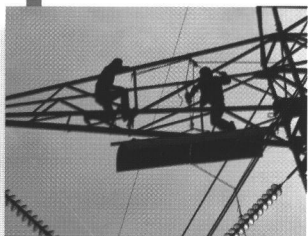
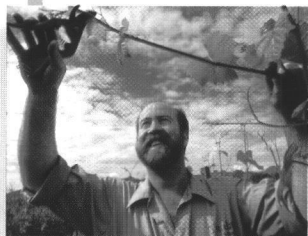


CES: 1

# European Economic and Social Committee



*European Economic and Social Committee*



# BULLETIN

# 5 '99

## Facts and figures - October 1998

### PRESIDENCY

President: Beatrice RANGONI MACHIAVELLI  
(Italy - Various Interests)

Vice-presidents: Josly PIETTE  
(Belgium - Workers)

Aina Margareta REGNELL  
(Sweden - Employers)

Secretary-General: Patrick VENTURINI

### 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), the Maastricht Treaty (1992) and the Amsterdam Treaty (1997) have reinforced the ESC's role.

### MEMBERSHIP

The 222 members 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: Anne-Marie Sigmund - Austria). 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 task of members is to issue opinions on matters referred to the ESC by the Commission and the Council, as well as the European Parliament pursuant to the Amsterdam Treaty.

The ESC is the only socio-occupational advisory body that can be consulted by the EU Council of Ministers.

### ADVISORY ROLE

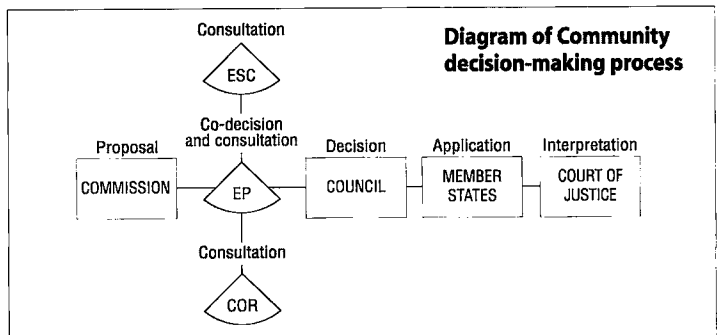
Consultation of the ESC by the Commission or the Council is mandatory in certain cases; in others it is optional. The ESC may, however, also adopt opinions on its own initiative. The Single European Act (17.2.86), the Maastricht Treaty (7.2.92) and the Treaty of Amsterdam (signed on 2.10.97) extended the range of issues which must be referred to the Committee: regional policy, environmental policy, employment policy, broad guidelines for economic policies, combating social exclusion, etc. The ESC produces 180 opinions 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 Official Journal of the European Communities.

### 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. It acts as a forum for the single mar-

ket and has hosted, with the support of other EU bodies, a series of events aimed at bringing the EU closer to the people.

Diagram of the Community's decision-making process



### INTERNAL ORGANIZATION

#### 1. Presidency and Bureau

Every two years the ESC elects a Bureau made up of 21 members (seven 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 six sections:

- Section for Economic and Monetary Union and Economic and Social Cohesion - secretariat tel. 546 9366 (president: Umberto Burani - Group I - Italy)
- Section for the Single Market, Production and Consumption - secretariat tel. 546 9598 (president: Klaus Schmitz - Group II - Germany)
- Section for Transport, Energy, Infrastructure and the Information Society - secretariat tel. 546 9611 (president: José Ignacio Gafó Fernández - Group I - Spain)
- Section for Employment, Social Affairs and Citizenship - secretariat tel. 546 9215 (president: Jan Olsson - Group III - Sweden)
- Section for Agriculture, Rural Development and the Environment - secretariat tel. 546 9687 (president: Etienne de Paul de Barchifontaine - Group III - Belgium)
- Section for External Relations - secretariat tel. 546 9537 (president: Tom Jenkins - Group II - United Kingdom)

#### 3. Study groups

Section opinions are drafted by study groups, varying in size from three to 15 members, including a rapporteur who may be assisted by as many as four outside experts.

#### 4. Other bodies

The ESC has the right to set up other ad hoc

structures under its Rules of Procedure, known as sub-committees, for specific issues. It has also set up a permanent Single Market Observatory.

#### 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.

### EXTERNAL RELATIONS

#### 1. 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 worldwide with other economic and social councils at the "International Meetings" held every two years.

#### 2. 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 delegations headed by the president or a vice-president. Some meetings involving the countries of central and eastern Europe have been institutionalized with the agreement of the Council, e.g. with the Committee's counterparts in Hungary and - in the near future - with those in Bulgaria and Poland. There are also formal links with socio-economic interest groups in Turkey.

### PUBLICATIONS

The ESC regularly distributes a number of publications, including its main opinions in brochure format, a monthly newsletter entitled ESC INFO and its Annual Report.

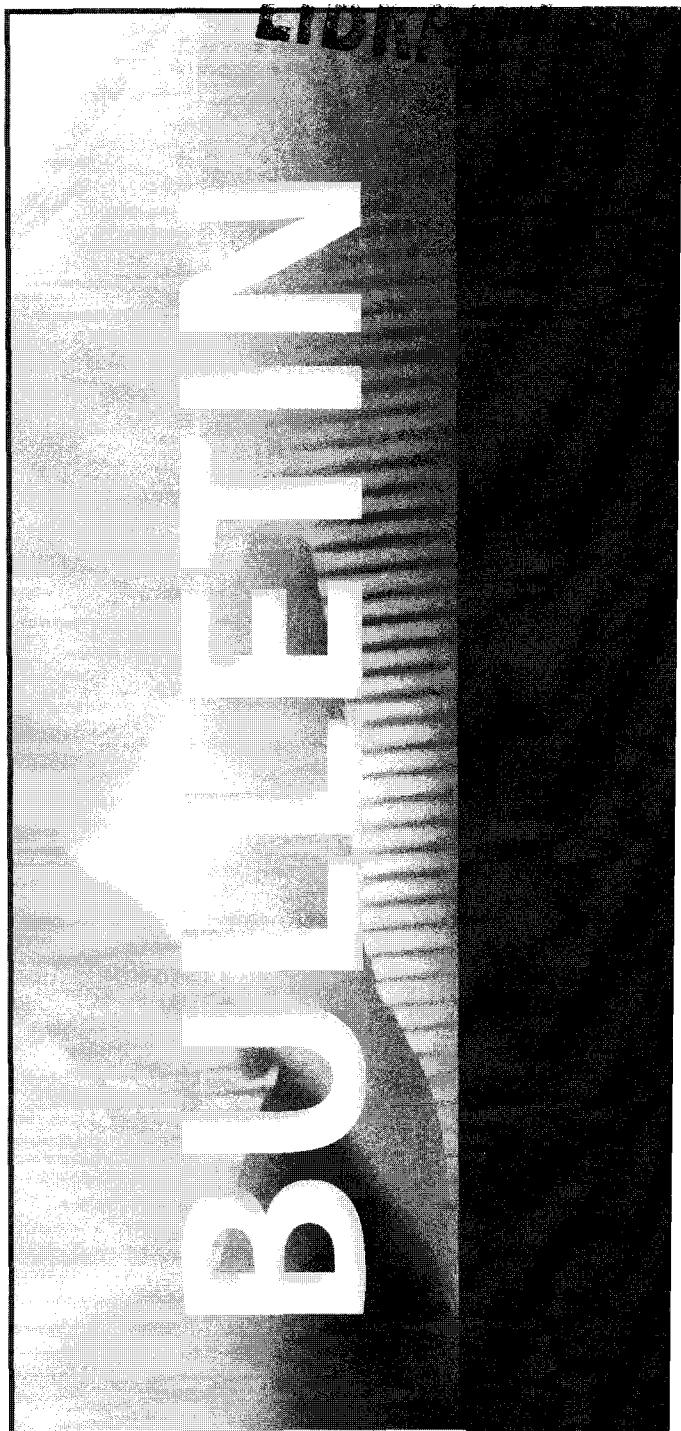
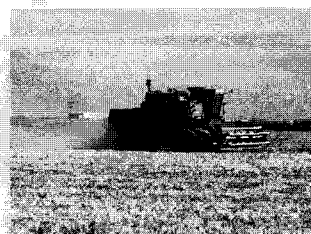
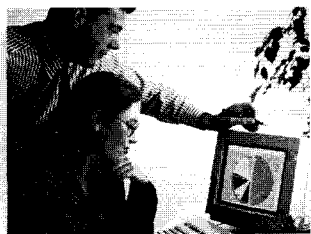
### SECRETARIAT-GENERAL

The Committee is serviced by a secretariat-general, headed by a secretary-general who reports to the president, representing the Bureau.

135 staff work exclusively for the Economic and Social Committee. Since 1 January 1995, the Economic and Social Committee and the Committee of the Regions have shared a common core of departments whose staff, numbering 516, are mostly members of the ESC secretariat.



*European Economic and Social Committee*



**5 '99**

This Bulletin reports on the activities of the Economic and Social Committee, a European consultative assembly. It is published after plenary sessions in French, English and German. Versions in the eleven official languages of the European Union are available on the ESC Internet site (<http://www.esc.eu.int>).

