and the US: the way forward" in which it takes stock of present relations and explores a number of avenues which could be developed in the future.

Signed by the European Union and the United States, at the 3 December 1995 Madrid Summit, the new Transatlantic Agenda and the joint EU-US Action Plan launch a new era in transatlantic relations, confirming the mutual commitment of the EU and the US to strong transatlantic relations and outlining an ambitious programme for cooperation on a wide range of priority issues of common concern. "Together we can make a difference" is the key sentence of the new transatlantic partnership, expressing the intention in future to act jointly rather than just consult each other.

The priorities listed in the agenda are drawn from the more comprehensive Joint EU-US Action Plan, which lists more than 150 specific actions where the EU and the US have agreed to work together, covering four broad areas:

- promoting peace and stability, democracy and development around the world;
- responding to global challenges;
- contributing to the expansion of world trade and closer economic relations;
- building bridges across the Atlantic.

In the light of these new developments and on the basis of the Information Report, the Committee could make some useful practical recommendations on ways and means to develop and enlarge the transatlantic dialogue.

Gist of the Opinion

The Committee generally supports the New Transatlantic Agenda and the Action Plan. The Plan will only work if the EU provides a strong European pillar and if it is broadly based. There are exciting possibilities for cooperation in the area of social and employment policies, the environment and overseas aid and significant gains to be made by focusing on additional opportunities for cooperation and detailed trade issues involving regulatory policy. The Committee shares the view therefore that this is not the time to risk negotiating a comprehensive new trade agreement.

The Committee believes that Europe's security and long-term prosperity will not be firmly based unless democracy and transition toward market economies is promoted to its immediate neighbours. In this regard, cooperation between the EU and the US is essential.

Alarmed by the Congress proposal to cut overseas aid, the Committee calls for trilateral EU, Japanese and US discussions on a major new aid programme to focus on Africa, and for EU-US cooperation on development education of the public. The Committee also believes that EU-US cooperation is essential to deal with global challenges such as international crime, terrorism and immigration.

Another political priority as far as the Committee is concerned is the environment, where the EU and US need to lead a greater commitment to international environmental agreements in order both to protect the global environment better and to avert trade disputes over environmental regulation. In addition, the Committee calls for increased dialogue and cooperation in the sphere of social issues (unemployment, social protection social partnership) and would welcome a comparative analysis with US partner organizations.

EU-US trade is more or less in balance and 95% is trouble free. Where trade differences exist, these are largely due to different traditions in regulatory policy and to the different perspectives of the various interest groups on either side of the Atlantic. The Committee proposes particular bilateral work therefore to include the various interests on the major issues of regulatory policy such as competition policy, mutual recognition of standards, financial services, the information society, air transports and state aids. The EU and US should also discuss monetary policy, which has such impact on trade.

The Committee warmly endorses the emphasis in the agenda and action plan on multilateralism in trade issues. It draws to the attention the importance of completing the Uruguay Round. It also agrees that issues such as on investment or the social clause, should be conducted multilaterally under the WTO.

In the absence of a high profile free trade agreement, the Committee emphasizes the need to secure the sustainability of the initiative and the involvement of the public. The Committee should try to monitor progress in implementing the agreement and to increase the accountability of the negotiations to the public at large and to the various interests affected by the agreement within the European Union.

The New Transatlantic Agenda (NTA) aspires to broadening the transatlantic dialogue and the establishment of the Transatlantic Business Dialogue is a significant first step. Extension of dialogue is necessary now to a wider base (labour, consumer, farmer and environmental groups) in order to encompass the breadth of issues and to ensure full participation of interest groups. The Economic and Social Committee recommends in the light of

support received for the idea in the US, a two-yearly face-to-face exchange of views on these issues between the economic and social interest groups on both sides of the Atlantic. The aim should be to achieve a programme of genuinely coordinated policy and common action.

