

EUROPEAN COMMUNITIES

BULLETIN

4

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



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

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I. 315th PLENARY SESSION OF 27 AND 28 APRIL 1994

The 315th Plenary Session of the Economic and Social Committee of the European Communities was held in Brussels on 27-28 April 1994. Mrs Susanne Tiemann, Committee Chairman, took the chair.

During this session the Committee adopted the following Opinions:

1. COMMUNITY ACTION ON STATISTICS

Opinion of the Economic and Social Committee on the *Draft Council Regulation (EC) on Community action in the field of statistics*
(COM(94) 78 final)

(CES 554/94)

Rapporteur working alone: Mr Klaus Meyer-Horn (Germany - Employeurs)

Legal basis of the Commission document

The European Commission has submitted a draft Council Regulation on Community action in the field of statistics. The Regulation is based on Article 213 of the Treaty on European Union. The Economic and Social Committee, the European Parliament and the European Monetary Institute are being consulted.

Gist of the Committee Opinion

For decisions to be made, the European Union requires up-to-date Community statistics, particularly in the fields of Economic and Monetary Union, economic and social cohesion and the creation of a European financial area. The Committee approves of the draft Regulation.

2. FOODSTUFFS - FLAVOURINGS

Opinion of the Economic and Social Committee on the *Proposal for a European Parliament and Council Regulation (EC) laying down a Community procedure for flavouring substances used in foodstuffs*
(COM(93) 609 final - COD 478)

(CES 555/94)

Rapporteur: Kenneth J. Gardner (United Kingdom - Employeurs)

Gist of the Commission document

This is a proposal for a Regulation laying down the **procedure** for the establishment of a list of authorized flavourings for use in foodstuffs.

.../...

Gist of the Committee Opinion

The Committee approves the Commission proposal subject to a number of technical comments, notably a request that a separate proposal should be introduced to cover smoke flavours.

3. FREE MOVEMENT OF GOODS

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Decision establishing a procedure for the exchange of information on national measures derogating from the principle of the free movement of goods within the Community (COM(93) 670 final - COD 489)

(CES 556/94)

Rapporteur: Mr Liam Connellan (Ireland - Employeurs)

Gist of the Commission Proposal

The Commission proposes a procedure for the exchange of information between itself and the Member States so that the mutual recognition of national laws which have not been harmonized at Community level can be handled transparently and pragmatically.

The aim is to cater for those cases in which a Member State, acting on the basis of national laws and with reference to "mandatory requirements" or one of the grounds listed in Treaty Article 36, impedes the free movement of products, which have been correctly manufactured and marketed in another Member State, by applying one of the following measures:

- a general ban on the goods, and/or
- refusal to allow the goods to be placed on the market, and/or
- modification of the model or type of product concerned before it can be placed on the market, and/or
- withdrawal of the goods from the market.

The proposal does not cover proceedings which are already subject to another information procedure such as the one laid down in Directive 83/189/EEC¹.

Gist of the Committee Opinion

This is the first opportunity that the Community has had to scrutinize the drafting of the new Internal Market legislation along the lines recommended in the Sutherland Report, which recommended that all proposed legislation should be examined against the five criteria of need, effectiveness, proportionality, consistency and communication.

¹ OJ No. L 109 of 26 April 1983, page 8.

Having verified the above criteria, the Committee welcomes the Commission proposal, which is important for transparent operation of the Internal Market.

The proposed procedure will increase the confidence of consumers, workers and entrepreneurs in Community law.

Its implementation will be particularly beneficial for SMEs who may not otherwise be aware of the reason why another Member State is restricting access for their products.

The Committee notes that services are not within the scope of the proposed Directive and recommends that a similar equivalent proposal be prepared for such services.

It is possible that not all restrictions on the free movement of goods will be notified by the Member States. The Committee considers that individual traders, consumers or associations should be encouraged to submit information to the Commission where Member States are perceived as infringing the principle of the free movement of goods either through legislative or administrative practices.

In addition the Committee proposes to incorporate the examination of national measures derogating from the principle of the free movement of goods within the Community in the process of hearings on the operation of the Internal Market described in its Opinion of 22 September 1993².

4. TEXTILE NAMES

Opinion of the Economic and Social Committee on the *Proposal for a European Parliament and Council Directive on textile names*
(doc. COM(93) 712 final - 94/0005 (COD))

(CES 577/94)

Rapporteur working alone: Mr Alexander R. Smith (United Kingdom - Workers)

Gist of the Commission proposal

A consolidation of rules that have frequently been amended is essential if Community law is to be clear and accessible.

The Commission's proposal for a consolidated version of Council Directive 71/307/EEC on the approximation of the laws of the Member States relating to textile names has been drafted in accordance with the fundamental principles agreed by Council, Parliament and the Commission in 1974. It aims at **legislative** consolidation: the existing Directives would be replaced by one new one, which would leave their substance untouched but would assemble them into a single text, with only the formal amendments required by the operation itself. This codified text will serve as the basis for future legislative developments in this field.

² OJ No. C 304, 10 November 1993, page 10.

Directives concerned:

- Council Directive 71/307/EEC of 26 July 1971 on the approximation of the laws of the Member States relating to textile names (OJ No. L 185, 16.08.1971, p. 16)
- *modified by Directives*
 - 75/36/EEC (OJ No. L 14, 20.01.1975, p. 15)
 - 83/623/EEC (OJ No. L 353, 15.12.1983, p. 8)
 - 87/140/EEC (OJ No. L 56, 26.02.1987, p. 24)
- *modified by the Acts of Accession*
 - of Denmark, Ireland and the United Kingdom (OJ No. L 73, 27.03.1972, p. 118)
 - of Greece (OJ No. L 291, 19.11.1979, pp. 109-110)
 - of Spain and Portugal (OJ No. L 302, 15.11.1985, p. 219)

Gist of the Committee Opinion

The Committee welcomes the Commission's proposal.

5. BINARY TEXTILE - FIBRE MIXTURES

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive on certain methods for the quantitative analysis of binary textile fibre mixtures

(COM(93) 713 final - 94/0008 (COD))

(CES 588/94)

Rapporteur working alone : Mr Alexander R. Smith (United Kingdom - Workers)

Gist of the Commission proposal

A consolidation of rules that have frequently been amended is essential if Community law is to be clear and accessible.

The Commission's proposal for a consolidated version of Council Directive 72/276/EEC on the approximation of the laws of the Member States relating to certain methods for the quantitative analysis of binary textile fibre mixtures has been drafted in accordance with the fundamental principles agreed by Council, Parliament and the Commission in 1974. It aims at **legislative** consolidation: the existing Directives would be replaced by one new one, which would leave their substance untouched but would assemble them into a single text, with only the formal amendments required by the operation itself. This codified text will serve as the basis for future legislative developments in this field.

.../...

Directives concerned :

- Council Directive 72/276/EEC of 17 July 1972 on the approximation of the laws of the Member States relating to certain methods for the quantitative analysis of binary textile fibre mixtures
(OJ No. L 173 of 31 July 1972, p. 1)
- *modified by Directives*
 - . 79/76/EEC (OJ No. L 17 of 24 January 1979, p. 17)
 - . 81/75/EEC (OJ No. L 57 of 4 March 1981, p. 23)
 - . 87/184/EEC (OJ No. L 75 of 17 March 1987, p. 21)
- *modified by the Acts of Accession*
 - . of Greece (OJ No. L 291 of 19 November 1979, p. 108)
 - . of Spain and Portugal (OJ No. L 302 of 15 November 1985, p. 218)

Gist of the Committee Opinion

The Committee welcomes the Commission's proposal.

6. 4th ANNUAL REPORT - STRUCTURAL FUNDS (1992)

Opinion of the Economic and Social Committee on the *Fourth Annual Report from the Commission on the implementation of the reform of the Structural Funds (1992)*
(COM(93) 530 final)

(CES 559/94)

Rapporteur : Mr John Little (United Kingdom - Employeurs)

Gist of the Commission Report

As every year, the Report on the implementation of the Structural Funds reform is issued by the Commission in accordance with Article 16 of Regulation (EEC) 2052/88, stipulated under Article 31 of Regulation (EEC) 4253/88.

This, the fourth Report, examines the progress achieved for each objective and country by programmes, Community initiatives and other actions. It also outlines the budget implementation for 1992 and the role of loan instruments in achieving priority objectives.

Finally, it assesses the implementation of the principles underlying the reform, in particular compliance with the additionality concept and the role of the social partners.

One year before the end of the first programming period, the mobilization of resources was high in all the countries and regions covered by **Objective 1**.

.../...

The programmes adopted in 1991 for the new Länder and East Berlin have for the most part run smoothly; the scale of the need for aid meant that in 1992 the allocation of payments scheduled for subsequent years had to be brought forward.

For declining industrial areas (**Objective 2**), thanks to the extension of programmes it proved possible to commit the bulk of appropriations allocated for the first programming period (1989-1991) and to achieve a satisfactory level of payments.

For **Objectives 3 and 4**, 1992 saw the completion of CSF implementation covering the first phase and the establishment of the new CSF for 1993.

Objective 5(a) measures applicable throughout the Community - concerning the adaptation of production and marketing structures for agriculture and fisheries products - underwent no substantial changes in 1992.

For **Objective 5(b)** (development of rural areas), the programme implementation rate has accelerated but still varies from region to region.

Investment schemes such as the promotion of regional products, village modernization and support for the small business sector have expanded more rapidly than agricultural diversification or human resources development schemes.

On the **Community initiative** front, a large number of decisions were approved during 1992 to launch the operational phases of the 12 Community initiatives adopted in 1990 and 1991. A new initiative was adopted in May 1992 designed to accelerate diversification of economic activities in regions heavily dependent on the textiles and clothing sector (RETEX).

The data on financial execution show that the Structural Funds had ECU 17,054 m. in commitment appropriations and ECU 15,925 m. in payment appropriations at their disposal in 1992, to which were added ECU 1,046 m. in commitments, and ECU 1,285 m. in payment appropriations to assist the new Länder.

The work done so far in assessing the macro-economic impact of the Structural Funds in Objective 1 regions shows that in the depressed economic climate which the Community as a whole is experiencing, the relative contribution of Community assistance to economic development in the regions has increased. The funds now represent a larger proportion of the investment made in these countries and contribute on a broader scale to supporting economic growth which has been slowing down in recent years.

Gist of the Committee Opinion

The Committee welcomes the Commission's report, which provides an extensive commentary and very useful data on the implementation of Structural Fund operations during 1992 and on the cumulative positive following the 1988 reform.

