

E U R O P E A N C O M M U N I T I E S

BULLETIN

6

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



CES: 1

EN

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Origins

The ESC was set up by the 1957 Rome Treaties in order to involve economic and social interest groups in the establishment of the common market and to provide institutional machinery for briefing the European Commission and the Council of Ministers on European Union issues.

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

Membership

The 222 members (193 men, 29 women) of the ESC are drawn from 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: Roger Briesch - France), 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 main task of members is to issue opinions on matters referred to the ESC 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 ESC by the Commission or the Council is mandatory in certain cases; in others it is optional. The ESC may, however, also adopt opinions on its own initiative. The Single European Act (17.2.86) and the Maastricht Treaty (7.2.92) have extended the range of issues which must be referred to the Committee, in particular the new policies (regional and environment policy). On average the ESC delivers 145 advisory documents a year (of which 15% are issued on its own-initiative). All opinions are forwarded to the Community's decision-making bodies and then published in the EU's Official Journal.

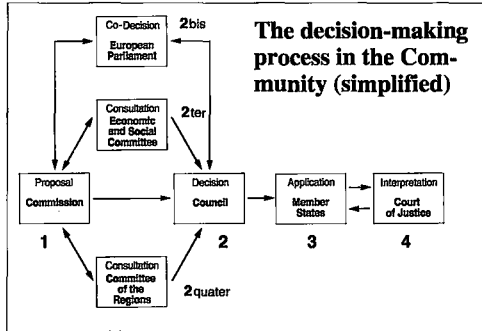
Information and integration role

Over the last few years the ESC has stepped up its role in the European Union and has transcended the straight forward duties flowing from the Treaties. It acts as a forum for the single market and has hosted, with the support of other EU bodies, a series of events aimed at bringing the EU closer to the people.

Internal organization

1. Presidency and bureau

Every two years the ESC 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 by the vice-presidents, who deputize for him in the event of his absence.

The president represents the ESC in relations with outside bodies.

Joint briefs: relations with EFTA, CEEC, AMU, ACP countries, Latin American and other third countries, and the Citizens' Europe fall within the remit of the ESC bureau and the president.

The bureau's main task is to organize and coordinate the work of the ESC's various bodies and to lay down policy guidelines for this work.

2. Sections

The Committee has nine sections:

- Economic, Financial and Monetary Questions - secretariat tel. 546.92.27
(President: Göke Frerichs - Group I - Germany)
- External Relations, Trade and Development Policy - secretariat tel. 546.93.16
(President: John F. Carroll - Group II - Ireland)
- Social, Family, Educational and Cultural Affairs - secretariat tel. 546.93.02
(President: Mrs H.C.H. van den Burg - Group II - Netherlands)
- Protection of the Environment, Public Health and Consumer Affairs secretariat tel. 546.96.57
(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: John Little - Group I - United Kingdom)
- Transport and Communications secretariat tel. 546.93.53
(President: Eike Eulen - Group II - Germany)
- 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. These usually have 12 members, including a rapporteur who may be assisted by experts (usually four with a maximum of six).

4. Sub-committees

The ESC has the right to set up temporary sub-committees, for specific issues. These sub-committees operate on the same lines as the sections.

5. Plenary session

As a rule, the full Committee meets in plenary session 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.

The ESC also liaises world-wide with other economic and social councils at the "International Meetings" held every two years.

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

The ESC 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 ESC sets up 15-30 man delegations headed by the president. Some meetings involving the countries of central and eastern Europe, will be institutionalized under the Europe Agreements.

Publications

The ESC regularly distributes a number of publications free of charge (order in writing by mail or fax - 546.98.22), including 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 who reports to the president, representing the bureau.

Since 1 January 1995, the Economic and Social Committee and the Committee of the Regions have shared a common core of departments, mainly staffed by members of the ESC secretariat.

1997 Budget

The 1997 ESC budget totals ECU 27,865,858. The budget for the departments servicing both the ESC and the Committee of the Regions stands at ECU 53,775,429.

EUROPEAN COMMUNITIES

BULLETIN

97

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



CES: 1

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

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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 Directorate for Communications - Specialized Department for Information and Visits (Fax: + 32.2.546.98.22)

On-line Database of Economic and Social Committee Opinions

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

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

The ESC database will be available free of charge.

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CORRIGENDUM

Point 13 of the Contents (page 1) of Bulletin No. 5/97 (relating to the 346th plenary session of May 1997) should be amended to read as follows:

13. **OPTIONS FOR REFORM OF THE TOBACCO SECTOR (*Own-initiative opinion*)**..... .21
(rejected by 44 votes for, 59 against and 6 abstentions)

The document referred to in point 13 of the Contents is not an ESC opinion.

I. 347th PLENARY SESSION - 9 AND 10 JULY 1997

The Economic and Social Committee of the European Communities held its 347th plenary session in Brussels on 9/10 July. The ESC president, Mr Tom Jenkins, took the chair.

At its plenary session the Committee adopted the following opinions:

1. MOTOR VEHICLES/TRANSPORT DANGEROUS GOODS (*Own-initiative opinion*)

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive relating to motor vehicles and their trailers with regard to the transport of dangerous goods by road and amending Directive 70/156/EEC in respect of the type-approval of motor vehicles and their trailers

(COM(96) 555 final - 96/0267 COD)

(CES 765/97 - 96/0267 COD)

Rapporteur: Mr Michael KUBENZ (Germany - Employers)

Gist of the Commission proposal

The objective of this proposal for a directive is to establish the technical requirements for motor vehicles and their trailers intended for the transport of dangerous goods by road.

The establishment of a European system of type-approval for vehicles used for the transport of dangerous goods by road will offer significant advantages to manufacturers who will then be subject to one set of rules for the construction of vehicles.

Directive 94/55/EC¹ has transposed into Community law the provisions of the ADR-agreement which stipulates, inter alia, requirements regarding the construction of vehicles transporting dangerous goods by road. This directive will be applied on a mandatory basis from January 1997 for the construction of vehicles to be used in **national transport** of dangerous goods by road and for the **transport** of such goods between Member States. However, this directive does not ensure that the **construction characteristics** of the vehicle used to transport the dangerous goods will be accepted by other Member States. In order for this to be accomplished, a separate directive, within the European system of type-approval, needs to be accepted so as to provide free circulation of the vehicles within the Community on the basis of harmonized construction characteristics. This directive achieves this aim.

It is therefore a companion directive to Council Directive 94/55/EC and lays down special provisions for

- the suitable design and construction of the base vehicle intended for the transportation of dangerous goods; and
- technical specifications regarding
 - electrical equipment,
 - braking system (e.g. ABS and endurance braking system),
 - fire risk prevention and
 - speed limitation.

¹ OJ No. L 319, 12.12.1994, p. 7.

Member States may require that only the prescriptions of the EC separate directive apply. Alternatively they may maintain national legislation on this matter in which case the manufacturer can choose between this and the harmonized requirements. Member States are free to oblige a manufacturer, who has not opted for an EC type-approval, to comply with their national requirements.

This directive does not affect national or Community legislation addressing the use of such vehicles.

This directive shall remain optional until such time as the framework Directive 92/53/EEC² becomes mandatory for vehicles used for the transport of dangerous goods by road in all Member States. Whenever a manufacturer chooses to avail himself of the provisions of this directive, he shall be permitted to do so, and other Member States shall give free circulation to vehicles, the technical requirements of which meet the conditions of this directive.

Gist of the opinion

The Economic and Social Committee welcomes the Commission proposal to harmonize the legal provisions governing the type-approval of motor vehicles and their trailers by amending Directive 70/156/EEC³ and by issuing a separate Directive on type-approval of motor vehicles and their trailers with regard to the construction of vehicles designed for the transport of dangerous goods.

As the Council has now adopted more than thirty-six separate type-approval directives for category N vehicles, the time has come to add type-approval provisions for vehicles designed to transport dangerous goods, too.

The Committee agrees with the objectives of the proposed directive, but would point to the absolute need to standardize the scope of ECE and EC provisions.

The Committee would ask the European Commission, and particularly DG VII, to take appropriate steps to prevent the benefits of this directive, and of Directive 94/55/EEC as amended by Directive 96/86/EC⁴, from being undermined by divergent construction specifications issued by the competent authorities or other organizations.

It must be ensured that the scope of ECE and EC provisions can be regarded as equivalent.