The complete texts of ESC opinions are available:

- *in the Official Journal of the European Communities,*
- *on the CELEX database,*
- *at the ESC Internet site,*
- *on written request from the ESC General Secretariat.*

**ECONOMIC AND SOCIAL COMMITTEE**

**DIRECTORATE FOR COMMUNICATIONS**

Specialized Department for Information and Visits

rue Ravenstein, 2 - B-1000 Brussels

Tel: (32.2) 546.90.11  
Fax: (32.2) 546.98.22

Telex: 25 983  
Telegram: ECOSEUR

Catalogue no.: ESC-99-005-EN

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

*Printed in Belgium*

## CONTENTS

<b>I.</b>	<b>364<sup>th</sup> PLENARY SESSION - 26 and 27 MAY 1999</b>	
1.	CONSUMER POLICY ..... (adopted by 88 votes to 2 with 1 abstention)	2
2.	CROSS-BORDER SERVICES / POSTING OF WORKERS (SMO) ..... (adopted by 70 votes with 6 abstentions)	3
3.	FRONT UNDERRUN PROTECTION OF MOTOR VEHICLES..... (adopted by 109 votes with 1 abstention)	4
4.	ECONOMIC REFORM (CARDIFF I) (SMO) (Additional opinion) ..... (adopted by 77 votes with 4 abstentions)	5
5.	RAILWAY INFRASTRUCTURE ..... (adopted by 80 votes to 15 with 14 abstentions)	6
6.	EMAS - COMMUNITY ECO-MANAGEMENT AND AUDIT SCHEME..... (adopted by 71 votes to 3 with 5 abstentions)	8
7.	STRUCTURAL ASSISTANCE IN THE FISHERIES SECTOR..... (adopted by 115 votes with 5 abstentions)	8
8.	FINANCIAL INSTRUMENT FOR THE ENVIRONMENT (LIFE) ..... (adopted by 118 votes with 3 abstentions)	10
9.	FISHERY / PROTECTION OF "JUVENILES" ..... (unanimously adopted)	12
10.	1999 ANNUAL ECONOMIC REPORT ..... (adopted by 86 votes with 6 abstentions)	12
11.	VAT / LABOUR-INTENSIVE SERVICES ..... (adopted by 108 votes to 2 with 4 abstentions)	14
12.	IMPLEMENTATION OF 1999 EMPLOYMENT GUIDELINES (Own-initiative)..... (adopted by 105 votes to 6 with 11 abstentions)	15
13.	DEBT RELIEF IN LDCS (Own-initiative)..... (adopted by 108 votes with 1 abstention)	17
14.	FINANCIAL SERVICES ..... (unanimously adopted)	18
<b>II.</b>	<b>FUTURE WORK.....</b>	<b>22</b>
<b>III.</b>	<b>PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE .....</b>	<b>24</b>
<b>IV.</b>	<b>INFORMATION VISITS .....</b>	<b>25</b>



## I. 364<sup>th</sup> PLENARY SESSION - 26 and 27 MAY 1999

The Economic and Social Committee held its 364<sup>th</sup> plenary session in Brussels on 26 and 27 May 1999. The ESC President, **Ms Rangoni Machiavelli**, took the chair.

The session was attended by **Mr Mario Monti**, Member of the Commission, and **Mr Gerd Andres**, State Secretary at the Ministry of Labour of the Federal Republic of Germany, on behalf of the EU Council Presidency.

**Mr Monti** said he was very grateful for the existence of the Economic and Social Committee as a mouthpiece for economic and social forces and said that he had often benefited from its recommendations, particularly in the context of the Single Market Observatory.

He said that the outgoing Commission had adopted its single market action plan on 11 May, together with a communication providing guidelines. All the Committee's contributions on the matter would be welcome, especially with regard to coordinated reform of the tax system, on which all future progress depended. It was particularly urgent to apply the same VAT to electronic commerce as to other forms of commerce.

The framework for action for financial services, which was vital to SME development and job creation, had been adopted the day before by the Council and supplemented the efforts which had been going on since the early 70s to set up cross-border provision of services, giving undertakings a single European "passport". But there was still much to be done, as the ESC had emphasised in **Mr Burani's** excellent opinion.

**Mr Andres**, for his part, attended the ESC plenary above all in connection with adoption of the opinions on the "1999 Annual Economic Report" and the "Employment Policy Guidelines for 1999". He stressed the German presidency's commitment to combating unemployment and striving for a Social Europe, a policy that was particularly important in the run-up to an expanded EU.

Many of his comments concerned the detailed discussions on employment at the Cologne European Summit, which were to bring together all EU policies for tackling unemployment in a new European employment pact. **Mr Andres** mentioned the need to start vocational training straight after school, and regretted that this principle was not accepted by all Member States. Also, with the specific aim of combating youth unemployment, young people should be guaranteed training (or re-training) before they have been unemployed for six months. Turning to other matters, he looked forward to the creation of a legal instrument to provide equal opportunities for the disabled. There was also a need for a code of conduct at EU level to root out illegal employment.

**Mr Andres** noted that the ESC was the right body for the exchange of best practice in the employment field, and hoped that the work of the ESC would produce useful benchmarking.

\*

\* \* \*

In the course of the session, the Committee adopted the following opinions:

**Section for the Single Market, Production and Consumption**  
**Joao Pereira dos Santos, Head of Division - ☎ (32-2) 546 9245**

## 1. CONSUMER POLICY

**Opinion of the Economic and Social Committee**  
*on the Consumer policy action plan 1999-2001*  
(COM(1998) 696 final)

(CES 550/99)

Rapporteur: Koos ANDERSON (Netherlands - Various Interests)

### Gist of the Commission document

An earlier Commission communication laid down the priorities for consumer policy during the period 1996-1998.

The Treaty of Amsterdam defines in Article 153 (ex-129a) the fundamental objectives of consumer policy, stipulating that consumer interests are to be taken into consideration whenever other EU policies and activities are defined and implemented.

In January 1998 the Commission presented a proposal for a decision establishing a general framework for Community activities in favour of consumers whose financial implications have been worked into the present action plan.

Following an evaluation of past actions, the Commission proceeded to consult relevant associations.

The consumer policy action plan defines the overall strategy for the period 1999-2001 and describes on-going and complementary actions. The general aim is to protect the health, safety and economic interests of consumers and to promote their right to be informed and educated and organize themselves with a view to safeguarding their interests and ensuring that they enjoy a high level of protection.

The action plan focuses on three main objectives as follows:

- A more powerful voice for the consumer throughout the EU
  - more effective consumer associations;
  - effective dialogue between consumers and business;
  - Euroguichets - serving EU consumers better;
  - better information and education for consumers.
- A high level of health and safety for EU consumers
  - science-based policy making;
  - safer products;
  - safer services;
  - better enforcement, monitoring and response to emergencies.
- Full respect for the economic interests of EU consumers
  - financial services and a single currency for consumers;
  - a more up-to-date regulatory framework;
  - better enforcement and monitoring;
  - better integration of consumer economic interests in other EU policies.

### Gist of the opinion

The Committee appreciates the approach adopted in the action programme.

The Committee also welcomes the fact that the Transatlantic Consumer Dialogue (TACD) - set up, in part, at the initiative of the ESC - has in the meantime been taking shape and calls upon the Commission to continue to support it.

The Commission should ensure that consumer policy and related measures are given due consideration in the enlargement of the EU.



The Committee feels that specific attention should be paid to services and particularly services of general interest, where liberalisation is taking place, and complex financial services.

The Committee acknowledges that liberalisation of services of general interest can bring major advantages for consumers. It also feels, however, that liberalisation must be subject to an appropriate regulatory framework and active supervision to prevent the process taking the wrong direction.

The Committee also acknowledges the sketch of the changes occurring as a result of developments in the "information society". The Committee agrees that it is increasingly necessary to ensure that the existing regulatory framework remains relevant, for example with regard to electronic commerce.

The Committee thinks that the provision of financial support to cooperative projects between organisations is an interesting idea. This would counter the danger of spreading resources too thinly.

The Committee is in favour of dialogue and self-regulation, but makes a number of comments on the subject. Direct consultations, often on a voluntary basis, between organisations representing businesses and consumers have proved to be a good substitute for statutory provisions. It would seem to be important in this connection that the partners know and trust each other and can rely on agreements being kept. It is also important that agreements contain provisions for the settlement of disputes and imposition of effective sanctions by, for example, an independent third party agreed on in advance, in cases where one of the parties infringes or fails to comply with the agreement.

In addition, self-regulation should not preclude the adoption of legislative measures where necessary.

Over the last few years various food scandals have hit the headlines. Some consumers are very doubtful about the safety of food, for example with regard to the use of new technologies such as GMOs (genetically modified organisms). The Committee considers it important that the precautionary principle should remain the main plank of the EU's position in international forums, such as the WTO.

The Committee notes that the Commission is seeking to establish a consumer-friendly single market for financial services. It would point out in this connection that a number of financial products lack transparency. At the same time many consumers are increasingly faced with the need to do more themselves, e.g. with regard to future provisions such as pensions and life insurance.

The Committee accepts the logic of the Commission's wish to bring the existing law on consumer credit into line with existing methods and practices. In this connection, the Committee agrees that there is a need for action to combat over-indebtedness.

The Committee will be interested to see how the Commission intends to set about integrating the economic interests of consumers into other EU policy measures.

It is striking that the programme deals only briefly with the position of vulnerable consumers. The latter, which include the handicapped, foreigners, people drawing benefits or the minimum wage and children, deserve special attention. The Committee suggests that the Commission consider drawing up a specific policy tailored to these consumers.

The Committee suggests to the Commission that an annual report should give a systematic account of the progress made on the points contained in this consumer action plan.

## **2. CROSS-BORDER SERVICES / POSTING OF WORKERS (SMO)**

**Opinion of the Economic and Social Committee on the Proposal for a Directive of the European Parliament and of the Council on the posting of workers who are third-country nationals for the provision of cross-border services and Proposal for a Council Directive extending the freedom to provide cross-border services to third-country nationals established within the Community (Single Market Observatory)**

(COM(1999) 3 final - 99/0013 CNS - 99/0012 COD)

(CES 551/99 - 99/0013 CNS - 99/0012 COD)

Rapporteur: Giorgio LIVERANI (Italy - Workers)

### Summary of the Commission's proposals

In 1997 approximately one million self-employed people from non-EU states were legally resident in the Union, along with approximately four million workers from third countries. This constitutes 3% of the labour force.

The Commission's two proposals (draft Parliament and Council directive and draft Council directive) deal respectively with the conditions for posting workers from third countries and extending the right to self-employed third-country nationals resident in the EU, to provide cross-border services.

