

EESC



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EDITORIAL



The conclusion of one step and the start of another one

At its meeting on 24 February 2004, the Bureau of the European Economic and Social Committee adopted unanimously a report from an ad hoc group, formed at its request in February 2003 and chaired by Ms Cassina, on structured cooperation with European civil society organisations and networks.

The conclusion of one step

For more than three years, the EESC has repeatedly demonstrated its willingness to restructure and thereby strengthen its cooperative relationship with those European NGOs which are not represented in it. This relationship did indeed already exist and was put to good use on several occasions. However, with a clearer and more visible structure, this relationship would and should take a step forward. The task is not easy, requiring the resolution of numerous valid concerns about who does what, why and how?

These issues have quite rightly given rise to lengthy discussions.

Is it possible to be both bold and careful? I think so: in this field as in many others, a lack of caution can bring boldness to nothing, and sow the seeds of later troubles. In this matter, we needed to avoid creating confusion. For example, social dialogue is and must remain the business of the social partners. It must not be confused with civil dialogue.

The EESC's mission is to act as representative for a broad segment of organised civil society within the European Union, but it does not hold the monopoly on this. The Committee has no intention of involving itself in the NGOs' relations with the institutions and the Union. This would be absurd, but it would also be absurd to accuse it of entertaining such a fantasy.

Every group in the Committee must remain free to have any contacts it may desire with NGOs etc., regardless of the implementation of new arrangements.

The start of another

By adopting the ad hoc group's report, the EESC Bureau has resolved to establish a forum for contact with the NGOs. Its mission will be to hold discussions and gather information on:

- priorities of the work programmes of the EESC and participating NGOs;
- any other issues of common interest.

On the EESC side, it will be composed of the president, three group presidents and six section presidents. The non-governmental organisations will organise their own representation (maximum of 20 people).

This forum might meet three or four times per year. The arrangement will be evaluated two years after it is established.

This is a step forward along a road which must be explored pragmatically, in a rational manner, step by step.

JEAN-MICHEL BLOCH-LAINÉ

Conference on participatory democracy

Participatory democracy as a means of combating the crisis of confidence in Europe



Conference on participatory democracy, 8 and 9 March: Dermot McCarthy, Alojz Peterle, Jacques Delors, Roger Briesch, Bronislav Geremek

By Roger Briesch, President of the European Economic and Social Committee

The European Union is facing a serious crisis of confidence. The public is only too willing to complain about its inefficiency in a number of areas and to highlight its democratic shortcomings. Dick Roche, the Irish Minister of State for European Affairs, highlighted this when he opened the European Economic and Social Committee's conference on participatory democracy held in Brussels on 8 and 9 March: 'Many Europeans feel cut off from the European institutions, and feel that they are inadequately informed and involved in the decisions taken by the Union that affect their daily lives'.

This crisis could call into question not only the Community structures, but also the basis of the social model. This would be to the detriment of the values that form the very basis of European integration: reconciliation, solidarity, justice, peace, unity and freedom. Without this identity, the European Union cannot exist sustainably as a political community. A solution must be found to this crisis of confidence. The draft Constitution is a vitally important step in this direction, as it clearly aims to ensure greater public participation in European political life.

This draft text gives every citizen and representative organisation the opportunity to express an opinion on the Union's activities. Once the Constitution is adopted, the European institutions will have to develop transparent dialogue with civil society. A 'citizens' right of initiative' will enable citizens to refer problems that affect them to the European Commission. The Council of Ministers will meet in public to adopt proposed legislation, citizens will have greater access to EU documents, etc. By including this provision on participatory democracy in the draft Constitution, the Convention has made such participation a constitutional principle. This is only a first step, but the foundations have been laid for addressing the participation deficit that afflicts the European Union.

The most important instrument of participatory democracy is civil dialogue. **There are three kinds of 'civil dialogue': firstly, dialogue among representative organisations of civil society themselves on the development and the future of the European Union; secondly, structured, regular dialogue between these organisations as a whole and the European Union; and thirdly, the day-to-day sectoral dialogue between civil society organisations and their partners in parliament and government. Dialogue is not just about consulting civil society. It is necessary — I would even go so far as to call it a democratic imperative — that civil society be involved in all Community policies, from the earliest stages of their development to their implementation.**

The European Convention highlighted the importance of dialogue between organised civil society and the European Union. However, it also emphasised the need for ongoing dialogue among the various organisations of civil society. Only dialogue within civil society will achieve consensus about the process of European integration and its development. Unless there is such a consensus, there is not much hope of a fruitful or useful exchange of views with the European institutions. This form of social dialogue will only be effective and efficient if it is part of an institutional framework and has a specific platform. The European Economic and Social Committee must be that platform.