However, the Committee notes with regret that the 1992 Report was not available in time to be given consideration before the new Structural Fund Regulations were adopted and entered into force.

The Committee goes on to offer some pointers for the 1993 report, making specific comments on the following subjects; partnership and the involvement of the economic and social partners; additionality and concentration; assessment of the impact of Structural Fund operations; impact of other policies; impact on regions within Member States; and take-up of aid for investment under **Objective 5(a)**.

7. APPROXIMATION OF LAWS ON THE TRANSPORT OF DANGEROUS GOODS BY ROAD

Opinion of the Economic and Social Committee on the *Proposal for a Council Directive on the approximation of the laws of the Member States with regard to the transport of dangerous goods by road*

(COM(93) 548 final - SYN 477)

(CES 560/94)

Rapporteur : Mr Helmut Giesecke (Germany - Employeurs)

Gist of the Commission proposal

The proposal seeks to harmonize rules for the transport of dangerous goods by road in international and national transport, in order to achieve greater uniformity in the conditions for transport of dangerous goods by road throughout the Community, concurrently ensuring a sufficiently high level of protection and safety.

The technical content of the proposal is in conformity with the international rules in the annexes to the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) administrated by the United Nations Economic Commission for Europe. By way of this proposal, the same technical rules will apply to all such transport in the Community, where currently national rules are not harmonized. Differences between national rules constitute an obstacle to the free provision of transport services around the Community (cabotage) and the free circulation of goods. The proposal aims to overcome these.

At the same time, in order to allow Member States to continue proven safe practice in the transport of dangerous goods outside the framework of the ADR and in the light of the principle of subsidiarity, the Commission has provided for a degree of flexibility in allowing certain national derogations from the proposal.

The proposal addresses one of the measures announced in the Commission's recent Communication to the Council on Road Safety.

Gist of the Committee Opinion

The globalization of international and particularly European markets furthers competition. Science and research are leading to a rapid expansion of the volume and range of goods classified as dangerous. Accordingly, the volume and proportion of dangerous goods shipments is rising rapidly. This is particularly true of dangerous goods shipments by road.

.../...

The Committee accordingly welcomes the proposal to harmonize diverging national regulations governing the transport of dangerous goods at as high a level as possible.

The Committee also welcomes the proposal that the ADR's provisions should regulate the transport of dangerous goods within national frontiers.

The Committee believes that the safety gain would be considerable if the Directive contained a dynamic automatically updated reference to whatever ADR Agreement was currently in force, rather than being brought into line with successive ADR Agreements, as envisaged.

This approach would not only enhance the effectiveness and transparency of the measure; it would above all make the definitions and terms clearer and easier to understand.

8. UNIFORM CHECKS ON TRANSPORT OF DANGEROUS GOODS BY ROAD

Opinion of the Economic and Social Committee on the Commission proposal for a Council Directive on uniform procedures for checks on the transport of dangerous goods by road (COM(93) 665 final - SYN 487)

(CES 561/94)

Rapporteur : Mr Helmut Giesecke (Germany - Employeurs)

Gist of the Commission proposal

Checks on the transport of dangerous goods by road at the Community's internal borders were abolished under Regulations (EEC) No. 4060/89 and 3912/92 as part of the moves towards completion of the Single European Market. In the absence of Community or international regulations, Member States are obliged to apply their own generally differing criteria when assessing dangerous goods transportation. Depending on the number and type of checks, this can result in a proliferation of roadside controls.

This means the continuing presence of those very barriers whose removal was one of the main objectives of the proposal. Now that checks at the Community's internal borders have been abolished, it is absolutely essential to introduce a system of roadside checks on the transport of dangerous goods which is as uniform as possible.

This Directive sets out to achieve, in particular, the following objectives:

- to enable checks on the transport of dangerous goods within the Community to take place throughout the territory of the Member States, provided that they are carried out within the framework of normal checks, and without discrimination based on a) the nationality of the driver or b) the country in which the vehicle is registered. The same applies to the transport of dangerous goods coming from third countries, in that checks need not necessarily take place at the external border of the Member State where the consignments in question enter the Community;

.../...

- to create a uniform and adequate basis for meeting safety standards by drawing up a list of the minimum points to be checked and specifying the infringements to be penalized;
- to apply this uniform list also to consignments transported by vehicles registered in a third country, or allowed to operate in a third country, whether or not that country is a contracting party to the European Agreement for the International Carriage of Dangerous Goods by Road (ADR);
- to provide the driver with a copy of the results of the checks carried out on the basis of the uniform procedure, in order to avoid wherever possible a succession of checks during a journey.

Gist of the Committee Opinion

The Committee welcomes the content of the Commission proposal but wonders whether the legal instrument should not take the form of a Regulation to ensure the rapid, uniform implementation of minimum standards. Member States should also be able to swiftly introduce more stringent checks along the lines of the proposed model. By doing so, the advantages of uniform procedures for carrying out checks would be turned to good effect more rapidly.

9. MARITIME CONSORTIA

Opinion of the Economic and Social Committee on the Draft Commission Regulation on the Application of Article 85(3) of the EC Treaty to certain categories of agreements, decisions and concerted practices between liner shipping companies (consortia)

(CES 562/94 fin)

Rapporteur : Mr Francis J. Whitworth (United Kingdom - Employeurs)

Gist of the Commission Draft Regulation

The Council's Regulation 479/92 empowers the Commission to apply Article 85(3) by Regulation to exempt the joint operation of liner consortia from the anti-competitive prohibition contained in Article 85(1) - (the Competition Rules).

The present draft Commission Regulation spells out more clearly the lines concerning the terms and conditions of this exemption.

The main conditions for exemption for full consortium agreements comprise, as alternatives, the existence of:

- effective price competition between the members of the conference within which the consortium operates by means of independent rate action, or
- effective competition in terms of services provided, or
- effective competition from non-consortium members.

Certain subsidiary conditions must be fulfilled if exemption is to apply:

- a consortium must possess less than 30% of the trade in question if it operates within a conference or less than 35% if it operates outside (which limit may be raised to 50% under certain more stringent conditions);
- the consortium agreement must allow its members to offer individualised service agreements;
- it must also allow its members the right of withdrawal within specified notice periods;
- consortium tariffs must not discriminate according to countries and ports of origin and destination.

A number of other provisions are subject to detailed conditions which are set out in the "fine print" of the Draft Regulation.

Gist of the Committee Opinion

The Committee welcomes the publication of this Draft Commission Regulation and notes that it largely accords with the general conclusions of the Committee's earlier Opinion on the subject.

The Committee recognizes that it is necessary to achieve a balance between providing sufficient protection for shippers and users of the services of liner consortia whilst allowing the consortia sufficient freedom to carry out their businesses and safeguarding the competitive position of non-consortia members.

Account needs to be taken of the fact that current consortium agreements vary considerably in scope and detail and that they must remain flexible to respond to the needs of their users.

The Draft Regulation contains a number of inconsistencies with the provisions of Council Regulation 4056/86 dealing with liner conferences and Regulation 479/92. These inconsistencies should, as far as possible, be eliminated.

A number of terms used in the Draft Regulation require more precise definition in the interests of greater clarity and legal certainty.

The Commission should re-examine the following specific points in the light of the views expressed:

- whether purely technical agreements should be excluded from the scope of the Regulation as is the case with Regulation 4056/86 (Article 3);
- whether the proposed restrictions on capacity management (which will also conflict with Regulation 4056/86) may not prove to be unduly inhibiting to the provision of cost-effective services (Article 3);

.../...

- whether the proposed criteria for the definition of market share are correct and capable of application with any degree of precision, and whether the adoption of purely arbitrary percentage limits in this context is appropriate (Article 6 and 7);
- whether the proposed limitations on the length of initial notice period are adequate to cater for the high levels of capital investment which may be involved (Article 8).

10. GREEN PAPER ON THE EUROPEAN DIMENSION OF EDUCATION

Opinion of the Economic and Social Committee on the *Green Paper on the European Dimension of Education*
(COM(93) 457 final)

(CES 563/94)

Rapporteur: Mr Giancarlo Pasquali (Italie - Various Interests)

Gist of the Commission proposal

The aim of the Green Paper is to encourage wider cooperation between the Member States of the European Union in the field of education, school-level education in particular, and to stimulate wide-ranging discussions on the possibilities offered by the Community's new competences in the field of education introduced by Article 126 of the Treaty on European Union.

The aim is to contribute to the identification of those actions which, in complementing and supporting the activities already under way in Member States, could bring an added value to the development of quality in education.

Community action

The Community, while respecting the principle of subsidiarity, may undertake independent action to attain any of these objectives, especially if the Member States do not take the initiative.

Community action shall be aimed at:

- developing the European dimension in education, particularly through the teaching and dissemination of the languages of the Member States;
- encouraging mobility of students and teachers, inter alia by encouraging the academic recognition of diplomas and periods of study;
- promoting cooperation between educational establishments;
- developing exchanges of information and experience on issues common to the education systems of the Member States;

- encouraging the development of youth exchanges and of exchanges of socio-educational instructors;
- encouraging the development of distance education.

Gist of the Committee Opinion

Article 126³ is the legal basis for Community action in the field of education; the same Article also adheres to the principle of subsidiarity to ensure that no attempt is made to harmonize education systems in Europe. However, to achieve any of the stated objectives, particularly where the Member States themselves do not take any initiatives, the Committee feels that there is a need for close cooperation based on the desire for a **convergence of national systems** and after **consultation with the social partners**.

The Committee feels that a paradoxical situation has arisen, because between 18 October 1993, when the Commission submitted the Green Paper, and the present time, there have been rapid advances with other projects (such as SOCRATES, LEONARDO, YOUTH FOR EUROPE), thus preempting the Green Paper's **role as a precursor**.

The Committee regrets the fact that the Green Paper makes no reference to **culture**, and that education and vocational training are used to instil European values rather than starting with culture itself.

The Committee feels that the Commission is not entirely clear about what it sees as the "European dimension of education". In the Committee's view, the European dimension should comprise the following concepts:

- promoting awareness of the various European cultures;
- humanism should be the common denominator;
- knowledge of other Community languages is a key requirement for cultural, economic, technical and scientific cooperation aimed at creating a Citizens' Europe and completing the internal market;
- knowledge of European affairs taught in schools;
- creating a system whereby individuals can realise their potential, making it easier for them to fit into a more competitive world, and
- developing basic and applied research into education.

³ "1. *The Community shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organization of education systems and their cultural and linguistic diversity.*"

One function of education must be to instill **European and multicultural democratic values and knowledge of the various European cultures**. It must provide high-calibre basic instruction which will enable young people to **adapt to changes in economic and social life**.