2. TRANSPORTABLE PRESSURE EQUIPMENT

Opinion of the Economic and Social Committee on the *proposal for a Council Directive on transportable pressure equipment*
(COM(96) 674 final - 97/0011 SYN)

(CES 766/97 - 97/0011 SYN)

Rapporteur: Mr Nikolaos LERIOS (Greece - Employers)

Gist of the Commission document

This proposal has as its primary objective safety in the transport of transportable pressure equipment. Although the Council has already ensured, by adoption of Directives 94/55/EC⁵ and 96/49/EC⁶, a sufficiently high level

² OJ No. L 225, 10.08.1992, p. 1.

³ OJ No. L 42, 23.02.1970, p. 1.

⁴ OJ No. L 335, 24.12.1996, p. 43.

⁵ OJ No. L 319, 12.12.1994, p. 7.

of safety in the transport of dangerous goods - including transportable pressure equipment - the aspect of free provision of transport services involving such equipment, including use and refilling, is not guaranteed.

Although a limited number of Member States already operate a voluntary form of mutual recognition of approvals for transportable pressure equipment for both periodic inspections and placing on the market, without requiring further testing, there is no mandatory requirement obliging Member States to do so.

A secondary objective is to ensure free circulation of such equipment on the Community market. In order to fulfil the above objectives, this proposal provides for a guarantee of transport safety by introducing new procedures for periodic inspection of all existing transportable pressure equipment.

Freedom to provide transport services will be fully attained if, as a result of the harmonization provided by this proposal, new transportable pressure equipment as well as all existing equipment is recognized in other Member States.

Equipment transport into the Community from third countries can be approved for periodic inspection by a designated inspection body established within the Community provided that this equipment satisfies the provisions of this Directive.

Gist of the opinion

If the internal market in transportable pressure equipment is to be completed, action at Community level is required. The ESC therefore endorses the Council's proposal for a directive inasmuch as the proposed directive is the result of consultations held by the Commission with both Member State governments and European trade federations (gas industry, liquid-gas association, chemical industry, representative bodies of inspecting agencies and the European standardization body, CEN).

The ESC feels it would be useful to include the following specific technical data either in this directive or in the ADR:

- procedures for filling liquid gas cylinders and liquefied gas tanks, recommended and checked by notified inspection bodies,
- operating specifications - construction - certification and marking of valves on the above-mentioned cylinders and tanks.

Implementing this directive will bring about a reduction in costs, i.e. some economic benefit for the manufacturers of pressure equipment, because, in future, approval and marking will take place only in one Member State and the equipment will then circulate freely throughout the EU. It follows that, with competition, the price of such equipment will drop. The ESC hopes that the industry (equipment manufacturers, i.e. of cylinders, tanks and other components, and liquefied gas producers and distributors) will pass on the resulting economic benefit to consumers in the end price of its products.

3. COMPETITIVENESS OF EUROPEAN INDUSTRY

Opinion of the Economic and Social Committee on the *Communication from the Commission on benchmarking - implementation of an instrument available to economic actors and public authorities*
(COM(96) 463 final)

(CES 767/97)

Rapporteur: Mr Henri MALOSSE (France - Employers)

Gist of the Commission document

This communication contains practical proposals for the introduction of benchmarking. It is a follow-up to the communication *Benchmarking the competitiveness of European industry*, which it supplements while following the same methodology. The purpose of that communication was to provide an updated analysis of the state of European competitiveness. A limited number of key areas for improving competitiveness are identified. The Commission calls attention to benchmarking as a tool to promote key measures for competitiveness by focusing on factors that determine superior performance and exchange of information on best practice.

Whilst the analysis mainly relates to industry, it also sheds light on some underlying factors explaining the performance of the economy as a whole in terms of growth, productivity and employment.

Benchmarking is a tool to assess performance against best practice world-wide and can help promote convergence towards best practice, providing that it goes beyond competitive analysis by providing an understanding of the processes that create superior performance.

Benchmarking can function on three levels:

- enterprise benchmarking
- benchmarking of sectors
- benchmarking framework conditions.

There are a number of reasons why the European Union should become involved in benchmarking. First, there are a number of policies developed at Union level that influence competitiveness. Secondly, many policies are the responsibilities of Member States and their ability to benchmark both against each other and with regard to best practice world-wide should be encouraged. Collection of data is both an expensive and time consuming process. By pooling their efforts, the Commission and Member States can make substantial savings in the benchmarking process.

The new communication sets out an overall Community framework and practical proposals. The Commission will implement a number of pilot projects in the following areas:

- the new technological and organizational context;
- financing of innovation, in particular that of intellectual property;
- logistics and transport;
- development of human resources.

These pilot projects should permit a limited number of Member States to try out cooperation in specific areas which are of common interest to the Community and to put in place mechanisms for cooperation and transparency, along with the networks of know-how which will be required for future actions.

Gist of the opinion

The two communications presented to the Economic and Social Committee constitute an appropriate working basis for implementing a benchmarking instrument. The Committee stresses the need for full consistency between this initiative and the implementation of other Community policies, such as research and development, innovation, economic and social cohesion, and companies policy.

The Committee endorses the idea of benchmarking as long as it is really a matter of starting an ongoing process based on objective data and covering well-defined fields so as to provide real assistance to decision-making in specific areas with operational prospects, helping to make best practice more widespread.

The Committee stresses that these proposals should be rapidly put into effect. It suggests, in particular, test pilot projects whose objectives and arrangements would be agreed with the parties concerned, including the economic and social actors. The Committee is pleased that the Commission has presented an additional Communication, meeting the requests of the ESC and the Council.

The Committee asks to be actively associated with identifying the themes selected through experimentation, studying the reference criteria and launching and monitoring the pilot projects under this programme.

The Committee recommends that the European Union submit its own policies to benchmarking with a view to assessing their effectiveness (internal market, regional policy, research and development).

The Committee suggests that the European Commission, in its work on measuring the competitiveness of framework conditions, should incorporate the regional dimension which makes possible better identification of performance factors for many fields: support for innovation, development of human resources, dissemination and use of information technology, etc.

4. INFORMATION SOCIETY ROLLING ACTION PLAN (*Own-initiative opinion*)

Opinion of the Economic and Social Committee on the Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on Europe at the Forefront of the Global Information Society: Rolling Action Plan
(COM(96) 607 final)

(CES 768/97)

Rapporteur: Mr Giampaolo PELLARINI (Italy - Workers)

Gist of the Commission document

Considerable progress has been achieved since the adoption in July 1994 of an action plan defining a comprehensive strategy and a set of measures aimed at taking the European Union into the information society:

- The liberalization of the telecommunications sector has been successfully launched and will be completed by 1 January 1998, hence triggering the development of new services and promoting their widespread uptake. The stakes in terms of job creation and competitiveness are particularly high since the ICT market had an astonishing growth rate of 8% in 1995 and is bound to grow even faster in the future.
- Considerable effort has been devoted to ensuring that the social and societal dimension of the information society is fully taken into consideration and to supporting regional information society initiatives in order to enhance cohesion.
- The recognition of the vital role of education and training in the race towards the increased participation and employability of European citizens has led to the formulation of an ambitious Europe-wide learning action plan.
- Support is being given to the development of the emergence of a strong European multimedia content industry which is expected to create 1 million new jobs over the next 10 years.
- The specific ICT programmes of the 4th RTD Framework Programme are being successfully implemented and the preparation of the 5th Framework Programme has been launched.
- The Commission has been instrumental in the successful outcome of major international events aiming to develop global rules underpinning the swift development of the global information society.

The present Communication comes as a follow-up to the July 1996 Communication entitled *information society: from Corfu to Dublin - the new emerging priorities*, which announced an updated and revised action plan in order to launch a second phase of the EU information society strategy. This action plan addresses Community actions which are complementary to those undertaken by the Member States. The rolling action plan will be complemented in the future by an overview of the transposition of the European regulatory framework into national legislation, particularly with respect to the 1 January 1998 deadline. This forms an important part of the employment pact (action for employment in Europe: A confidence pact (CSE (96) 1)).

The initial 1994 action plan was organized along four lines of action:

- the regulatory framework
- networks, basic services, applications and content
- social, societal, and cultural aspects
- promotional activities

The rolling action plan has a two layer structure. The first layer describes the current status of the different actions:

- Part A presents forthcoming actions
- Part B presents pending and on-going actions (i.e. actions that have been initiated but have not yet been finalized)
- Part C presents the actions that have been completed since the adoption of the original action plan in July 1994.