By virtue of its make-up, its role, the place it occupies within the Union's political architecture, and its working methods, the European Economic and Social Committee has all the necessary attributes to organise and facilitate continuous, structured dialogue between transnational and European associations, organisations and federations that make up civil society. However, we are fully aware that the Committee only partly reflects the diversity and the development of everything that comes under the term 'organised civil society'.

This is why, for more than three years, we have regularly been expressing our wish to strengthen our cooperation with the different European civil society organisations. We are matching our words with action: the European Economic and Social Committee is increasingly involving NGOs and European and transnational networks that are not (yet) represented within it in its work. Thus, we want to serve as a structure for welcoming and listening to organised civil society. The European Commission has recognised this role: in 2000, it gave a commitment to cooperate with the European Economic and Social Committee in order to enable it to become an 'indispensable intermediary between the EU institutions and organised civil society'.

In this context, the Bureau of the European Economic and Social Committee has adopted some important proposals, based on a report drawn up by Mr Bloch-Lainé, for stronger and more structured cooperation with European civil society.

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- Participatory democracy as a means of combating the crisis of confidence in Europe

- European Consumers' Day to focus on the European online market place
- Loyola de Palacio argues for greater cooperation between the Commission and the EESC

AGENDA

- Future events

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These proposals include the creation of a permanent structure to act as a body for political liaison and dialogue. The purpose of this body will be to ensure, on the one hand, a coordinated approach of the European Economic and Social Committee towards its European partners and, on the other, that jointly decided initiatives are followed up. This will require a lot of work to be done, but to quote Dick Roche's conclusion, 'this is essential if we want to bring the European Union closer to its citizens'.

European Consumers' Day to focus on the European online market place

Roger Briesch, President of the EESC, David Byrne, Consumer Affairs Commissioner, and Jim Murray, Director of the European Consumers Organisation are just three of the key figures who attended this year's European Consumers' Day Conference in Dublin on 15 March.

The conference was organised by the Irish Department of Enterprise, Trade and Employment within the context of the Irish Presidency in cooperation with the European Economic and Social Committee and the European Commission.

The key issue up for discussion was building consumer confidence in the European online market place. The conference dealt with questions of consumer protection when shopping online and the role of enforcement agencies and redress mechanisms in boosting consumer confidence online.

EESC participates in the informal Council of Ministers for Regional Affairs Portlaoise (Ireland) on 27 February 2004

At the meeting of Ministers for Regional Affairs on 27 February 2004, Commissioner Michel Barnier had the first opportunity for a discussion on the third cohesion report with the national delegations, including those from the 10 acceding countries and representatives from Romania, Bulgaria and Turkey. The EESC was represented by the president of the ECO Section, Mr Henri Malosse (Group I, Employers, France). The Committee of the Regions and the EIB were also present.

Priorities of the third cohesion report

The third report on economic and social cohesion describes cohesion as a tool for achieving a new ambition: shared progress in a Europe which will be reunified after 2007. Giving the enlarged Europe the means for dynamic growth, with high employment and firm foundations, Mr Barnier emphasised the need to pursue those objectives fixed unanimously by the Lisbon and Gothenburg agendas.

The aim of cohesion policy will be to support sustainable growth throughout Europe by focusing its efforts on innovation and the information society; the environment and risk prevention; accessibility and services of general economic interest; and of course, employment and training.

Simplifying the implementation system

The Commission also proposes a thorough reform of the system for implementing the cohesion policy for 2007-13, in line with the principles indicated in the communication on the new financial perspectives, the broad public debate launched by the Commission and the contributions from the various players in this policy.

The basic principles which constitute the added value of this policy such as a multiannual programme based on partnership, Community co-financing, evaluation and shared responsibility in financial management and monitoring, will be maintained.

European citizens do not understand the Lisbon and Gothenburg strategies

Mr Malosse, president of the Section for Economic and Monetary Union, Economic and Social Cohesion, explained that in the EESC's analysis, European citizens do not understand the Lisbon and Gothenburg strategies. This is one of the key reasons for the current lack of success in implementing these strategies.



Mr Malosse also stressed that when implementing cohesion policy objectives, adequate participation by players in the field is always vital, particularly the social partners and economic and civil society organisations which ensure public recognition and effective implementation of the objectives.

