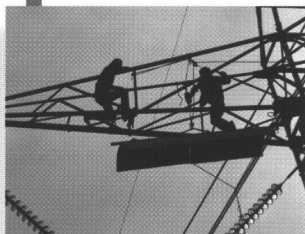


CES: 1

European Economic and Social Committee



European Economic and Social Committee



BULLETIN

9 '99

Facts and figures - September 1999

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.

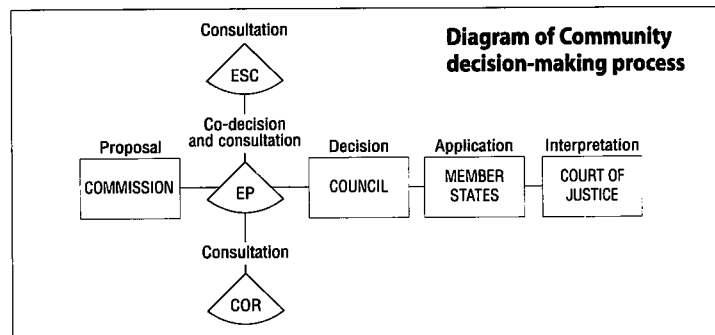
The ESC is the only socio-occupational advisory body that can be consulted by the EU Council of Ministers.

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

INTERNAL ORGANIZATION

1. Presidency and Bureau

Every two years the ESC elects a Bureau made up of 24 members (eight per group), including 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.

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 Gafo 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: George Wright - 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, Bulgaria and Poland. There are also formal links with socio-economic interest groups in Turkey.

PUBLICATIONS

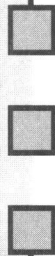
The ESC regularly distributes a number of publications, including its main opinions, a monthly newsletter entitled ESC INFO and its Annual Report.

SECRETARIAT-GENERAL

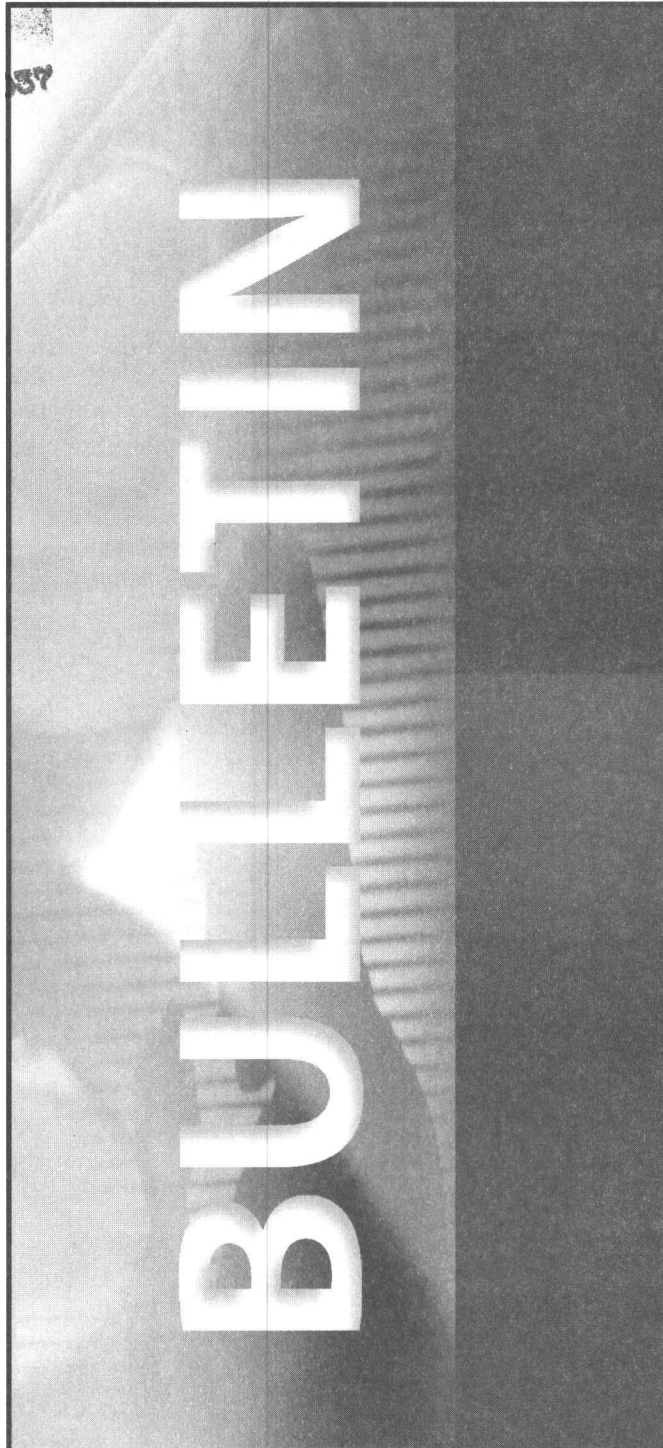
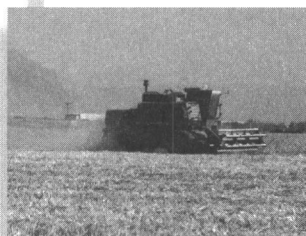
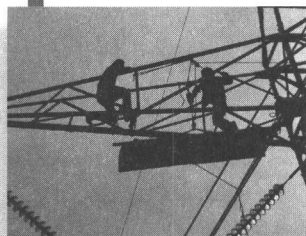
The Committee is serviced by a secretariat-general, headed by a secretary-general who reports to the president, representing the Bureau.

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. The secretariat's annual budget is currently in the order of 27 million euros.

European Economic and Social Committee



European Economic and Social Committee



9 '99

CES : 1

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

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I. 368th PLENARY SESSION - 8 and 9 DECEMBER 1999

The European Economic and Social Committee held its 368th plenary session in Brussels on 8 and 9 December 1999. The ESC president, **Mrs Rangoni Machiavelli**, took the chair.

The session was attended by **Mr Franz Fischler**, member of the European Commission, and **Mr Kimmo Sasi**, Finnish minister for foreign trade and European affairs.

Mr Franz Fischler, the Commissioner responsible for agriculture, gave a speech on rural development and fishing, essentially clarifying analyses of the "failed" Seattle negotiations. He noted that Europe was still the most important global economic bloc and that since it did not want unbridled liberalisation of world trade it had called for certain guarantees to protect social, environmental and cultural standards, etc., but that the 134 participants had not been able to agree on this agenda.

However, the Marrakech Agreement had provided for negotiations to be resumed on issues such as the multifunctionality of agriculture, where certain services should be paid for rather than subsidised.

Mr Fischler congratulated the ESC on its excellent opinion on the LEADER Plus initiative.

After talking about the WTO, Mr Fischler briefly mentioned problems relating to fishing, a sector where priorities seemed clear, which must be reformed by the year 2002, and where an ESC contribution that reflected both agricultural and fishing interests would be invaluable.

Finally, on the subject of enlargement, Mr Fischler recalled that the Commission had decided to negotiate on an equal basis with all the candidate countries and not to divide them into different groups according to priority, thus satisfying a wish expressed in a previous ESC opinion.

Mr Kimmo Sasi, Finnish minister for foreign trade and European affairs - who attended the session on behalf of the EU Council presidency-in-office - also spoke on the subject of the World Trade Organization and the widely-reported failure of the trade negotiations in Seattle. When the meeting started, all matters were open for discussion, but not all countries were ready to face up to the new challenges forced by globalization. WTO members generally were not prepared to cede ground: the United States called for the EU to show more flexibility; equally, industrialized countries were not willing to grant requests made by the developing countries. For negotiations to have been successful, all sides would have needed to make concessions.

The Union's relations with Russia, meanwhile, were being affected by the forthcoming elections in that country and - most of all - the war currently being waged in Chechnya. Mr Sasi noted Russia's particular interest in environmental issues and scientific and technical cooperation, as well as various exchange programmes. It was significant, too, that Russia now had its own "EU strategy".

*

* *

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. XXVIIIth REPORT ON COMPETITION POLICY (1998)

Opinion of the Economic and Social Committee on the XXVIIIth Report on Competition Policy (1998)

(SEC(1999) 743 final)

(CES 1116/99)

Rapporteur: Edoardo BAGLIANO (Italy - Employers)

Gist of the Commission proposal

1998 was the last year before the Union changed over to the single currency, and the Commission naturally had to make every effort to ensure that the economic environment into which the euro was born was a healthy and vigorous one. Competition policy contributed to this process within its own sphere and within the limits of its own resources.

First, the Commission sought to underpin and consolidate the operation of the single market, by improving market structures and taking firm action against anticompetitive practices, so as to provide a sound and healthy basis for economic and monetary union.

The Commission also took decisive steps towards the modernisation of Community competition law. Thus at the end of September it issued a communication on the application of the Community competition rules to vertical restraints. At the end of November the new procedural regulation for state aid secured agreement in principle from the Council, which should allow its adoption in the course of 1999. Throughout the year the Commission sought to strengthen links with competition authorities outside the Union; the international dimension has now become a constant in its work.

Contents of the XXVIIIth Report:

**I. Antitrust - Articles 81 and 82
State monopolies and monopoly rights -
Articles 31 and 86**

- Modernisation of the legislative and interpretative rules
- Consolidating the single market
- Sector-based policies

- Telecommunications;
- Postal services;
- Media;
- Transport;
- Insurance;
- Energy;
- Competition and the environment

- Statistics

II. Merger control

III. State aid

- General policy
- Concept of aid
- Assessing the compatibility of aid with the common market
- Procedures
- Statistics

IV. International activities

- Enlargement
- Bilateral cooperation
- Multilateral cooperation

V. Outlook for 1999

ANNEX: Cases discussed in the Report

- The euro and competition
- Motor vehicle distribution: a consumer-oriented policy
- Commission policy on fines
- European competition policy and airports
- Globalisation of markets and competition analysis
- Merger review;
- Implementation of the new Article 2(4) of the Merger Regulation.

Gist of the Opinion

The Committee welcomes the decision to give this year's preface over to the Commission's work at international level, in view of the growing importance of the international dimension. As the Commissioner acknowledges, his proposal for competition policy to be seen in a broader perspective echoes the Committee's oft-repeated call. The results of action on bilateral cooperation with a view to enlargement confirm that the Commission is moving in the right direction. The Committee, however, agrees that steps need to be made towards multilateral agreements as a matter of urgency.