Education must be based on a pan-European view, enabling every citizen to realize that, beyond national and individual specifics, he/she is firmly rooted in the civilization of our continent.

As is the case with most initiatives, the **budget appropriation** will be a major factor determining the success of Community action. The Committee would remind the Commission that the budget allocated must be enough to achieve the objectives.

The Committee stresses that this is a step towards developing quality education for some 67 million pupils and 3.7 million teachers in the EU, figures which will increase as the Union is enlarged further.

The Committee welcomes the Green Paper on the European dimension of education. However, it feels mention should be made of the considerable role which teaching can play, from primary through to higher-education level, **in promoting European citizenship**.

The Committee would emphasize the very close link between **quality education** and the ability to achieve economic objectives and therefore **competitiveness**, for it is clear that quality education will lead to "a quality Europe" where expertise, creativity and dynamism are encouraged.

The Committee feels that the Community should find ways to encourage **mobility** among students, teachers and other education staff. The main objectives here are to increase the number of students following a supplementary course of study in another Member State, to increase the number of teacher exchanges and thus to improve the quality of teaching and training provided.

The Committee also points to the urgent need to promote **mutual academic recognition of diplomas, qualifications and courses of study**, as, without this, mobility is meaningless. In particular, action by Member States should be coordinated in order to remove the chief obstacles to mobility.

Distance learning is an important area of activity. On this point, the Committee feels that no form of technology can replace human contact. Mutual recognition of qualifications obtained in this way will also be essential if this system is to succeed, especially bearing in mind the international nature of the market.

11. SOCRATES

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Decision establishing the Community action programme "SOCRATES"
(COM(93) 708 final)

(CES 564/94)

Rapporteur: Mr Jan Jacob van Dijk (The Netherlands - Workers)

.../...

Gist of the Commission document

Introduction

In order to achieve the ambitious goal of a Citizens' Europe, **cooperation between educational institutions** at all levels is one of the best ways of giving concrete expression to the European dimension in education, of establishing quality education, and of creating a European area in education based on the mutual interests of the various peoples in Europe.

The Community action programme "SOCRATES" will run from 1 January 1995 to 31 December 1999 and comprise three areas of activity:

1. Higher education
2. School education
3. Horizontal activities in the areas of language learning, open and distance education and learning, and information.

Specific objectives

- i) to develop the European dimension in studies at all levels so as to strengthen the spirit of European citizenship, drawing on the cultural heritage of each Member State;
- ii) to promote knowledge of the languages of the Community so that the citizens of the Community may take advantage of opportunities arising from the completion of the European Union, leading to greater understanding and interaction between the peoples of the Community;
- iii) to increase mobility for the Community's students, especially those in higher education, so that they have the opportunity to complete part of their studies in another Member State;
- iv) to promote broad and intensive cooperation between institutions at all levels of education in every Member State, and to realize their intellectual potential through the mobility of their teaching staff and other educators thus helping to improve the quality of teaching;
- v) to encourage the academic recognition of diplomas and periods of study;
- vi) to develop the use of communication and information technologies as a tool and subject for education, including use of multi-media materials and information, and telematics at all levels of education;
- vii) to promote intellectual mobility of knowhow and experience, in particular through the development of open and distance education and learning at all levels of teaching;
- viii) to foster exchanges of information and experience with a view to ensuring that the Member States may learn and benefit from each other's educational systems.

The proposed measures

The **higher education** measures cover the activities under the ERASMUS Programme and Action II of the LINGUA Programme. Higher education institutions will accordingly be encouraged to develop a policy designed to give administrative and teaching staff and students opportunities to increase their appreciation of the role and importance of the European dimension in their working life and to encourage them to take up these opportunities.

Two groups of activities will be promoted by the Community: activities designed to give a **European dimension to the studies of all students**, and in particular of students who are not mobile, and activities stemming from **inter-university cooperation**.

The aim of the **school** measures is to promote cooperation between schools at Community level by establishing **partnerships** based on the concept of a **European educational project**. To ensure that the partnerships produce added value, the Community will also help to promote the gradual grouping of partnerships into a **network** for the large-scale dissemination of the results of cooperation.

The horizontal measures (promotion of language skills, promotion of open and distance education and learning, promotion of information and exchange of experiences) concern all levels of education and all educational staff. They supplement the preceding measures and give the programme its political objective of building a citizens' Europe.

Gist of the Committee Opinion

The action programme SOCRATES has to be seen in the light of Chapter 7 of the White Paper on growth, competitiveness and employment in which education is mentioned as a key instrument for combatting social exclusion and unemployment, racism and xenophobia.

The Committee welcomes the integration and continuation of the former ERASMUS and LINGUA exchange programmes⁴.

The Committee welcomes SOCRATES as an exchange programme and considers it an efficient instrument for the promotion of the European Dimension in Education (CES 563/94 - Rapporteur: Mr Pasquali).

The Committee is in favour of the extension given in the programme to education at school level and notes with satisfaction the innovation of the programme. In fact, the Committee in the abovementioned Opinion on LINGUA⁵ was already concerned with the fact that teaching of languages was limited to the higher education level.

The action programme uses a dual legal base: Articles 126 and 127 of the Maastricht Treaty. Article 127 stipulates that the Council shall adopt measures to contribute to the achievement of the objectives referred to, excluding any harmonization of the laws and regulations of the Member

⁴ Opinion CES 430/89, OJ No. C 139/12 of 5 June 1989.

⁵ Op. cit., p. 2

States. This implies that Article 127 empowers the Council to approve measures in order to achieve the objectives referred to in Article 127.

The Commission anticipates a budget rising from ECU 169 million in 1995 to ECU 236 million in 1999, a total of ECU 1,005.6 million over five years. The Committee questions whether the funds are sufficient.

The SOCRATES programme introduces changes in the field of cooperation between the participating universities. The Commission proposes concluding an institutional contract with all the participating universities. It is not yet clear what sort of relationship there will be between the ICPs (inter-university cooperation programmes) and the institutional contracts, and therefore the Committee would urge the Commission to provide further information on this point.

Due to the highly decentralized execution of the programme, through national agencies, coordination of information might be a problem. The different national agencies should cooperate in an efficient way, as they have done in the past. One of the most important objectives of SOCRATES is to develop a European dimension in education. For that reason, the instrument proposed by the Commission is to give priority to projects and activities relating to the teaching of the lesser used or lesser taught languages of the Community. The Committee does not think, however, that this instrument will contribute to the European dimension in education. Referring to its previous Opinions, the Committee recommends that two Community languages be taught in addition to the national language.

The Committee is surprised that SOCRATES does not foresee any exchanges with third countries for the moment, although under Article 126 the possibility is given to the Commission to undertake such exchanges. The Committee would therefore urge the Commission to broaden its exchange programme in this context on the basis of supplementary funds.

The Committee firmly supports maintaining the advisory committee, which is composed of 12 representatives from European organizations; its observer members should be selected from really "representative" organizations.

The Committee considers that Chapter II, Action 2, must also apply to the children of refugees and asylum-seekers.

12. CEDEFOP

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending Regulation (EEC) No. 337/75 establishing a European Centre for the Development of Vocational Training
(COM(94) 20 final)

(CES 565/94)

Rapporteur working alone: Mr Herbert Nierhaus (Germany - Workers)

Gist of the Proposal for a regulation

The draft Regulation is in response to the request by representatives of Member State governments that Thessaloniki be determined as the headquarters of CEDEFOP as quickly as possible.

Personnel at the Centre are to be subject to the rules and regulations applicable to officials and other servants of the European Communities.

The Centre is, with regard to its personnel, to exercise the powers conferred on the appointing authority.

Gist of the Committee Opinion

The Committee notes the proposal, disapproves of the arbitrary way in which the political decision was taken, highlights the difference between "first generation" and "second generation" agencies, stresses that there should be no downgrading of working and employment conditions, and considers that CEDEFOP staff should be given the opportunity to acquire the full status of EC officials. Proper transfer conditions and social security rights must be upheld.

13. TRANS-EUROPEAN ENERGY NETWORKS

Opinion of the Economic and Social Committee on the *Proposal for a European Parliament and Council Decision on a series of guidelines concerning trans-European networks in the energy sector*

Proposal for a Council Decision on a series of actions aimed at creating a more favourable context for the development of trans-European networks in the energy sector
(COM(93) 685 final)

(CES 566/94)

Rapporteur: Mr José Ignacio Gafo Fernández (Spain - Employeurs)

Gist of the Commission document

The document contains:

- Commission Communication to the European Parliament and the Council on Community guidelines on trans-European energy networks;
- Proposal for a European Parliament and Council Decision on a series of guidelines concerning trans-European networks in the energy sector;
- Proposal for a Council Decision on a series of actions aimed at creating a more favourable context for the development of trans-European networks in the energy sector.

The first proposal is based on Articles 129-B, C and D of the EU Treaty and, since these are guidelines within the meaning of that Treaty, the legislative procedure to be used is that of "codecision" (Art. 189-B).

.../...

The second proposal is based on Articles 129-B and C. The legislative procedure in this case is that of "cooperation" (Art. 189-C).

These proposals from the Commission respond to the request by the European Summit in Copenhagen (June 1993) which in its conclusions "invited the Commission and the Council to complete by early 1994 the network plans in all the relevant sectors (transport, telecommunications and energy)".

Apart from the Treaty itself, the following documents relate to these proposals:

- **Communication** from the Commission entitled Towards trans-European networks: for a Community action programme (COM(90) 585 final of 10 December 1990);
- **Conclusions** of the **Council** meeting on the internal market on 31 March 1992 concerning trans-European networks;
- **Communication** from the Commission entitled Electricity and natural gas transmission infrastructures in the Community (SEC(92) 553 final of 27 March 1992).

The objective of the **first proposal** is to define the nature and scope of the action by the Community on guidelines on trans-European energy networks; it establishes a series of guidelines covering the objectives, priorities and broad lines of action by the Community on the subject of trans-European energy networks; it identifies the projects of common interest on the trans-European electricity and natural gas networks.

The Community is to promote the interconnection, interoperability and development of trans-European energy networks and access to such networks with the **objective** of:

- allowing effective operation of the internal market in general and of the internal energy market in particular;
- facilitating the development and reducing the isolation of the less favoured regions of the Community, thereby contributing to strengthening economic and social cohesion;
- strengthening the security of the Community's energy supplies, including closer relations with non-Community countries in energy matters.