This structure has been chosen in order to allow for a rolling Action Plan. It must be noted that the initial Action Plan was constantly adjusted and expanded - but only for internal purposes and not as a political instrument. The new structure will allow for a regular and comprehensive official update of the Action Plan.

The second layer is built upon the policy priorities identified in the Communication on the implications of the information society for EU policies, i.e.:

- improving the business environment
- investing in the future
- people at the center
- meeting the global challenge.

Gist of the opinion

The Committee confirms its position, already expressed on numerous occasions, on the need for a European IS model laying equal stress on integration and competitiveness in the global market, and on social and cultural factors.

The Committee is hopeful that a solid legislative framework covering liberalization and guaranteeing competition and pluralism will be put in place by the 1 January 1998 deadline.

The Committee would ask the Commission to take all the measures set out in the rolling action plan which are designed to ensure sound management of the universal service, the licensing of services, and protection of the public's right to privacy.

The EU and its individual Member States must take the necessary steps to ensure that they do not end up with an information society that is very liberalized, yet very differentiated vertically (by social grouping) or horizontally (by regions, depending on their prosperity levels).

Major importance should be given to the public authorities' role in developing the information society. In this connection, the public services' technological modernization programmes must be relaunched and strengthened, and a large-scale training programme for civil servants must be undertaken.

The Committee draws the Commission's attention to the need for information and training for adults, as well as for young people, to ensure that they are aware and make the most of the opportunities held out by the information society.

Serious attention should also be focused on providing protection for minors, in terms of the content of audiovisual services and Internet use.

5. COMPETITION POLICY/VERTICAL RESTRAINTS

Opinion of the Economic and Social Committee on the *Green Paper on vertical restraints in EC competition policy*
(COM(96) 721 final)

(CES 769/97)

Rapporteur: Mr Giacomo REGALDO (Italy - Employers)

Gist of the Commission document

The creation of a single market is one of the main objectives of the European Union's competition policy.

Because of their strong links to market integration that can be either positive or negative, vertical restraints have been of particular importance to the Union's competition policy. Whilst this policy has been successful in over 30 years of application a review is now necessary because:

- the single market legislation for the free movement of products is now largely in place;
- the Regulations governing vertical restraints expire, and;
- there have been major changes in methods of distribution that may have implications for policy.

For analytical purposes, the Commission has distinguished four types of distribution systems:

- **exclusive selling** whereby a producer undertakes to sell only to a particular distributor in a given territory;
- **exclusive buying** whereby a distributor undertakes only to take supplies of the product in question from a single producer;
- **franchising**, whereby a franchisee is allocated an exclusive territory in which to exploit the know-how and intellectual property rights of the franchiser and sell in a standardized format;
- **selective distribution** whereby distributors are chosen on the basis of objective criteria necessary for the efficient distribution of the product in question and these distributors can only sell either to final consumers (to whom they normally provide a service in addition to the product), or to other selected distributors who fulfil the objective criteria.

The present green paper covers all vertical relationships in the distribution chain, although the main focus is the four types of distribution listed above.

It sets out the current economic and legal situation as regards vertical restraints as well as the results of a fact finding exercise. The focus is on market integration as well as more purely competition related issues. This exercise has permitted the Commission to identify a number of possible options for the future thrust of policy towards vertical restraints.

The green paper asks for comments on four options set out below. These options are not exhaustive and individual elements from the different options may be combined.

- | | |
|--------------|---------------------------------|
| - Option I | - Maintain current system |
| - Option II | - Wider block exemptions |
| - Option III | - More focused block exemptions |
| - Option IV | - Reduce scope of Article 85(1) |

Gist of the opinion

The Committee welcomes the green paper because it initiates a revision process in an area of great sensitivity for competition policy, company competitiveness and single market integration.

The Committee hopes that solutions will be devised for SMEs which facilitate their re-inclusion within the scope of the block exemption regulations, thereby helping them to measure up to market globalization.

The current block exemption regulations, which are certainly too rigid and often difficult to interpret, should be revised and adjusted in a flexible way.

The Committee would indicate the need for clarification of and coordination between the Commission's Notice on Agreements of Minor Importance ("de minimis", COM(96) 722 final) and the options set out in the green paper, especially Option IV which provides for rebuttable presumption of compatibility with Article 85(1) up to the 20% market share threshold.

Option I - maintain current system

The block exemptions are based on forms of distribution and too rigid. They fail to accommodate forms of distribution which represent dynamic adaptations to changing market conditions.

The Committee is not in favour of maintaining the status quo.

Option II - wider block exemptions

In principle, the Committee is not against wider block exemption.

The Committee endorses the general measures to increase flexibility listed in the green paper, but would also welcome the addition of a non-opposition procedure to the distribution regulations, apart from the franchising regulation. These procedures could be useful to businesses in difficult and unusual cases.

The Committee would also support the specific measures to increase flexibility, mentioned in para. 284 of the green paper, but would in addition encourage the Commission to expand the block exemptions to apply to upstream linkages in the supply chain between producers and suppliers of necessary inputs.

Option III - more focused block exemptions

Option III would add to the regulatory burdens of distribution. It is not clear to the Committee that the introduction of the flexibilities mentioned in para. 284 of the green paper, i.e. the suggestions made in Option II, would be adequate compensation. There appear to be inherent limits to the extent to which flexibility can be introduced to block exemptions.

Option IV - block exemptions with measures to specify the economic circumstances in which Article 85(1) applies

The Committee appreciates the strategic opportunity presented by Option IV. There should be more flexibility in cases of agreements between parties with no significant market power. The system of competition law imposes unnecessary costs on such parties at the present time. The Committee notes the Commission's proposals to a new notice on agreements of minor importance with approval.

Option IV - Variant I

The Committee strongly recommends Option IV, Variant I, which will offer a rebuttable presumption of compatibility with Article 85(1) for vertical distribution agreements where the parties have a market share of less than 20%.

The Committee nevertheless considers this option to be a worthwhile step because it will reduce the regulatory burden on parties to vertical distribution agreements, particularly SMEs. The Committee also notes that the Commission will soon come forward with guidelines on the definition of markets which will help the parties to calculate market shares.

Option IV - Variant II

The Committee has reservations about Variant II. On the other hand, if the Commission were able to introduce Option IV, Variant I, combined with extremely wide block exemptions as under Option II, then the Committee could see a case for a procedural mechanism for monitoring vertical distribution agreements with high market shares. One possibility might be a requirement that firms with a market share of more than 40% must use the non-opposition procedure.

6. EQUAL OPPORTUNITIES FOR WOMEN AND MEN IN THE EUROPEAN UNION

Opinion of the Economic and Social Committee on the Annual Report from the Commission on equal opportunities for women and men in the European Union - 1996
(COM(96) 650 final)

(CES 770/97)

Rapporteur: Mrs Dédée DRIJFHOUT-ZWEIJTZER (Netherlands - Workers)

Gist of the Commission proposal

The Commission has adopted its first annual report (1996) on equal opportunities for women and men in the EU. The report reviews developments in the equality field at both Member State and European level. It contains key data on the growing diversity in women's situations and the persisting disparities between women and men.

The report has found that the diversity of women's situations is increasing due to factors such as age, motherhood and educational qualifications. Inter-generational shifts in the economic situation of women in the EU have intensified in the last decade. There are also clear differences related to educational attainment. Generally, the participation of women without children in the labour market is considerably higher than the participation of women with care responsibilities for children. In contrast, the participation of men is unaffected by the presence of children.

Occupational segregation on the job market continues to be very pronounced despite changes in the structure and level of employment. Women in Europe earn, on average, about 20% less than their male counterparts.

A lot has been done by the EU to ensure equal treatment between women and men, both in law and in practice. But despite the relatively comprehensive legal framework on equal pay and equal treatment for women and

men, there remain a number of outstanding problems in the application of Community law, particularly regarding access to justice and the effectiveness of legal remedies and sanctions.

There is, in general, a need to develop a more comprehensive and practical approach to equality matters. A new debate has emerged on the necessity of going a step further and establishing a new contract between the sexes with a view to attaining equality in practice. In order to achieve this aim, the scope of the actors involved in equal opportunities policy has to be widened to include business, trade unions, the public sector and non-governmental organizations. A gender dimension has to be introduced into the conception and evaluation of all policies, from transport to the single currency. This "mainstreaming" approach is particularly relevant to the structural funds which have to be made more responsive to women's needs.