The Commission was highly active in 1998 at both the legislative and administrative levels under its programme of modernisation of Community competition law. This policy is undergoing consolidation and is giving rise to ambitious projects for change. The Committee supports the Commission's interesting initiatives and action in this direction. The Committee would repeat its insistence on the urgent need for harmonisation of national legislation on competition through the application of Articles 81 and 82, as a prerequisite for any improvement in cooperation and, above all, for effective decentralisation.

Liberalisation has proceeded apace in telecommunications, but has been slower in the energy sector. The Committee views these sectors as providing a considerable spur for competitiveness and for consolidating and invigorating the single market. In this context, the Commission should also examine the overall effects of liberalisation processes, and of the ending of certain monopolies.

The Committee believes that the time has come for the effects of the application of the Merger Regulation to be verified, including at international level, as they may generate new forms of oligopoly

or even monopoly, with repercussions on the Community market.

The Committee also welcomes the new framework on training. More, however, needs to be done. A competition policy that is in line with current circumstances and with the needs of European integration must facilitate all initiatives designed to encourage and stimulate employment.

In future the annual report on competition should also assess the effects of Community 'aid', which has mushroomed over recent years. A new concept of "public aid" needs to be adopted, including not only state aid - at national and regional level - but also Community aid.

In view of enlargement, the adjustment process of the CEECs will be lengthy. The Committee is aware of these circumstances and difficulties, but for this very reason would again urge the Commission this year to exercise careful supervision of these problems and play an active part in any contacts or negotiations.

Competition policy is not simply a matter of legal processes, penalties and controls. Nor is it divorced from other Community policies. The challenges of enlargement, globalisation and the single currency demand a more rigorous, and at the same time more far-sighted competition policy, backed up by a stronger and more active Commission presence at all international levels.

2. VERTICAL AGREEMENTS *(Additional opinion)*

Opinion of the Economic and Social Committee on the Commission Regulation on the application of Article 81(3) of the EC Treaty to categories of vertical agreements and concerted practices

(CES 1117/99)

Rapporteur: Giacomo REGALDO (Italy - Employers)

Background

In January 1997 the Commission adopted a Green Paper on vertical restraints in EU competition policy, the purpose of which was to initiate a wide ranging consultation to assist the Commission in the formulation of future policy in this area. The Commission subsequently set out the main lines

for a policy reform in its *Communication on the application of EC competition rules to vertical restraints* of 30 September 1998. In order to obtain the necessary powers to carry out its envisaged reform the Commission submitted to the Council two proposals for Regulations, designed to amend Council Regulation No. 19/65/EEC, with the view to extending the Commission's delegated legislative powers, and Council Regulation No. 17, with the view to dispensing all vertical agreements from the requirement of prior notification provided for by Article 4(2). These two new Council Regulations were adopted on 10 June 1999. The Commission has now published the draft Commission Regulation on the application of Article 81(3) to vertical agreements, as well as the draft of the accompanying Guidelines.

The proposed Commission Regulation is designed to replace the existing "block exemption" regulations applicable to exclusive distribution, exclusive purchasing and franchising agreements, which will expire on 31 December 1999. The aim of the proposed new rules is to allow a shift from the formalistic approach underlying the current legislation towards a more economic approach in the assessment of vertical restraints under the EU competition rules. The new Regulation has a wide scope of application, and block-exempts all vertical agreements concerning final or intermediary products as well as services, with the exception of a limited number of hard-core restrictions. The principal objective of these measures is to allow companies which do not have market power to benefit from a safe haven within which they are no longer obliged to assess the validity of their agreements with Community competition rules. Hence, the draft Regulation limits the benefit of the block exemption to companies whose market share is below 30%. Above this threshold, agreements would not be presumed to be illegal but may require an individual examination under Article 81. The draft Guidelines are designed to assist undertakings in carrying out such an examination.

The Commission has invited all interested parties to comment upon the new rules before their final adoption. Interested parties are granted one month to present their comments in respect of the block exemption Regulation, which is due to be adopted by the end of 1999 when the existing block exemption will expire, and two months in respect of the Guidelines, as the Commission envisages adopting this text during the first semester of the year 2000.

Gist of the Opinion

The Committee welcomes the broad lines of the proposed reform, and acknowledges that the Commission in its draft Regulation has paid considerable heed to the comments and proposals made by the Committee in earlier opinions.

The Committee would point out that the reforms envisaged by the White Paper on modernising competition rules (Articles 81 and 82) have already been anticipated in part by the rules on vertical agreements, which are certainly not immune from the risks linked to decentralising the application of Articles 81 and 82 to national level with the switch to the system of legal exceptions: risks such as the non-uniform application of the rules, market fragmentation and possibly even the risk that competition policy will be applied differently in the various Member States in cases above the 30% threshold, in the light of the non-binding nature of the Guidelines. On these latter matters, the Committee would repeat the point it made in a previous opinion on the "one-stop shop" in Europe, which should be given top priority in the event of decentralised application.

The Committee recalls that competition law does not always ensure fair competition. This means that an effective regulatory framework enforced by effective competition authorities will always be needed to avoid the abuse of market power.

The Committee notes that the Commission is proposing to tighten up the application of the first paragraph of Article 81 to relations with commercial agents. The requirement that the commercial agent should not assume any financial or commercial risk flies in the face of economic reality and would cause enormous upheaval in the marketing networks of a wide range of sectors in the European economy. The narrow distinction with regard to risk-allocation is further aggravated by the 'black list' of dangerous activities (point 17).

The Committee acknowledges and appreciates the effort made by the Commission to provide undertakings, through the Guidelines, with a useful instrument for assessing for themselves the agreements and their compatibility with the competition rules of the European Community; however, it feels that an effort at synthesis and greater concentration on the really sensitive aspects is not only desirable but necessary before the new regulation comes into force. Moreover, the Committee

does not find in the Guidelines presented by the Commission any provision for a rapid-referral structure to enable operators in difficulty to receive precise answers on the application of the regulation and of the criteria in the Guidelines.

The additional specific comments made in the Committee's Opinion are intended to supplement and improve the rules governing this complex area, which is extremely important for the integration of the markets. The objective is a simple, well-defined regulatory framework, within which undertakings can operate on the market with legal certainty, in a competitive context which offers SMEs conditions in which they can grow and which provides the consumer with practical benefits. The Committee therefore congratulates the Commission on the work it has done to this end.

3. MODERNISATION OF RULES FOR IMPLEMENTING ART. 81 AND 82

Opinion of the Economic and Social Committee
on the *White Paper on Modernisation of the rules implementing Articles 81 and 82 of the EC Treaty*

(CES 1130/99)

Rapporteur: Edoardo BAGLIANO (Italy - Employers)
Co-rapporteur: Colin LUSTENHOUWER (Netherlands - Various Interests)

Gist of Commission document

In the field of competition law applicable to undertakings, the EC Treaty sets out general rules applicable to restrictive practices (Article 81) and abuses of dominant position (Article 82). In 1962, the Council adopted Regulation 17, the first Regulation implementing Articles 81 and 82. This Regulation created a system based on direct applicability of the prohibition rule of Article 81(1) and prior notification of restrictive practices for exemption under Article 81(3). While the Commission, national courts and national authorities can all apply Article 81(1), the power to grant exemptions under Article 81(3) was granted exclusively to the Commission, thus establishing a centralised authorisation system for all restrictive practices requiring exemption.

This centralised authorisation system was necessary and proved very effective for the establish-

ment of a "culture of competition" in Europe, creating a body of rules which is now accepted by all Member States and by industry as fundamental for the proper functioning of the internal market.

However, the Commission feels that this system is no longer appropriate for the Community of today. The internal market with all its imperfections is a reality, Economic and Monetary Union is under way, and the role of the Commission in this new environment has changed. It is essential to adapt the system so as to relieve companies from unnecessary bureaucracy, to allow the Commission to become more active in the pursuit of serious competition infringements and to increase and stimulate enforcement at national level, giving the Community a more efficient and simpler system of control.

In the White Paper, the Commission discusses several options for reform and proposes a system which it hopes will meet the objectives of rigorous enforcement of competition law, effective decentralisation, simplification of procedures and uniform application of law and policy development throughout the EU.

The proposed reform involves the abolition of the notification and exemption system, replacing it by a Council Regulation to render the exemption rule of Article 81(3) directly applicable without prior decision by the Commission. Article 81 as a whole would be applied by the Commission, national competition authorities and national courts, as is already the case for Articles 81(1) and 82.

This reform would allow the Commission to refocus its activities on the most serious infringements of Community law in cases with a Community interest and would pave the way for decentralised application of the EC competition rules by national authorities and courts. The Commission would continue to set out the principal rules of interpretation of Articles 81 and 82 and to adopt prohibition decisions and positive decisions to provide guidance for the implementation of these provisions. To ensure coherent application of the rules throughout the Community, it is proposed that the Commission maintain the power to remove a case from the jurisdiction of national competition authorities and to deal with a case itself if there is a risk of divergent policy.

Gist of the Opinion

In adopting the White Paper, the Commission has taken a courageous and ground-breaking initiative which responds to a widely-felt need. The Committee believes that, given its motives, objectives and probable effects, and inasmuch as it meets the need for companies to have legal certainty, the reform should do much to consolidate and further develop the Community integration process.

However, the concerns raised by the proposal are understandable and are illustrated by the risks and difficulties underlined in the Committee's opinion. The danger of the "fragmentation of the single market" and the "renationalisation" of competition law are particular sources of concern. In the Committee's view, these concerns could be to some extent allayed by first adopting robust preparatory and accompanying measures.

For the Committee, flexibility in the system and in the sharing out of responsibilities is one of the main objectives, but it will only be achieved if a number of safeguards are set in place. Appropriate measures must be devised to guarantee the necessary flexibility and the establishment of a genuine "network"; and to enable companies to tell which authority will be responsible for implementing the relevant procedure and what may be the outcome, and, more generally, defend their right to a defence most effectively.

First of all, the relevant authorities and courts must be directly involved in the consultations that the Commission is conducting on this subject. Secondly, a detailed training programme should be set up to familiarise courts with the new duties and issues they will have to face. Lastly, further efforts are required to push legislative harmonisation forward, using notices, recommendations and decisions, where appropriate. The Committee is also in favour of setting up specialised courts (or special sections) in all the national systems to deal solely with competition law, as this would contribute significantly to the efficiency of the new set-up.

In addition, it may be useful - and in the Committee's view it is necessary - to adopt legislative, administrative and organisational measures to adjust the current system pending the implementation of the reform. Such measures would prepare the ground for the reform and could make an (in some cases major) impact on current problems.