The proposal is based on the principle of **subsidiarity**.

The Annex contains a list of **70 projects of common interest**, to which must be added the projects to improve technical cooperation on operation of the networks.

The economic viability of projects is stressed as a selection criterion.

The appended Financial Statement sets out the types of financial aid available from the Community:

- financial contribution to feasibility studies on projects;

.../...

- financial contribution to studies and projects on technical cooperation, in the form of grants covering up to 50% of the total cost;
- interest-rate subsidies and the granting of loan guarantees.

The total cost of the action is estimated as ECU 90 million for the period 1994-99. This figure is considered sufficient to stimulate an estimated ECU 13,000 million of investment in the proposed projects by the sector's economic operators.

The aim of the **second proposal** is to:

- reinforce technical cooperation by means of projects aimed at setting up a system for the exchange of information between the system control centres of the networks or creating compatible stimulation and network management models*;
- study ways of easing the administrative and legal obligations governing the establishment of new networks (access to the activity and administrative procedures necessary for obtaining building permission). In this connection, the obligations imposed by environmental considerations are regarded as particularly important;
- provide financial assistance. Besides the aid mentioned above, contributions may be forthcoming from the Structural Funds, European Investment Fund, New Loan Mechanism, E.I.B., and the financial instruments and programmes set up for the benefit of third countries, in the event that part of the project affects such a country, e.g. countries of Central and Eastern Europe, Mediterranean countries.

For the purpose of implementing the above-mentioned tasks, the Commission is to be assisted by an **advisory committee**, while the task of updating the list of projects of common interest will be entrusted to a **management committee**.

Every two years the Commission must submit a report on the implementation of the proposed measures to the European Parliament, the Council the **Economic and Social Committee** and the Committee of the Regions.

At its Plenary Session of 30 October 1991 the **Economic and Social Committee** issued its **Opinion** on the above-mentioned Communication: Towards trans-European networks: for a Community action programme.

Some of the recommendations put forward in that Opinion are incorporated in the present text, for instance:

- need to reinforce the optimum use of the electricity networks;
- need to help set up national natural gas networks in those countries which do not yet have them;
- need to improve interconnection between States, to improve the reliability and safety of the European networks, and to diversify outside supply sources (CIS, Norway and Maghreb);

.../...

- interested parties to be consulted before decisions are taken;
- need to speed up the process of technical standardization and harmonization so as to ensure the interoperability and compatibility of the networks;
- importance of economic and social cohesion and of completing the internal market, with special reference to the outlying regions;
- Community assistance to be regarded as a catalyst for the major investment needed (reference to access to EIB);
- need for the projects to be economically viable.

Gist of the Committee Opinion

The Committee welcomes the draft Decisions, considering them to be a necessary step in developing the internal energy market, improving the quality and security of supply of electricity and natural gas, and making it possible for remote and island regions of the European Union to be provided with adequate supplies at reasonable prices.

The Committee feels that it would help if the present proposals were accompanied by an in-depth study of the global impact of these new networks, and an examination of their social implications, especially in the case of projects which are potentially eligible for support from the Structural Funds and should therefore receive priority.

14. SEED

Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Directives 66/400/EEC, 66/401/EEC, 66/402/EEC, 66/403/EEC, 69/208/EEC, 70/457/EEC and 70/458/EEC on the marketing of beet seed, fodder plant seed, cereal seed, seed potatoes, seed of oil and fibre plants and vegetable seed and on the common catalogue of varieties of agricultural plant species
(COM(93) 598 final)

(CES 567/94)

Rapporteur: Mr Jean-Paul Bastian (France - Various Interests)

Gist of the Commission Proposal

The main purpose of the proposal is to amend or repeal certain provisions which currently allow Member States to derogate unilaterally from certain rules in order to remove any actual or potential barriers to trade which may hinder the free movement of seed within the Community. In presenting this proposal, the Commission has enlarged the scope of the existing Directives to cover the production and, where appropriate, the use of seed. In the light of experience and of scientific and technical developments, the proposal also clarifies and updates certain provisions in the existing Directives and establishes a legal basis to take account of developments in the areas of genetically modified varieties and chemically treated seed.

.../...

Gist of the Committee Opinion

The Committee approves the proposal.

15. VETERINARY MATTERS/EQUIDAE - COMPETITIONS

Opinion of the Economic and Social Committee on the *proposal for a Council Directive amending Council Directive 90/428/EEC of 26 June 1990 on trade in equidae intended for competitions and laying down the conditions for participation therein*
(COM(94) 11 final)

(CES 568/94)

Rapporteur: Mr Georges Proumens (Belgium - Employeurs)

Gist of the Commission proposal

Monitoring by the competent authorities of derogations from the conditions governing the organization of competitions raises practical problems. Similar difficulties have arisen also as regards the percentage of the prize money or profits to be reserved for the safeguard, development and improvement of breeding. It is suggested, therefore, solely for the purposes of improving monitoring by the competent authorities, that the percentage of the prize money or profits allocated to the various types of competitions be specified. It is proposed that 20% of the total prize money or profits accruing from all competitions be retained for competitions which qualify for a derogation.

Gist of the Committee Opinion

The Committee Opinion endorses the Commission proposal.

16. EUROPEAN TRAINING FOUNDATION - CEEC (TURIN)

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) amending Regulation (EEC) No. 1360/90 establishing a European Training Foundation*
(COM(94) 21 final)

(CES 569/94)

Rapporteur: Mr Eugène Muller (Luxembourg - Various Interests)

Gist of the Commission proposal

The Commission proposes two main changes:

- the extension of the Foundation's remit to States benefitting from the programme of technical assistance for economic reform and recovery (TACIS programme);

.../...

- the application to the Foundation's staff of the rules and regulations applicable to the officials and other servants of the Communities.

Gist of the Committee Opinion

The Committee welcomes the proposal to extend the Foundation's responsibilities to countries receiving TACIS assistance.

The Committee also endorses the objectives set out for staff policy.

Lastly, although the Committee is pleased that it is to receive the Foundation's Annual Report and the assessment report, it nevertheless feels that suitable arrangements should be made to ensure that the ESC is fully involved in defining the vocational training policies to be implemented in the countries covered by the Foundation's programmes.

17. ANNUAL ECONOMIC REPORT FOR 1994

Opinion of the Economic and Social Committee on the *Annual Economic Report for 1994*
(COM(94) 90 final)

(CES 570/94)

Rapporteur: Mr Camille Giacomelli (Luxembourg - Employeurs)

Gist of the Commission Report

The most important problem remains unemployment, which is continuing to grow. The Commission nevertheless believes that a slight recovery is on the way. There is a good chance of achieving 3% growth in 1996, and that unemployment should then start to fall; this presupposes a rise in exports, and hence greater competitiveness and an increase in investor and consumer confidence. Wage moderation and state budget control are vital here. Tackling both issues should permit a balanced policy-mix with low interest rates, support for confidence, and encouragement of public saving. All this presupposes continuation of the policy to maintain stability and control inflation.

Gist of the Committee Opinion

Appropriate, concerted macro-economic policies must be drawn up by the community and national authorities in order to curb unemployment without abandoning medium and long-term pursuit of economic convergence. This presupposes close cooperation between governments and central banks. The European Monetary Institute could be gradually brought into play as a coordinator in this matter.

The Committee considers that the Member States should make resolute efforts to start bringing their budgets back into balance, in particular by progressively cutting general current expenditure and encouraging productive public investment.

The Committee cannot however support an overall strategy of cutting real wages (a cause of deflation) and adopting a policy of ill-considered budgetary stringency; in our straitened economic circumstances this might exacerbate the problem of unemployment and put back economic growth. Given the existing record levels of unemployment, the additional unemployment which such an approach would cause is both unthinkable and unacceptable.

The Committee therefore advocates greater coordination of economic policies, with action to counter the danger in the form of an appropriate European investment initiative and substantial cuts in short-term interest rates, whilst keeping an eye on long-term interest rates which have started to creep up slowly.

Though recognizing the need for monetary stability, the Committee considers that it is important to avoid the mistakes of the past in view of the high unemployment and relatively low inflation experienced at present. What is needed instead is an economic policy based on the adjustment of enterprises to new openings, thereby reversing the unemployment trend. The necessary adjunct to this is the achievement of strong, sustainable and non-inflationary growth.

In view of the institutional review of the Treaties in 1996 and the wider role which the economic and social interest groups are called upon to play, both in helping to implement the "broad guidelines" laid down by the Council and their involvement in working out an incomes policy, the Economic and Social Committee urges that consultation of it be made compulsory in connection with the harmonization of economic policies provided for in Article 103 of the EU Treaty. Furthermore, to make the procedure provided for in this Article more transparent and more democratic, the Commission's right of initiative should be restored and provision made for the involvement of the European Parliament in legislation and the consultation of the Committee of the Regions alongside the ESC.

18. HOME AND LEISURE ACCIDENTS

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Decision establishing a Community system of information on home and leisure accidents

(COM(94) 17 final)

(CES 571/94)

Rapporteur-General: Miss Ada Madocks (United Kingdom - Workers)

Gist of the Commission Proposal

In 1986 a Community system of information on home and leisure accidents (EHLASS) was set up as a demonstration project. This came to an end in 1992.

In 1993 a new information system based on the experience gained during the demonstration project was set up to run for one year.

The proposal under discussion seeks to extend EHLASS from 1994 to 1997 inclusive.

.../...

Gist of the Committee Opinion

The Committee welcomes the Commission's proposal subject to the following comments:

- it is unclear how the objectives of the survey can be achieved, given that the information basis is not the same in all Member States. A preference for hospital data rather than household data is expressed;
- Product Safety Committees should be set up in all Member States;
- the information collected should be disseminated to professional associations and manufacturers.

19. INTEGRATED POLLUTION PREVENTION

Opinion of the Economic and Social Committee on the *proposal for a Council Directive on integrated pollution prevention and control*
(COM(93) 423 final)

(CES 572/94)

Rapporteur: Mr Klaus Boisserée (Germany - Various Interests)

Gist of the Commission proposal

Legal basis: Article 103S.

Aims:

- To prevent or solve pollution problems by providing an integrated approach to pollution prevention and control, within the context of the 5th Environmental Action programme, rather than transfer them from one part of the environment to another.
- To give a new sense of direction and thrust to the environment/industry policy interface and contribute to the move away from a segmented approach.
- To adopt Best Available Techniques (BAT) for the environment as a whole, in such a way to ensure that environmental problems can be estimated and compared on a common basis.
- To focus primarily on emissions from industrial installations with a high potential for pollution.
- To arrive at the best environmental option in considering what is best for the environment as a whole.