The first proposal therefore covers the posting of workers and the second proposals deals with self-employed persons from third countries. They have in common that they both cover free movement of services, i.e. the right to provide services in a Member State other than the one in which the service provider is resident.

**The first draft directive** enables businesses to post third-country workers abroad under an "EU service provision card" which is to be issued by the Member State where the service provider is established. The Member States where the service is to be provided have to accept this card.

To obtain these cards, third-country citizens must meet the legal requirements in the Member State where the service provider employs them.

The philosophy behind the service provision card is that the country where the service provider is established guarantees posted workers legal and administrative status for a determined period. Therefore the Member State where the service is to be provided must permit such workers to enter the State and to take up residence for the purposes of providing services. The objective is to reduce the red tape surrounding visas, residence permits and work permits.

**The second draft directive** is designed to ensure that self-employed persons are not discriminated against, in terms of the rights which the draft directive confers on workers.

#### Gist of the opinion

The Committee welcomes the Commission proposals. They cover an increasingly widespread

form of economic and employment activity which hitherto has not been coordinated at Community level, and will add to the important EU legislation already in force on equal treatment of third-country nationals and the removal of barriers to the freedom to provide services - the area targeted by the present proposals.

The Committee asks that every step be taken to ensure that the EC service provision card cannot be tampered with for illicit purposes. This means using appropriate technologies when manufacturing the card, and seeing that the authorities exchange information promptly and efficiently.

The present proposals are justified not only by the discrimination faced by third-country nationals but more especially by the continuing serious obstacles to the freedom to provide services. This state of affairs prompts the Committee to endorse the principle that the conditions governing the provision of services do not come under immigration policy. The nature of the proposals currently under examination is such that they fall within the framework of the Single Market.

### 3. FRONT UNDERRUN PROTECTION OF MOTOR VEHICLES

**Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive on the approximation of the laws of the Member States relating to the front underrun protection of motor vehicles and amending Council Directive 70/156/EEC (COM(1999) 32 final - 99/0007 COD)**

(CES 552/99 - 99/0007 COD)

Rapporteur: Sergio COLOMBO (Italy - Workers)

#### Gist of the Commission document

The adoption of front underrun-protection devices for heavy goods vehicles could result in a significant annual reduction in the number of deaths and injuries caused by accidents.

Since it wishes to take appropriate action to improve the standards applying to this type of device and thus to reduce the number of road-accident casualties, the Commission is proposing a draft Directive which, once fully implemented, will af-

fect the design of this aspect of future heavy goods vehicles.

For these new designs, this standard is perfectly attainable by manufacturers and should not significantly increase manufacturing costs. Manufacturers will have an adequate transitional period in which to adapt to the requirements. Moreover, any increase in costs will be offset by easier access to the Community market owing to the availability of EC type approval to manufacturers.

#### **Gist of the opinion**

The Committee endorses the Commission proposal.

#### **4. ECONOMIC REFORM (CARDIFF I) (SMO) (Additional opinion)**

**Opinion of the Economic and Social Committee on Economic Reform: Report on the functioning of Community product and capital markets - 4<sup>th</sup> Additional Opinion**  
(COM(99) 10 final)

(CES 558/99)

Rapporteur:

Vasco CAL (Portugal - Workers)

Corapporteur:

John SIMPSON (United Kingdom - Various Interests)

#### **Background**

The Commission has presented two documents in response to the conclusions of the Cardiff European Council in June 1998: *"Economic Reform: Report on the functioning of Community product and capital markets (Cardiff I)"* and *"Economic and Structural Reform in the EU (Cardiff II)"*. Furthermore, the Commission has presented an overall assessment of the Single Market Action Plan: *"Assessment of the Single Market Action Plan June 1997-December 1998"*.

On 23 February 1999, the Committee Bureau authorized the Single Market Observatory to draw up an Opinion on the Cardiff I-document, which is about reinforcing Broad Economic Policy Guidelines with the purpose of giving a review of macro-

and micro economic issues concerning the European capital, service and product markets.

The first part of the report assesses market integration by using different economic indicators: trade in goods and trade in services between Member States, foreign investments, mergers etc.

The second part of the report suggests a selective economic reform: it identifies priority areas where immediate action is necessary in order to improve the functioning of the Single Market. Four policy areas are discussed: the quality of the regulatory environment, the removing of obstacles to trade in goods, the performance of the service sectors and the elimination of anti-competitive behaviour in certain areas (such as State aid and public procurement) and liberalization in utility sectors.

At the Cardiff European Council it was said that even though the Single Market is officially completed, a lot of barriers still exist which prevent its efficient functioning. Structural adjustments need to be speeded up at national and Community level and new markets (e.g. the energy market) need to be opened up to competition.

The main innovation resulting from the Cardiff Council is the introduction of Broad Economic Guidelines to help the Member States to coordinate their economic policies. Therefore, the Cardiff I document must be seen in connection with the "Assessment of the Single Market Action Plan June 1997-December 1998" and the Communication from the Commission (DG II) on Economic and Structural reform in the EU (Cardiff II). The latter deals with micro-economic issues, the labour market and the social dimension.

#### **Gist of the opinion**

The opinion deals with all three of the above-mentioned Commission documents and welcomes the opportunity to comment on both legal and economic aspects of the Single Market programme at the same time.

The first part of the opinion deals with the "Assessment of the Single Market Action Plan June 1997-December 1998".

It acknowledges some of the important achievements during the period of the Action Plan, identifies a number of significant shortcomings, and makes suggestions on relevant topics which have emerged from the Action Plan on which the

Committee recommends further work by the Commission.

The second part of the opinion generally welcomes the "Cardiff I" and "Cardiff II" reports and the global approach they represent. However, it questions whether the improvement in the economic situation, increased economic and social cohesion, price convergence and falling prices, and more employment in the EU are a result of the Single Market, as claimed by the reports.

The opinion then comments critically on the Commission's dealing with topics such as state aids, universal service obligations, free movement

of workers, small and medium-sized enterprises, taxation systems, controlling public expenditure, labour markets, and regional and cohesion policies.

Finally, the Committee asks that the work of its Single Market Observatory be incorporated into the broader monitoring process which the Commission is developing and which consists of the twice-yearly Single Market scoreboards, the Cardiff process, feedback from citizens and business (the Dialogue), and the improved collection of data and statistics mentioned in the Cardiff I report.

**Section for Transport, Energy Infrastructure and the Information Society**

Luigi Del Bino, Head of Division - ☎ (32-2) 546 9353

## 5. RAILWAY INFRASTRUCTURE

**Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Council Directive 91/440/EEC of 29 July 1991 on the development of the Community's railways; Proposal for a Council Directive amending Council Directive 95/18/EC of 19 June 1995 on the licensing of railway undertakings; Proposal for a Council Directive on railway capacity allocation and railway infrastructure charging**  
(COM(1998) 480 final/2 - 98/0265 COD - 98/0266 SYN - 98/0267 SYN)

(CES 556/99 - 98/0265 COD - 98/0266 SYN - 98/0267 SYN)

Rapporteur: Joël DECAILLON (France - Workers)

### Gist of the Commission document

The package of measures proposed by the Commission (three proposals for directives) represents a first step towards halting the decline of railways by creating a rail market which is more in tune with the needs of the customer. The proposed measures are designed to ensure more efficient use of railway infrastructure through fairer and non-discriminatory conditions of access, improved trainpath and allocation and more efficient charges.

The three proposed directives are intended to complement the rules laid down in European legislation in the rail sector in 1991. The aim of this legislation is to ensure that all railway undertakings are treated in a fair and non-discriminatory way and to provide for the efficient use of infrastructure and more competition in rail transport.

- a) The first proposal for a directive is intended to replace the provisions of Directive 95/19/EC on the *allocation of rail infrastructure capacity and the charging of infrastructure fees*.

As regards *capacity allocation*, the proposal for a directive seeks to provide a precise definition of the rights of rail enterprises and the infrastructure manager. It also sets out a precise procedure for preparing timetables and stipulates that the body responsible for allocating capacity cannot itself be a provider of transport services. A right of appeal is also established.

As regards the *charging of infrastructure fees*, the proposal is to base, in principle, charges on marginal cost, that is the cost that is directly incurred as the result of the operation of a train. But the directive will allow charges to be modulated for other reasons (a higher rate of cost recovery, the inclusion of external costs and tackling problems of scarcity).

- b) The second proposal for a directive is intended to amend Directive 91/440/EEC, mainly in respect of *the separation of accounts of rail infrastructure management and the provision of transport services*. The proposed directive is designed to clarify the legal situation by requiring the separation of both profit and loss accounts and balance sheets.
- c) The third proposal for a directive seeks to extend the scope of Directive 95/18/EC on the *licensing of railway undertakings*. The aim is to ensure fair application, without discrimination, of the rights of access to infrastructure on the part of all rail enterprises established in the EU.

### Gist of the opinion

The Economic and Social Committee, drawing heavily on its previous opinions, the results of its hearings and other contributions which it has received, thinks that there is an urgent need to modernize, revitalize and harmonize the activities and management of rail networks by means of:

- the better allocation and use of existing infrastructure and the infrastructure required to build proper trans-European networks,
- the improvement of the railways' position on the market and of their commercial and financial situation,
- greater cooperation between railway undertakings and between railway undertakings and

other transport operators (waterway, road, air and sea), greater flexibility and transparency and a better service for users and shippers,

- more sustainable development of transport systems (internalization of the external costs incurred by the different modes, and consolidation and development of combined transport),
- more harmonization of the conditions of competition between modes, especially as regards social, working and safety conditions.

The Committee also thinks that the Commission should:

- present a prospective step-by-step assessment of the likely economic, commercial, financial and social impact of the new directives,
- provide better definitions of certain proposed concepts, tasks, structures and responsibilities, and of the interrelations between the various players involved in the railways,
- base all of its proposals more on the objective facts with regard to the railways as well as the progress made and the results obtained,
- simplify its charging system, its system for allocating infrastructure capacity, its management, regulatory and arbitration systems and its system for checking safety and punishing infringements.