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An Objective 2 which is eligible for all EU regions

Henri Malosse therefore supported the ambition of an Objective 2 which is eligible for all EU regions, while stressing the need for a pragmatic and decentralised approach based on local players. He said that European aid should invite and encourage initiatives; it should not be a bureaucratic planning method resulting in additional administrative burdens. These remarks were taken up by the Commissioner.

Mr Malosse said that the EESC was not in favour of investment aid which simply relocated business activity. It did support all initiatives which worked to support local development: human resources, SMEs, innovation, entrepreneurship and research capacity, infrastructure adapted to local needs and the information society, exploitation of natural resources with due respect for sustainable development, and the promotion of the architectural and cultural heritage with full respect for diversity.

Finally, Mr Malosse mentioned the exploratory opinion requested by the European Commission on building a stronger partnership, which the EESC believes could be done by giving a consultative vote to the follow-up committees, enlarged to include the socioeconomic players. In fact, giving further devolved responsibilities to local organisations will automatically have a positive effect on their capacity, mean that citizens are more involved, improve the effectiveness of programmes and strengthen participatory democracy.

Joint EESC-NESC ⁽¹⁾ Conference on 6 and 7 April in Dublin

The conference will look mainly at the European dimension of the debate on public services and the experience obtained at national level with regard to the development of effective public services.

The challenge of internationalisation as a result of the ongoing process of European integration and globalisation; the challenge of complexity, arising from the need for high-quality services that are tailored to citizens' needs and which are provided from the public purse: two key issues that are due to be discussed during a joint conference organised by the European Economic and Social Committee (EESC) and the National Economic and Social Council of Ireland — together with representatives of other National Economic and Social Councils.

Key speakers during the conference will include: **Dermot Ahern TD**, Minister for Communications, Marine and Natural Resources, **Roger Briesch**, President of the European Economic and Social Committee (EESC), and **Dermot McCarthy**, President of the National Economic and Social Council for Ireland.

⁽¹⁾ Irish ESC

EESC strengthens relations between European and Latin American-Caribbean civil society



In the run-up to the meeting of the Heads of State or Government of the European Union and of Latin America and the Caribbean in Guadalajara, Mexico — and in parallel with negotiations on the free trade area of the Americas (FTAA) — the forthcoming **third meeting of European Union-Latin American-Caribbean civil society organisations**, to be held from **13 to 15 April in Mexico City**, is essential to gaining a detailed, up-to-date picture of the challenges of social cohesion and democratic participation facing Latin America. The meeting, organised by the European Economic

and Social Committee (EESC), will focus on seeking to understand the mechanisms of social cohesion and to strengthen economic and social players and participatory civil society bodies, as described by the Commissioner for External Relations, **Christopher Patten**, in his Latin American agenda. Constructive dialogue between Europe and Latin America will be both strengthened and deepened by civil society's consultative role and its function in promoting the integration of the social and economic dimensions.

As an institutional representative of organised civil society, the EESC will be ideally placed to forge structured relations with its Latin American counterparts. The final joint declarations of the EESC and the economic and social consultative bodies of Mercosur, the Andean Community of Nations, Central America, Mexico and Chile will be forwarded to the Association Council prior to the meeting of Heads of State or Government. More than 140 Latin American and European organisations will pool their valuable experience, reaffirming the already significant interest of these natural historical allies in economic agreements and geopolitical alliances from the standpoint of a participatory vision of sub-regional social cohesion. This is a unique opportunity which the EESC warmly welcomes; the importance of European socioeconomic participation in Europe as a model for the necessary organisation of participatory democracy in Latin America will also be restated.

February plenary session:

The Committee adopts a series of opinions, in particular on nuclear energy and the Stability Pact

The February plenary session saw the adoption of a series of opinions, in particular on nuclear energy and the Stability Pact. Commissioners Loyola de Palacio and Chris Patten and the President of the Bulgarian ESC visited the Committee. Here are the highlights of this session.

Realistic rather than ideological opinion on nuclear power

During the February plenary session, the European Economic and Social Committee adopted its own-initiative opinion entitled 'Nuclear power and electricity generation' (Rapporteur: Claude Cambus, Group II Employees, France) by 68 votes (33 against and 11 abstentions).

This was a highly controversial opinion, with 27 amendments tabled and discussed during the session. However, only two of these were adopted, with the rapporteur subsequently agreeing to include a compromise text on the need for greater security measures for nuclear installations to tackle the growing threat of terrorism.