.../...

- To use BAT to prevent inputs of substances to the environment, or reduce them to a minimum, by proposing that permits must set emission limit values based on what is achievable through BAT.
- For each Member State to require emission limit values based on BAT for the industrial sectors coming under the Directive.
- To increase ability to set priorities and encourage consistency in environmental law.
- To move away from approach based on "end of pipe" technology, which will be less costly and better for industrial competitiveness.
- To create a single/leading authority at national/sub-national level, which will simplify the relationship between industrialists and environmental regulators.
- Not to impose one institutional structure but provide a minimum of provisions which must be followed, but still providing a lot of freedom for the Member State.
- To give operators and citizens a role in the permitting process within a system of transparency and mutual assistance and information exchange among various policy actors.
- To put into place a system to reduce the level of emissions for industrial installations *in the three sectors of air, water and soil*.

Specific objectives and conditions:

- The definition of "emission" (Article 2.4.) is very broad, and that of BAT in 2.10. is based on international conventions.
- Article 3 states that no installation coming under the provisions of the Directive may be operated without an integrated permit.
- Certain exceptions under Annex I and Article 4 are allowed for waste management activities, existing large combustion plants and a limited period for existing plants, so long as the period does not exceed 30 June 2005.
- IPC is not to be imposed from above (Article 5). Rather, the focus for action is at the plant which must draw up a plan and assessment upon which the application for a permit shall be based. In this context Directives 82/501/EEC and 85/337/EEC are referred to.
- Article 6 does not require the establishment of a single environmental authority in each Member State, but that a lead authority for installations should be identified.
- The permit is to include measures for achieving a high level of protection, include emission limit values for Annex III substances at least equal to those already set at Community level. Appropriate monitoring requirements are also to be included (Article 8).
- An exemption to the use of BAT may be granted under Article 9 which takes a "parallel approach" to pollution control: i.e. on the one hand BAT may not be enough to achieve the

.../...

desired policy goal, and on the other it may not be required if local environmental quality is already very high.

- The Member State under Article 10 must be responsible for updating information on BAT.
- Article 12 states that Member States must ensure that permits are updated at least every ten years, in accordance with developments in BAT. A maximum two-year grace period is allowed.
- Information is to be exchanged between competent authorities, the Member State and the Commission periodically, and reports on implementation provided under Directive 91/692/EEC (Article 15).
- Under Article 18 Member States may set stricter conditions than those achievable through BAT.
- Once an installation has an IPC permit the air framework Directive and other legislation will no longer apply (Article 19). Also referred to are Directives 76/464/EEC (water); 91/156/EEC and 91/689/EEC (waste management) - Annex II.
- The Commission shall be assisted by a Consultative Committee for adapting the list of relevant industries as well as the list of major substances.

Gist of the Committee Opinion

The Economic and Social Committee welcomes the Draft Directive's strategy of tackling pollution at source (industrial installations), i.e. the integrated approach to pollution of air, water and land, including the release of noise. (see 4.2.3. of the Opinion on the Fifth Action Programme⁶ ...). Nevertheless the Committee does not consider that the Directive is ready to be adopted in its present form, since it is not in tune with the objectives of Article 130r of the EC Treaty, as amended by the Maastricht Treaty (prevention principle, high level of protection, combatting of environmental pollution at source).

Under the Draft Directive, the official licensing procedure is to be central to the integrated assessment of the environmental impact of industrial installations. The ESC considers that although this principle is correct, it has not been applied evenly in the Draft Directive.

The Draft Directive correctly postulates that the licensing procedure cannot be implemented unless emission limit values are set. It would, however, be completely impracticable to establish these limit values solely for individual installations. This would make the licensing procedure unpredictable and inconsistent with the rule of law.

According to the Draft Directive these emission limit values are in principle to be established at local or national level; European-level emission limit values are to be the exception.

⁶ OJ No. C 287 of 4 November 1992.

In contrast, the ESC considers that, in line with the environmental policy pursued by the Community to date, a clear mandate should be given to the Commission to lay before the Council European emission limit values.

In making out its case for not establishing European limit values, the Commission refers among other points to the subsidiarity principle (Art. 3b of the Maastricht Treaty).

The ESC does not agree with the Commission's argument; it considers that the subsidiarity principle, properly understood, is not inconsistent with the establishment of limit values at European level.

- If the subsidiarity principle determines the level at which action is taken in the light of coherence and the importance of the issue for the single market, then the establishment of limit values at European level should be given top priority. The high level of protection in the Community called for in the EC Treaty can only be achieved if European limit values are set.
- The Maastricht Treaty states that the subsidiarity principle is not to be allowed to cause distortions of competition or hamper environmentally-compatible growth in the Community (Art. 2 - EC Treaty).

The ESC has serious doubts about the relationship between emission limit values on the one hand and environmental quality standards (emission values) on the other.

It is not clear who is to define environmental quality standards under the Draft Directive. The reference to WHO values is not enough on its own, especially as WHO does not lay down uniform environmental yardsticks.

The ESC rejects the provision, in Article 9(3) of the Draft Directive, that if environmental quality standards are met, the competent authority may allow more emissions than would result from the application of BAT.

- This provision clashes with the principle that preventive action should be taken to protect the environment (Art. 130r of the EEC Treaty). It will also create locational advantages which will distort industrial competition.
- Nor does the provision take into account the fact that emissions frequently have repercussions in regions other than where they originate, e.g. because of climatic, topographical or geological factors (Art. 16 of the Draft Directive does not make sufficient allowance for this).
- The provision is also economically irrational since plant licensed on such less-stringent conditions will eventually have to be upgraded. Compliance with BAT from the outset (construction and start-up of the plant) will always be technically simpler and less expensive than subsequent upgrading.
- If they are to be practicable, environmental quality standards could merely lay down minimum values. That does not mean, however, that low-pollution areas should be able to level down to "an average level of pollution". This would not promote the sustainable, environmentally-friendly growth called for by the Fifth Action Programme.

.../...

20. YOUNG FARMERS (Own-initiative Opinion)

Own-Initiative Opinion of the Economic and Social Committee on *Young farmers and the problem of succession in agriculture*

(CES 573/94)

Rapporteur: Mr Hervé Morize (France - Various Interests)

Background

The Council of the European Union is holding an informal meeting on 16 and 17 May at which the Greek Presidency will open an in-depth discussion on young farmers and the problem of succession in agriculture. The Own-initiative Opinion has been drawn up for this meeting.

Gist of the Own-initiative Committee Opinion

In recent decades, the demographic balance has been upset in all the Member States of the European Union by the rural exodus.

Succession in agriculture currently entails restructuring in the context of a contracting, ageing agricultural workforce.

The recent evolution of the common agricultural policy, designed to bring output by the supported sectors of agricultural production under control, has made it more difficult for young people to set up in farming.

Farmers, who now only represent a minority section of the population, are diversifying into non-agricultural economic activities. The countryside is at stake.

Against this background, the Community must, in all European regions, provide help for individuals who set up viable, diversified farms.

The introduction of new instruments accessible to everybody, combined with changes in national laws, will create the prospects expected by all young people.

In this way, European society will chart a durable, strong balance between the town and the countryside.

21. BIOCIDAL PRODUCTS

Opinion of the Economic and Social Committee on the *Proposal for a Council Directive concerning the placing of biocidal products on the market*
(COM(93) 351 final - SYN 465)

(CES 574/94)

Rapporteur: Mr Georges Proumens (Belgium - Employeurs)

Gist of the Commission proposal

Biocidal products are non-agricultural pesticides such as wood preservatives, insecticides and disinfectants.

At present, the regulations concerning the marketing of biocides vary considerably from one Member State to the other and thus can constitute barriers to trade.

The object of the present proposal is to harmonize legislation on biocides at Community level with particular reference to :

- (a) the establishment of a positive list of active substances, and
- (b) the preparation of technical dossiers on products to be put on the market.

Gist of the Committee Opinion

The Committee agrees the Commission's proposal but made a number of comments. As the "positive list" does not yet exist, these comments concern mainly the compilation of dossiers.

The Commission is asked :

- (i) to re-assess the proposed administrative procedures to ensure that the amount of paperwork and the cost thereof is not disproportionate to the objectives;
- (ii) to ensure that duplication of testing by Member States is avoided;
- (iii) to re-examine the "letter of access" - procedure to avoid de facto monopolies by single producers.

The Committee also made a number of recommendations of a technical nature, and proposed re-wording of the Commission's text in some cases.

22. TRANS-EUROPEAN NETWORKS

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) laying down general rules for the granting of Community financial aid in the field of trans-European networks*
(COM(94) 62 final - 94/0065 SYN)

(CES 575/94)

Rapporteur-General: Mr Vasco Cal (Portugal - Workers)

Gist of the Commission document

The proposal for a Regulation sets out to lay down general rules for granting Community financial aid to the infrastructure projects in the transport, telecommunications and energy sectors identified in the Council's guidelines on trans-European networks.

This Regulation is thus designed to provide a legal foundation, based on Article 129 D. 3 of the Union Treaty, for Community financial aid to implement trans-European networks.

This proposal, which is based largely on the legislation relating to the Cohesion Fund, provides for measures common to the three sectors of transport, telecommunications and energy and for a single procedure for implementing the Regulation (Management Committee); the only difference is in the project selection criteria.

The proposal defines the various types of aid, establishes general rules on financial participation, sets out common and specific criteria for the selection of projects and describes the processing evaluation and follow-up procedures for applications for aid.

Gist of the Committee Opinion

The Committee welcomes the draft Council Regulation, and views it as a decisive contribution to getting projects off the ground and creating the right conditions for funding projects.

The Committee stresses in particular that this assistance must supplement, and not be seen as an alternative to, aid under the Structural Funds.

The Committee then makes a number of comments as to the conditions of eligibility for project support, the types of aid, the degree of involvement and the common and specific criteria for selecting projects.

The Committee also raises the question of the social partners' involvement and looks at the issue of staggered payments.

23. CHARACTERISTICS OF TWO OR THREE-WHEEL MOTOR (VEHICLES)

Opinion of the Economic and Social Committee on the *Proposal for a European Parliament and Council Directive on certain components or characteristics of two or three-wheel motor vehicles*

(COM(93) 449 final - COD 470)

(CES 576/94)

Rapporteur: Mr Edoardo Bagliano (Italie - Employeurs)

.../...

Gist of the Commission proposal

This proposal forms part of the type approval procedure for two or three-wheel motor vehicles covered by Directive 92/61/EEC of 30 June 1992 (framework directive)⁷ and takes account - wherever possible - of the requirements adopted by the United Nations' Economic Commission for Europe (UNO/ECE).