**Section for Agriculture, Rural Development and the Environment**  
Francisco Vallejo, Head of Division - ☎ (32-2) 546 9396

## 6. EMAS - COMMUNITY ECO-MANAGEMENT AND AUDIT SCHEME

**Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) allowing voluntary participation by organisations in a Community eco-management and audit scheme**

(COM(1998) 622 final - 98/0303 SYN)

(CES 560/99 - 98/0303 SYN)

Rapporteur: Antonello PEZZINI (Italy - Various Interests)

### Gist of the Commission proposal

The proposal amends Regulation (EEC) No. 1836/93 allowing voluntary participation by companies in the industrial sector in a Community eco-management and audit scheme. This Regulation - known as the EMAS (Eco-Management and Audit Scheme) Regulation - entered into force on

13 July 1993 and has been open to industrial participation since April 1995. The legal basis for the Regulation is Article 130 s (1) of the Treaty.

When the Scheme was conceived it was thought necessary to take-stock of its success, in particular its effectiveness as a voluntary market-based instrument, after a given period of time. Thus, Article 20 of the EMAS Regulation provides for the revision of the Regulation five years after its entry into force at the latest. This review has provided a good opportunity to identify the strengths and weaknesses of EMAS and where appropriate to improve the effectiveness of the Regulation.

The proposed changes are essential to enable EMAS to increase its contribution to sustainable development and to maintain the potential of such a market-based instrument, in order to effectively complement the command-and-control approach of environmental policy.

The main elements of the proposal which will contribute to this are:

- extension of the scope of EMAS to organisations with significant environmental effects;
- integration of ISO 14001 as the EMS requirements of EMAS;
- involvement of employees in the implementation of EMAS;
- increase in the participation of SMEs by developing a set of supporting tools;
- adoption of a visible and recognisable logo;
- increase in the follow-up of the improvements of the environmental performance carried out by organisations;
- enhancement of the added value of EMAS compared to other EMSs;
- promotion of the consistency of implementation of the Regulation across Member States.

#### **Gist of the opinion**

The review of the Regulation builds on an assessment of implementation in the Member States, and on the trend in Community environmental policy to emphasise voluntary instruments and the responsibility of all stakeholders in promoting sustainable growth. The review contains some important new elements which call for further discussion.

The Committee is pleased to note that some of the new elements correspond to recommendations made in the Committee opinion on the original proposal, in particular as regards worker participation, provision of support to SMEs, the case for a logo, and gradually widening the scope of the Regulation.

In an attempt to overcome the geographical imbalance in EMAS certification, the ESC has identified a number of ways of promoting the scheme, including:

- retroactive tax rebates for management procedures which have yielded concrete environmental gains;
- decentralised administration of control and certification;
- EMAS coverage of other national requirements in the environmental field;
- incentives to encourage big business to involve sub-contractors in implementing EMAS programmes;
- inclusion of the names of sub-contracting firms in the environmental statement;
- involving local authorities in areas where different approaches are being adopted in a given sector, and considering them as coordination instruments for collective certification;
- more management responsibility for decentralised business associations, in order to encourage the participation of SMEs, and backed up by technical and financial support;
- enhanced visibility and communication of achievements to the public;
- information and education campaigns, particularly for associations representing small-business interests.

Moreover, the Committee makes a number of specific comments on the scope of the Regulation, effective worker participation, instruments for encouraging SMEs to register, and measures for enhancing EMAS visibility and credibility.

#### **7. STRUCTURAL ASSISTANCE IN THE FISHERIES SECTOR**

**Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector**

(COM(1998) 728 final - 98/0347 CNS)

(CES 553/99 - 98/0347 CNS)

Rapporteur: Jesús MUÑIZ GUARDADO (Spain - Various Interests)

### Gist of the Commission proposal

The proposal determines the areas in which assistance is to be provided and lays down the rules regarding Community structural assistance in the fisheries sector. This entails the following changes:

- the provisions on programming are adjusted to the new situation as regards the Structural Funds (Objectives 1 and 2), which, for certain measures, requires recourse to the EAGGF Guarantee Section;
- some provisions which have been found to be too vague or difficult to apply are updated and reinforced;
- assistance is extended to new areas;
- premiums and scales are brought up to date.

The fourth-generation multiannual guidance programme (MGP IV, 1997-2001) remains the reference basis for the fleet. Management of fleet development is based on the following:

- a **new fleet renewal system**, including permanent arrangements for administering additions to and removals from the fleet. Under the proposed scheme, additions with public aid will be possible only if outweighed by an associated withdrawal without aid. For the small-scale coastal fishing sector, the additions must not lead to an increase in fishing effort;
- a **marked tightening-up of measures** to deal with Member States which do not abide by the provisions on the MGP or the Community fishing vessel register;
- a **redefinition of joint enterprises**, which are now regarded as a special method of exporting which qualifies for a premium additional to the export premium.

The Commission proposes to pay more attention to the problems specific to the small-scale coastal fishing sector. Modernisation of this sector (with no increase of fishing effort) is a political priority

on account of its particular features and its contribution to employment.

As accompanying measures, the Commission proposes:

- to **extend the range of socio-economic measures** by granting a premium to allow individual fishermen to switch to other occupations;
- to **redefine the current mechanism for temporary laying-up**. Public aid will be authorised only on the basis of strict, precise and transparent criteria.

As regards other areas of assistance, the Commission proposes:

- to continue measures in favour of productive investment in the **processing industry** and in **aquaculture** and in facilities at fishing ports, paying more attention to the environmental aspects in the case of aquaculture and giving priority to collective measures;
- to introduce provisions on **producer organisations** (which are currently contained in the "market" regulation), improving and rationalising their content and making them more consistent with the other structural measures;
- to continue the **operations conducted by members of the trade**; this option has been insufficiently used hitherto, despite strong demand from the trade.

### Gist of the opinion

The ESC nairly approves the proposal. However, it puts forward a number of reservations and improvements.

As regards Title II (Implementation of multiannual guidance programmes for fishing fleets) the ESC states that the new regime establishes stricter requirements than those laid down in the existing regulation. However, the provisions do not fully meet the need for a fleet renewal mechanism that addresses important issues such as safety, seaworthiness, accommodation conditions and obsolescence.

It is not clear e.g. what technical and legal basis was used to underpin the requirement that, for each individual project, the capacity withdrawn in

association with the addition of new capacity must be at least 30% greater than the new capacity added, in terms of both tonnage and power. The Committee gives detailed recommendations to the Commission concerning *inter alia* the drawing up of a list of third countries to which vessels can be transferred; the permanent withdrawal of vessels etc. It comments in detail on certain important aspects of fisheries agreements with third countries and the establishment of joint enterprises.

The establishment of joint enterprises has always been preferable to scrapping, as they help to supply the Community market and maintain some Community jobs, but the proposal lays down constraints and requirements that may make them unviable. The Commission may take appropriate measures if Member States fail to comply with particular obligations.

The Commission may take appropriate measures if Member States fail to comply with particular obligations; however, the ESC feels that a detailed list of all "appropriate measures" is needed as it flouts the principles of responsibility, proportionality, clarity and legal certainty. Greater clarification is needed of what is meant by an "integrated collective project to improve the structure of their fishing activity". More favourable conditions concerning the repayment of compensation are necessary if the beneficiary returns to work as a fisherman within less than one year.

Title III (Protection of marine resources in coastal waters, aquaculture, fishing port facilities and processing and marketing) should include a reference to the development of fishery resources.

In Title IV (Other measures) priority is given to measures implemented by organizations that are officially recognized. The ESC states that priority should also be given to organizations which carry out particularly significant measures in the marketing field. Organizations which share the same main aims as producer organizations should also be eligible for aid. Compensation for unforeseeable circumstances may be provided for a maximum period of two months per year. This is considered by the section to be too short, and should be extended to six months. Aid should also be available for exploratory surveys to find new fishing grounds.

## 8. FINANCIAL INSTRUMENT FOR THE ENVIRONMENT (LIFE)

**Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) concerning the financial instrument for the environment (LIFE)**

(COM(1998) 720 final - 98/0336 SYN)

(CES 554/99 - 98/0336 SYN)

Rapporteur:

Lutz RIBBE (Germany - Various Interests)

Corapporteurs:

Franco CHIRIACO (Italy - Workers)

Georges LINSSEN (Netherlands - Employers)

### Gist of the Commission proposal

The proposed regulation foresees the implementation of a third step of the EU financial instrument for the environment (*Life*), from 2000 to 2004, on the basis of an indicative budget of ECU 613 million. The objectives of the new *Life III* Regulation are to strengthen the link between individual EU financed projects and the priorities of EU environmental policy and to broaden the dissemination of the results of these actions to a wider European audience.

These objectives are translated into the following modifications to the regulation:

- (1) An increase from 3 to 5% of the budget that is available for accompanying measures in order to broaden the dissemination of results of completed projects;
- (2) For *Life-Nature*, the creation of two new accompanying measures facilitating the drafting of trans-national projects and the networking of financed projects;
- (3) For *Life-Environment*, the definition of guidelines aimed at improving the link between EU financed projects and EU environmental policy priorities, and the re-orientation of the Preparatory Actions of *Life II* towards the preparation of new EU activities. The guidelines will be developed on the basis of four main themes:



- use planning and development, in particular in urban areas;
  - minimisation by a preventative approach of the impacts of industrial activities;
  - recycling of waste and rational management of waste flows;
  - reduction of the environmental impact of products by an integrated approach of the production, distribution and consumption of products.
- (4) For *Life-Third Countries*, concentration of EU intervention on (a) technical assistance to bolster administrative structures in the countries concerned in the environmental field and (b) the drafting of environmental action plans in the beneficiary countries.