The fourth action programme on equal opportunity between women and men for the years 1996-2000, includes a call for the equality dimension to be integrated into the social dialogue both at local and regional level, and an undertaking to support efforts by the social partners in the promotion of women's participation in decision-making. This is particularly important in view of the role given to the social partners by the Maastricht Treaty in the development of Community law.

The Commission report deals specifically with the following subjects:

Building partnership in a changing society

- Mainstreaming and integration
- Structural funds and equal opportunities
- Social dialogue and social partners

Women and men in a changing economy

- Equality and economy
- The European employment strategy and national multiannual programmes
- Business and women entrepreneurs

Combining work with household life

- The effect of children on parents employment
- Parental leave
- The individualization of rights

Promoting a gender balance in decision-making

- The current situation of women in decision-making
- Why the need for a balanced participation of women and men?
- Strategies for bringing more women into political decision-making positions
- Legislation and initiatives at European level
- Women in decision-making in European trade unions

Enabling women to exercise their rights

- Exercising rights
- Enforcement and remedies
- Current state of community law remedies

The advances of Beijing

- The Beijing preparatory process
- The conference itself

- The contribution of non-governmental organizations
- After the conference itself implementing the platform for action

Summary of the Opinion

The adoption of this first, comprehensive report on equal opportunities is not only a welcome complement to existing Community policy, but above all marks a new, constructive step in the development of a general and coherent EU equal opportunities policy. It is therefore a very laudable initiative with which the ESC is particularly pleased. The document deserves to be widely distributed.

The policy so far pursued has not (yet) had the desired effect and has not always produced satisfactory results; this is shown by the wealth of very recent statistical information contained in the Commission report on many aspects of women's position in the labour market and their participation in decision-making. This information does not in fact add very much to what is already known. Nevertheless, bringing together this information in a single document is certainly worthwhile.

The emphasis on the state of play and the fact that the information given often covers an extended period raise the question as to whether the Commission document can really best be described as an "annual report". Whilst it is understandable that the first annual report should take this form, the ESC feels that a different format would be appropriate for subsequent reports.

An important question to ask here is "what is the purpose of an annual report of this kind?" The foreword lists quite a few objectives and one wonders whether these are not perhaps too broad and ambitious. In a number of respects the report does not always completely fulfil the expectations raised by its objectives.

Although the Committee realizes that this may have to do with the lack of Community-level powers in certain fields, it has to be said that the balance sought has not always been achieved. This is certainly true of the account it gives of European and national trends in certain areas.

Clearly one aim is to provide a way of looking at the impact of Community policy in the Member States. And in relation to a number of areas the Commission does this. For example the exercise has been successful in relation to EC structural policy and the implementation of the Structural Funds. But in other areas there is room for improvement (childcare, exercise of rights). It may be because of the nature and layout of the report that there is little (critical) evaluation of the Community's own policy. The form of report which the ESC would like to see offers more opportunities for this for the future.

The focus of the report on equal *opportunities* is too narrow. It gives the impression that women already have equality as far as *rights* are concerned. But both aspects are essential; equal rights are the basis and equal opportunities the next step.

The Community is increasingly resorting to all kinds of non-binding instruments in order to give form to Community law. It seems that the Commission assumes that recommendations, for example, also entail commitments for the Member States.

7. FISHERY RESOURCES BALTIC SEA

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) laying down certain technical measures for the conservation of fishery resources in the waters of the Baltic Sea, the Belts and the Sound (codified version)

(COM(97) 139 final - 97/0013 CNS)

(CES 771/97 - 97/0013 CNS)

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

Gist of the Commission proposal

On 1 April 1987 the Commission decided to instruct its staff that all legislative measures should be consolidated after no more than ten amendments; no changes of substance may be made to the instruments affected by legislative consolidation.

The purpose of this proposal for legislative consolidation of Council Regulation (EEC) No. 1866/86 of 12 June 1986 is to undertake official codification of this type. The new regulation will supersede the various regulations incorporated in it; their content is fully preserved, and they are brought together with only such formal amendments as are required by the codification exercise itself.

Gist of the opinion

The Committee feels that the objective of harmonizing and simplifying Baltic and EU fishing regulations is justified and worthwhile, as it is intended to facilitate the activities and cooperation of the industry and the authorities.

Finding no factual or technical errors in the proposal, the ESC endorses it unreservedly.

8. TAXATION IN THE EUROPEAN UNION

Opinion of the Economic and Social Committee on *taxation in the European Union - Report on the development of tax systems*
(COM(96) 546 final)

(CES 772/97)

Rapporteur: Mr Michael GEUENICH (Germany - Workers)

Gist of the Commission proposal

In its paper of 20 March 1996 entitled **taxation in the European Union**⁷ the Commission presented a view of taxation policy, which in particular highlighted the major challenges facing the European Union: the need to create growth and employment, to stabilize fiscal systems and to realize the single market in all areas, including that of taxation.

At the informal Ecofin Council meeting in Verona on 13 April 1996, finance ministers welcomed the Commission paper and agreed on the need to take forward the consideration of these issues in a **High Level Group**, to be set up and coordinated by the Commission.

In its **Report on the development of tax systems of 22 October 1996**⁸ the Commission summarizes the views expressed by members of the High Level Group on the issues first raised by the Commission's Verona document and sets out its own assessment of these particular issues and its planned approach for the future.

Gist of the opinion

The Committee welcomes the Commission's approach of looking at the **tax system as a whole**, as discussing each major type of tax separately automatically implies far-reaching changes in the financing structure both of the public sector and private households. The tax discussion should thus be **comprehensive**.

⁷ SEC(96) 487 final

⁸ COM(96) 546 final

Mass unemployment is the EU's most intractable problem. All contributions to reducing this and the measures needed to do this thus have the highest priority. This is also one of the central themes of the **Commission's White Paper on Growth, Competitiveness and Employment - The Challenges and Ways Forward into the 21st Century**⁹. A way has therefore to be found of **financing a reduction of the burden of tax on labour** and reducing non-wage labour costs.

It is in the **vital interests** of the European Union, the internal market and EMU for tax dumping in Europe to be eliminated and prevented. Whilst **fair competition between tax systems**, aimed at creating favourable conditions for workers, employers and consumers is to be welcomed, **destructive competition**, benefiting few and hurting many, could undermine the whole EU.

The further harmonization of the **internal market** progresses, the more clearly differences in **tax systems** are felt and the more relevant they become for the decisions of economic operators. The basic principle here is that minimum harmonization of taxes and tax bases is **needed most** where the tax base is at its **most mobile**, i.e. in relation to income from capital such as interest and dividends.

The Committee agrees with the personal representatives of the finance ministers in regarding the intensification of **cooperation** between tax authorities in dealing with tax evasion and fraud in the internal market as a priority. This cooperation should not however be restricted to the exchange of experience on ways of stopping tax fraud; it should, rather, serve to improve **checks and official cooperation** between the tax authorities of the Member States. Here use should be made of the opportunity to carry out joint tax inspections in cases of cross-border economic activity.

By limiting tax fraud a contribution can be made to **financing a reduction of pressure on labour** in those states which are the source of savings and thus the basis for the taxation of interest.

The Committee endorses the **Commission's strategy for the future** and recommends that the Commission make use of **Article 101 of the EC Treaty** so that strategies to block progress on EU-wide tax-policy coordination can be countered.

9. COMMON SYSTEM OF VAT

Opinion of the Economic and Social Committee on a common system of VAT - a programme for the single market
(COM(96) 328 final),

(CES 773/97)

Rapporteur: Mr Kenneth WALKER (United Kingdom - Employers)

Gist of the Commission proposal

The declared objectives of the Commission's proposals are:

- to abandon the segmentation of the single market into 15 separate tax areas;
- to simplify and modernize the system to meet the challenges of the 21st century;
- to guarantee the equal treatment of all transactions carried out in the European Union;
- to ensure effective taxation and proper monitoring, thereby maintaining the level of VAT revenues.

⁹

Growth, competitiveness and employment - Commission White Paper (COM(93) 700 final).

In order to achieve this, the essential characteristics of the system under consideration are:

- no distinction between domestic and intra-EU transactions;
- all transactions within the EU to be taxed on the basis of the origin principle;
- a new mechanism to decide the place of supply of goods and services.

The key elements of the Commission's proposals are intended to meet these criteria.