It was the president of the Section for Transport and Energy (TEN), Mr Alexander von Schwerin, who summed up the situation, saying that it was a balanced and realistic text, which took account of the necessities of future energy demand and policy on the one hand and the reservations about and criticism of this source of energy on the other hand.

Key points of the opinion:

- nuclear power should be **one of the elements of a diversified, balanced, economic and sustainable energy policy** for the EU;
- nuclear power is also essential if the EU is to **successfully apply the concept of sustainable development** to policy making;
- nuclear power strongly contributes to the **EU's energy needs and security of supply**;
- thanks to nuclear power, Europe is better able to meet its commitments vis-à-vis **reductions in CO₂ emissions** agreed under the Kyoto Protocol. Respecting the stabilisation commitments on CO₂ emissions at the present time will not be possible without further advances in technological development and consumer behaviour;
- abandoning nuclear power would only **exacerbate the problems associated with climate change**;
- renewable energy sources are **not yet in a position to satisfy Europe's energy requirements**, even taking into account the increasing public incentives;
- abandoning nuclear power would also be **prohibitively expensive for EU consumers given the current lack of suitable and viable alternatives** such as renewable energy.

The opinion received both praise and criticism. On one hand, **Mrs Giacomina Cassina** (Group II, Employees, Italy) supported the rapporteur **Claude Cambus** for his 'very clear, factual report that was useful for making decisions on a tough subject'. On the other, **Angela Pfister** (Group II, Employers, Austria), emphasising the need for 'a balanced attitude towards this subject', felt that the text left out important details on the security and risk elements associated with nuclear power.

This view was strongly underlined by **Lutz Ribbe** (Group III, Various Interests, Germany) supported by **Bernt Voss** (Group III, Various Interests, Germany). He emphasised that while there was agreement with much of the analysis contained within the opinion, there remained some worrying omissions. Far more detail was needed in the text on safeguards for nuclear facilities against the threat of terrorism, and he took issue with the rapporteur's economic arguments about the profitability of nuclear power.

The Committee comes to a decision: for the moment, Europe needs nuclear energy

The opinion's rapporteur, Claude Cambus (Group II, Employees, France), constantly argued that accepting nuclear power represented the only realistic way forward to satisfy Europe's energy needs, a stance echoed by Commissioner Loyola de Palacio. Speaking to the plenary session she said: 'I'm firmly in favour of renewable energy but at present it cannot replace the percentage of Europe's energy needs currently satisfied by nuclear power'. It was also important she stressed to ensure Europe's security of supply through nuclear power given that the EU was very dependent on gas and oil, two sources of energy from outside the EU. If we were to unplug our nuclear power stations tomorrow we would have to accept a radical change in our way of life, she added.

Acceptance of nuclear power today did not, however, mean that the development of alternative sources of energy for tomorrow should not be encouraged. 'Nuclear power was not a panacea' she stressed, also indicating that more transparency within the sector was needed to bolster public confidence in nuclear power.

Other opinions adopted

Budgetary policy and type of investment (own-initiative)

Rapporteur: Mrs Suzanna Florio
(Group II, Employees, Italy)

European-interest investment to aid the Lisbon objectives should be excluded from the calculation of public deficit

The Committee reaffirms that the EU's Stability and Growth Pact must be maintained by policies designed not just to control inflation, make adjustments and to limit public debt, but also to provide greater stimulus to internal demand and encourage the public and private investment needed to revive the economy in the context of the objectives laid down by the Lisbon Strategy. Employment policies should be one of the basic assessment criteria for economic growth.

The Committee also suggests that it would be advisable to review the definition of the 'exceptional circumstances' in which countries can exceed the Pact's 3 % threshold, thus providing a breathing space for economies that are experiencing difficulties or negative annual growth.

A rethink of the way the Pact is run would require flexible, expansionist budgetary policies that include a common growth and cohesion strategy and remove strategic investment and investment for growth from the budget deficit books, leaving it to the Council, with the agreement of the European Commission, to decide what is meant by 'strategic investment' in the European interest, as set out in the Delors White Paper and the Lisbon objectives.