The participation to *Life-Nature* and *Life-Environment* is also open to Central and Eastern European Countries, in the framework of accession preparation and on condition that they make a financial contribution to the budget of *Life*; the other candidate countries such as Cyprus, Malta and Turkey may also participate, following the conclusion of the requisite agreements.

#### Gist of the opinion

The Committee welcomes the **extension of the Life Programme** with the introduction of a third phase. The Committee also underlines the fact that the aim of the programme is not the funding of projects as such *but rather the further development and implementation of environmental policy and environmental laws in the light of the experience acquired from Life projects. The dissemination and replication of the results of Life projects has a crucial role to play in this context.*

As regards the **general objectives** of the Life Programme (the development and implementation of EU environmental policy and environmental law), the Committee calls for a more precise definition to be given as to how the very ambitious "**development objective**" is to be realized. The Regulation proposed by the Commission makes no explicit reference to the need for an underlying strategy - based on appropriate horizontal communication between Commission departments - anticipating how project results can be used to develop new EU environmental policies.

Turning to the "**implementation objective**", the Committee points out that responsibility for this aspect rests with a variety of actors, such as the Commission, the Member States, regional and local authorities, industry, trade unions and NGOs. It is therefore essential that these actors are acquainted with the results of Life projects and that they put into practice the ideas explored by the projects. With this aim in view, the Committee fully supports the Commission's proposals for placing greater emphasis on the external dissemination and replication of the results of the Life project. The Committee puts forward a number of further suggestions in this field; it proposes that well-defined target groups (such as national and European umbrella organisations) be involved in the dissemination of project results and that more effective use be made of other financial instruments, such as Structural Funds and the Cohesion Fund. The Committee also believes that there is urgent need to extend the Life database and to network with other European and world-wide databases covering innovative projects and best practice.

The Committee welcomes the fact that the **Life-Nature** focuses on the establishment and operation of the Natura 2000 European network.

Turning to the **Life-Environmental** proposals, the Committee calls for a more clear-cut distinction to be made "demonstration projects" and "preparatory actions". With regard to the "integration objective", the Committee calls for the addition of a number of further priority sectors, namely agriculture, energy and transport, which were pinpointed at the Cardiff Summit.

The Committee also draws attention to the major role which could be played by the Life Programme in the **CEEC applicant states**, particularly with regard to the protection of nature. The Committee does however underline the fact that it is above all financial problems which have so far stood in the way of participation by the abovementioned states (with the exception of Romania). The Committee therefore urges the Commission and the Member States to examine, without delay, how these hurdles can be removed, e.g. by making more Phare funding available to help pay the "entry ticket" to be paid by the applicant states.

On the subject of the **duration of Life III and the budget for the programme**, the Committee calls for the planned funding of 613m euros to be increased. In this context the Committee fully supports the stand taken by the European Parliament in its first reading of the draft Regulation on 15 April 1999. The Committee proposes that funding of at least 850m euros be earmarked for the implementation of Life III. As regards the duration of the programme, the Committee proposes that it should come to an end - in parallel with Agenda 2000 and the Structural Funds - on 31 December 2006 (rather than 31 December 2004, as put forward by the Commission).

Finally, the Committee urges that the report on the implementation of Life III should address, above all, the general objectives of the Life Programme ("development", "implementation", "integration" and "dissemination"). This would imply, *inter alia*, that the report should deal with the value of the Life programme (a) in promoting the development of EU environmental policy and environmental law and (b) as regards the major areas of EU budgetary spending (agricultural policy and structural policy, including the Cohesion Fund).

#### 9. FISHERY / PROTECTION OF "JUVENILES"

**Opinion of the Economic and Social Committee on the Proposal for a Council Regulation amending for the third Regulation (EC) No. 850/98 of 30 March 1998 for the conservation of fishery resources through technical measures for the protection of juveniles of marine organisms**

(COM(1999) 141 final - 99/0081 CNS)

(CES 557/99 - 99/0081 CNS)

Rapporteur-general: Eduardo CHAGAS (Portugal - Workers)

#### Gist of the Commission proposal

The proposal is intended to incorporate the following data and developments into the Council Regulation (EC) No. 850/98 for the protection of juveniles of marine organisms:

- a) the area where and the time-period during which spawning of so-called Douglas Bank herring takes place has changed;
- b) the need for specific provisions on the use of Danish seine in the so-called plaice box had been overlooked;
- c) the conditions agreed within in the Agreement for the International Dolphin Conservation Program make it acceptable to under certain conditions use purse seines on schools of fish found in association with marine mammals;
- d) the differences in maximum body size for two species of spotted dogfish necessitate a revision of the appropriate mesh size for fixed gears for each of these species.

#### Gist of the opinion

The Economic and Social Committee approves the Commission proposal.

**Section for Economic and Monetary Union and Economic and Social Cohesion**  
Arie Van De Graaf, Head of Division - ☎ (032-2) 546 9227

#### 10. 1999 ANNUAL ECONOMIC REPORT

**Opinion of the Economic and Social Committee on the 1999 Annual Economic Report - The EU economy at the arrival of the euro: promoting growth, employment and stability**  
(COM(1999) 7 final)

(CES 562/99)

Rapporteur: Vasco CAL (Portugal - Workers)

#### Gist of the Commission document

*The 1999 annual economic report*

At the end of 1998 the countries of the European Union, including those which have not (yet) joined the economic and monetary union, had achieved a very high degree of convergence:

- inflation is at its lowest for 30 years;
- the budget deficit has fallen below 3% of GDP (it has fallen from 6.1% in 1993 to less than 2% in 1998);
- on the whole, the public debt is falling significantly, particularly in the countries where it is highest, such as Belgium and Italy;
- exchange-rate turbulence - at least between the countries participating in EMU - is a thing of the past thanks to the creation of the single currency;
- long-term interest rates are converging towards a level around 4%; the real interest rate - around 2% - is the lowest for twenty years;
- in macroeconomic terms, company profitability has exceeded the levels of the period of full employment of the 1960s.

Although 1.7 million new jobs were created in 1998, the reduction in unemployment remains clearly insufficient in the European Union.

Taken together, these are the fundamentals which - the international environment, economic policies and consumer confidence permitting - should make it possible to work towards a situation of stability and growth conducive to reducing unemployment substantially in ten years or so.

That said, the Asian crisis, which has extended to the countries of eastern Europe and is affecting Latin America, involves risks for the European Union. According to the 1999 Economic Report, this international situation compromises the European Union's growth prospects. This is accompanied by an increasing sense of insecurity on the part of consumers and economic operators.

In 1998 higher than expected growth of domestic demand more than compensated for the effects of the Asian crisis and the EU ended the year with growth of about 3%. In 1999, however, the Commission forecasts that the slowdown in exports will also affect stockbuilding and investment by companies, with a significant impact on growth prospects. Whilst it is true that the policy mix has been relaxed in reaction to slowing demand, it remains too passive vis-à-vis external shocks.

In principle, again according to the Commission, the EU must react to any threats by applying an appropriate policy mix, and particularly by macroeconomic measures. Efforts must be continued with regard to the labour market and structural

policies, in the goods and services, markets, but also in the field of innovation at enterprise level.

#### Gist of the opinion

The Committee thinks that the *Broad economic policy guidelines* should be used as an instrument for the implementation of the *Employment pact*. The *Employment pact*, which was designed as a process of cooperation between the various economic and social players, should be based on the coordination of economic policies both at macroeconomic and at structural level. The labour-market policy measures advocated in Luxembourg, as supplemented by the structural programme launched in Cardiff, should accompany the appropriate macroeconomic policy mix, embracing fiscal, monetary and wages policy, in order to create a climate of confidence to stimulate consumption and investment and thus to boost employment in a durable way.

Like the Commission in its recommendation, the Committee hopes that all the players involved in macroeconomic policy - governments, the ECB and the social partners - will be able to work together for a dynamic *Employment pact* which is sustainable in the medium term. The Committee broadly shares the concerns expressed by the Commission in this recommendation, but would point out that the practical success of economic policy coordination and the *European employment pact* will depend above all on the aforementioned players.

The downward adjustment of growth forecasts because of the international situation may have too negative an effect on the climate of business confidence. It must however be remembered that foreign trade accounts for only a small share (10%) of the European Union's GDP. The Committee draws the conclusion that, once again this year, everything possible must be done to stimulate internal demand and investment.

The Committee takes the view that in this period of financial turbulence the Commission should do everything possible to enable Community and EMU bodies to play a part in the international fora which already exist or are to be set up.

The Economic and Social Committee is pleased that the ECB decided on 8 April to reduce interest rates. After the progress made by governments in reducing and controlling budget deficits on the one

hand, and the wage trend decided upon by the social partners on the other, the European Central Bank is thus making an active contribution to the quest for sustainable growth aimed at price stability and job creation. Indeed, the substantial reduction made by the ECB will facilitate investment and encourage private demand.

A macroeconomic dialogue to improve coordination between wage trends, fiscal policy and monetary policy, in order to encourage growth and job creation, calls for new institutional arrangements. This macroeconomic dialogue should involve meetings at least twice a year between the Council, the Commission, the European Central Bank and the social partners, at both technical and political levels.

## 11. VAT / LABOUR-INTENSIVE SERVICES

**Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Directive 77/388/EEC as regards the possibility of applying on an experimental basis a reduced VAT rate on labour-intensive services**  
(COM(1999) 62 final)

(CES 555/99)

Rapporteur: Colin LUSTENHOUWER  
(Netherlands - Various Interests)

### Gist of the Commission proposal

Combating unemployment is at the top of the European agenda. The special European Council on employment, held in Luxembourg on 20 and 21 November 1997, concluded that each Member State would look into whether the VAT rate on labour-intensive services not exposed to cross-border competition should be reduced. In its "Vienna Strategy for Europe", the European Council of 11 and 12 December 1998 included promoting employment, economic growth and stability among the four issues of prime concern to European citizens where rapid and effective action was required. The purpose of this proposal is to follow up the conclusions of that European Council so as to enable those Member States which so desire to experiment with reduced VAT rates on la-

bour-intensive services which are not exposed to cross-border competition.