Each trader will have to register in only one country and that registration will cover the whole of the trade carried out by that trader within the EU.

All transactions in the EU, wherever they take place, will incur VAT at the rate in force for the time being in the trader's country of registration and the trader will have to account to the fiscal authorities of that country in the currency of that country for all output tax due in respect of those transactions.

Although VAT will be collected by national tax departments at their own rates from traders registered within their jurisdiction, the money collected will form a single fund to be re-allocated among the Member States in proportion to the consumption within their territories. The governments of the Member States will therefore collect the tax as agents for the central fund, to whom they will have to account for the sums collected.

The Commission stresses that the re-allocation of revenues between Member States cannot be based on data provided in the tax returns of taxable persons and considers that the best means of determining the revenues due to each Member State in terms of taxed consumption which occurs on its territory is to quantify consumption by means of statistics.

The standard rates of VAT would be brought into much closer harmonization, with a maximum of two percentage points between the permitted maximum and minimum rates.

The introduction of the proposed system would require a uniform set of VAT rules across the EU. Although the sixth directive already lays down a single set of rules, there are numerous differences in practice. In the first place, the directive itself gives Member States a choice between alternatives on various matters. Secondly, Member States encountering difficulties have been granted derogations; and thirdly, the directive's provisions are not interpreted or applied everywhere in the same way. The Commission proposes to widen the scope of the tax by limiting as far as possible exemptions and all other derogations to the tax system currently in force.

Gist of the opinion

The ESC welcomes the general thrust of the Commission's work programme and, in particular, the benefits that traders should derive from the following factors, if it is implemented:

- the removal of the requirement to know the customer's Member State, whether the customer is registered for VAT and, if so, the VAT registration number;
- the removal of the need to show that the goods have left the seller's Member State;
- the removal of the need to enter EU supplies and acquisitions in total on the return;
- the removal of the need to provide a detailed EU sales list;
- the removal of the need to account for intra-EU purchases separately from other purchases;

- the removal of the need to treat the transfer of own assets to another Member State as though it were a sale and purchase;
- a uniform set of VAT rules, applied uniformly across the EU.

The ESC strongly supports the principle of attribution of VAT revenues between Member States according to their consumption but it does not believe that a statistical basis can be established which would be, or be accepted as being, sufficiently accurate.

The ESC feels that the concept of a single country of registration, while superficially attractive, would in practice create more problems than it would solve.

The ESC accepts that an origin-based system would require a standard rate band with a very narrow spread and that it would work best with a single rate. It believes that progress towards this goal should be made with due consideration for the positions of individual Member States.

The ESC endorses the idea of a reduced-rate band with a narrow spread; it believes that this band should be fixed at a low level. There would need to be complete harmonization of the scope of items included in the band.

The ESC accepts the Commission's proposition that the decision setting the rates or rate bands (both standard and reduced), as well as the determination of the items to be included in the reduced-rate band, should be a political one and that it should take account of the need to generate sufficient revenue, the need to share the burden among the main types of statutory charges and contributions (direct taxation, indirect taxation, social contributions) and the thrust of medium-term tax policy.

The ESC would point out that the governments of the Member States would suffer an effective loss of control over their rates of VAT, which are an integral part of their existing fiscal policies. However, the principle of transferring control over monetary policy has already been accepted in relation to the single currency and the extension of this principle to fiscal policy might be regarded as a logical development.

The ESC notes that, in order to be workable, the proposed system would require a much closer degree of cooperation and coordination between the relevant authorities in the various Member States.

Particular account should be taken of the impact of the proposed changes on SMEs and micro-businesses, which is likely to be much greater than in the case of larger companies.

The ESC believes that the imminence of a substantial change to a definitive system should not be allowed to obscure the need for interim reforms to the existing transitional system, which should then be carried forward into the new definitive system.

The ESC would wish to be consulted, where appropriate, at the various stages in the Commission's work programme and, in any case, prior to the formulation of any firm legislative proposals.

The ESC considers that the timetable set by the Commission is unrealistic and that full implementation of the work programme will require a more extended timescale than that envisaged.

The ESC welcomes the Commission's initiative and agrees in principle with the broad concept of its work programme. It has some reservations about how certain detailed concepts would work in practice and would urge the Commission to address these issues in consultation with the social partners and other interested bodies before bringing forward legislative proposals but criticisms of specific aspects should not be interpreted as calling into question the main thrust of the plan.

10. COMBATING TOBACCO CONSUMPTION

Opinion of the Economic and Social Committee on the *Communication from the Commission to the Council and the European Parliament on the present and proposed Community role in combating tobacco consumption*
(COM(96) 609 final)

(CES 774/97)

Rapporteur: Mr Christoph FUCHS (Germany - Various Interests)

Gist of the Commission communication

The communication aims at contributing to a review of existing anti-smoking strategies both at Community and at Member State level.

After describing a number of trends regarding tobacco consumption from a public health perspective and giving an overview of existing Community provisions to combat smoking, it sets out options for i) **further action at the Community level** and ii) **improved cooperation between Member States**.

With respect to possible **further action at the Community level** it is inter alia suggested to:

- establish a system to monitor tobacco consumption throughout the Community;
- develop a code of practice on the right to a smoke-free environment for children as well as to promote studies and pilot projects on smoking among young people;
- recognize that nicotine addiction is a dependency, thus allowing it to be tackled through health programmes;
- evaluate the toxicity and health consequences of additives to tobacco products;
- examine the case for a further reduction in the maximum tar content of 12 mg per cigarette currently permitted under Council Directive 90/239/EEC as well as to consider a maximum level of nicotine in cigarettes;
- improve consumer information by inter alia, evaluating the efficacy of existing labelling requirements under the labelling directive; considering the need for a definition of the description "light" or "low" tar tobacco products; increasing awareness among the public of the dangers of smoking to the unborn; identifying best and worse practices in the Member States with respect to smoking in public places; and encouraging Member States to exploit the flexibility they have to increase their taxation levels on tobacco.

The options set out with a view to **improving cooperation between the Member States** include:

- actions to protect non-smokers from the harmful effects of passive smoking;
- the reinforcement of national rules aimed at limiting the sale of tobacco products to adults and at restricting access of young people to cigarettes;
- increases in the price of tobacco in real terms;
- greater protection for workers who are exposed to above-normal levels of environmental tobacco smoke;
- the limitation of tobacco sponsorship and merchandizing of tobacco products;

- increased funding of health education measures targeted at smokers;
- the provision of smoking cessation medications at a minimal or no cost to smokers.

Finally, the communication identifies a number of policy options regarding international co-operation and underlines the Commission's intention to present an annual report on the progress achieved in relation to public health protection from the harmful effects of tobacco consumption.

Gist of the opinion

The Committee welcomes the Commission's intention to step up action to combat smoking. It agrees with the Commission that the Community is in a good position to promote a better overall strategy to combat smoking. The Committee draws attention, inter alia, to the significance of the unanimous recommendation made by the High Level Cancer Experts Committee at its conference on 2 October 1996 that measures to reduce tobacco consumption be the top health priority for the EU. In the Committee's view the principle which should underlie the proposed measures is that everyone has the right to breathe clean air. It is, however, also accepted that smokers are entitled to smoke as long as they do not expose others to health risks. **The aim is not to stigmatize smokers as individuals but to seek to prevent smoking and change attitudes.** Future Community action in the public health field must also take account of the principles of subsidiarity and proportionality.

The Committee draws attention to the need to target smoking prevention policy, particularly at children and young people. Information, instruction and health education are extremely important. There is also a need to recognize the socio-economic importance of the raw tobacco sector and to investigate ways of helping tobacco producers switch over to other agricultural products or to other activities outside agriculture.

The Committee also makes the following **specific observations**:

- it broadly supports the phased limitation of the tar and nicotine content of tobacco, as proposed by the High Level Cancer Experts Committee;
- cigarette manufacturers should be required to prove that any additives used are harmless. The process of using additives to "doctor" tobacco in order to enhance the effectiveness of nicotine, thereby increasing the level of addiction of smokers, must be banned;
- health warnings should be made bigger and more visible. Consideration should be given to taking further measures to bring about detailed labelling of tobacco additives;
- Member States should make use of the available flexibility to increase taxation levels in respect of tobacco products. Tax revenue from tobacco products should be earmarked, on a pro rata basis, for information campaigns and general measures to promote public health. In connection with the proposed measures to increase taxation, the Committee highlights the need for rigorous measures to combat the smuggling of tobacco products;
- the Committee supports the recommendation of the High Level Cancer Experts Committee that tobacco advertising be banned;
- the Commission's proposals concerning smoking in public buildings and at the workplace should be supported;
- the Committee supports the increase to 2% in the proportion of the raw tobacco payments allocated to the Tobacco Research and Information Fund. The Commission is also urged to consider the feasibility of securing assistance from independent sources for information and educational services. The Committee further believes that the funding for the "Europe against cancer" programme should also be substantially increased.