It deals with the following devices and characteristics:

- tyres
- lighting and light-signalling devices
- external projections
- rear-view mirrors
- measures to counter atmospheric pollution
- fuel tanks
- measures to counter tampering
- electromagnetic compatibility
- permissible sound level and exhaust system
- trailer couplings and side-car attachments
- safety belts and safety belt anchorages
- glazing, windscreen wipers and washers and de-icing and de-misting devices.

The purpose of the proposal is (a) to harmonize the differing legal provisions in force in the Member States and (b) to ensure greater road safety and environmental protection.

As far as protection of the environment and road safety are concerned, the proposed measures to restrict pollutant emissions and sound level⁸ are particularly important. In line with the approach to environmental protection adopted by the Commission, it is proposed that in both cases the procedure should take place in stages.

Under the proposal the Member States must in principle bring the necessary laws, regulations and administrative provisions into force by 1 June 1996 at the latest and apply them from 1 January 1997.

Gist of the Committee Opinion

The Committee basically welcomes this proposal but has some comments to make, particularly on Chapter 5 (atmospheric pollution) and Chapter 9 (permissible sound levels).

The Commission's strategy for protecting the environment seeks to:

- lay down realistic limits which can come into force as soon as possible; and

⁷ OJ No. L 225 of 10 August 1992, page 72; ESC Opinion, OJ No. C 73 of 15 March 1993, page 22.

⁸ With regard to sound level, Directive 78/1015/EEC (OJ No. L 349 of 13 December 1978, page 21), amended by Directive 89/235/EEC (OJ No. L 98 of 11 April 1989, page 1), is currently in force; cf. ESC Opinion also (OJ No. C 175 of 4 July 1988 page 8).

- at the same time begin a joint EU/industry research programme to propose future limits on the basis of the results obtained.

The Commission's attention is drawn to the fact that at such a critical time for the world economy in general and the European economy in particular the laying down of limits, restrictions or regulations must generally be considered as a delicate operation involving great responsibility because of its impact on European industrial production and job levels in the Member States.

It is therefore desirable, especially as regards the standards for pollution and noise, that the planned second stage takes proper account of the results of the joint EU/industry research programme which is already on the point of being started.

The Committee supports the planned possibility of granting "tax incentives" for vehicles which comply with the new noise and pollution standards before the scheduled entry into force of the directive. It hopes that these incentives will not be limited to the moment of purchase only, but will be granted annually so that their effectiveness is more lasting.

As regards the planned entry into force of the directive on 1 January 1997, the Committee recommends that any prolongation of the discussions on some of the chapters in the annex should not hold up implementation of the standards in the other chapters.

24. INTERNAL MARKET IN ELECTRICITY AND GAS II (Own-initiative Opinion)

Opinion of the Economic and Social Committee on the Amended Proposal for a European Parliament and Council Directive concerning Common Rules for the Internal Market in Electricity, and Amended Proposal for a European Parliament and Council Directive concerning common rules for the Internal Market in Natural Gas (COM(93) 643 final)

(CES 577/94)

Rapporteur: Mr José Ignacio Gafo Fernández (Spain - Employeurs)

Background to and gist of the Commission proposals

As part of the creation of an internal energy market, in February 1992 the Commission presented two proposals for Directives concerning common rules for the electricity and natural gas sectors⁹.

In accordance with the approach recommended by the Commission, these two proposals constituted the second of the three steps envisaged in bringing about a genuine single market in electricity and gas, at the same time taking into account the special features of the energy sector.

The first of these three steps consisted of the adoption in 1990 of three Directives: the first two were adopted on 29 October 1990 and 31 May 1991 respectively and concerned the

⁹ OJ C 65 of 14 March 1992, pages 4 and 14

arrangements for transit between integrated electricity systems¹⁰ and between Community gas companies via the high-pressure system¹¹; the third was adopted on 29 June 1990 and introduced a Community procedure to improve the transparency of gas and electricity prices charged to industrial users¹².

The third stage, which was due to enter into force on 1 January 1996, was to be determined in the light of the experience acquired in the preceding stage; it was intended to strengthen the operational flexibility of the internal market in energy, involving wider third party access to the networks, the limited introduction of which had been planned for the second stage.

The two proposed Directives concerning common rules for the electricity and gas sectors hinged on the following factors:

- the abolition of exclusive rights for electricity production and the building of electricity lines and gas pipelines through the creation of a transparent, non-discriminatory licensing system opening up the market to independent operators and in particular to large industrial users;
- the introduction of limited third party access (TPA), requiring the transmission and distribution companies to provide access to their network to certain eligible entities at reasonable rates, within the limits of available transmission and distribution capacity. Those concerned were: autoproducers, large industrial energy consumers whose annual consumption exceeds 100 GWh of electricity or 25,000,000 m³ of gas, and distribution companies which fulfilled certain conditions laid down in the Directives;
- the concept of unbundling, i.e. separation of the management and accounting of production, transmission and distribution operations, must be put into practice in vertically-integrated undertakings, in order to ensure transparency of operations.

Under the subsidiarity principle, the Member States would, during this second phase, retain the right:

- to regulate all aspects of gas and electricity pricing for all end-users not eligible for TPA;
- to determine the scale and nature of distribution companies' rights and their public service obligations;
- to determine the detailed criteria for granting licenses to build power stations and transmission and distribution lines;
- to choose how they implemented the Directive, i.e. whether to set up a regulatory authority or to rely on competition legislation.

¹⁰ OJ L 313 of 13 November 1990, page 30

¹¹ OJ L 147 of 12 June 1991, page 37

¹² OJ L 185 of 17 July 1990, page 16

The Commission also stressed the need to back up the opening of national markets by measures guaranteeing fair and effective competition in the following areas: control of State aid, electricity and gas transmission infrastructures and standardization.

Twice in 1992, on 21 May and 30 November, the Energy Council debated the Commission's proposals. At the second of these meetings it adopted its conclusions, reiterating them at its meeting of 25 June 1993. These conclusions begin by confirming the importance which the Council attaches to the completion of the internal energy market and the need to "work towards more open, transparent, efficient and competitive electricity and gas markets, while bearing in mind the specificities of electricity and natural gas and the different situations in Member States", and while respecting the following six principles:

- security of supply, which "has to remain the basic objective of energy policy";
- environmental protection;
- the protection of small consumers;
- transparency and non-discrimination;
- recognition of "the wide differences between and within Member States' existing energy systems";
- the need for transitional arrangements "sufficiently long to allow for careful planning and an orderly adaptation".

After having also stressed the significant differences in the gas sector as compared to the electricity sector, the Council noted that "reservations have been expressed about the important elements of the Commission's proposals, in particular about the general third party access (TPA) mechanisms but that the debate on the completion of the Internal Energy Market should be continued".

In conclusion the Council invited the Commission to consider modifications to its proposals in the light of the aforementioned principles in particular.

In its Opinion of 27 January 1993 the Committee reserved a critical reception for the two Commission proposals and called for their thorough revision¹³.

While sharing the Commission's ultimate objective, the Committee expressed serious doubts as to whether the proposals as originally drafted were the only way of achieving this objective. It regretted that they did not "contain a precise and detailed breakdown of the advantages to society as a whole from the introduction of the new system, compared with the risks entailed in the switch from an established, stable system".

In this connection the Committee noted that "the purpose of an internal market in electricity and gas is not to sharpen competition for its own sake, but to ensure that energy availability

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OJ C 73 of 15 March 1993, page 31

and prices are comparable throughout the Community and for the same categories of consumers, and that a high level of security of supply is maintained in keeping with user demands".

It went on to add that "a vital element in the development of the internal energy market is the need to guarantee optimal supplies of electricity and gas to Community citizens, and to establish the necessary bases for development and progress in each of the Member States, the least developed regions in particular".

The Committee was therefore at odds with the Commission on both the methods chosen and the deadlines envisaged for the creation of a genuine internal market in electricity and gas; it considered that the adoption of a new framework for the deregulation of these sectors, as proposed in these Directives, must be based on a more balanced, cautious and gradual approach than that recommended by the Commission.

Against this background the Committee rejected the plans and deadlines for the introduction of the TPA system as provided for in the two proposed Directives, calling attention to "the need to avoid the risk of radical, inadequately tested innovations in sectors which have demonstrated their efficiency and progressive outlook over several decades".

On this key issue, as on several others, the Committee called on the Commission to review its proposals, taking into account in particular the need to ensure:

- **security of supply, in terms of both regular supplies of primary energy and the quality and guarantee of supply to the final consumer;**
- **respect for the public service obligations.**

In this respect the Committee stated that the "provision of electricity and gas services are therefore unquestionably in the general interest and this must be borne in mind when supply conditions are drawn up".

- **the compatibility of the measures to bring about the internal energy market with the objective of strengthening economic and social cohesion in the Community;**

Thus the Committee stated that "there can be no question of economic and social cohesion in relation to the internal energy market if it is not possible to ensure the best possible supply of electricity and gas at comparable prices for all the citizens of all the Member States, especially their least developed regions".

- **the compatibility of provisions aimed at modifying the organizational arrangements in the electricity and gas sectors with the objective of protecting the environment;**
- **the independence of the operators and managers of electricity and gas transmission and distribution networks.**

Furthermore, clarification was required of the responsibilities and obligations of the Member States under these Directives, especially as regards the construction of new production installations, authorization for new transmission and distribution lines and pricing.

The Committee also considered that Community-level reorganization of the electricity and gas sectors must go hand in hand with development of energy infrastructure and interconnections, and appropriate harmonization of Member States' energy policies and the financial, fiscal and environmental provisions governing these two sectors. Such harmonization was regarded as a precondition for the adoption of TPA measures.

The Committee nevertheless approved several aspects of the Commission proposals, the implementation of which would enable the Community to advance cautiously towards an internal market in the two sectors concerned, without prejudice to the organizational model finally chosen.

Thus the Committee approved:

- the inclusion of "commercial criteria" as a reference guideline for the construction of the internal market in electricity and gas, while respecting the aforementioned principles;
- liberalization at production level and gradual deregulation of the transmission and distribution of electricity and gas;
- implementation of the principle of the separation and transparency of accounts (unbundling), as proposed by the Commission, subject, for the gas industry, to the introduction of measures to ensure that Community enterprises do not suffer a loss of negotiating power vis-à-vis non-EC suppliers.