The reasoning behind this initiative is twofold:

- First, a reduced VAT rate should result in lower consumer prices and thus stimulate demand for labour-intensive services. This would take advantage of the enormous potential for job creation in the businesses concerned, which, typically, operate only locally.
- Second, the VAT mechanism does not function particularly well in sectors which have few deductible VAT inputs and where most of the customers are private consumers. In this case, VAT is part of the price and the consumer can easily avoid paying it by reaching an agreement with the service provider. A reduced VAT rate would thus reduce the incentive to join (or remain in) the black economy.

The Commission proposes imposing strict conditions on the types of services to which a reduced VAT rate can be applied.

The services concerned must satisfy the following requirements:

- (a) they must be labour-intensive;
- (b) they must be provided direct to final consumers;
- (c) they must be mainly local and not likely to create distortions of competition.

The application of a reduced rate must not prejudice the smooth functioning of the internal market.

Given that the envisaged measure will be optional, the Commission and the other Member States will have to be provided with systematic, detailed information by those Member States taking part.

### Gist of the opinion

The Committee welcomes the proposal and is pleased that the Commission has heeded so swiftly the European Council's call (11 and 12 December 1998) for such a proposal.

The proposal satisfies the similar request made by the Committee in its opinion CES 991/97 of 1 October 1997.

The Committee endorses this approach. Indeed, it enables the Member States to use this option where the employment climate and the specific situation in the relevant sectors offer the prospect of implementing such an instrument effectively. The Committee feels it is important that, prior to drawing up the list of services to which a reduced VAT rate can be applied, the Member States should consult employer and employee representatives in the sectors concerned, and listen to their version of the possible effects of such a measure. The Committee feels that the optional nature of the

approach - subject to the strict conditions set out in the proposal - as opposed to a blanket implementation of the system, makes a more flexible, targeted implementation possible. Moreover, the safeguard provided by the unanimous decision-making process would prevent it from being applied in an undesirable way.

In conclusion, the Committee generally endorses the Commission proposal, which takes on board the Committee's conviction that use of the VAT rate should also be an option in the fight against unemployment. It also meets the calls from numerous craft industry and SME organizations for a weapon to combat the black economy.

**Section for Employment, Social Affairs and Citizenship**

*Wolfgang Jungk, Head of Division - ☎ (32-2) 546 9227*

**12. IMPLEMENTATION OF 1999 EMPLOYMENT GUIDELINES** (*Own-initiative*)

**Opinion of the Economic and Social Committee**  
*on Implementation of the 1999 employment guidelines*

(CES 563/99)

Rapporteur: Ursula ENGELEN-KEFER (Germany  
- Workers)

**Gist of the opinion**

The inclusion of an employment chapter in the Amsterdam Treaty and the Luxembourg Employment Summit of November 1997 have set in motion the irreversible process of co-ordinating employment policies at European level in order to substantially reduce the persistently high level of unemployment in Europe. Member states have now come to recognise that "promoting employment is a matter of common concern" (Article 126 of the Amsterdam Treaty). The goals and procedures of a co-ordinated European strategy for employment, as set out in the Amsterdam Treaty's employment chapter, first became reality with the 1998 guidelines and the drawing-up of National Action Plans.

The four pillars on which the Luxembourg guidelines are based are improving employability, developing entrepreneurship, encouraging adaptability in businesses and their employees, and strengthening equal opportunity policies. These are all key areas in helping to create new jobs and re-integrating the unemployed into the labour market.

The employment policy guidelines for 1999, which were adopted at the Council summit in Vienna on 11 and 12 December 1998, emphasise the importance "for the future success of the Luxembourg process of engaging in a broad and intensive dialogue between all the actors involved, i.e. the European Parliament, the Council, the Commission, Social Partners, the European Central Bank and the European Investment Bank."

Within the framework of this request from the Vienna Council summit, the ESC, as a forum for organised civil society in Europe, would like to make its own specific contribution to the intensification of dialogue on Europe's employment strategy. This contribution would take the form of organising a thorough exchange of experiences on good practices, thereby helping to translate the employment guidelines into reality. Because of its composition, the ESC is particularly well suited to this task since it represents not only the traditional players on the labour market, but other key eco-

conomic and social organisations as well. In this connection, a hearing has been organised on a number of selected "good practices" relating to the four pillars making up Europe's employment strategy.

The ESC welcomes the Commission's intention, in drawing up the 1999 guidelines, of essentially adhering to these four major principles and keeping the consolidation and continuation of the Luxembourg process in the spotlights. The ESC also understands and firmly supports the logical reasons for adopting concrete, supplementary measures in the following areas:

- reform of tax and charges systems,
- use of employment potential in the services sector,
- consolidation of lifelong learning, particularly in respect of new information technologies,
- integration of the disabled and ethnic minorities,
- improvements in reconciling work with family life.

As the ESC has already made clear in its opinion on the Commission communication on "Guidelines for Member States' employment policies 1998", it is considered necessary to develop an overall concept that embraces both macro-economic policy and also other policy areas which have an impact on employment. It is therefore important to ensure compatibility between the employment policy guidelines and the economic policy guidelines drawn up annually in accordance with Article 99(2) of the Amsterdam Treaty. More coordination is needed between economic, financial and monetary policies, and for structural reforms in the economy.

The ESC is convinced that only by following such an overall strategy - which embraces all policy areas of relevance to employment and gives collective responsibility to players within the framework of a European Employment Pact - can there be any chance of success. The ESC expects a signal to be sent from the Cologne Council summit in support of a European Employment Pact (in the sense of a process) and hopes that the Pact will be taken into account in the employment policy guidelines for the year 2000.

With regard to the Luxembourg process, the ESC regards the use of benchmarks as well as the high-

lighting of good practices as important instruments for introducing productive competition over successful labour-market policies. The ESC generally agrees with the Council that progress needs to be made in comparing performances positively and constructively.

In the hearing held by the study group on 15 April 1999 at the Bundesanstalt für Arbeit in Nuremberg, selected examples of employment and labour market policy were presented. The emphasis was placed on the areas in the guidelines: promoting employability and developing entrepreneurship, where the promotion of equal opportunities in the sense of the "mainstreaming" approach was taken into account through the choice of practical examples and inclusion in the presentation.

For the ESC the examples presented gave rise to the following conclusions:

- labour market policy measures are all the more efficient if the social partners and those who take measures are involved at national level in development and implementation;
- local implementation of projects in collaboration with national labour authorities is particularly promising. Often the initiatives for projects come from local and regional circles and are only taken over by national institutions in a second phase;
- the involvement of concerned groups, such as in the projects "Unemployed help the unemployed", opens up new opportunities of increasing the effectiveness of labour market policy integration measures;
- the assumption of responsibility by the parties to collective agreements themselves, through agreements on labour market policy measures and working hours, and the provision of financial help, including in conjunction with national funds, seems particularly worthy of imitation;
- vocational training measures should combine a broad vocational basic training with training segments and elements that are geared to actual practice and work requirements. The collaboration of the main actors in vocational education, business, the unions and the state is of particular importance here;
- results in promoting young businesses will only be achieved if targeted advice and financial support accompany their foundation. Equally

necessary is the abolition of red tape, which hampers company formation.

The ESC would like the hearing on successful labour market practices to be seen as its first contribution to the intensification of dialogue on a European employment strategy, with other activities to follow.

Because of the practical experience of its members, the ESC could play a special role in the further development of a European employment strategy. This might take the form of a regular monitoring and evaluation of successful approaches to employment policy, or organising exchanges of views on good practices.

**Section for External Relations, Trade and Development Policy**

Georgina Willems, Head of Division - ☎ (32-2) 546 9471

**13. DEBT RELIEF IN LDCS** (*Own-initiative*)

**Opinion of the Economic and Social Committee**  
on *Debt relief in the combating of poverty in LDCs*

(CES 561/99)

Rapporteur: Ann DAVISON (United Kingdom - Various Interests)

**Background**

The Committee has repeatedly stressed its concern about the extent of absolute poverty in the south. It is jointly responsible for organizing the dialogue between the Union's economic and social interest groups and those of the ACP (African, Caribbean and Pacific) countries. In the process of this debate, concern has been expressed about the limits which the burden of external debt payments imposes on government spending in many of the poorest indebted countries.

Various debt-relief initiatives have been put forward by the international community. The Paris Club of creditor nations, coordinated by the French Treasury, can provide a reduction of up to 67% in many of the debts owed to government creditors. A condition is that the debtor country first agrees an economic programme with the IMF (International Monetary Fund).

The HIPC initiative (1996) extends this to up to 86% relief and includes for the first time relief from World Bank and IMF debts. It covers those poorest countries eligible for highly concessional assistance whose debt burden remains unsustainable after all other debt relief is applied. The

World Bank has identified and included 41 heavily indebted poor countries (HIPCs), those with the highest debt burdens, with external debt amounting to more than twice their annual export earnings. Many are even higher than this.

**Gerhard Schröder** has recently signalled a significant change in his country's policy towards developing countries by launching an international initiative to accelerate and extend debt relief for the world's poorest countries.

The aim of the "Cologne debt initiative", is "to enable as many countries as possible to make the necessary adjustments and receive debt relief quickly and comprehensively".

In the past few years, efforts to accelerate debt relief have been stepped up under the Heavily Indebted Poor Countries (HIPC) initiative, supported by the World Bank and International Monetary Fund. However, HIPC has not assuaged widespread fears that too few debts are being forgiven.

**Mr Schröder** proposes that the existing framework for deciding the extent of debt relief should be used to its full extent.

The German initiative would be in line with aid agencies' proposals that the countries to benefit from debt relief should channel the funds released by such initiatives into projects combating poverty.

The Committee's opinion aims to make some concrete proposals before the next G-8 Summit. It will focus on how, in practise, social conditionality could be achieved.