4. GENERAL PRODUCT SAFETY (*Own-initiative opinion*)

Opinion of the Economic and Social Committee on *General Product Safety*

(CES 1131/99)

Rapporteur: Alma WILLIAMS (United Kingdom - Various Interests)

Background

The General Product Safety Directive (GPSD) was adopted in 1992, with a deadline of June 1994 for Member State transposition, and its effectiveness has not been assessed since then, despite a commitment by the Council to review it - and if necessary amend it - by June 1998. Since these reactions are overdue, the Committee is seeking to accelerate the appraisal process with an Own-initiative Opinion.

Since the GPSD came into force in 1992, there have been important developments within the EU including the achievement of the Single Market, the increased emphasis on the subsidiarity principle, changes within the Commission (DG XXIV), the move towards enlargement, further experience of the "new approach" for technical standards, the growing use of risk assessment methods, etc. In addition, recent Europe-wide scares have given consumer safety a high public profile, resulting - amongst other things - in the Commission's proposed Consumer Policy Action Plan.

The Economic and Social Committee, with its current emphasis on a Citizens' Europe, is ideally placed to undertake a long-overdue critical appraisal of the GPSD. This should cover an assessment of the effectiveness of the GPSD itself (seen, amongst other things, in the level of product-related accidents, improvements in product safety, and in the prevention of unsafe products entering the market), as well as an analysis of the GPSD's functioning within the framework of the Single Market, and the "new approach" to technical standards. The effect of enlargement of the Union on the GPSD should also be explored.

In addition, ways of improving the following aspects of product safety need to be examined:

- the effectiveness of product recalls;

- the consistency of safety law enforcement in the different Member States;
- co-operation between the different national enforcement agencies;
- the role of standards bodies in developing and revising standards;
- rapid exchange of information about dangerous products;
- effective communication with third countries;
- taking advantage of developments in information technology;
- the clarity of labelling and safety instructions;
- the application of the subsidiarity principle.

Gist of the opinion

While deploring delays in providing reports, the Committee congratulates the Commission and other interested parties for having recognised that the GPSD would need to be reconsidered within a few years of its implementation. The Committee considers that the GPSD continues to be of value in providing the means of dealing with all those products for which no specific provisions exist in vertical directives. Nevertheless, the Committee suggests that more can be done in two particular ways: first, by simplifying, clarifying and removing ambiguities and, secondly, by encouraging Member States to share information and ensure dangerous goods are taken off the market.

The Committee asks the Commission to look again at the implications of the word "risk", particularly in the light of the latter's own studies on risk assessment. The precautionary principle should be invoked in situations where scientific evidence is not conclusive enough to determine a level of protection, but where there is a potential risk of serious damage to public health.

The Committee is concerned that information on labels and instructions, whether in the form of words, diagrams or pictograms, is not always clear, easy to understand, remember and apply. It therefore suggests there is a need for practical guidelines appended to the GPSD to clarify the ways in which information should be presented.

The Committee finds the wording vague and impractical as to where and when suppliers and distributors should mark products and batches to assist with recalls and withdrawals. A clear distinction should be made between the two. The Direc-

tive should be amended to make the recall of dangerous products a requirement rather than an option for Member States, in view of the poor response rate achieved in certain Member States using the present optional system. There should also be the right of redress for producers in cases of error.

The Committee proposes that the role of the EU should be to make sure that information through the Rapid Exchange of Information System (RAPEX) is effectively and speedily exchanged, and monitored for trends. At present there are information blockages which mean that information often reaches the "front line" practitioners too late to be effective.

The Committee recommends that the Commission should have a role in monitoring accident data with a view to identifying trends and future priorities. The Committee would also like to see the present rather limited membership of the Committee on Product Safety Emergencies (set up under the original GPSD) appropriately extended in scope to include a wide range of expertise, such as independent health and safety specialists. It could assume similar responsibilities to those of a Product Safety Commission.

The Committee recognises that the Commission is currently revising the GPSD and asks it to take into account the results of its many consultations, including the comments of the Committee.

5. APPLICATION OF THE COMPETITION RULES IN THE FIELD OF INSURANCE *(Own-initiative opinion)*

Opinion of the Economic and Social Committee
on the Report from the Commission to the Council and the European Parliament on the operation of Commission Regulation No. 3932/92 concerning the application of Article 81 (ex-Article 85), paragraph 3, of the Treaty to certain categories of agreements, decisions and concerted practices in the field of insurance
(COM(1999) 192 final)

(CES 1139/99)

Rapporteur: Guido RAVOET (Belgium - Employers)

Gist of the Commission proposal

Agreements between undertakings, decisions of undertakings and concerted practices (hereafter agreements) having the effect of restricting competition within the meaning of Article 81(1) (ex Article 85(1)) of the EC Treaty can be authorised under Article 81(3) (new) if they contribute to promoting technical or economic progress or to improving production or the distribution of insurance products and if insured persons derive benefit from them, provided that the restrictions are limited to what is strictly necessary and that they do not entirely eliminate competition on the market in question.

By Regulation No. 1534/91 of 31 May 1991 the Council empowered the Commission to adopt a regulation on the application of Article 81(3) ECT (new) to the following specific groups of agreement in the field of insurance:

- the joint establishment of tariffs of risk premiums based on collective statistics or on the numbers of claims;
- the establishment of standard insurance conditions;
- the joint coverage of certain types of risk;
- settlement of claims;
- verification and approval of safety equipment;
- registers and information systems concerning aggravated risks.

Basing itself on the Council empowering regulation, the Commission adopted its Regulation No. 3932/92 exempting four of the six types of agreement mentioned above, viz. calculation of premiums, establishment of insurance conditions, coverage of certain types of risk and safety equipment.

Under the Council empowering regulation, the Commission has to submit to the European Parliament and Council, within a set period, a report on the functioning of its regulation and if necessary to formulate amendments.

This report complies with that requirement. It comprises a first part on the application of Article 81 (new) to the four types of agreement covered by

the regulation and a second part on the application of Article 81 (new) to the two types of agreement not covered by the regulation. It does not contain any proposals for amendments. However, for each type of agreement the Commission presents a number of considerations of a general nature, describes its practical experience and mentions possible future developments.

Gist of the opinion

This opinion is designed to (i) establish the context in which the provisions must be assessed, (ii) give a general assessment of the Commission report, and (iii) make a number of comments on specific points raised by it.

The Committee underlines its commitment to free and effective competition as a factor in economic progress, and as a factor of benefit to the consumer. It is therefore keen to ensure that derogations with regard to certain activities remain the exception and that they are not interpreted in such a way as to extend their scope.

The exemption regulation that covers insurance companies for certain types of agreement corresponds to the concern, expressed in Article 81(3) of the Treaty, to authorise agreements that contribute to technical or economic progress or to improving the production or distribution of products, providing consumers derive benefit from them.

In its specific comments the Committee examines the following points in particular: joint use of statistics, standard policy conditions, joint cover of certain types of risk, safety equipment, and settlement of claims and registers.

In its conclusions the Committee states that the exemption regulation meets a need and, as proved by the diverse insurance terms on offer, has not led to a loss of competitiveness. The report should provide encouragement to continue along the path marked out by the regulation(s) and inspire the national authorities whose role is certainly set to grow in the years ahead.

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

6. EMISSION CEILINGS - ATMOSPHERIC POLLUTANTS / OZONE

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive on national emission ceilings for certain atmospheric pollutants and the Proposal for a European Parliament and Council Directive relating to ozone in ambient air
(COM(1999) 125 final - 99/0067 COD - 99/0068 COD)

(CES 1118/99 - 99/0067 COD - 99/0068 COD)

Rapporteur: Franco CHIRIACO (Italy - Workers)

Gist of the Commission proposals

The referral concerns two closely related Commission proposals: a proposal for a Directive on national emission ceilings for certain atmospheric pollutants (the "NECs" Directive) and a proposal for a Directive relating to ozone in ambient air (the "ozone" Directive).

The proposal for a NECs Directive aims at setting individual limits for each Member State's total emissions in 2010 of the four pollutants responsible for the closely inter-related environmental problems of acidification, eutrophication and ozone formation in the lower atmosphere (tropospheric ozone): sulphur dioxide (SO₂), nitrogen oxides (NO_x), volatile organic compounds (VOC) and ammonia (NH₃). The proposal, which is a follow-up from the acidification strategy adopted by the Commission in March 1997, addresses these problems jointly to ensure an integrated and cost-effective EU approach. Because of the cross-frontier nature of the pollutants in question, concerted action across the EU is the only effective option for tackling the ensuing environmental problems. In implementing the Directive, Member States will need to assess what action is appropriate in their particular circumstances, and introduce measures accordingly (subsidiarity).

The proposal for an ozone Directive is the third proposal for a daughter Directive under the Air Quality Framework Directive adopted in Septem-

ber 1996. The proposal aims at introducing target values for ozone in order to protect human health, along with requirements to monitor ozone concentrations in ambient air and to report to the public on the findings of that monitoring.

By no later than 31 December 2004 the Commission will report to the Council and the European Parliament on the implementation of the proposed Directives; this report will then allow for a review of provisions in the Directives.

Gist of the opinion

The Committee welcomes the Commission's initiative of presenting proposals which offer the Member States a framework for reference, monitoring and exchange of information with a view to further measures to protect human health and the environment, in accordance with the objective of sustainable development.

The Committee is in favour of the proposals regarding long-term objectives, insofar as they are in accordance with the commitments laid down in the 5th Environmental Action Programme.

As regards the interim objectives calculated using the RAINS model, the ESC supports the 120µ/m³ target, and notes that a number of developed countries have adopted or are planning to adopt similar legislation. The Committee regrets, however, that a separate interim objective has not been proposed for eutrophication.

The ESC welcomes this differentiated approach to achieving the interim objectives, which involves significantly lower costs than an approach based on flat rate percentage reductions. It should be kept in mind that the national ceilings approach gives the Member States the required degree of flexibility to determine - taking account of their specific national situation - which measures are best suited to comply with the emission ceilings allocated to them. However, the Committee takes the view that the Commission should play an active coordinating role in connection to the preparation and updating by the Member States of the planned national programmes (Art. 6) and emission inventories and

projections (Art. 7) in order to ensure the optimal mix of emission reduction measures (see also point 2.4.1), to ascertain the stage reached in their implementation and to take the necessary corrective action.