On 19 November 1993 the European Parliament expressed its view by adopting more than two hundred amendments to the Commission proposals. Broadly speaking these amendments were designed to emphasize the "harmonization" rather than the "liberalization" aspect of the Directives and to establish a basis of common rules valid for all the Member States however their market is organized.

The thrust of these amendments is outlined in the explanatory memorandum to the Commission's amended proposals.

This memorandum also sets out the main amendments made by the Commission to its original proposals. These amendments are as follows:

- questioning of exclusive or special rights where they affect trade between Member States;
- fair access of the various operators to the electricity and gas markets in all the Member States;
- taking into account of the specific nature of these two sectors on the basis of a pragmatic approach permitting gradual evolution of the way they operate while having a real impact on the market-place from the outset;

The two most important amendments concern:

- firstly, the possibility of allowing the producers of electricity and gas to negotiate access to the network; this possibility replaces the regulated access provided for in the initial proposals; it is accompanied by arbitration mechanisms in the event of problems in negotiation or in

.../...

performance of the contract, although these mechanisms cannot replace the appeal procedures provided by Community law;

- secondly, the establishment in the body of the proposals of a work programme enabling the Commission to draw up, during the second stage, the harmonization proposals needed for the smooth functioning of the market, without compromising Community law.

In addition, the amended proposals introduce tendering procedures for new electricity transmission and production capacities as alternatives to a transparent and non-discriminatory licensing system, plus simpler network operating rules.

In line with this general approach, **the main changes made to the original proposal on the internal market in electricity are as follows:**

- **structure of the proposal**

As specific rules on access to the network have now been introduced (as distinct from those concerning production, transmission and distribution), these rules are now included in a separate chapter.

- **greater reference to public service obligations**

- **conditions for TPA**

TPA, which was regulated in the initial proposal, is a right open to autoproducers for the supply of their own establishments and branches and to producers and transmitters for the supply of large industrial consumers and distribution companies.

The conditions for exercising this right have to be negotiated both with the transmission system operator and with the distribution system operator, except where the supply of electricity arises out of a tendering procedure for the construction of production capacities; in this case access to the network is guaranteed.

Disputes in the negotiation or performance of such contracts can be submitted to an arbitration body to be designated by the Member State, without this in any way affecting the right of the parties to use the normal appeal procedures provided by Community law.

- **criteria and procedures for authorizing production and transmission**

Compared with the initial proposal, these procedures have been simplified and supplemented by the option of a tendering system for all new production and transmission capacities; the amended proposal reinforces the independence and non-discriminatory nature of this procedure. Nonetheless, the licensing system will apply to all autoproducers and independent producers.

- **unbundling**

The unbundling of management is dropped although independence, at least at the administrative level of the system operator, must be guaranteed.

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The unbundling of accounting on a harmonized basis is maintained and completed by way of a provision permitting access of the respective authorities to internal company accounts.

- **simplification of the rules governing the operation of transmission and distribution networks**

The Commission considers that its amended proposal takes account of the six principles put forward by the Council in its conclusions of 30 November 1992, namely:

- **security of supply**

The criteria for authorizing the construction of production capacities will expressly permit the Member States to determine the nature of the primary sources used to produce electricity.

The alternative system of a tendering procedure for production and transmission capacities will allow for continued central planning of investments in Member States opting for this system.

- **environmental protection**

Special provisions have been introduced concerning the harmonization of production and operating conditions which take greater account of the environmental protection requirement; the same applies to the criteria for authorizing the construction of new production and transmission capacities.

Furthermore, a special provision allows the system operator, when dispatching production installations, to give priority to production installations using renewable sources of energy or waste or using a combined heat and power process.

- **protection of small consumers**

The references to public service obligations have been reinforced to take greater account of the need to protect small and medium consumers. The system operator may refuse access to a third party where such an operation would prevent him from performing the public service obligations assigned to him. Member States will always have the right to set tariffs for all captive consumers.

- **transparency and non-discrimination**

These can be found in the rules governing the unbundling of accounting and in the criteria and procedures for authorizing new production and transmission capacities, in the criteria and procedures for tendering and in the rules governing the system operators.

- **recognition of differences between national systems**

The option of Member States to choose between (i) a transparent and non-discriminatory licensing system for the construction of new production and transmission capacities and (ii) a tendering procedure takes account of the existence of decentralized systems in some Member States and centralized systems in others.

- **transitional arrangements**

A transitional period commencing on 1 July 1994 and ending on 31 December 1998 at the earliest has been retained.

The Commission states that the changes made to the proposal concerning the internal market in gas are, mutatis mutandis, the same as those for electricity.

The Commission also points out that the criteria and procedures for authorizing the construction or operation of LNG installations, storage installations, transmission and distribution lines and associated equipment are maintained.

Gist of the Committee Opinion

The Committee broadly approves the new Commission proposals as conducive to an acceptable balance between the positions of the Member States, the electricity and gas generating industries and the various categories of consumer.

The Committee expresses its satisfaction that the proposals allow the Member States, **within the limits of Community law**, to impose public service obligations on undertakings operating in these sectors, while urging the Commission to define these obligations precisely as soon as possible. However, provision should be made for a reference to arbitration under Article 21, paragraphs 1 and 2 (electricity) and 17, paragraphs 1 and 2 (gas) and in any case **not** without the right to refer the issue to independent arbitration under the terms of Article 21, paragraphs 3 and 4 (electricity) and 17, paragraphs 3 and 4 (gas).

The Committee approves the new criteria for the construction of plant to increase electricity generating capacity, although it takes the view that the criteria must be improved to take due account of small generating or co-generating installations and of electricity originating in other Member States.

The Committee welcomes the new philosophy of "negotiated Third Party Access", within the discharging of public service obligations, but wishes to stress the need to guarantee the independence of the manager of the electrical transmission network and to improve arbitration procedures for disputes.

With regard to the unbundling and transparency of accounts, the Committee emphasizes the need for data to be kept confidential, and is concerned that the European Union's gas companies may lose negotiating power vis-à-vis suppliers from outside the Union.

As indicated in its earlier Opinion on the subject, the Committee wishes to stress the need to move forward simultaneously in the coordination of Member States' energy policies and to gradually harmonize certain factors (e.g. fiscal, environmental or proper consideration of the scope of public service obligations).

25. VAT SIMPLIFICATION

Opinion of the Economic and Social Committee on the *Proposal for a Council Directive amending Directive 77/388/EEC and introducing new simplification measures with regard to value added tax - scope of certain exemptions and practical arrangements for implementing them*

(COM(94) 58 final)

(CES 578/94)

Rapporteur-General: Mr Richard Müller (Germany - Various Interests)

Gist of the Commission Proposal

This draft Directive seeks to facilitate application of the VAT system in EU Member States. This concerns, in particular:

- transactions carried out under warehousing arrangements other than customs;
- supplies of goods-transport services and ancillary services where they are directly linked to the importation of goods or to the intra-Community transport of goods;
- supplies of goods to be taken out of the Community in the personal luggage of travellers;
- supplies of goods and services to bodies to which international conventions or treaties apply.

Gist of the Committee Opinion

The Committee endorses the proposal, subject to a number of comments.

26. SECURITY, HYGIENE, HEALTH AT WORK

Opinion of the Economic and Social Committee on the *general framework for action by the Commission of the European Communities in the field of safety, hygiene and health protection at work (1994-2000)*

(COM(93) 560 final)

(CES 579/94)

Rapporteur: Mr Thomas Etty (The Netherlands - Workers)

Gist of the Commission general framework

The objective of the Commission's policy in the field of safety and health at work over the last thirty years has been to reduce to a minimum both work accidents and occupational diseases. However, despite the progress made, and the efforts that have been undertaken by all those concerned, both the number of work accidents and the incidence of occupational diseases are still too high. Statistics from Member States show that even today about eight thousand people die each year

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in the Community as a result of occupational accidents. Of the 120 million or so workers in the Community, almost 10 million are victims of work accidents or occupational diseases each year.

Community activities in the field of safety and health at work were initiated in 1957 in the framework of the Coal and Steel Treaty. Two action programmes followed in 1979 and 1984 and a number of legislative measures were adopted. However, it was the introduction in the 1987 Single European Act of a specific legal basis, Article 118a, which gave a new impetus to the Community's work. A third action programme, based on this Article, has resulted in the adoption of a significant amount of safety and health legislation and a new level of awareness of these issues.

The third action programme culminated in the European Year of Safety, Hygiene and Health Protection at Work, which has just drawn to a close.

The Commission will pursue its objective to bring about a further improvement in occupational safety and health in the coming years.

To this end the Commission intends:

- to ensure that the Member States correctly transpose the Community Directives and that they take the necessary steps to ensure the proper enforcement of such legislation;
- to promote the work of the European Community in this area, in non-member countries;
- to continue to develop safety and health at work in the Community.

The Commission has therefore identified the following topics and issues as being worthy of further attention in order to define specific measures:

- implementation, consolidation, rationalization and completion of Community legislation;
- promotion of the Community work in the field of occupational safety and health outside the Community, and international cooperation;
- information, training and education, with special attention to the small and medium sized enterprises;
- development of non-legislative accompanying measures intended to supplement and support legislative objectives.

In addition, the effectiveness of Community action in the field of safety and health at work will be reinforced by strengthening the linkages with other policy areas of the Community.

The main basis for Community action in the field of safety and health at work will continue to be Article 118a, which lays down respective roles of Member States and of the Community with due regard to subsidiarity. The Commission will continue to promote and develop dialogue between the social partners at Community level.

The European Council, at its meeting in Brussels on 29 October 1993, confirmed the creation of an Agency for health and safety at work. This Agency will have a key role to play in the future in this field.

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Gist of the Committee Opinion

The Committee welcomes the Communication, regrets that health and safety at work were not properly integrated in the Green Paper, and calls on the Commission to come forward with a health and safety action programme of legislative and non-legislative measures feasible and applicable as regards SMEs. The Committee also considers that the Advisory Committee on Safety, Hygiene and Health Protection at Work should be accorded more attention. Links with other environmental, consumer protection, agriculture and research programmes are welcomed. Income evaluations are highlighted. The Committee also calls for adequate implementation, consolidation, rationalization and completion of legislation. Earlier Committee Opinions dealing with information, training and education should have been better taken into account.