### **Gist of the opinion**

In view of its longstanding concern about the extent of absolute poverty in the south, the Committee welcomes the new resolve of several Member States to improve public debt relief for the poorer countries.

Crucial to their success in attacking absolute poverty is social conditionality. The Committee takes the view that the public debt relief process should be speeded up and deepened for countries which apply "good governance" and give priority to eradicating poverty. The extra finance saved by debtor governments should be reallocated to social projects via clear plans for poverty reduction. Priorities for these plans should be agreed with donors and with organised civil society. Careful monitoring should be based on improvements in poverty indicators such as child mortality, numbers in school, closing the gender gap. In the case of failure to use debt relief for social progress, the aid could be reallocated into decentralised projects.

As an incentive, and in view of the delays that have already occurred in debt relief, and the urgency of the poverty problem, the Committee would propose greatly reducing debt service payments on an immediate basis. This should apply to countries already identified as in need of help and

which commit to spend the savings made, on poverty reduction measures.

Attacking the stock of debt could take longer, up to three years. Incentives should again be offered, at this stage, to countries with good governance committing to poverty reduction plans. The Committee proposes increased debt relief which would reduce debt stock between the ranges of 100 to 150 % of exports.

The EU has a vital role to play in using the current opportunity to alleviate both debt and poverty. The Committee calls on the Commission to be more active on the issues and on the Member States to coordinate and to find new resources. The EU should show leadership and help set the pace. Especially since not all Member States are represented there, it should coordinate EC proposals for the G8 so that they do not undermine each other, but instead enhance one another, so that powerful proposals are collectively made - and on the boards of the World Bank and IMF. Coordinated EU policies on debt, coherent with the EU's role as a donor, both as the Commission and as Member States, could play a major and successful role in the achievement of the OECD's crucial 2015 human development targets.

## SUB-COMMITTEE "*Financial services*"

### **14. FINANCIAL SERVICES**

**Opinion of the Economic and Social Committee on the Commission Communication on Financial Services: building a framework for action**  
(COM(1998) 625 final)

(CES 559/99)

Rapporteur: Umberto BURANI (Italy - Employers)

#### **Gist of the Commission proposal**

This Communication concentrates on two main aspects of completion of the single market in financial services, whose potential is enhanced by the euro:

- deep and liquid European capital markets which serve both issuers and investors better;
- removal of remaining barriers to cross-border provision of retail financial services in order to ensure consumer choice while maintaining consumer confidence and a high level of consumer protection.

International financial turbulence is not a reason to abandon this approach. The structural improvements to the European economy that will result from a genuine single financial market will maximise both the direct and indirect contribution to long-term growth, competitiveness and jobs. But a single European financial market, in an increasingly integrated global capital market, must be



accompanied by more effective prudential regulation and supervision at both European and global level. This needs to be pursued through improved coordination between regulators and supervisors in which the Commission has an important role to play.

The Commission welcomes the timely invitation, issued by the European Council at Cardiff, to prepare a "framework for action" for financial services. This Communication highlights a range of issues, which need to be addressed to equip the EU with financial markets capable of sustaining competitiveness and weathering financial instability. The conclusions drawn by the Commission are based on extensive consultation of Member State experts, users of financial services and market practitioners.

The Commission concludes that the EU's framework of prudential legislation does not require radical surgery. We need a **leaner more modern regulatory apparatus** in the fast moving environment of financial services. It therefore calls upon the Council and the Parliament to explore ways of delivering a more streamlined, flexible and faster legislative approach. Supervisory authorities can play their part by strengthening cooperation in order to ensure application of a uniform understanding of prudential rules. Mechanisms are also required to reinforce collective discipline in the implementation and enforcement of EU legislation in the financial services sector.

The prospect of the single currency is spurring a market-driven modernization of EU **wholesale markets**. However, the single currency will not of itself deliver an optimally functioning single wholesale market. A coherent programme of action to smooth out remaining legislative, administrative and fiscal barriers to cross-border flotations and investment-related activities can deliver significant economic dividends. These benefits can be realised without revolutionary changes by adjusting the present arrangements for prospectuses, public-offer listings, financial reporting, and rules applying to investment service providers. Unless such steps are taken, we will forego the potential reduction in the cost of EU capital offered by the single currency. The Commission urges Member States to finalise and implement a set of priority actions to promote the efficient integration of

wholesale financial markets as a matter of urgency.

As for **retail financial markets**, despite great progress in the completion of a single financial market, the cross-border sale of traditional financial products to individual consumers remains the exception. The Commission will intensify efforts to complete a single market for retail financial products on an incremental basis. First, it will promote a clear and common understanding of the distinction between professional and non-professional users of financial services. In keeping with relevant provisions on international private and EU law, efforts will be made to limit additional host country requirements to consumers acting in a non-professional capacity. Second, the Commission will identify and catalogue substantive differences between legal provisions, which presently are seen to call for application of host country rules. This will improve transparency and make easier to ensure that imposition of host country rules is proportionate. Third, the Commission will continue to promote the convergence of national practices towards a high level of consumer protection where this is necessary and proportionate response to consumer concerns. The Council and Parliament are invited to cooperate with the Commission to the fullest extent in order to give effect to this evolutionary approach.

**Supervisory and regulatory cooperation within the EU and at international level.** As the regulatory framework for a single financial market crystallises, fault-lines at the level of supervision become more prominent. The Commission considers that structured cooperation between national supervisory bodies - rather than the creation of new EU level arrangements - can be sufficient to ensure financial stability. At present, this cooperation is organized on an ad hoc basis and will need to be upgraded. In the area of securities markets supervision in particular, present arrangements are unable to keep pace with the sudden acceleration in market integration. The Commission would see great merit in a clear blueprint defining the responsibilities and mechanisms for coordination between all different national and EU-level bodies engaged in financial supervision.

The opportunities and challenges of maintaining financial stability do not stop at the boundaries of the Union. The EU is not isolated from turmoil, which is currently sweeping through international financial markets. The Commission and Member

States must actively contribute to the promulgation of an international base line of fundamental prudential requirements and assist in the widest possible dissemination of best supervisory practice. The EU has a particular vocation to give effect to these objectives in respect of candidate countries of central and eastern Europe.

**Creating the general conditions for a fully integrated EU financial market** requires action in the following areas:

**Provide for an integrated infrastructure:** interaction between national securities and payment systems needs to be improved as well as the development of appropriate mechanisms to combat fraud and money laundering.

To ensure a level playing field for financial operators is one of the key elements of an integrated single market for financial services. Financial market integration must therefore be enhanced by strict application of the Treaty rules on **competition and state aid**. An increased effort will be needed in this area, as competition in the financial services sector is likely to become fiercer after the introduction of the euro.

**Taxation:** with the disappearance of exchange risks as a deterrent to real pan-European investment strategies, disparities in tax treatment is already emerging as a significant distortion of the allocation of resources. Political agreement has been reached to address the most pressing tax distortions to the single market - namely, tax distortions to the allocation of savings and harmful tax competition between financial centres. Work must also be taken forward in respect of key financial products; such as life insurance and pension funds, where tax treatment prevents cross-border marketing.

#### **Building a consensus:**

The Council and the Parliament are now invited, with the Commission, to take forward the debate. To maintain political momentum, the Commission proposes that personal representatives of Finance Ministers should be nominated by Member States and meet in a Financial Services Policy Group, chaired by the Commission.

Its immediate objectives are twofold: first, the Group should identify and prioritise a set of actions by June 1999 to be presented to the Council.

The second task of the Group, during the period prior to June 1999, is to define a number of immediate priorities to guarantee momentum to the process.

The Group will also assist the Commission in collective monitoring of implementation and enforcement of financial services legislation.

The Commission intends to report back to ECOFIN on a regular basis.

The Commission will also establish a high-level consultation mechanism to ensure that both market practitioners and users of financial services are able to make a full contribution to the formulation of policy in this area.

#### **Gist of the opinion**

The opinion is limited to the **essential aspects** of the Commission document; going into detail would require a commitment of resources and time which would probably not be justified, given that we are still at the preliminary stage of developing strategies.

- The Committee congratulates the Commission on drawing up an extremely clear document, which has succeeded in combining the contribution of professionals with that of the national authorities, users and consumers; consequently it cannot but endorse, in general terms, the objectives and future approaches set out in it.

The Committee agrees *in principle* with the Commission's approach to the question of **legislation on providers of financial services** and on financial products, but cannot refrain from expressing a degree of concern. The more flexible a rule, the more likely it is to be interpreted in the various countries according to the economic environment and customs prevailing in each of them - and this is certainly a positive aspect. **The negative aspect** is that the broader the scope for discussion and interpretation, the greater is the risk of new rules developing: there is a risk of **new obstacles** being created on the road to market integration.

To sum up, while accepting the Commission's approach, the Committee recommends that any "lean legislation" initiative be assessed in the light of its possible **practical consequences**.

As regards **supervision rules**, the Committee would draw the Member States' attention to the cost of failing to harmonize them.

The Commission's analysis of the fragmentation of the markets is correct, and the solutions proposed are sensible.

The measures proposed by the Commission are welcome: mutual recognition of prospectuses, financing unlisted start-ups, uniform principles of corporate governance, greater transparency of accounts, elimination of restrictions on investment, and conditions of perfect competition among similar financial products. All this should cause the traditional approach of the European market to shift towards structures which are less dependent on bank credit and more open to risk.

In terms of risk, the Committee would point out that broadening of the market should not lead to **an excessive lowering of its qualitative level**. Institutional investors are well aware of the rules of the game and know how to make use of financial information: their choices are based on a professional assessment of risks as against returns. There is more cause for concern about **consumers**: an increasing number of small investors are drawn towards risk capital investments because of low returns on the government bond and monetary market; they lack the necessary experience to find their way in an environment which is by its very nature **risky**, and becomes more so the lower the rating of the assets offered by the market. It is true that mechanisms (investment funds) exist which spread the risk, thereby attenuating it for the consumer/investor; but the overall risk is not diminished - only transferred and redistributed over the whole market. It is essentially a question of finding a **balance between the need to finance the productive sector and the need to protect the market as a whole**.