11. ECO-LABEL AWARD SCHEME

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) establishing a revised Community Eco-label Award Scheme
(COM(96) 603 final - 96/0312 SYN)

(CES 775/97 - 96/0312 SYN)

Rapporteur: Mr Joop KOOPMAN (Netherlands - Various Interests)

Gist of the draft directive

In view of the contribution which the Community eco-label scheme can give to sustainable consumption in the European Union and taking into account the difficulties which have been encountered in its implementation, the Commission proposes a revision of the scheme, seeking to achieve the following objectives:

- to clarify the nature of the scheme, the principles on which it is based and its methodological approach;
- to introduce a grading of the eco-label and define what information for consumers has to be included in the label;
- to set out procedural principles for the operation of the scheme, aimed in particular at ensuring the efficiency and transparency of the eco-label criteria setting process;
- to attribute the task of establishing eco-label criteria to an appropriate independent organization, the European Eco-label Organization (EEO), which would act on mandate by the Commission;
- to ensure complementarity between the Community scheme and other major eco-label schemes in the EU;
- to introduce a ceiling for the annual fee to be charged for the use of the label and a reduced rate of fee for SMEs and manufacturers of developing countries;
- to streamline other aspects of the operation of the Community scheme;
- to ensure, by appropriate substantive provisions, continued compatibility with the general principles of international trade agreements and consistency with relevant internationally recognized standards;
- to ensure that the eco-label is a sign of guarantee of reduced environmental impact.

Gist of the opinion

The drafting of the opinion has benefited from the Committee's long experience in providing the secretariat for the Eco-label Consultation Forum (in relation with the regulation now being revised), and there have also been useful discussions and cooperation with the competent national bodies, the European Environment Agency and the European interest groups.

The Committee notes the difficulties which have emerged over the application of the regulation, but feels that the start-up phase should not be judged too negatively. National systems such as the "Blue Angel" and the "Nordic Swan" initially faced problems, but later became well established. The establishment of a number of national eco-labelling schemes, at about the same time as the EU scheme was launched, also contributed to its modest start.

The Committee attaches considerable importance to the success of the EU scheme, since it is the only product-related voluntary policy instrument to pursue the cause of sustainable consumption. The Committee believes that the future of environmental labelling lies with strengthening the EU scheme. To achieve this, an effort should be made to harmonize the criteria of the national eco-label schemes as closely as possible, so that they do not create barriers to trade.

Turning to the Commission's specific proposals, the Committee:

- expresses concern about the introduction of a **graded label**, as there is no evidence that manufacturers support this and it could confuse consumers;
- agrees to the five-year transitional period for **retaining national labels**, once Community criteria have been drawn up for a specific product; calls for the harmonization of existing national criteria; and is firmly opposed to the use of private labels;
- supports the **establishment of a European Eco-label Organization (EEO)**, having explored the possible alternatives (European Environment Agency or CEN). The Committee reasons that it is not the role of the agency to take on decision-taking responsibilities, although it can make a useful contribution to the collection and dissemination of information, and that the CEN (whose role is to draw up technical standards) is not the right forum for a selective policy tool such as the eco-label;
- asks the Commission, nevertheless, to find adequate solutions to the concerns raised by the relevant national bodies who prefer, at least for the moment, for the Commission to retain **ultimate responsibility for adopting the criteria**;
- stresses its essential role in relation to the **consultation of socio-economic interest groups**, and insists that Article 6 of the present regulation must remain in force, involving trade unions in the forum and ensuring proper representation for SMEs;
- considers that it can continue to house the activities of the forum, ensuring transparency and well-balanced representation of the various European interest groups; this role should be officially recognized, entrusting the Committee with the task of formally appointing the members of the forum on the basis of the nominations from the interest groups, in the proportions established in Article 6;
- calls for a review of the **funding system** after three years, in order to assess to what degree the scheme could be financially self-sufficient. Once the Commission ceases its financial support, the Committee thinks that the Member States should contribute to the operation of the system, given the social and environmental benefits which eco-labelling brings.

12. GREEN PAPER EU-ACP RELATIONS

Opinion of the Economic and Social Committee on the Green Paper on relations between the European Union and the ACP countries on the eve of the 21st century - Challenges and options for a new partnership
(COM(96) 570 final)

(CES 776/97)

Rapporteur: Mr Henri MALOSSE (France - Employers)

Gist of the Commission document

Trade and financial relations between the EU and the 70 ACP countries are entering a new phase. Since the current convention expires in February 2000, an in-depth examination is needed of the future shape of the EU's

relations with the ACP countries: these relations must reflect the new global environment and the EU's increased political and economic responsibilities on the international scene.

In view of the patchy achievements of ACP-EU cooperation and the subsequent degree of scepticism, of the tight budget situation, social difficulties, an inward-looking tendency and so on, the primary aim must be to make cooperation more effective, drawing on the lessons of four decades of cooperation with the ACP states. However, it must be admitted that the principle of partnership has lost its substance and been only partly put into practice.

It is also clear that the debate should take into account the new political, economic and social outlook in the ACP countries: a further essential element is the widening gap between developing countries in general, and within the ACP group in particular. Policies and cooperation methods must therefore be tailored to individual cases, in the interests of efficiency.

A stronger political relationship between the EU and the ACP countries is needed to breathe new life into the partnership, and the framework of cooperation should be adjusted to help ACP countries open up to international trade. New forms of cooperation must be developed, and more active participation in development by non-governmental players could be envisaged. Moreover, the geographical scope of the future partnership agreement could change, as the EU should adopt a more coordinated and consistent approach to the ACP countries.

In the light of the new international context, past experience, and social and economic developments in the ACP states, new priorities have to be established for development policy, which could be reformulated under three broad headings: (i) economy, society and the environment (ii) institutions, and (iii) trade and investment. These different components should be mutually reinforcing.

Turning to the role and capacity of the ACP states, the EU could play a more active part in developing countries' institutional and administrative capacities (better management of public affairs, restoration or strengthening of the rule of law and promotion of respect for human rights, support for regional and local organizations, development of the institutions of civil society, etc.).

New trade arrangements must be envisaged that are consistent with the strategic choices made by the ACP countries in their bid to integrate into the world economy. In an internal economic and institutional environment not generally propitious to the development of a competitive private sector, investment growth or diversification of production, most ACP countries have been unable to take advantage of all the opportunities offered by the special preferences granted under the Lomé Convention.

The EU could also support the adoption of an agreement on the protection of foreign private investment: it should also review the procedures for implementing financial and technical cooperation. At the same time, it must consider whether it should move towards greater aid selectivity and decide to what extent it wishes to supplement the needs criterion - based essentially on development indicators - with performance and management criteria, and make its policy more flexible.

With respect to the choice between the project aid or direct budget aid approaches, the question arises as to whether the EU should abandon the former and try to create the right conditions for giving support in the form of direct budget aid for the states concerned. Any such development should also go hand-in-hand with a reform of conditionality and a consensus on a small, realistic, comprehensive and rigorous set of essential criteria, in order to avoid the recent proliferation of very specific conditions.

Since joint management has revealed its limitations, alternative types of management must be examined both to ensure sound management of resources and to encourage the assumption of responsibilities by recipients.

Lastly, although the question is not broached as such in the green paper, it should be noted that the Commission has repeatedly recommended that the EDF be incorporated in the Community budget.

The green paper calls for a far-reaching debate on the future of relations between the ACP and the EU, and the Committee intends to contribute to this process.

Green Paper on relations between the European Union and the ACP countries on the eve of the 21st century - challenges and options for a new partnership

The Lomé Convention has provided the framework for trade and aid between the EU and the ACP countries, now numbering 71, since 1975. The Lomé Convention has been overhauled every five years to adjust it to economic and political developments, add new cooperation instruments and set fresh priorities. The last revision took place in 1995. The fourth Lomé Convention, which is the one in force at present, expires on 29 February 2000 and negotiations between the contracting parties should start 18 months before that date, namely in September 1998. Until then the EU has time to clarify its position.