The Committee welcomes the review mechanism provided for under Article 9 of the NEC Directive, to be based on periodical reports. These will provide the Commission with proposals for amending the national emissions ceilings listed in Annex 1, taking into account the factors listed under Article 9(1) (including international commitments made in relation to climate change). In this respect, special attention should be given to the future improvement of the RAINS model.

Lastly, the Committee offers a number of guidelines for actions and programmes within individual Member States, which it is prepared to develop in its future work.

7. FOOD AND NON-FOOD PACKAGING WASTE *(Own-initiative opinion)*

Opinion of the Economic and Social Committee
on Outlets for food and non-food packaging waste

(CES 1119/99)

Rapporteur: Paul VERHAEGHE (Belgium - Employers)

Aim of the opinion

In presenting this own-initiative opinion, the Economic and Social Committee is seeking to contribute to the discussion currently under way on a number of fronts within the EU on the recycling of waste, and packaging waste in particular. The key element of this discussion is the forthcoming revision of Directive 94/62/EC on packaging and packaging waste. The present opinion must also be viewed in the light of the debate within the Recycling Forum set up at the start of the year.

The intention is not, of course, to repeat the substantial work carried out by the Recycling Forum, which deals mainly with the economic, technological and legal aspects of waste recycling, or to issue an opinion on the proposed revision of Directive 94/62/EC, which the ESC will look at another time. The Committee addresses, rather, the basic

issues underlying the results - the achievements as well as the shortcomings - of the recycling sector.

Gist of the opinion

Given the benefits ensuing from the implementation of Directive 94/62/EC, the Committee calls for incorporation in European legislation of a proactive policy on packaging-waste recycling and for ambitious recovery targets for all categories of packaging material without exception. At the same time, the Committee emphasises that sustainable development requires the adoption of environmental policies aiming to strike a balance between economy and environment. Provided that the targets set in European legislation are met, the Committee proposes that Member States be given a degree of freedom in choosing a combination of methods (prevention, re-use, recycling, energy recovery) which enables them to achieve, at the lowest cost, the objective of preventing or reducing the environmental impact of packaging or packaging waste while complying with current environmental standards. Such standards must act as the common "bottom line".

The Committee stresses the need to make consumers/citizens aware of the packaging waste issue and to train them, from an early age, to adopt environment-friendly behaviour. It also calls for genuine dialogue between industry, public authorities, the media and consumers/citizens through collective organisations. Such dialogue should be based on partnership and shared responsibility for the environment of future generations.

Aware of the difficulties currently encountered in relation to the recovery and, in particular, the recycling of packaging waste, the Committee considers it necessary to adopt a pro-active policy based on participation, incorporating all those involved in the chain of production, use and disposal of packaging, and taking account of the economic constraints faced by these players. With this in mind, it proposes that a blueprint be drawn up for the development of outlets for recycled products. This should comprise:

- greater backing for innovation and for development of new recovery techniques for packaging waste;
- identification and development of new markets for recyclates;
- introduction of CEN standards for recyclates;

- more responsibility for the various packaging waste sectors;
- constructive dialogue with consumers/citizens;
- continual improvement of the EU statistical monitoring system.

All of these suggestions reflect the Committee's desire to see environmental policy on packaging and packaging waste progress towards an ambitious and pro-active approach focusing on prevention and recovery of packaging waste. Such an approach would safeguard sustainable development and would be more firmly anchored in partnership between all those affected.

8. FOREST PROTECTION / ATMOSPHERIC POLLUTION

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Regulation (EC) amending Regulation (EEC) No 3528/86 on the protection of the Community's forests against atmospheric pollution and the Proposal for a European Parliament and Council Regulation (EC) amending Regulation (EEC) No 2158/86 on the protection of the Community's forests against fire
(COM(1999) 379 final - 99/0159 COD - 99/0160 COD)

(CES 1120/99 - 99/0159 COD - 99/0160 COD)

Rapporteur working without a study group: Lutz RIBBE (Germany - Various Interests)

Gist of the Commission proposals

Council Regulations No. 307/97 EC amending Regulation No. 3528/86/ EEC on the protection of the Community's forests against atmospheric pollution and No. 308/97/EC amending Regulation No 2158/86/EEC on the protection of the Community's forests against fire take Article 43 of the Treaty as their legal basis.

On 30 April 1997 the Parliament queried this matter with the Court of Justice. On 25 February 1999 the Court gave its judgement in joint cases C-164/97 and C-165/97. The judgement repealed both regulations and stipulated that the Council should have used Article 130s of the Treaty (now Article 175 of the Treaty) as the only legal basis.

However, the Court suspended the effects of the repeal to enable the Council to adopt two new regulations with the same purpose within a reasonable time.

The proposed new regulations have the same purpose as the repealed regulations, this time with Article 175 of the Treaty as their legal basis.

The financial allocation for these two measures has been adjusted in line with the actual budget allocations for 1997-1999 and those provided for in the 2000 PDB.

Gist of the opinion

In accordance with its opinion on the 1997 regulations, the Committee welcomes the extension of the two schemes until the end of 2001.

It is however very much concerned about the proposals' budgetary aspects, as it notes that the financial allocation proposed for both schemes is considerably lower than the amounts envisaged in the 1997 regulations.

In addition, the Committee is of the opinion that the planned reports on the application of the two regulations should serve as a basis for the discussion of their review by the end of 2000. It therefore suggests that these reports be published *one year before* the expiry of both schemes, i.e. by the end of 2000. In addition, the proposed new regulations should include a reference to the planned extension of both schemes beyond the year 2001.

The Committee makes no further remarks on the substance of the proposed schemes, as it awaits the review proposals planned for the end of 2000.

9. FOOD ADDITIVES

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive amending Directive 95/2/EC on food additives other than colours and sweeteners.
(COM(1999) 329 final - 99/0158 COD)

(CES 1121/99 - 99/0158 COD)

Rapporteur: Clive WILKINSON (United Kingdom - Employers)

Gist of the Commission proposal

Framework Directive 89/107/EEC provides for the adoption of specific directives to harmonise the use of different categories of additives in foodstuffs. Daughter Directive 95/2/EC specifically deals with food additives other than colours and sweeteners. It is based on the principle of the positive list (authorised additives and the foodstuffs in which they may be used).

The present proposal, based on article 95 (ex 100a) of the Treaty, seeks to amend Directive 95/2/EC. The proposed amendment would allow the use of some new food additives, which are currently forbidden but have recently been evaluated by the Scientific Committee on Food and found acceptable for human consumption.

Furthermore, some new food additives, authorised temporarily by some Member States and evaluated by the Scientific Committee on Food, are included. In addition, the proposal allows food additives already authorised to be used in certain new applications.

Gist of the opinion

The Committee supports the proposal.

10. ADDITIVES IN FEEDINGSTUFFS

Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Directive 70/524/EEC concerning additives in feedingstuffs
(COM(1999) 388 final - 99/0168 CNS)

(CES 1122/99 - 99/0168 CNS)

Rapporteur working alone: John DONNELLY
(Ireland - Various Interests)

Gist of the Commission proposal

Council Directive 70/524/EEC of 23 November 1970 concerning additives in feedingstuffs establishes for high technology additives with a very specific composition (antibiotics, coccidiostats and other medicinal substances, and growth promoters) a system where the authorisation will be linked to a person responsible for putting the additive into circulation.

Therefore the Commission replaces the existing authorisations by authorisations linked to a person responsible for putting the additive into circulation through the adoption of a regulation. In the case of additives included after the 31 December 1987 and before April 1998 in Directive 70/524/EEC it is laid down that these regulations take effect no later than 1 October.

In contrast, in the case of additives included in Directive 70/524/EEC before 1 January 1988, authorisations will have to be linked to the person responsible for putting the additive into circulation by 1 October 2003 in order to enable their evaluation in accordance with Article 4 of the directive.

The fact that a re-evaluation of the substances authorised before 1 January 1988 is regarded to be necessary, does not justify that their copies may continue to be put into circulation after October 1999, while copies of the other substances authorised after 1 January 1988 may not be put into circulation after 1 October 1999. Therefore it is necessary to establish coherent conditions in this respect for all additives belonging to the respective groups.

Gist of the opinion

The ESC fully endorses the proposal for a Council directive.

11. GRAIN LEGUMES

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending Regulation (EC) No 1577/96 introducing a specific measure in respect of certain grain legumes
(COM(1999) 428 final - 99/0182 CNS)

(CES 1123/99 - 99/0182 CNS)

Rapporteur working alone: Pedro BARATO TRIGUERO (Spain - Various Interests)

Gist of the Commission proposal

The Commission proposes that the system applicable to certain grain legumes should continue in its present form: an MGA of 400,000 ha and aid at EUR 181/ha. However, MGA overruns demonstrate that developments in cultivated area need to be better managed.

To achieve that, the Commission proposes to take account of the different uses of the products: human food for lentils and chick peas and animal feed for vetches. On average lentils and chick peas accounted for some 40% of the area aided and vetches for 60%. The Commission proposes to subdivide the MGA on that basis, giving 160,000 ha and 240,000 ha respectively. Unused hectares in one MGA during a marketing year would be reallocated to the other MGA before an overrun occurred.

The Commission also proposes to change the competent management committee so as to align the regulation with practice by replacing the Management Committee for Dried Fodder with the Management Committee for Cereals.

Gist of the Opinion

The Committee generally endorses the principles of the present proposal.

However, it seems appropriate to increase the MGA up to 500,000 ha, to be subdivided into 300,000 ha for animal feed and 200,000 ha for human consumption. The Committee also recommends that the following be added to the species eligible for aid:

- *Vicia monanthos*
- *Lathyrus sativa*
- *Lathyrus cicera*

which would come under the sub-area for vetches.

12. FISH DISEASES

Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Directive 93/53/EEC introducing minimum Community measures for the control of certain fish diseases

(COM(1999) 437 final - 99/0191 CNS)

(CES 1124/99 - 99/0191 CNS)

Rapporteur: Jesús MUÑIZ GUARDADO (Spain - Various Interests)

Gist of the Commission Proposal

Council Directive 93/53/EEC introducing minimum Community measures for the control of cer-

tain fish diseases defines the measures that must be taken by the Member States in case of a possible outbreak of infectious salmon anaemia (ISA).

In May 1998, an outbreak of ISA has occurred in Scotland. The implementation of these measures by the competent authority in Scotland have shown that improvements can be made so as to allow efficient control of the disease whilst safeguarding as much as possible the interests of the infected sites. In this context, improvements can be made by introducing the possibility for spreading the obligation to empty affected farms over a period of time to be determined by the competent authority in function of the local situation and under respect of the general obligations contained in Directive 93/53/EEC. This proposal aims to introduce such improvements.