14. CMO/FINANCIAL SERVICES NATURAL PERSONS

Opinion of the Economic and Social Committee on the Proposal for a Council Decision concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the results of the WTO negotiations on financial services and on movement of natural persons
(COM(96) 154 final - 96/0105 CNS)

(CES 702/96 - 96/0105 CNS)

Rapporteur-General: Mr Jean PARDON (Belgium - Employers)

Background to the proposal

The General Agreement on Trade in Services (GATS) was one of the major end-products of the Uruguay Round, and now forms an integral part of the legal framework of the World Trade Organization. It covers all service sectors, including financial services, and comprises two elements: firstly the rules and constraints which apply to all Members of the World Trade Organization, and secondly the Schedules of Specific Commitments. These Schedules, each of which is legally binding on the Member concerned, list the commitments applicable to various service sectors and service activities setting the terms for market access.

The basic principles are Most Favoured Nation (MFN) treatment and "national treatment". Where Members are not in a position to ensure MFN treatment for a given service activity, they can take advantage of what is termed an "MFN exemption"; however, normally the number and scope of such exemptions are limited.

The commitments represent the first step in a liberalisation process that is to be gradually extended through a succession of negotiations on services. The binding nature of the commitments made hitherto is also a major factor, ensuring stable and predictable conditions for trade in services, and particularly for foreign investment by service providers.

At the close of the Uruguay Round 76 countries (the EU counting as one Member) included the commitments concerning financial services in their initial Schedules of Commitments. However, certain industrialised countries, including the United States, felt that the commitments undertaken by certain Members were insufficient, and refused to allow a definitive agreement to be reached. A similar situation occurred regarding the movement of natural persons.

It was therefore agreed that the deadline for determining exemptions from MFN commitments and altering the Schedules in the financial services sector and for completing negotiations on the movement of persons should be deferred until the end of June 1995, six months after the WTO was created. Negotiations on improved commitments started in Spring 1994. At the end of June 1995, following several intensive rounds of negotiation, the USA announced that it was still not satisfied with the results; it therefore withdrew most of its offer on financial services and applied a blanket MFN exemption on the financial service sector, while maintaining the current position for those financial service providers already operating in the US market.

The European Union then proposed postponing the 30 June 1995 deadline once again, to 28 July 1995, to see if the gains already made could be saved, if necessary without US participation. This proposal was accepted and all the Members undertook to assess to what extent they were prepared to maintain their best offers on an MFN basis, at least for a limited period.

In practical terms, the agreement allows for the best offers negotiated over the last two years, and more specifically those of recent months, except for those made by the USA, to be put into effect, initially until 1 November 1997. At that point, there will be a 60-day period when Members will be able to change or improve the offers incorporated in the Schedules relating to financial services and to set up MFN exemptions in the sector.

The (second) Protocol, to which the new Schedules concerning financial services are appended, has been left open for acceptance until 30 June 1996, in order to give Members the time to complete their internal ratification procedures. This Protocol will come into force 30 days after it is accepted by all the parties concerned, along with the relevant commitments. If not all the Members concerned have accepted the Protocol by 1 July 1996, a decision on whether it will come into force will be taken within 30 days. The Members have undertaken not to take measures in the interim which would be incompatible with their future commitments.

The European Community and its Member States have also made a major contribution to the successful conclusion of negotiations on the movement of persons providing services, and hence to the adoption of the (third) Protocol on the movement of natural persons.

Gist of the Opinion

While regretting the United States' decision to take on a lower level of commitments and to apply a blanket MFN exemption, and noting that efforts should be made to bring the USA back within the multilateral framework, the Economic and Social Committee recommends the adoption of the Decision concerning the conclusion of the results of the WTO negotiations on financial services and the movement of natural persons.

15. MEAT AND MEAT PREPARATIONS

Opinion of the Economic and Social Committee on the proposal for a Council Directive amending Directive 77/99/EEC and Directive 92/118/EEC with regard to the rules applicable to minced meat, meat preparations and certain other products of animal origin
(COM(96) 68 final - 96/0048 CNS)

(CES 703/96 - 96/0048 CNS)

Rapporteur-General: Mr Cornelius SCULLY (Ireland - Various Interests)

Gist of the Commission proposal

On 10 February 1992, the Council adopted Directive 92/5/EEC amending and updating Directive 77/99/EEC on health problems affecting the production and marketing of meat products and certain other products of animal origin. The Directive provides for the use of meat as referred to in Directive 88/657/EEC in the preparation of meat products. Directive 88/657/EEC was repealed with effect from 1 January 1996 and replaced by Council Directive 94/65/EC of 14 December 1994 laying down the requirements for the production and placing on the market of minced meat and meat preparations. In order to ensure legal certainty, therefore, references to these Directives should be amended.