Employment support measures (own-initiative)

Rapporteur: Mrs Renate Hornung-Draus
(Group I, Employers, Germany)

The EESC considers the following measures to be particularly important with a view to strengthening the EU's international competitiveness and creating more jobs:

- promotion of an entrepreneurial culture and reduction of excessive administrative and regulatory obstacles to company 'start-ups' and entrepreneurial activity;
- strengthening of research and innovation by stepping up investments in these fields whilst at the same time promoting a climate that is favourable to innovation;
- greater flexibility for workers and employers, without losing sight of the need for a balance between flexibility and job security;
- setting of taxes and social security contributions in such a way that they do not act as a break on recruitment, as long as this does not jeopardise the financial basis of social security systems;
- increasing the participation rate of women by creating favourable conditions for combining family and career life;
- creation of incentives for workers to retire later and for employers to take on and retain older workers;
- promotion of lifelong learning and raising the general level of education;
- strengthening the role of national parliaments and the social partners in the process of drawing up national action plans.

Researchers in the European research area: one profession, multiple careers

Europe and fundamental research

Rapporteur: Mr Gerd Wolf
(Group III, Various interests, Germany)

Creating the conditions for real mobility for researchers across the European Union; increase funding levels for research to 3 % of GDP (two thirds of which should come from the private sector)

The Committee is in broad agreement with the Commission's communication on the problems facing career researchers in the EU. The Committee agrees that improvements are needed both in relation to researchers' contracts and to the adaptation/portability of all aspects of social security and retirement provision which are essential for all types of mobility. But the Committee also appeals to the European institutions, Member States and European industry to honour their repeatedly stated commitment to increase investment in research and technological development to 3 % of GDP (two thirds of which from the private sector) to ensure greater confidence among researchers, to counter the brain drain of researchers from Europe and to assist in reaching the Lisbon objectives.

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Lalko Dulevski, President of the Bulgarian ESC, visits the EESC



The President of the Bulgarian ESC, Lalko Dulevski, and the Vice-President, Konstantin Trenchev, visited the EESC on 25 and 26 February, during the EESC plenary session, to meet President Roger Briesch. Visiting the EESC to promote the EU's knowledge of the Bulgarian ESC, Mr Dulevski demonstrated his will to develop relations with the European Economic and Social Committee.

During these meetings, President Briesch was invited by Mr Dulevski to visit Sofia, to attend a day devoted to the Bulgarian ESC to a meeting with civil society. **Mr Briesch will make this visit in June 2004.**

Meeting between the Chinese ESC and the EESC on industrial change

In connection with the cooperation between the Chinese ESC and the EESC aimed at strengthening the dialogue between civil societies of the European Union and China, a delegation from the Chinese ESC visited Europe from 24 March to 2 April. Discussions were held with the EESC on optimising the structure of industry and the placement of workers who have lost their jobs.

Drawing on its expertise in the field of industrial change (particularly from its Consultative Commission on Industrial Change), the Committee prepared a programme which, in addition to bilateral meetings, scheduled meetings with other European institutions and a series of contacts and visits in Belgium, France, Luxembourg and Germany.

Loyola de Palacio argues for greater cooperation between the Commission and the EESC



Ms de Palacio wants to increase European Commission referrals to the Committee

For greater cooperation between the EESC and the European Commission

Speaking to the EESC plenary assembly on the 2004 legislative programme and the 2005 annual policy strategy, Ms Loyola de Palacio, Vice-President of the Commission, proposed that the already active cooperation between the Commission and the Committee be further developed.

Ms de Palacio said that she wanted to **increase the number of referrals to the Committee in the early stages of Commission deliberations, and therefore the number of**

exploratory opinions requested of the Committee. In 2003, the Commission requested nine opinions of this type. **The Commission President, Mr Prodi, has this week already requested the EESC's opinion on competitiveness,** in connection with implementation of the Lisbon strategy. **Political strategy for 2005 and the future Commission: consistency and continuity**

Ms de Palacio said that the strategy was intended for the new Commission, as coherence and continuity needed to be ensured. She had **three priorities:**

- **competitiveness and cohesion:** an ongoing search for greater competitiveness for the European model;
- **European security and citizenship:** efforts in this area need to be stepped up, as, with enlargement, the population of the EU will increase, as will the mobility of EU citizens and the need to guarantee security;
- **the Union's external responsibilities:** association and relations with neighbours; new associates, new neighbours; stable and all-embracing cooperation needs to be established with our new neighbours in the south and east; the process of stabilising and associating with the western Balkans is a key priority.