At the same time, it is believed that the control of an ISA outbreak can be better ensured in applying a vaccination policy. At present, such a possibility does not exist. Therefore the requirements laid down in Directive 93/53/EEC must be adapted so as to introduce a procedure which allows vaccination and the definition of the conditions under which such vaccination may take place.

Gist of the opinion

The Economic and Social Committee welcomes the measures proposed by the Commission.

However, as the Committee is worried about the occurrence of such epidemics, it also makes some more general comments regarding the development of a fish health policy in connection with the wider issue of food safety.

It calls, in particular, for an integrated Community policy for these fish products in order to guarantee high quality and safety levels on uninfected farms and in uninfected producer countries. This means rigorous checks on imports and movements of live fish and roe, and the taking of all necessary measures to stop the spread of the disease. It might also be worth establishing a code of good practice for fish farming.

The Committee also warns against the emergence of asymptomatic carriers which would be extremely dangerous if exported to uninfected countries. In addition, it asks for the effectiveness of vaccines to be tested in advance, and not only at

laboratory level. Also, EU research in this and related fields should be stepped up.

Furthermore, the Committee recommends that a comprehensive international databank be developed on fish health, co-ordinating all the information available from industry, the competent national laboratories and bodies, concerning diseases, pathogens and parasites.

Lastly, the ESC asks for a three-yearly report on the situation and distribution of the disease to be submitted to the ESC and to the European Parliament.

13. HEALTH PROBLEMS / BOVINE ANIMALS

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive amending Directive 64/432/EEC on health problems affecting intra-Community trade in bovine animals and swine (COM(1999) 456 final - 99/0217 COD)

(CES 1125/99 - 99/0217 COD)

Rapporteur working without study group: Leif Erland NIELSEN (Denmark - Various Interests)

Gist of the Commission proposal

In the implementation of Directive 64/432/EEC on health problems affecting intra-Community trade in bovine animals and swine problems have been encountered that require transitional measures to avoid disturbances in trade in live animals of the bovine and porcine species.

It is the purpose of this proposal to provide for a legal basis to adopt transitional measures by the Commission in accordance with Standing Veterinary Committee procedures, to introduce certain transitional measures as considered necessary by Member States to continue trade in live bovine animals and to align certain provisions of that directive so as to ensure coherence with Community law.

It is furthermore the purpose to modify this Directive in the light of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission taking into account that certain

provisions have implications both for the protection of public health and animal health.

Gist of the opinion

The ESC has repeatedly stressed the need for top-level EU harmonisation of veterinary matters and for keeping derogations to a strict minimum.

In the run-up to EU enlargement, it is also vital that the current Member States are united in their support for this aim, with the attendant practical implications for all parties involved.

Against this background the ESC urges the Member States to act as speedily as possible to introduce the requisite measures to qualify as tuberculosis- and brucellosis-free, and subsequently for official status. In the present case, the earlier deadlines were extended only after six months of non-compliance. Further, it is only now pointed out that the 1 July 1999 deadline would inevitably have caused serious disturbances to trade. However, the ESC recognises the need for flexibility in the special circumstances and feels able to endorse the implementation of the derogation provisions, subject to the above reservations. One key condition must also be that application presupposes the agreement of the importer country, that animals are not used as productive livestock, that there is no possibility of infecting disease-free herds and that they may under no circumstances be imported into Member States or regions with a higher disease-free status.

The ESC rejects as unjustified the proposal to introduce new provisions authorising the Commission to adopt further transitional measures, with the agreement of the Standing Veterinary Committee.

14. LEADER+

Opinion of the Economic and Social Committee on the Draft Communication from the Commission to the Member States laying down guidelines for the Community initiative for rural development (LEADER+)
(COM(1999) 475 final)

(CES 1133/99)

Rapporteur general: Jean-Paul BASTIAN (France - Various Interests)

Gist of the Commission Communication

The guidelines laid down in this draft Communication aim at giving guidance to Member States for drawing up (proposals for) programmes under LEADER+, the Community Initiative for rural development. LEADER+, which just like its predecessors LEADER I (1991-93) and II (1994-99) will focus on innovative projects, will complement the Community's "mainstream" rural development policy, the principles of which are set out in the new Regulation 1257/99/EC on support for rural development from the EAGGF. It is recalled that, following Agenda 2000, rural development policy is now considered the second pillar of the CAP. LEADER+, the total EAGGF contribution to which for the period 2000-2006 will be EUR 2,020 million, should make an important contribution to the revitalisation of local rural economies and to the maintenance and creation of employment in these areas.

In the Communication, the Commission proposes to retain the key features of the existing LEADER approach which have proved successful: its focus on integrated strategies rather than a more typical sector-by-sector approach, its support for 'bottom-up' approaches to local territorial development, its strong emphasis on active participation of the local population; and on co-operation and networking between rural areas in order to share experiences and transfer know-how.

However, in order to make LEADER+ more ambitious and better adapted to the challenges facing Europe's rural areas, the Commission also proposes a number of changes:

- unlike LEADER I and II, all rural areas within the EU will be eligible under LEADER+;
- in order to ensure concentration of funds and emphasis on 'pilot' rural development strategies, selection criteria for the local action will be made more rigorous;
- the introduction of priority themes at European level around which integrated local development plans should be focused: the use of information technology in rural areas; improving the quality of life in rural areas; adding value to local products and making the best use of natural and cultural resources. Strategies focusing on equal opportunities for women, and on young people in rural areas are also to be given priority.

- LEADER+ will open up the possibility to co-finance joint rural development projects between LEADER groups within the same Member State as well as between EU Member States.

Actions eligible under LEADER+ will be of a pilot nature and concern a relatively small-scale area (typically local community level, with a maximum population of 100 000). They should be complementary to those undertaken under Member States 'mainstream' rural development programmes.

Three main types of actions will be eligible for support under LEADER+:

- Integrated territorial rural development strategies of a pilot nature;
- Co-operation between rural territories, whether within or between Member States;
- Networking of rural areas, within the framework of a European Observatory of Rural Areas.

The draft guidelines approved by the Commission will now be discussed with the Member States and the other European Institutions. Subsequently, the guidelines will be adopted by the Commission in their final form and published in the Official Journal. Member States will then be invited to submit their programmes under LEADER+ within six months.

Gist of the opinion

While welcoming the Commission's draft communication, the Committee has the following comments to make on the basis of experience with Leader II.

It notes that the **EAGGF guidance section** - hitherto limited strictly to agriculture - will from now on be used to finance measures relating not just to agricultural activity but also to rural development in general. The Committee feels that this represents a deliberate policy direction for the EU which calls for further serious debate if it is to be continued after 2006.

The Committee welcomes the **extension of LEADER+ to all parts of the EU**. However, it is concerned that there might be a proliferation and dilution of projects, which could reduce the effectiveness of the initiative.

As regards the requirement that eligibility for Community co-financing be conditional on **development strategies** demonstrating their "pilot" nature, the Committee observes that strategies embrace a large number of local projects and initiatives and that some of these will not be innovative in themselves, but will nevertheless be needed for putting into effect the integrated development strategy envisaged.

Regarding the issue of **complementarity with other Community programmes** relating to development (e.g. measures covered by the new Regulation (EC) No. 1257/99, as well as INTERREG and LIFE), the Committee mentions the need to avoid overlapping, duplication of funding and potential unfair opportunities this would create for the beneficiaries. The Committee believes that the Observatory for Innovation and Rural Development will have a major role to play here.

The Committee shares the Commission's wish that the **composition of the Local Action Groups (LAGs)** should be representative of the different socio-economic players in the territory. It therefore endorses the setting of a 50% ceiling on government representatives (civil servants and elected office-holders).

While welcoming the Commission's willingness to step up the proactive approach to **networking**, driven by the national network organisation units and a European Observatory for Innovation and Rural Development, the Committee recommends that in addition to general information about ongoing projects, the Observatory and the national units promote a participatory approach based on visits, staff exchanges and specific projects set up by the LAGs on topics of joint interest.

Finally, as far as the **implementation** of LEADER+ is concerned, the Committee would like the Commission and the Member States to make every effort to clearly explain the eligibility criteria for LAGs and projects and to simplify the administrative procedures which the LAGs must complete once their projects have been selected. It also notes that the six-month time limit for Member States to submit their proposals for LEADER+ programmes seems rather tight, especially for projects to be set up by territories that have no previous experience of participatory activities.

15. LABELLING BOVINE BEEF

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Regulation amending Council Regulation (EC) No 820/97, establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products

(COM(1999) 487 final - 99/0205 COD)

(CES 1136/99 - 99/0205 COD)

Rapporteur-general: David EVANS (United Kingdom - Employers)

Gist of the Commission proposal

Council Regulation (EC) No 820/97, establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products, lays down that a compulsory beef labelling system shall be introduced from 1 January 2000 onwards. The new proposal by the Commission provides for a delay of the introduction of the compulsory beef labelling rules beyond the start of next year - deferring limited labelling rules until 2001 and full rules until the start of 2003. There are two practical reasons for this postponement: Firstly, the European Court of Justice will shortly rule on the legal base of Regulation 8250/97 as the Commission and the European Parliament consider Article 152 of the amended Treaty and not the former Article 43 as being the correct base (co-decision rather than consultation). Secondly, the full databases which are central to the labelling requirements are not in place in all member states and systems compatible with the rules are not likely to be functioning properly in some member states in the near future. Consequently, the procedures for the adoption of that regulation will not be completed before 1 January 2000.

The object of this present proposal is, therefore simply to extend the existing voluntary labelling system, up to a maximum of one year, until compulsory rules enter into force.

Gist of the opinion

The Committee considers the compulsory beef labelling as a very important instrument to maintain and strengthen consumer confidence in the

beef sector. In that sense, it very much regrets the postponement. To avoid a legal vacuum, however, it supports the proposal to delay the introduction of the compulsory beef labelling rules and urges the decision making bodies to adopt the system as soon as possible.

16. BST

Opinion of the Economic and Social Committee on the Proposal for a Council decision concerning the placing on the market and administration of bovine somatotrophin (BST) and repealing Council Decision 90/218/EEC

(COM (1999) 544 final - 99/0219 CNS)

(CES 1137/99 - 99/0219 CNS)

Rapporteur-general: Leif Erland NIELSEN
(Denmark - Various Interests)

Gist of the Commission proposal

In the light of the negative opinion of the Scientific Committee on Animal Health and Animal Welfare (SCAWAH) adopted on 10 March 1999, it is proposed to confirm the ban for reasons of animal health and welfare the marketing and use of BST in the Community as from 1 January 2000.