To improve the situation in private consumer markets the following objectives should be pursued: the adoption of measures designed to **increase competition**, ensuring that intermediaries compete on the basis of authorization granted by the authorities of their country of origin, and the es-

tablishment of **consumer protection** enabling the consumer to make reasoned choices: information on prices and quality, and adequate, uniform protection. The proposed measures are consistent with the objectives, and the Committee generally endorses them.

With regard to **prices of banking products and services**, though with special reference to services, the Committee would like to make a few comments in the hope of contributing to a **clarification** in the exchange of views which the Commission has begun with consumers and financial institutions. These comments will not at this stage include an assessment of the lack of convergence in product and services prices noted by the Commission - a problem which also concerns many other sectors - but are rather intended to provide a **methodological basis for analysis**.

In promoting **convergence of the rules on consumer protection** as regards financial services, the Commission mentions the need to apply a common understanding of the **distinction between professional and non-professional users**, stressing that professional investors certainly do not need the same level of protection as ordinary consumers. Despite the distinction already codified by the Commission in the legislation, certain doubts about interpretation may still persist. The Committee takes the view that a further distinction must be made according to the **amounts** involved. For example, can an individual investing one million euro be regarded as a "consumer", or is he rather to be seen as a "professional investor"? There is therefore a need to fix a ceiling above which the protection granted to "normal" consumers cannot be invoked (subject of course to contractual and legal guarantees). To remove the legal uncertainties encountered by the Committee when examining the Commission document, the simplest solution could be to leave unchanged both the definition of "consumer" and the rules protecting the consumer, but to stipulate that these rules apply only up to a certain amount.

The task of the **supervisory and monetary bodies** - the latter responsible for the liquidity of the system - is becoming ever more difficult. One possible solution would be to **strengthen cooperation** within the liaison bodies set up by the supervisors themselves, and between them and the Commission, which is also ably assisted by various committees which it has set up.

The above leads one to the conclusion that the present situation may indeed be regarded as satisfactory, but it does not prevent us regarding the future with some apprehension, especially if one takes into account possible, but unforeseeable, short-term economic trends linked with global political events. The G-7 has reached similar conclusions and has acknowledged the need to lay down procedures for increased surveillance of the financial sector as a whole, through structured coordination of the main international authorities responsible for stability in the sector. The task of studying the implementing arrangements was entrusted to Mr Tietmeyer, the president of the German Central Bank, and he produced a report which suggests the creation of a "Financial Stability Forum" made up of the G-7's finance ministers and central bank governors, the international regulatory bodies, the IMF, the BIS and some national central banks. The Committee strongly supports this solution, but suggests that the Commission, as the body responsible for European financial rules, could be represented in the Forum.

On state aids, the Committee points out that a credit firm in difficulty - especially a very large

one - is in the paradoxical position of **having to be assisted** with public money if the rest of the sector is unwilling or unable to come to its aid. The funds of hundreds of thousands - or more often millions - of depositors - both firms and consumers - cannot be wasted without the risk of devastating social and systemic crisis. The "too big to fail" doctrine, so often questioned, applies fully - albeit by extension - here.

The problem of **fiscal policy** involves the most controversial aspects. The Commission's draft directive has already been commented upon by the Committee.

The other proposed measures - elimination of the risk of double taxation for financial products, action in the area of pension funds, reduction in disparities in treatment between credit instruments and securities - are all initiatives with which the Committee fully agrees.

The Committee supports the Commission's initiative on consensus-building and the other initiatives which will follow it, reserving the right to make its own comments and proposals.

## II. FUTURE WORK

### *FOR INFORMATION*

- Tourism and employment  
COM(1999) 205 final (INT-OCT)
- Labelling and presentation of foodstuffs (codified version)  
COM(1999) 113 final - 99/0090 COD (NAT-JULY)
- Protection of workers - exposure to carcinogens at work (codified version)  
COM(1999) 152 final - 99/0085 SYN (SOC-to be decided)

### *FOR DECISION*

- Modernisation of rules for applying Articles 85 and 86 of the Treaty  
COM(1999) 101 final (INT-DEC)
- Towards a single market in supplementary pension schemes (Communication)  
COM(1999) 134 final (INT-OCT)
- The European air transport industry (Communication)  
COM(1999) 182 final (TEN-OCT)

***IN ANTICIPATION***

- Judicial documents in civil and commercial matters  
COM(1999) 219 final - 99/0102 CNS (**INT-OCT**)
- 28<sup>th</sup> Annual Report on competition policy (1998)  
SEC(1999) 743 final (**INT-to be decided**)
- Approximation of laws on the transport of dangerous goods by rail  
COM(1999) 157 final - 99/0087 COD (**TEN-SEP/OCT**)
- Marketing of forest reproductive material  
COM(1999) 188 final (**NAT-SEP**)
- Enforcement of judgments in matrimonial matters and in matters of parental responsibility for joint children  
COM(1999) 220 final - 99/0110 CNS (**SOC-OCT**)

***OWN-INITIATIVE OPINION***

- Customs co-operation in the single market (**INT-SMO-DEC**)

***ADDITIONAL OWN-INITIATIVE OPINION***

- WTO Millennium Round - transparency and participation of organised civil society (**REX-OCT**)

***INFORMATION REPORTS***

- Excessive family debt (**INT-DEC**)
- Demographic situations and trends in the European Union (**SOC-OCT**)
- European dimension of education: essence, content and prospects (**SOC-DEC**)

***ADDITIONAL OPINION***

- The macro-economic dimension of employment policy (**ECO-DEC**)

***OTHER WORK***

- Report on the economic situation in the United Kingdom (in conjunction with work on the economic situation) (**ECO**)
- Report on the economic situation in Germany (in conjunction with work on the economic situation) (**ECO**)

### III. PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE

#### Activities of the ESC presidency

Mrs Rangoni Machiavelli, ESC president, met Mr Calvani, from the United Nations' representation to the EU, on 4 May. They discussed measures to combat illegal drugs and encourage crime prevention.

On 10-11 May Mrs Rangoni Machiavelli met the Bureau of the French Economic and Social Council in Paris. Cooperation on matters concerning civil society and action in the field of external relations were on the agenda.

#### Activities of sections and members

On 6-7 May Mr Gafo Fernández, president of the Section for Transport, Energy, Infrastructure and the Information Society made a statement at a conference on cooperation in the field of energy in the Mediterranean region, organized by the CEOE (Spanish Employers' Confederation) in Valencia.

On 20-21 May Mr Lustenhouwer attended a conference on SMEs in the new millennium, held in Leipzig, Germany.

On 25 May Mr Hernández Bataller took part in a hearing on public sector information in the information society, organized by the European Commission in Brussels.

#### Other news

##### *Amsterdam Treaty comes into force*

1 May 1999 saw the entry into force of the Amsterdam Treaty, which amends the founding treaties of the European Union. The provisions of the Treaty will affect the ESC in a number of ways. From now on, the ESC can be consulted by the European Parliament. This means it can be consulted on all draft versions of European legislation, including those where Parliament itself has no joint legislating powers.

"Protocol 16" of the Maastricht Treaty, which set up a common structure between the ESC and the Committee of the Regions (COR), has been abolished, so the two consultative assemblies have more management autonomy. But a recent co-operation agreement (see below) opens up a new era of collaboration between the ESC and the COR.

There are also many new areas in which the ESC must be asked for an opinion: the Amsterdam Treaty states that the ESC must be consulted in several areas in the new chapter on **employment** (guidelines, incentive measures, social legislation, application of the principle of equal opportunity and equal pay) and on **social policy**. The ESC's consultative role has also been strengthened in the fields of the **environment, public health and consumer protection**.

##### *ESC-COR Cooperation Agreement*

At the plenary session of the Committee of the Regions on 3 June, the president of the Economic and Social Committee, Mrs Beatrice Rangoni Machiavelli, and the president of the Committee of the Regions, Mr Manfred Dammeyer, signed a cooperation agreement between the two institutions.

The ESC president stated that *"this agreement is a very important political signal to the new Parliament and the other institutions that two administrations are capable of pooling some of their resources to obtain fruitful economies of scale"*.

The agreement signed by the presidents of the two institutions should enable those institutions to face up to the new challenges brought by the Amsterdam Treaty, especially with regard to their role as partners of the European Parliament.

#### **IV. INFORMATION VISITS**

The following groups visited the ESC during the period in question:

Bayerisches Institut für Beratung und Projektentwicklung - Germany  
Nordisk Demokrati - mixed  
Karl-Arnold-Stiftung - Germany  
Lycée R. Wlerick de Mont-de-Marsan - France  
Deutsche Gesellschaft - Germany  
Universidad Autónoma de Madrid - Spain  
Universidad de La Laguna - Spain  
Bisowe des DBB - Germany  
FTF - Denmark/Norway  
Regione Calabria - Italy  
Wirtschaftskammer Wien - Austria  
Université de Genève - Switzerland  
Lycée Blaise Pascal - France  
Briefing for new EU officials - mixed  
Arbeitnehmerzentrum Königswinter - Germany  
Associação Portuguesa para a Cultura, Cooperação e Desenvolvimento - Portugal  
ITI Université de Strasbourg - France  
Delegation from the region of East Sweden  
Arbeitsgemeinschaft der Baureferendare der Baubehörde Hamburg - Germany  
American University - United States  
Delegation from the Swedish Permanent Representation to the EU  
IUT Oise de Beauvais - France

---











*EN*

**European Economic and Social Committee**

*Directorate for Communications • Specialized Department for Information and Visits*

*Rue Ravenstein 2 B-1000 Brussels • Tel.: 546 90 11 / 546 92 13*

*Fax: 546 98 22 • Internet: <http://www.esc.eu.int>*

*Catalogue Number: ESC-99-005-EN*