The Commission also deems it appropriate to delete those rules which are of a restricted nature and currently superfluous.

Furthermore, given the special nature of the preparation of stomachs, bladders and intestines, the Commission considers that health rules must be applied to them outside Directive 77/99/EEC. It therefore proposes to amend Directive 92/118/EEC so as to include the health rules applying to these products.

The Commission feels that the adoption of the proposal will improve legal certainty and, at the same time, simplify the procedures relating to stomachs, bladders and intestines without lowering the health standards laid down by the Directive.

Gist of the Opinion

The Committee is disappointed at the Commission proposal's lack of transparency and clarity, and feels that the text is difficult for the Member States to follow.

16. COMMON ORGANIZATION OF MARKET/BANANAS

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) amending Regulation (EEC) No. 404/93 on the common organization of the market in bananas* (COM(96) 82 final - 96/0080 CNS)

(CES 704/96 - 96/0080 CNS)

Rapporteur-General : Mr José Fernando RODRÍGUEZ DE AZERO (Spain - Employers)

Gist of the Commission proposal

The Commission proposes: to alter the distribution of the tariff quota between the three categories of operators (mainly to take account of EU enlargement); to make it possible to import non-traditional ACP bananas under the same conditions as traditional ACP bananas (90,000 tonnes); to include a provision on operators who, due to unforeseen circumstances, have lost some of their import rights; and to make it possible for newcomers to obtain rights to licences on a more secure basis.

Gist of the Opinion

The Committee considers that the Commission has made a considerable effort to accommodate all interests in the Community banana regime, but thinks this should not jeopardize the system's effectiveness in achieving its fundamental objectives.

It welcomes certain provisions, but considers that the Commission should encourage the adoption of appropriate provisions to take account of the special case of production in Somalia and review the increase of 353,000 tonnes in the tariff quota intended to take account of consumption in the three new Member States.

It also regards the reduction in the tariff quota allocated to Category B operators as unjustified.

17. AID SCHEME FOR PRODUCERS OF CERTAIN CITRUS FRUITS

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) introducing a Community aid scheme for producers of certain citrus fruits* (COM(96) 177 final - 96/0120 CNS)

(CES 740/96 - 96/0120 CNS)

Rapporteur-General : Mr José Luis MAYAYO BELLO (Spain - Various Interests)

Gist of the Commission proposal

The Commission proposes a two-fold objective:

- on the production side, to prevent continued systematic recourse to processing as an alternative outlet for fruit originally destined for the fresh market,

- on the processing industry side, to enable the industry to move into new products (freshly squeezed juice and pasteurized juice), the only products where the Community has any chance of being competitive in relation to third countries.

In order to attain these objectives, the Commission is envisaging a flexible system based on processing contracts, signed by processors and producers' organizations.

The price of the raw materials, which must meet certain minimum conditions, will be freely established as a function of supply and demand.

Flat-rate aid will be granted to producers' organizations for raw material supplied to the industry, in order to:

- support producers' incomes,
- facilitate negotiations with the industry, and
- promote the concentration of production through producers' organizations.

To ensure that recipients of the aid take a responsible attitude to their output, the aid is adjusted whenever the thresholds are exceeded.

Gist of the Opinion

The Committee approves the main thrust of the Commission proposal.

18. GREEN PAPER - CITIZENS' NETWORK

Opinion of the Economic and Social Committee on the *Citizens' Network - Fulfilling the potential of public passenger transport in Europe - European Commission Green Paper* (COM(95) 601 final)

(CES 705/96)

Rapporteur : Mr Alexander-Michael VON SCHWERIN (Germany - Workers)

Co-Rapporteur: Mr Joop KOOPMAN (The Netherlands - Various Interests)

Gist of the Commission Document

The Commission, in presenting its Green Paper, is seeking to stimulate discussion and debate on how best to promote public passenger transport in the European Union, so as to reduce dependence on the private car (which now accounts for 75% of travel) and extend the transport choices of those without access to cars. This means that public passenger transport must become more flexible and better suited to meeting the needs of its users.