17. FORESTRY STRATEGY *(Additional own-initiative opinion)*

Opinion of the Economic and Social Committee on A forestry strategy for the European Union
(COM(1998) 649 final)

(CES 1138/99)

Rapporteur: Seppo Ilmari KALLIO (Finland - Various Interests)

Co-rapporteur: Hans-Joachim WILMS (Germany - Workers)

Gist of the Commission proposal

The Commission's Communication of 18 November is the reference document for this own-initiative opinion.

The strategy outlined by the Commission is based on the multifunctional nature of the forests and

puts particular emphasis on the major challenges facing European forestry, such as the structure and competitiveness of EU forest-based industries, the contribution to overall economic and social development, especially in rural areas and the protection of the environment, notably in relation to biodiversity and climate change etc.

According to the principle of subsidiarity it is basically up to the Member States to implement the sound management of their forests. Several EU-policies are however dealing with forestry issues. The EU is supporting measures in the areas of protection of forests against air pollution and forest fires, rural development and research, establishing a European Forestry Information and Communication System etc. Furthermore, in the context of Agenda 2000, the Commission has put forward proposals on rural development with an important chapter on forestry, including preaccession measures for applicant countries of Central and Eastern Europe.

The strategy covers the issue of certification of sustainably managed forests in Europe.

In its work, which included a hearing in Finland and a number of field trips to study the practical application of the forestry strategy, the Committee has also taken account of later documentation on this subject.

Gist of the opinion

Though the Committee agrees with the proposed approach, based on the subsidiarity principle, it feels that the forestry strategy outlined by the Commission is still too lacking in detail and calls for a more careful analysis of the sector's problems and for closer coordination.

It would stress that Community-level action contributes added value in areas such as rural development, protecting forests from air pollution and forest fires, the development of information and communication systems, research and development, and development cooperation.

The Committee concentrates on the challenges of the future, after drawing attention to the sector's major potential in terms of providing jobs and contributing to sustainable development.

In particular, the Committee urges the European Union to:

- ensure that the new support provided for forestry by Agenda 2000 does not distort competition in regional or EU-level wood and other forestry product markets;
- respond to the climate change requirements at both the national and Community level by promoting, for example, the use of renewable energy sources as well as wood and other forestry products;
- ensure that the principles of sustainable forestry are complied with when implementing the Kyoto Protocol. The Committee points out that forestry industry products function as long-term carbon sinks. The EU should also inform Member States more effectively about the possibilities for using the so-called flexibility mechanisms;
- ensure that the certification systems in use within the EU respect the principles of free trade and that they are voluntary, transparent, balanced and cost effective;
- monitor carefully developments in the forestry industry and related activities in the CEEC countries and undertake timely analyses of the opportunities, threats and challenges which the accession of the new Member States will bring for the EU;
- provide strong support for the establishment of a global, legally binding instrument for the management, conservation and sustainable development of every kind of forest, which complies with the forestry principles agreed at Rio;
- ensure that the forthcoming WTO negotiations take account of the principles of sustainable forestry in discussions on international trade in the forestry sector.

Section for Employment, Social Affairs and Citizenship
Wolfgang Jungk, Head of Division - ☎ (32-2) 546 9227

18. HEALTH AND SAFETY IN THE WORKPLACE - APPLICATION OF COMMUNITY MEASURES AND NEW RISKS (*Own-initiative opinion*)

Opinion of the Economic and Social Committee on health and safety in the workplace: application of Community measures and new risks

(CES 1126/99)

Rapporteur: Wilfried BEIRNAERT (Belgium - Employers)

Reasons for issuing the opinion

In the light of the transposition of current Community directives into national legislation and measures, and in view of the new dangers to health and safety in the workplace, the section wishes to draw up an own-initiative opinion to study the timeliness and suitability of new Community measures.

Gist of the opinion

An effective health and safety policy is warranted not just for obvious human reasons and because of the economic cost of accidents and illness, but also because it enhances worker employability and productivity and boosts employment. The Committee therefore feels that occupational health and safety issues should be included in future employment guidelines. The guidelines should be backed up by examples of best practice, along the lines of the benchmarking system currently used to back up existing guidelines. The impact of employment policies on occupational health and safety should also be assessed.

Promotion of health and safety in the workplace must be a priority concern for the authorities, the social partners, employers and workers. The fact that the world of work is undergoing radical changes makes their support all the more necessary. The best way to achieve this key objective is to make all interested parties - whether at Com-

munity, national, sectoral, regional or local level - aware of their responsibilities.

Without prejudice to the legislative role, which is still important and warranted for social and economic reasons, the EU's non-legislative role should be better promoted and highlighted via information and awareness campaigns, and training and benchmarking initiatives.

Legislation will be more effective if it aims for a better demarcation of European and national responsibilities, fixing clear objectives at Community level, and leaving implementation - subject to control guarantees - to the national authorities.

In order to boost the link between employability and occupational safety and hygiene, awareness-raising and training activities must be provided for both employers and workers.

The effectiveness of legislation in dealing with the new risks must be constantly assessed, and any amendments should draw on an analysis of best practice in the Member States. Benchmarking should be used to highlight the most useful examples, particularly as regards social partner practice.

19. ACTION PLAN TO COMBAT DRUGS

Opinion of the Economic and Social Committee on the Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on a European Action Plan to Combat Drugs (2000 - 2004)
(COM(1999) 239 final)

(CES 1127/99)

Rapporteur: Jillian HASSETT (Ireland - Various Interests)

Context

The EU Member States and the European Community have, since the mid-1980s, adopted common measures for combating drug addiction and drug trafficking and for promoting international cooperation. The current EU Action Plan to Combat Drugs (1995-1999) stresses the need for a global, multidisciplinary and integrated response.

The fight against drugs is an inseparable objective of the aim of creating "an area of freedom, security and justice" which was introduced by the Treaty of Amsterdam. Action to fight drugs is viewed both as a public health priority (Title XIII, Art. 152 of the EC Treaty), as a priority for cooperation in the field of Justice and Home Affairs (Title VI, TEU) and as a priority for international cooperation (Title V, TEU).

The general aims and objectives of the EU Action Plan 2000-2004 are the following:

- to ensure that the issue of the fight against drugs is kept as a major priority for EU internal and external action;
- to continue the EU integrated and balanced approach of the fight against drugs, in which supply and demand reduction are seen as mutually reinforcing elements;
- to ensure collection, analysis and dissemination of objective, reliable and comparable data on the drugs phenomenon in the EU with the support of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and Europol;
- to promote international cooperation, integration of drug control into EU development cooperation and to support the efforts of the United Nations and of UNDCP in particular to develop international cooperation based on the principles adopted at UNGASS (United Nations General Assembly Special Session on Drugs);
- to emphasise that the successful implementation of the strategy and actions mentioned in the Action Plan will necessitate appropriate resources.

The new Action Plan covers activities within the areas of information, action on demand reduction, action of reduction of illicit trafficking in narcotic drugs and psychotropic substances, action at international level and coordination.

Gist of the opinion

The Committee warmly welcomes the communication on a European Action Plan to Combat Drugs (2000-2004) while drawing attention inter alia to the following points:

- the importance of including the broader social partnership models, which exist in many Member States,

- the usefulness of building partnerships through a memorandum of understanding, e.g. on prevention in the workplace and cooperation between hauliers and customs authorities,
- the importance of assessing failures as well as successful examples,
- the need to involve young people from the beginning in the setting up of prevention programmes and to reinforce the use of peer groups, and
- the need for a consistent, coordinated EU policy to combat production and trafficking of drugs.

The Communication is an important step in the development of a comprehensive approach, but the Committee notes with great concern that funds for putting this action plan into force have not been identified.

It is clear that all available judicial and law enforcement resources must be mobilised against traffickers and criminal organisations. The need to establish minimum rules relating to the constituent elements of criminal acts and penalties will require increased coordination, and particular attention must be paid to the harmonisation of laws and judicial, customs and police cooperation. The Committee also emphasises the need for concerted preventive action by police, education and rehabilitation services.

It is necessary to analyse and map the impact of drugs in order to get a picture of what is actually happening on the ground. The Commission is also invited to conduct a study of the socio-economic factors which influence the development of drugs use. Improved analysis, coupled with an assessment of good and bad practice, will aid the European Union and its Member States to put in place an effective strategy.

The Committee calls on the Commission to implement the action plan on promoting safe use of the Internet. It also points out that drugs use is often a symptom of young people feeling excluded and isolated. These issues are often neglected. The Commission should identify suitable mechanisms to reach out to and link with these young people. Better cooperation between the various services dealing with children and young people at every level including European is clearly needed.

20. PROTECTION OF INDIVIDUALS - PROCESSING OF PERSONAL DATA

Opinion of the Economic and Social Committee on the Proposal for a Regulation of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the institutions and bodies of the Community and on the free movement of such data (COM(1999) 337 final - 99/0153 COD)

(CES 1128/99 - 99/0153 COD)

Rapporteur: Daniel RETUREAU (France - Workers)

Gist of the proposal

Community institutions and bodies, and the Commission in particular, handle personal data as part of their everyday work. The Commission exchanges personal data with Member States in implementing the common agricultural policy and the Structural Funds, in administering the customs union and in pursuing other Community policies. In order that data protection might be seamless, the Commission, when it proposed Directive 95/46/EC in 1990, declared that it too would observe the principles it contained.

At the time of its adoption, the Commission and the Council undertook, in a public declaration, to comply with the Directive, and called upon the other Community institutions and bodies to do likewise.

The Treaty signed in Amsterdam inserted in the Treaty establishing the European Community a specific provision on the subject. Numbered Article 286 in the final version, it is worded as follows:

- "1. From 1 January 1999, Community acts on the protection of individuals with regard to the processing of personal data and the free movement of such data shall apply to the institutions and bodies set up by, or on the basis of, this Treaty.*
- 2. Before the date referred to in paragraph 1, the Council, acting in accordance with the procedure referred to in Article 251, shall establish an independent supervisory body responsible for monitoring the application of such Community acts to Community institutions and*

bodies and shall adopt any other relevant provisions as appropriate."

Article 286 therefore provides that, from 1 January 1999, Community institutions and bodies will have to apply the Community rules on the protection of personal data laid down for the most part by Directive 95/46/CE, and that the application of those rules will have to be monitored by an independent supervisory body. The present proposal for a Regulation is designed to attain this twin objective.