Community aid is of major importance for many ACP countries and has unquestionably helped to improve living standards. As the 21st century dawns, relations between the EU and the ACP countries should be put on new footing to take account not only of changed political and economic conditions for development but also of changed attitudes in Europe.

Following the referral from the Commission, the Committee intends to play a key role in the discussions. The Committee itself is involved in the Lomé Convention since it is jointly responsible for organizing the dialogue between the Union's economic and social interest groups and those of the ACP countries. These contacts are maintained in the form of annual meetings during which joint resolutions are passed and submitted to the Convention authorities.

Using the conclusions of these annual meetings as a basis, the Committee can provide a grass-roots view of the aims and operation of the Convention based on the analyses of the economic and social players. Many of the comments and suggestions contained in the green paper had already been made by the Committee as a result of these meetings: the insufficient impact of trade arrangements, the under-involvement of economic and social interest groups in the framing and implementation of the Convention's objectives, and the insufficient weight to action to improve social cohesion and the living conditions of local people.

The green paper is one stage in the consultation process on the future of ACP-EU relations and in the related debate between all the bodies involved in development. The green paper raises awareness of the need for an effective EU cooperation policy towards ACP countries and sets out the main issues on which the Union will have to decide before starting negotiations with the ACP. The Committee's task in this process is to examine the options and arguments presented and to give its reaction and suggestions. The Committee's main concerns are to tackle the basic question of the relevance of the current Lomé framework, including its chapter on trade; to propose a new plan for European development aid policy; and to make a number of specific suggestions to improve the working of the current instruments.

Gist of the Opinion

The Committee emphasizes that the main objectives of cooperation are sustainable economic and social development and an increase in living standards that will follow from the growth of a dynamic, wealth-creating private sector and genuine social progress. This objective will be attained if a fabric of trade union and other interest groups is built up to ensure that the socio-economic players are involved in the decision-making process; this must take place in the setting of a state governed by the rule of law, guaranteeing individual liberties and providing the services of general interest needed for social progress.

The Committee recommends:

- to strengthen the spirit of partnership and dialogue founded on equality; this partnership needs to be extended on all sides to embrace new players, among them the economic and social interest groups;
- to create joint economic and social committees with responsibility for endorsing development programmes geared to the needs and expectations of the interest groups in the partner countries;
- to overhaul the Convention to take more account of geographical differences and different levels of development;
- to give priority to the following areas of cooperation
 - education and training, especially for women and girls
 - support for the private sector and for the spirit of enterprise;
 - environmental protection, the development of an agricultural sector that meets the needs of the people, urban planning, applied research, the dissemination of new technologies, and culture;
- to endorse the option of differentiated reciprocity to secure gradual participation of the ACP countries in international trade and to revitalize EU-ACP trade;
- to improve the operation of some of the Lomé instruments, e.g. by strengthening programming and assessment tools and by introducing horizontal mechanisms for trade, cooperation and investment that can be assessed directly by all operators;
- to improve consistency between actions in the field of development aid carried out either at the level of individual Member States, the Community or international development aid organizations;
- to include the European Development Fund in the Community budget;
- to bring more efficiency and transparency in the way in which the policy is managed, both in the EU and by the authorities of the ACP countries.

II. FUTURE WORK

Environment Section

- Programme of Community action on rare diseases
COM(97) 225 final - 97/0146 COD
Deadline: October
- Injury prevention in the context of the framework for action in the field of public health
COM(97) 178 final - 97/0132 COD
Deadline: October
- Sulphur content of certain liquid fuels and a Community strategy to combat acidification
COM(97) 88 final - 97/0105 SYN - 97/0107 CNS
Deadline: October
- Action on pollution-related diseases
COM(97) 266 final - 97/0153 COD
Deadline: October

Industry Section

- Capital adequacy of investment firms and credit institutions
COM(97) 71 final - 97/0124 COD
Deadline: October
- Connected telecommunications equipment and the mutual recognition of the conformity of equipment
COM(97) 257 final - 97/0149 COD
Deadline: October
- Supplementary pensions in the single market (Green Paper)
COM(97) 283 final
Deadline: December
- Using patents to promote innovation (Green Paper)
COM(97) 314 final
Deadline: to be decided

Regional Development Section

- Cohesion and the information society (Communication)
COM(97) 7 final
Deadline: October
- Annual Report on the Cohesion Fund (1996)
COM(97) 302 final
Deadline: December/January

Transport Section

- Further development of mobile and wireless communications (Communication)
COM(97) 217 final
Deadline: October
- Trans-European rail freight freeways (Communication)
COM(97) 242 final
Deadline: October
- Intermodality and intermodal freight transport in the European Union (Communication)
COM(97) 243 final
Deadline: October
- Application of the rules on competition to undertakings in the air transport sector
COM(97) 218 final - 97/0137 CNS - 97/0138 CNS
Deadline: December

Energy Section

- The energy dimension of climate change (Communication)
COM(97) 196 final
Deadline: October

- Promotion of renewable energy sources in the Community - Altener II
COM(97) 87 final - 97/0106 SYN
Deadline: October
- Overall view of energy policy and actions
COM(97) 167 final
Deadline: October

Social Section

- Quality assurance in higher education
COM(97) 159 final - 97/0121 SYN
Deadline: October
- Teaching and learning: towards the learning society (Communication)
COM(97) 256 final
Deadline: January
- Promoting apprenticeship training in Europe (Communication)
COM(97) 300 final
Deadline: January

Agriculture Section

- Common organization of the wine market
COM(97) 267 final - 97/0161 CNS
Deadline: October

External Relations Section

- Establishment of a European Training Foundation
COM(97) 177 final - 97/0126
Deadline: October

Ecofin Section

- Reinforcement of the indirect taxation systems of the internal market (FISCALIS)
COM(97) 175 final - 97/0128 COD
Deadline: October
- Impact of the introduction of the Euro on the capital market
COM(97) 337 final
Deadline: December/January

SUB-COMMITTEE

- "Employment"
Deadline: October
- "Social policy and economic performance"

IN ANTICIPATION

Environment Section

- European Environment Agency and the European environment information and observation network
COM(97) 282 final - 97/0168 SYN
Deadline: December
- Directive on end-of-life vehicles
COM(97) 358 final
Deadline: December

Industry Section

- European space industry
COM(96) 617 final
Deadline: December
- Motor vehicles for transporting certain animal species
COM(97) 336 final
Deadline: December
- Passenger vehicles with more than eight seats
COM(97) 276 final - 97/0176 COD
Deadline: to be decided
- Increasing customer confidence in means of payment in the single market
COM(97) 353 final
Deadline: to be decided
- Legal protection of conditional access services
COM(97) 356 final
Deadline: to be decided

Agriculture Section

- Reference laboratories for the control of bivalve mollusc bacteriological contamination
COM(97) 310 final - 97/0182 COD
Deadline: October
- System of control applicable to the Common Fisheries Policy
COM(97) 341 final
Deadline: October

Social Section

- Promoting the role of voluntary organizations and foundations in Europe (White Paper)
COM(97) 241 final
Deadline: January
- Sectors and activities excluded from the working time directive (White Paper)
COM(97) 334 final
Deadline: to be decided

External Relations Section

- Information society and development
COM(97) 351 final
Deadline: December

Ecofin Section

- Statistics relating to the trading of goods between Member States - nomenclature of products
COM(97) 275 final - 97/0162 COD
Deadline: October
- Cyclical statistics
COM(97) 313 final
Deadline: October
- Holding, movement and control of products on which excise duty is levied
COM(97) 326 final
Deadline: October
- Common system of value added tax
COM(97) 325 final - 97/0186 CNS
Deadline: December

OWN-INITIATIVE WORK

Industry Section

- Preventing new barriers from arising in the single market (Single Market Observatory)
Deadline: December

Agriculture Section

- Management of fish stocks in the Mediterranean
Deadline: December

External Relations Section

- Relations between the EU and the Baltic States
Deadline: December

SUB-COMMITTEE

- Agenda 2000
Deadline: to be decided

INFORMATION REPORTS

External Relations Section

- TACIS
Deadline: December

Agriculture Section

- Agenda 2000 (Agriculture Section)
Deadline: December

OTHER WORK

Industry Section

- Statute for a European company (**additional opinion**)
Deadline: to be decided

Regional Section

- Community measures affecting tourism (**report**) (**additional opinion**)
COM(97) 332 final
Deadline: October

III. PARTICIPATION BY THE ESC IN VARIOUS EVENTS, INFLUENCE OF THE ESC

Activities of the ESC president

On 4 June 1997, the ESC president, **Mr Tom Jenkins**, addressed the conference on the theme, "For a Europe of civil and social rights - a joint call by the workers and citizens of Europe to the IGC". The conference was held in Brussels and was organized by the ETUC and the platform of European social NGOs, with strong support from the European Commission and the European Parliament.