27. EU RELATIONS WITH SLOVENIA (Additional Opinion)

Additional Opinion of the Economic and Social Committee on *relations between the European Union and Slovenia*

(CES 580/94)

Rapporteur: Göke Frerichs (Allemagne - Employeurs)

Background to the Additional Opinion

Slovenia is the only republic of the former Yugoslavia which has been largely unaffected by the Yugoslavian civil war and whose moves towards independence have been successful. After the declaration of independence on 25 June 1991 and the brief war of independence against the Yugoslav federal army which followed, the Slovenian declaration of independence came into effect on 8 October 1991. Since Slovenia has not subsequently become involved in the civil war, it is also the only former Yugoslav republic to be excluded from the EC trade embargo.

The European Community is by far the most important trading partner for Slovenia. Slovenia has taken effective measures to modernize its economy - its GNP is nearly double that of the other former Yugoslav republics - and is trying to draw closer to the EC as fast as possible. It is clearly in the transitional phase from socialist planned economy to market economy.

On 1 September 1993, the new trade and cooperation agreement between the European Community and Slovenia came into force. In many fields (telecommunications, statistics, approximation of laws, etc.) exchange of information is to be intensified and cooperation promoted. The trade agreement is accompanied by a transport agreement and a financial protocol, under which the European Union will make monies available to Slovenia in the form of loans through the European Investment Bank (EIB). Since 1992, Slovenia has also been receiving funds from the PHARE programme and is included in regional PHARE projects such as TEMPUS and EUREKA.

The trade and cooperation agreement includes a progressive clause. Article 50 provides that the contracting parties will examine the possibility of concluding a Europe Agreement at the earliest opportunity. Such an agreement would be considerably more wide-ranging than the existing trade and cooperation agreement and would contain a reference to Slovenia's desire for full

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membership of the European Union. Exploratory talks aimed at forging an Association Agreement (Europe Agreement) are expected to begin in the near future.

Gist of the Additional Committee Opinion

Slovenia, one of the constituent republics of the former Socialist Federal Republic of Yugoslavia, with a homogeneous population of 2 million, and a significantly higher per capita income than the other parts of former Yugoslavia, became independent in October 1991.

The Opinion describes the political development of the country since independence, and the development of the national economy on the transitional stage from a partially planned socialist economy to a market economy.

The fall in growth, one of the causes of which was the loss of the Yugoslav market and the cutting of economic links with the other former constituent republics, appears to have been partially brought under control, although unemployment remains high. Slovenia has recorded a fall in its exports to the European Union and the EFTA countries, due to a certain loss of competitiveness following the rise in wage costs in 1993 and the recession in Europe.

The government's reform policy has involved the introduction of a national currency, the tolar, the maintenance of that currency's stability, the adoption and implementation of the law on privatization and the adoption of liberal legislation on foreign investments.

One section of the Opinion is devoted to the economic and social groupings in Slovenia, the structure of which is still evolving: employers represented by the "Chamber of the Economy" and a new employers' organization currently being set up; workers (highly unionized) essentially represented by four trade union confederations; small and medium-sized enterprises, agriculture, and consumer protection.

On the basis of the country's political development towards pluralist democracy and the rule of law, its economic policy set out above, and its efforts to come closer to the European Union through cooperation and the approximation of laws, the Economic and Social Committee approves the early opening of negotiations between the EU and Slovenia with a view to concluding a Europe Agreement.

Since the economic and social groups in Slovenia are already quite well developed and influence decisions important for the country's economy, the Economic and Social Committee thinks it useful to provide a forum for regular cooperation with the economic and social groups of the EU represented in the ESC.

The ESC therefore proposes that a Joint Consultative Committee be set up as an institutional aspect of the future Europe Agreement.

All the important points which could arise in later accession negotiations should therefore be covered in the negotiations for a Europe Agreement.

In the ESC's view, the assessment of Slovenia's readiness for later membership of the European Union should be based only on its own stage of development and its successes in the reform process.

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The Economic and Social Committee takes the view that concluding such a Europe Agreement with the Republic of Slovenia can play a stabilizing role to ensure peace and contribute to gradually increasing economic prosperity in the whole Balkan and Mediterranean region.

II. FUTURE WORK

Environment Section

- Conservation of wild birds
(COM(94) 39 final - 94/0061 SYN)
June/July Session

Industry Section

- Green Paper on audiovisual policy
(COM(94) 96 final)
July Session
- Monitoring authorities for substitution contracts and netting agreements
(COM(94) 105 final)
July Session
- The EU automobile industry
(COM(94) 49 final)
July Session
- Annual report on the internal market
(COM(94) 55 final)
September Session

Regional Development Section

- Community initiatives - Portuguese textile industry
(COM(94) 82 final)
June Session

Transport Section

- Safety standards and working conditions - ships in ports
(COM(94) 73 final - 94/0068 SYN)
July/September Session
- Mobile and personal communications (Green Paper)
(COM(94) 145 final)
September Session
- Interoperability of the European high speed train network
(COM(94) 107 final - 94/0112 SYN)
October Session

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Social Affairs Section

- Minimum safety and health requirements - work equipment used by workers
(COM(94) 56 final - 94/0077 SYN)
July/September Session
- Social security schemes for employed persons, self-employed persons and members of their families moving within the Community
(COM(94) 135 final)
September/October Session

Energy Section

- Participation of undertakings, research centres and universities in RTD programmes
(COM(94) 12 final - 94/0012 to 94/0013-0025)
June Session
- 4th R&TD Framework Programme - Political Treaty (17 prop.)
(COM(94) 68 final - 94/0079 CNS to 94/0080 CNS)
June Session for approx. 3 Prop.
September Session
- 4th R&TD Framework Programme - Euratom Treaty
(COM(94) 70 final - 94/0072 to 94/0074)
September Session

Agricultural Section

- Technical measures for the conservation of fishery resources
(COM(94) 131 final)
June Session
- Reform of the common organization of the wine market
(COM(94) 117 final)
September Session
- Fruit and vegetables
Session to be decided

OWN-INITIATIVE WORK

Economic Section

- Cross-border payments (replacement of anticipated referral by Own-initiative Opinion)
June Session

Social Affairs Section

- Right to vote and stand in municipal elections (replacement of anticipated referral by Own-initiative Opinion)
June Session

III. IMPACT AND INFLUENCE OF THE ESC

Activities of the Chairman

20 April 1994, Tunis: meeting with Mr Mohammed Fahdel Khelil, Minister for Social Affairs and Mrs Neziha Mezhoud, Minister for Womens' and Family Affairs; and with Mr Abderrazak Kefi, President of the Tunisian Economic and Social Council.

26 April 1994, Brussels: meeting with Mr Josef Kreuter, Ambassador of the Czech Republic.

27 April 1994, Brussels: talks with Commissioner Martin Bangemann.

28 April 1994, Brussels: meeting with Mr Lüdckemeier of the "Landeszentrale für Politische Bildung des Landes Sachsen-Anhalt" (regional centre for political science and information).

Other activities

13 April 1994, Brussels: discussions between Members of the Section for Energy, Nuclear Questions and Research and Mrs Helga Steeg, Executive Director of the International Energy Agency (IEA); then with Mr Michael Carpentier, Director-General of DG XIII of the European Commission (technological innovation policy).

11-13 April 1994, Athens (Greece): participation of a delegation from the Section for Industry, Commerce, Crafts and Services in the International Conference on "Intellectual Property: Objectives and Strategies", organized by the Commission in co-operation with the Greek Authorities.

18 April 1994, Brussels: statement by HE Mr Gordon Smith, Head of the Canadian Mission to the European Union, to the Section for External Relations, Trade and Development Policy.

19 April 1994, Brussels: presentation on "Community Initiatives" by Mr Jean-Charles Leygues, Director in DG XVI of the European Commission at the 125th meeting of the Section for Regional Development and Town and Country Planning.

25-26 April 1994, Athens (Greece): meeting between an ESC delegation and representatives of Greek socio-economic organizations.

IV. IN MEMORIAM

Mr Willy Waldack, member of the Economic and Social Committee since 19 July 1989, and National President of the General Confederation of Liberal Trade Unions in Belgium, passed away on 23 April in Brussels.

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V. FACT-FINDING VISITS

During the period under review, fact-finding visits to the ESC were made by the following:

7 April 1994	National School of Public Administration, Athens (Greece)
8 April 1994	Hans Seidel Foundation - "Catholic Workers Movement, Worms" (Germany)
11 April 1994	Upper Austrian Chamber of Labour
12 April 1994	Quaker Council for European Affairs, Brussels
12 April 1994	University of Le Havre (France)
18 April 1994	Higher European Management Institute, Lille (France)
13 April 1994	Friedrich-Ebert Foundation, Brussels
13 April 1994	Danish National Institute for Health and Safety at Work
14 April 1994	Liverpool Institute of Higher Education (European Studies Department) (United Kingdom)
14 April 1994	Centre for European Studies, Maastricht (group of students from Indiana University, Bloomington, and North Carolina University, Chapel Hill) USA
14 April 1994	Senior Civil Servants and Elected Representatives from Municipalities in Greece
14 April 1994	Trainee Legal Officers, from Karlsruhe (Germany)
15 April 1994	Lower Austrian Trade Union
15 April 1994	ASAJA NACIONAL, (National Association of Young Farmers), Madrid, Spain
18 April 1994	South Cheshire college (United Kingdom)
19 April 1994	Östra Grevie (Peoples College) Folkhögskola, Vellinge (Sweden)
19 April 1994	Roz Glas Vocational School, Quimperle (France)
19 April 1994	LWTW - North Rhine - Westphalia Regional Organization for Further Training in Commerce and Industry (Germany)
20 April 1994	German Civil Servants Organization for Education, Information and Social Welfare, Bonn (Germany)
20 April 1994	Delegation from the Austrian Ministry of Trade and Industry

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- 21 April 1994 Rotterdam Erasmus University (Netherlands)
- 21 April 1994 MANCHE EXPANSION - Economic and Social Development Committee of the Manche département (group of American students from Kalamazoo College, Michigan) (USA)
- 21 April 1994 Vocational Training School for Public Administration (Germany)
- 22 April 1994 Group from the Swedish Ministry of Justice
- 22 April 1994 Federation of Dutch Trade Unions (Trade Union School, Dongen), (Netherlands)
- 25 April 1994 Quaker Council for European Affairs, Brussels
- 25 April 1994 Swedish Agency for Government Employers, Stockholm
- 26 April 1994 Danish Confederation of Organizations for Government and State Employees
- 26 April 1994 COEUR - Regional European Observation Centre, Genolier (Switzerland)
- 28 April 1994 CGT - General Workers Union, Montreuil (France)
- 29 April 1994 Communications Training School, Brussels
- 29 April 1994 IG Metall - German Metalworkers Union, Gießen branch
- 29 April 1994 Austrian Trade Union Training/College, Vienna