Gist of the opinion

The Committee has already issued an opinion on the protection of individuals in relation to the processing of personal data.

The general principles on processing of personal data and essential guarantees to protect individual rights and the right to privacy that were set out by the Committee in the above opinion, are still valid and relevant to the present proposal for a Regulation. They conform to Council of Europe Convention 108, which should be used to help evaluate the proposal for a regulation in conjunction with legislation and practice in the Member States and with the 1995 Directive.

The draft regulation presented by the Commission represents an enormous task that must be acclaimed for the important safeguards it provides. Its limitations largely reflect those of the 1995 Directive - whose framework the Commission may not overstep - of which the Committee has already highlighted certain shortcomings.

The Committee urges the Council to refer to the principles and proposals set out in its 1991 opinion and the present opinion, and to take them fully into consideration in order to make as much progress as possible on the 1995 Directive, despite the constraints imposed by the legal base, and at least to bear them in mind when re-examining the Directive for possible revision.

The Committee recommends such a revision.

The ESC's comments and proposals mainly concern the need to guarantee the independence of the European Data Protection Supervisor (appointment, length of term in office, conditions in which the function is fulfilled, etc.) and the independence and qualifications of people appointed

by the Community institutions and bodies to protect data.

The Committee also suggests that the remit of the European Data Protection Supervisor be broadened to immediately include the Schengen information system and to gradually include all the third-pillar agreements in which data protection is addressed on an ad hoc basis, with specific monitoring standards and bodies, albeit based on common principles. Such protection must also be introduced in the sphere of legal cooperation, where it is not yet envisaged.

Lastly, the Committee regrets the very short deadline set by the Council for drawing up its opinion on a proposal for a regulation that is complex and important because it concerns human rights in relation to the processing and transmission of personal data.

21. EUROPEAN YEAR OF LANGUAGES 2001

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council decision on the European Year of Languages 2001
(COM(1999) 485 final - 99/0208 COD)

(CES 1129/99 - 99/0208 COD)

Rapporteur-general: Bernd RUPP (Germany - Various Interests)

Gist of the Commission proposal

The need for Community action in the areas of education and vocational training is recognised in Articles 149 and 150 of the EC Treaty, which form the legal basis for the proposed European Year of Languages 2001. Article 149 specifies as an area for Community action "developing the European dimension in education, particularly through the teaching and dissemination of the languages of the Member States". Both Articles provide for cooperation with the competent international organisations. Article 149 specifies in this respect "in particular the Council of Europe", which has already adopted a decision designating 2001 the European Year of Languages.

Linguistic diversity is a key element in Europe's heritage and will remain so. Embracing it is

therefore a prerequisite for constructing a Europe in which all citizens enjoy equal status and equal rights, and for maintaining widespread public support for the European venture.

Anyone who wishes to live among or to develop successful political, economic or personal contacts with people from a linguistic group other than his or her own will gain significant advantage from knowledge of the language(s) spoken by that group. The promotion of language learning is therefore an essential element in enhancing communication between European citizens and extending to all of them the full benefits of that citizenship, in particular the right enshrined in Article 18 of the EC Treaty "to move and reside freely within the territory of the Member States".

The Lingua programme was adopted in 1989 as part of the Community's action in the field of language education and training. In 1995 it was reinforced and integrated into the Socrates and Leonardo da Vinci programmes, promoting European cooperation in education and vocational training respectively.

These programmes have achieved significant success in increasing cooperation and mobility between participating countries. However, available figures show that much progress remains to be made. 51% of adult European citizens and 29% of young people between 15 and 24 do not speak a foreign language well enough to hold a conversation.

The principal aim of the European Year of Languages will be to raise awareness among the population of the European Union of the advantages of understanding and speaking other languages, and of the various possibilities which exist for learning to do so. The key messages will be that language learning can and should be enjoyable and that it carries with it great benefits, both personal and economic.

The objectives of the draft decision are therefore as follows:

- to raise awareness of the richness of linguistic diversity within the European Union;
- to bring to the notice of the widest possible public the advantages of competencies in a range of languages;
- to encourage the lifelong learning of languages and related skills;
- to collect and disseminate information about the teaching and learning of languages.

Gist of the opinion

The ESC broadly welcomes the European Commission's adoption of this proposed decision declaring 2001 a Year of Languages. The fact that this year falls at the beginning of a new millennium strikes the ESC as of considerable symbolic importance.

As the proposal quite rightly points out, the success of the Year of Languages 2001 requires "appropriate cooperation between the European Community and the Council of Europe".

In the Committee's view, the concept "language" must not be reduced to grammar, vocabulary and correct pronunciation as cultural values are the real issue.

The aim is to reach out to other cultures through language. European history has common roots and Europe thrives on the diversity of its cultures and languages. In this respect language learning helps Europeans to discover their identity; it is not an end in itself, but the means of transmitting cultural values. It should also be stressed that language creates a social community.

The ESC is ready to cooperate actively with the Commission and is interested in collaborating on an appropriate initiative in 2001, to be carried out jointly with the Commission and other institutions.

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

22. URBAN COMMUNITY INITIATIVE

Opinion of the Economic and Social Committee on the draft Communication from the Commission to the Member States laying down guidelines for a Community initiative concerning economic and social regeneration of cities and of neighbourhoods in crisis in order to promote sustainable urban development (URBAN)
(COM(1999) 477 final)

(CES 1134/99)

Rapporteur-general: Gianni VINAY (Italy - Workers)

Gist of the Commission document

The Commission has adopted its guidelines for the Community's URBAN Initiative, devoted to the economic and social regeneration of declining towns and cities and run-down urban districts. Assistance from the ERDF to support the new URBAN initiative in 2000-2006 will total EUR 700 million.

The new initiative has two main objectives: (a) encouraging the design and implementation of highly innovative economic and social regeneration strategies in small and medium-sized towns/cities and run-down areas of big cities; and (b) reinforcing and pooling knowledge and experience on regeneration and sustainable urban development in the EU.

Gist of the opinion

The Committee welcomes the Commission proposal to continue with a programme that has proved highly effective.

The Committee urges that more emphasis be placed on consultation and partnerships. Care must also be taken to ensure that URBAN does not lose its original focus on particularly deprived areas.

23. INTERREG COMMUNITY INITIATIVE

Opinion of the Economic and Social Committee on the Draft Communication from the Commission to the Member States laying down guidelines for a Community Initiative concerning trans-European cooperation intended to encourage harmonious and balanced development of the European territory (INTERREG)
(COM(1999) 479 final)

(CES 1135/99)

Rapporteur-general: Paulo BARROS VALE (Portugal - Employers)

Gist of the Commission document

On 13 October, the European Commission adopted guidelines concerning the INTERREG Community initiative. The total support offered by the European Regional Development Fund (ERDF) for the new initiative will be EUR 4,875 million for the period 2000-2006.

The new INTERREG III initiative has three strands:

- Strand A concerns cross-border cooperation, which involves the promotion of integrated regional development between bordering regions.
- Strand B concentrates on transnational cooperation, contributing to harmonious development and integration throughout the EU.
- Strand C aims to reinforce interregional cooperation and to improve the policies and techniques of interregional economic development.

The guidelines for 2000-2006 take into account the experience gained during the period 1994-1999 and aim to reinforce these results by ensuring that the regional partners coordinate their efforts and cooperate effectively. They must thus implement common programmes and strategies, and deploy common administrative structures to ensure the development and coordination of the programmes,

the selection of projects, and the management and monitoring of programme implementation.

Gist of the opinion

The Committee welcomes the Commission proposal and is particularly pleased that the social

partners are to be involved in the various stages of the programme's implementation. Special attention must be paid to the outermost regions (formerly covered by the REGIS initiative), maritime regions, islands and upland areas, as these could otherwise find themselves lagging behind other border areas from the same country.

Section for External Relations, Trade and Development Policy
Georgina Willems, Head of Division - ☎ (32-2) 546 9471

24. POLAND ON THE ROAD TO ACCESSION (*Own-initiative opinion*)

Opinion of the European Economic and Social Committee on *Poland on the Road to Accession*

(CES 1132/99)

Rapporteur: Lutz RIBBE (Germany - Various Interests)

Background

Poland is engaged in a programme of major structural reforms including devolution, pensions reform and restructuring of the steel and coal sectors. The Polish Government has adopted a programme for selling off most of the remaining state companies before the end of 2001 - including the largest companies in Poland (steel, telecommunications, insurance, air transport, petrol refining and distribution, banks and railways). Such an ambitious restructuring programme will have economic, social and financial implications, which the ESC should examine in consultation with socio-professional organizations in the country.

In 1997 agricultural production was down slightly from 1996 and 10% lower than in 1989. Farmers' incomes have fallen for the second year in a row and farm structures have not changed significantly. In April 1998 the government adopted a medium-term strategy for agriculture and rural development to deal with the problem of the countryside's heavy dependence on agriculture.

On 4 June 1999 the EU-Poland Association Council adopted a decision setting up an EU-Poland Joint Consultative Committee (JCC). The decision entered into force on 1 August 1999. The first

meeting of the JCC is scheduled to be held in January 2000.

Gist of the opinion

Since Poland set out on the road to democracy and a market economy, the ESC has supported the country's association with the EU under the Europe Agreement and has been a firm advocate of Polish accession.

Following the decisions of the Luxembourg European Council of December 1997, accession negotiations with Poland were officially started on 30 March 1998. The Commission was instructed to report regularly on the progress each accession country was making with its reforms.

The latest report was submitted on 13 October 1999. Its findings have been taken into account in this opinion.

The purpose of the ESC's own-initiative opinion is therefore to give as objective as possible a picture of the current situation in Poland with regard to the accession process and to highlight problems which are emerging, or may emerge, during the integration process and which the ESC feels have not yet been given sufficient attention. The main focus will be an analysis of the current state of civil society organisations, a description of their present role, and recommendations for improvements, including through additional EU initiatives. It should be strongly emphasized that accession is much more a large-scale social process than an administrative one. It is not merely a question of transposing and implementing the *acquis*; a new social model is to be established. The ESC would stress that, if the integration process is to succeed, it is important that Poland and its citizens (as well

as its administrative structures) merge into the EU in a harmonious and organic manner. Civil society organisations have a very important role to play in this as catalysts. Accession is a desirable and sensible option for all parties concerned but it must not be forced through before all are ready, even though the ESC recognizes and supports in principle the Polish desire for accession as soon as possible.