On 6 June, **Mr Jenkins** participated in the opening of the 5th session of the Université Populaire ATD-Quart Monde in Brussels.

On 9 June the president attended a conference in Brussels entitled, "The future of social protection - European debating forum: the situation in Germany". This was organized by the Gesellschaft für Versicherungswissenschaft und -gestaltung e.V., a German research and analysis company working in the insurance sector.

On 25 and 26 June, **Mr Jenkins** took part in a debate at the 18th European Congress on Personnel Management in Lisbon.

Mr Jenkins had the following meetings in Brussels:

- 12 June 1997:
 - **Mr Philippe Herzog**, member of the European Parliament;
 - **Mr Keinhorst**, journalist with the Rheinische Post.

- 1 July 1997:
 - **Sir Stephen Wall**, UK permanent representative to the European Union;
 - **Mr Kasel**, Luxembourg permanent representative to the European Union.
- 8 July 1997:
 - **Mr Neil Kinnock**, member of the European Commission.
- 9 July 1997:
 - **Mr John Peete**, journalist with The Economist.

Activities of the ESC sections and members

On 5 June the inaugural meeting of the New European Green Forum was held in Brussels. It was attended by **Mr Decaillon**, vice-president of the Section for Protection of the Environment, Public Health and Consumer Affairs.

On 9 and 10 June in Noordwijk, the Netherlands, **Mr Moreland**, president of the Section for Regional Development, attended an informal meeting of ministers responsible for regional policy.

From 18 to 21 June **Mr Ataíde Ferreira**, president of the Section for Protection of the Environment, Public Health and Consumer Affairs was in Budapest to participate in the 33rd annual conference of the European Proprietary Medicine Manufacturers' Association (AESGP).

From 19 to 21 June a workshop on water problems in Europe organized by the European Commission's Environment-Water Task Force was held in Baveno, Italy. This was attended by **Mrs Sánchez**, member of the Section for Protection of the Environment, Public Health and Consumer Affairs, who has been rapporteur for several opinions on water.

On 26 and 27 June the European Commission organized the Forum of Maritime Industries in Gothenburg. This important event was attended by **Mr Chagas**, member of the Section for Transport and Communications.

On 2 July **Mr Ataíde Ferreira**, president of the Section for Protection of the Environment, Public Health and Consumer Affairs, attended a conference in Brussels on animal meal organized by the European Commission and the European Parliament.

On 8 July **Mr Cal**, member of the Section for Regional Development and rapporteur for the Opinion on the First Cohesion Report, took part in the public hearing on economic and social cohesion, held in Brussels by the European Parliament's Committee on Regional Policy.

On 9 and 10 July the Foundation for the Improvement of Living and Working Conditions, based in Dublin, held a European Seminar on Training for Sustainable Development in Brussels. This was attended by **Mr Colombo**, member of the Section for Protection of the Environment, Public Health and Consumer Affairs.

Other activities

On 30 May and 1 June a conference was held on European commerce in Alexandroupolis in Greece. It was organized by the National Confederation of Hellenic Trade (NCHT) and the European Commission and hosted by **Commissioner Christos Papoutsis**. The event was attended by **Mr Giacomo Regaldo**, vice-president of the ESC, **Mr Christos Folias**, first vice-president of the NCHT and ESC member, **Mr Paulo de Andrade**, ESC member, **Mr Joop Koopman** and **Mr Adriano Graziosi**, secretary-general.

Mr Regaldo, ESC vice-president, gave an opening speech to mark the first international conference on the development of social dialogue in the countries of south-east Europe, held on 24 and 25 June in Thessalonika by the Greek Economic and Social Council. **Mr Regaldo** was accompanied by **Mr Ettore Masucci**, ESC

member and rapporteur for the Opinion on enlargement of the European Union; **Mr George Sklavounos**, ESC member and rapporteur for the Opinion on relations between the European Union and certain countries of south-east Europe; **Mr Göke Frerichs**, president of the Section for Economic, Financial and Monetary Questions; **Mr Meriano**, ESC member and **Mr Adriano Graziosi**, secretary-general.

IV. IN MEMORIAM

The president of the Economic and Social Committee, the secretary-general and the secretariat regret to announce the death of **Mr Michel Debatisse**, a former member of Group III, on 11 June 1997. **Mr Debatisse** was a member of the Committee from 13 May 1965 to 2 March 1972.

The Assembly observed a minute's silence in his memory.

V. RESIGNATIONS/APPOINTMENTS

At the 347th plenary session, the president informed members of the resignation of **Mr Anders Lönnberg** (Group II, Sweden), member of the Committee since 1 January 1995.

The Council has appointed the following new members:

- **Mr José María Espuny Moyano**, replacing **Mr Ramón Merce Juste** (Spain), a Group I member, who has resigned;
- **Mr Gabriel García Alonso**, replacing **Mr José Rodríguez De Azero y Del Hoyo** (Spain), a Group I member, who has resigned;
- **Mr Jean-Claude Quentin**, replacing **Mr Alphonse Bernard** (France), deceased. **Mr Bernard** was a member of Group II.

VI. FACT-FINDING VISITS TO THE ESC

- | | |
|--------------|---|
| 2 June 1997 | Economic and Social Council of the Brittany and Loire region - France
Polish delegation - Poland |
| 3 June 1997 | Delegation of the Committee for European Integration - Poland
Swedish Ministry of Labour - Sweden
Latin American delegation - mixed |
| 5 June 1997 | Deutsche Beamtenbund Jugend - Germany
Delegation of Finnish secretaries - Finland |
| 6 June 1997 | Hogeschool Holland - Netherlands |
| 10 June 1997 | Slovenian delegation - Slovenia
University of Viadrina/Frankfurt - Germany
Albertus Magnus Gymnasium, Bensburg - Finland |
| 11 June 1997 | Reid Kerr College - United Kingdom
Karl-Arnold-Stiftung - Germany |
| 12 June 1997 | Bildungsdienst, Sozialwerk und Akademie des Deutschen Beamtenbundes (Bisowe des DBB)
- Germany |

- University of South Carolina (USA)
Assemblée permanente des Chambres françaises de l'agriculture - France
European Association of Development Agencies (EURADA) - mixed
- 13 June 1997 Languedoc-Rousillon delegation - France
Rijksuniversiteit Leiden - Netherlands
- 16 June 1997 Staffordshire University - United Kingdom
- 17 June 1997 Mission d'appui aux programmes communautaires - France
- 18 June 1997 Jeunes agriculteurs de la CANA (Confédération française de la coopération agricole) - France
- 19 June 1997 Delegation of senior civil servants - Poland
- 20 June 1997 Università di Bari - Italy
- 24 June 1997 Asociación Gallega de Estudios Europeos (AGEE) - Spain
Maison de l'Europe Toulouse Midi-Pyrénées - France
American University - USA
- 26 June 1997 Swedish Metalworkers' Union - Sweden
Institut Européen des Hautes Etudes Internationales - France
BISOWE des DBB (Germany)
- 27 June 1997 Quaker Council for European Affairs - United Kingdom
- 30 June 1997 Cathus Hogeschool - Netherlands
- 2 July 1997 Slovak Social Partner Organization - Slovakia
- 3 July 1997 BISOWE des DBB - Germany
- 9 July 1997 Estonian civil servants from Social Affairs Ministry - Estonia
University of Helsinki - Finland
- 10 July 1997 Landeszentrale für Politische Bildung des Landes Sachsen-Anhalt - Germany
Karl-Arnold-Stiftung - Germany
- 15 July 1997 Europapolitisches Bildungswerk Nordrhein-Westfalen (DEPB) - Germany
- 16 July 1997 State University of New York - USA
Lycée de Castanet - France
- 17 July 1997 Groupe ESC Nantes Atlantique (Franco-American) - USA
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