The goal must therefore be to build coherent public passenger networks which (a) enable passengers to change easily from train to bus and on to tram or from car or bike to public transport, (b) interconnect long-distance and local transport networks and (c) enable those people with cars to reserve them for journeys where flexibility and independence of movement are important. In addition, public transport should ideally be a service open to all citizens in terms of accessibility to vehicles and infrastructure, affordability in terms of fare levels, and availability in terms of coverage of services.

The Commission recognizes that the nature of passenger transport means that the measures necessary to build up this Citizens' Network must and will be taken at a local, regional or national level. The European Union's role is to inform, to promote and to enable. In addition, since many existing EU policies have an impact on public transport, the actions taken in these areas can be improved and better focused.

All interested parties, including Member States, the Council, the European Parliament, the Economic and Social Committee, and the Committee of the Regions, are invited to submit their observations on this paper by 31 July 1996.

Gist of the Opinion

The Committee welcomes the Commission's Green Paper as a first step towards ensuring and improving the mobility desired by citizens - and for many people providing it for the first time.

For the Committee, the idea of a Citizens' Network represents an alternative for the future. Its aim must be: to provide a link between transport flows, carriers and modes at local level; to link up with regional and long-distance services; and to give priority to public passenger transport.

However, if the Citizen's Network is to live up to its name, citizens and users must be more actively involved in the debate envisaged in the Green Paper; they must be consulted, their needs identified in greater detail, and the decisions taken at grassroots level.

The Commission should emphatically support this process by providing the initial impetus, creating the right regulatory environment and ensuring continuity from the smallest transport systems up to the European networks.

The ESC also calls on the Commission to consider whether the problems of competition and market regulation in public transport should not be studied thoroughly and reappraised in a separate Green Paper.

The focal points of the Citizen's Network should therefore be infrastructure, quality and the links with related policies such as zoning, physical planning and urban development. Competition on quality and performance should take precedence over competition purely on price.

Local transport companies, be they public or private, should be able to compete on equal terms on quality and performance. To this end, the Committee calls on the Commission to spell out its quality criteria in greater detail and to develop methods for applying them.

The Committee also regrets that the Green Paper lacks a coordinated overall approach. It is not enough merely to string separate topics together. What is needed is to apply the basic idea of interconnection even more forcefully to the relevant policy areas and measures.

Finally, the Committee considers that, in developing the Citizen's Network, it is particularly important to take account of the interests of the "consumer" whose choice is largely determined by transport policy decisions. In the interests of the general public and users, the reliability and efficiency of not only regional and long-distance but above all local transport must be improved so that user satisfaction and acceptance rise. Governments must safeguard quality and accessibility and ensure that there is no discrimination against less privileged users.

II. FUTURE WORK

Environment Section

- Contained use of genetically modified micro-organisms
COM(95) 640 final - 95/0340 CNS
Deadline: July

Industry Section

- Inter-administrative telematics networks for statistics relating to the trading of goods between Member States (EDICOM)
COM(93) 73 final
Deadline: July

- An industrial competitiveness policy for the European chemical industry
COM(96) 187 final
Deadline: October/November
- A Community strategy to reduce CO₂ emissions from passenger cars
COM(95) 689 final
Deadline: October/November
- Green Paper on Trade Communications in the Internal Market
COM(96) 192 final
Deadline: October/November
- The challenges facing the European defence-related industry
COM(96) 10 final
Deadline: November

Transport Section

- Definition and implementation of Community policy in the field of telecommunications and postal services
COM(96) 45 final - 96/0042 CNS
Deadline: September

External Relations Section

- Results of the WTO negotiations on financial services and on movement of natural persons
COM(96) 154 final - 95/0105 CNS
Deadline: May

IN ANTICIPATION

Ecofin Section

- Financial service guarantees
COM(96) 193 final
Deadline: to be decided

Environment Section

- Green Paper - financial services and the consumer
COM(96) 209 final
Deadline: September
- Marking and evaluation of packaging
COM(96) 191 final
Deadline: to be decided