It is imperative to step up structured dialogue with civil society organisations. The ESC sees considerable ground to be made up in this area. Awareness of the true consequences of accession is extremely limited in many sectors. As a result, the debate within society is often based on speculation and conjecture. This leads to uncertainty among the population, a tendency to resist integration or to political lethargy, which is dangerous in the long term. This danger should be counteracted with a targeted and ongoing policy of information in which civil society organisations should be closely involved. The ESC offers the Commission and the Polish government its support in this endeavour. For instance, appropriate initiatives could be launched via the Joint Consultative Committee.

The Polish government may be fully convinced of the overall usefulness of substantially enhancing this dialogue, or of the need to do so, but it seems to the Committee that the development of this dialogue is proceeding much too slowly. The reasons for this may be manifold, and are certainly well-founded historically. Effective dialogue is an ongoing democratic process which did not exist in the traditional political system in central and eastern European countries. Government, employers and workers, as well as the other partners in society, have yet to define and identify their role, a process which will undoubtedly take time. The government clearly faces difficulties because civil society organisations are so poorly organised, but these must not be used as an excuse.

The ESC would recommend that the Council and the Commission address the following points in negotiations with the Polish government, examining the relevant implementation options:

- how to raise awareness among the social partners and civil society organisations of the need for them to organize themselves more effectively, by creating umbrella associations, for example. There is an urgent need for these organisations to improve coordination of their

operations and to further develop their ability to conduct their dialogue with political authorities in a more structured form;

- the urgent need for appropriate development strategies which are socially and environmentally acceptable to be formulated for the key sectors (e.g. heavy industry, agriculture, railway reform), and to be discussed and implemented in a structured dialogue with the groups concerned which is co-funded by the EU;
- the urgent need to step up the flow of information to and dialogue with civil society organisations (employers, trade unions, trade, industry, agricultural groups, consumers, environmentalists) concerning preparations for EU entry and the implications of membership;
- how to develop an education campaign specifically for economically disadvantaged areas providing both training within agriculture and vocational skills for jobs outside agriculture, which are urgently needed to cater for the structural change in agriculture and to stop the economic gulf between town and country widening still further;
- how to rectify current transport trends in Poland, which are not compatible with the EU's aspirations towards a socially and environmentally sustainable transport policy, through the medium of a dialogue involving all sectors of society;
- how to meet the needs of smaller towns and rural areas in the regional distribution of ISPA funds;
- how to improve the operating environment for SMEs as the processing and marketing sectors are developed and how to develop cooperative structures further;
- how to solve the question of the division of responsibilities between the various levels of decision-making and administration, including funding, which is still unclear in certain cases;
- how existing contacts between Polish and EU interest groups can be enhanced and new ones established.

II. FUTURE WORK

FOR INFORMATION

- System for the identification and registration of bovine animals/labelling of beef and beef products (repealing Regulation 820/97) (**NAT-FEB/MAR**)
COM(1999) 487 final - 1999/0204 COD
- Cohesion Fund - Annual Report (1998) (**ECO-MAR**)
COM(1999) 483 final
- Protection of workers from risks related to exposure to biological agents at work (codified version) (**SOC-JAN**)
COM(1999) 432 final - 1999/0188 COD
- EQUAL Community Initiative (draft communication) (**SOC-JAN**)
COM(1999) 476 final

FOR DECISION

- Towards a new framework for Electronic Communications infrastructure (communication) (**TEN-MAY**)
COM(1999) 539 final
- Common organisation of the market in flax and hemp (**NAT-MAR**)
COM(1999) 576 final - 1999/0236 CNS - 99/0237 CNS
- Common organisation of the market in bananas (**NAT-FEB/MAR**)
COM(1999) 582 final - 1999/0235 CNS

IN ANTICIPATION

- Restrictions on dangerous substances and preparations (phthalates) concerning the safety of toys (**INT-FEB**)
COM(1999) 577 final - 1999/0238 COD
- Interoperability of the conventional rail system (**TEN-APRIL/MAY**)
COM(1999) 617 final - 1999/0252 COD
- Air transport and the environment (communication) (**TEN-MAY**)
COM(1999) 640 final
- Promoting electricity from renewable energy sources (**TEN-MAY**)
COM(1999) 579 final
- Aid for the production of cotton (**NAT-TO BE DECIDED**)
COM(1999) 492 final
- Assessment of the 5th environmental action programme (communication) (**NAT-MAR/APRIL**)
COM(1999) 534 final
- Common organisation of the market in milk (**NAT-TO BE DECIDED**)
COM(1999) 608 final
- Common organisation of the market in milk (2 amendments to articles) (**NAT-TO BE DECIDED**)
COM(1999) 631 final
- Protection of juveniles of marine organisms (4th amendment) (**NAT-JAN**)
COM(1999) 552 final -1999/0222 CNS
- Protection of juveniles of marine organisms (5th amendment) (**NAT-JAN**)
COM(1999) 636 final

- Undesirable substances and products in animal feedingstuffs (**NAT-TO BE DECIDED**)
COM(1999) 654 final
- Sustainable urban development (**ECO-TO BE DECIDED**)
COM(1999) 557 final
- Equal treatment in employment and occupation (**SOC-MAY**)
COM(1999) 565 final
- Equal treatment between persons irrespective of racial or ethnic origin (**SOC-MAY**)
COM(1999) 566 final
- Community Action Programme to combat discrimination (**SOC-MAY**)
COM(1999) 567 final
- Harmonising and aligning arrangements regarding tobacco (revision) (**SOC-MAR**)
COM(1999) 594 final
- Reuniting families (**SOC-TO BE DECIDED**)
COM(1999) 638 final
- Community anti-doping plan (communication) (**SOC-TO BE DECIDED**)
COM(1999) 643 final

OWN-INITIATIVE OPINION

- Ensuring EC aid achieves the best possible results (**REX**)

III. PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE

Activities of the ESC presidency

Mrs Rangoni Machiavelli, ESC president, met the Portuguese Prime Minister, Mr Guterres, and the president of the Portuguese Economic and Social Council in Lisbon on 11 and 12 November. She was accompanied by both vice-presidents and the Group presidents.

This meeting was followed by a visit to the Committee on 16 November by Mr Seixas Da Costa, Portuguese Secretary of State for European Affairs. Mr Seixas Da Costa would be responsible for preparing the forthcoming Intergovernmental Conference.

The ESC president also held discussions with the following European Commissioners during the period covered by this Bulletin: Ms Reding (Education and Culture), Mr Nielson (Development and Humanitarian Aid), Mr Monti (Competition), and Ms Diamantopoulou (Employment and Social Affairs).

Activities of sections and members

Section hearings

In response to an invitation from the Hungarian Ministry of Transport, the ESC's study group preparing the opinion on the **Implementation of structured social dialogue in the pan-European transport corridors** (Section for Transport, Energy, Infrastructure and the Information Society) held its second meeting in Budapest from 25-27 October. The study group took advantage of this visit to hold a hearing of representatives of socio-economic interest groups in the countries affected by the fourth pan-European corridor, and saw at first hand how the situation was evolving on the ground.

The study group on **Customs cooperation in the Single Market** of the Section for the Single Market, Production and Consumption, meanwhile, held a public hearing in Rotterdam, the Netherlands, on 2 December.

Millennium Round

The Economic and Social Committee represented Europe's socio-occupational interest groups at the WTO's Seattle conference (30 November - 3 December). The ESC delegation comprised Mr Roger Briesch, president of Group II, Mr Bruno Vever, president of the Single Market Observatory, and Mrs Anne-Marie Sigmund, president of the Committee's Group III. The delegation gave its full backing to the EU's aim at Seattle of launching a new set of negotiations and progressing beyond issues directly linked to the market. Concerns such as environmental protection and workplace standards also needed to be addressed.

Commissioners at the ESC

Mrs Margot Wallström, European Commissioner with responsibility for the environment, attended a meeting of the Committee's Section for Agriculture, Rural Development and the Environment on 16 November. She made an evaluation of the programme for sustainable development and discussed future priorities.

Mr Mario Monti, European Commissioner for competition, spoke on the subject of EU competition policy at a meeting of the Section for the Single Market, Production and Consumption on 26 November.

Activities of members

Mr Hernández Bataller attended a conference on electronic commerce in Brussels on 4-5 November. Mr Malosse, meanwhile, represented the ESC at a conference on tourism in the information society, organized by the European Commission in Brussels on 12 November.

Mr Gafo Fernández, president of the Section for Transport, Energy, Infrastructure and the Information Society, attended a symposium on Community energy policy in the 21st century in Brussels on 1 December. Two days later he attended a conference on the same subject in Las Palmas, Spain.

Other News

Fifth Euromed Summit of economic and social councils and similar institutions, Antalya, Turkey, 4-5 November 1999

A number of economic and social councils and similar institutions met in Antalya (Turkey) on 4-5 November for the fifth Euromed Summit. The opening addresses were given by **Mr Süleyman Demirel**, President of the Republic of Turkey, **Mr Yildirim Akbulut**, President of the Turkish Parliament, **Mr Ali İrtemçelik**, Minister for European Affairs, and **Mrs Aina Margareta Regnell**, Vice-President of the ESC.

It was in Madrid in 1995 that these councils met for the first time. The Antalya Summit enabled stock to be taken of the progress made over the past four years. Participants, however, noted with regret several shortcomings, such as the lack of a real social dimension to the partnership: a genuine social programme had to be defined. The environment, vocational training and the role of women were among the main topics discussed at the Summit.

EU-Hungary Joint Consultative Committee meets in Budapest

The EU-Hungary Joint Consultative Committee (JCC) held its fifth meeting in Budapest on 29 October. It was chaired by Mr Sandor, of the Hungarian trade union movement, and Mr Gafo Fernández on behalf of the ESC. JCC members were briefed on the current state of negotiations for Hungary's accession to the EU, and also discussed such matters as the adoption of the Community acquis in the transport sector and the social dialogue.

IV. APPOINTMENTS

The following new members were installed at the December plenary session:

- **Mr Johann Költringer (GR. I - AT)**, to replace **Mr Ferdinand Maier**, outgoing member;
- **Mr Dimitris Dimitriadis (GR. I - GR.)**, to replace **Mr Christos Folias**, outgoing member;
- **Mr Geraads (GR. I - NL)**, to replace **Mr A.A. Jaarsma**, outgoing member.

V. INFORMATION VISITS

A total of 45 groups visited the ESC during the period between the October and December plenaries.

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>

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