Commissioner Patten underlines the importance of the role played by the EESC in the EU's external relations



Reinforcing the role of organised civil society in the EU's external relations: Commissioner Patten at the EESC with President Briesch

The EESC's actions in the context of the Euromed partnership and the Barcelona process; South America, where the Committee will organise the third meeting of the European Union-Latin American-Caribbean civil society organisations; Asia, where the Committee is contributing to the bilateral relations between the EU and India through the meetings of the India-EU Round Table; the United Nations, where the Committee hopes to complement and support the position of the EU by expressing the views of European civil society at the level of the Economic and Social Council (Ecosoc) of the United Nations (UN): Chris Patten once again underlined the important and valuable external relations role which the Committee plays, at a meeting with **President Briesch on 26 February** at the EESC. Accompanied by **Ann Davison** (Group III, Various Interests, United Kingdom), the president of the EESC's External Relations Section, Roger Briesch stated that 'The meeting with Commissioner Patten provided the opportunity to consolidate the excellent working relations of the European Economic and Social Committee with the European Commission and to reinforce the role of European civil society in the EU's external relations'. At the conclusion of the meeting, Commissioner Patten once again underlined the importance he attaches to civil dialogue and the role of the EESC as an important facet of the EU's overall external relations policy.

FUTURE EVENTS

15 and 16 April, Seville

Public hearing by the EESC on tourism policy and public-private cooperation

The Committee will hold its next plenary session on 28 and 29 April.

29 and 30 April, Abidjan, Ivory Coast

Workshop of the International Association of Economic and Social Councils and Similar Institutions (Aicesis) with a view

to the next General Assembly of the Ecosoc of the United Nations.

The EESC's Communication Group met on Thursday 18 March. Other dates scheduled for 2004 are: 24 June; 2 September; 21 October; 2 December.

Due to a lack of space, the second article on the move and the other EESC buildings will appear in a later edition

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Amendment of horizontal Regulation No 1782/2003 (reform of tobacco, cotton, hops and olive oil sectors)

Rapporteur: Mr Fernando Moraleda Quilez (Group III, Various interests, Spain)

The proposed decoupling of aid (in cotton, olive oil and table olives, tobacco and hops sectors) would give rise to a series of problems: notably it would jeopardise the continuation of production in certain areas and regions that suffer from high levels of unemployment.

Tobacco:

The proposed reform fails to guarantee tobacco production as well as to take account of producers in less-favoured areas. If the Community were to stop producing tobacco, only 20 % of tobacco in Europe would disappear and would be rapidly replaced by imports from third countries, many of which cut costs through social dumping.

There is no economically viable agricultural alternative to tobacco that could create the same number of jobs and therefore keep people in rural areas as tobacco currently does. The Commission's proposal hides a large dose of confusion as tobacco consumption (which is a major source of tax revenue for the Member States — to the tune of EUR 63 000 million) cannot and must not be tackled by plunging European producers into crisis, most of whom live in less-favoured rural areas and receive only EUR 955 million of the Community budget.

Olive oil:

The EESC was very pleased that, at the Luxembourg Council last June, the Commission proposed a partial decoupling of aid, with the uncoupled percentage of aid being decided by each Member State. The Committee is surprised to note that this criterion has not been adopted in the present draft regulation and insists that, for the sector in question too, the Member States be given the possibility of deciding the percentage of aid coupled to production and the marketing year in which the single payment is to be applied. The EESC reiterates the need for a total ban within the EU on blends of olive oil with other vegetable oils. In order to protect and promote quality, the EESC further stresses that the origin of olive oil must be determined by the place of origin of the olives used.

Cotton:

Community cotton cannot be competitive on international markets because production costs are much higher than those of other competitor countries. Therefore, if exposed to free competition, it cannot survive and will disappear. Other developed producer countries (particularly the USA) subsidise their own cotton to a much greater degree than the EU. The EESC feels that, in a sector such as this, the principles of complete trade deregulation and of decoupling aid from production are not to be recommended.

Repercussions of the free trade area of the America's agreement on EU relations with Latin America and the Caribbean/Social cohesion in Latin America and the Caribbean (LAC) (exploratory opinion)

Rapporteur: Mr Mario Soares (Group II, Employees, Portugal)

Rapporteur Mr Jose Maria Zufiaur (Group II, Employees, Spain)

More needs to be done to tackle inequality and social exclusion

One key area that continues to concern the European Union is the observation that the benefits of democratisation and economic development achieved during the 1990s, have failed to reach large sectors of the population, who continue to suffer from inequality and exclusion. This, the Committee believes, is a barrier to further economic development of the continent and is a potential source of future instability across the region. In preparation for the forthcoming meeting of EU and Latin American Heads of State or Government, that is due to take place in Guadalajara (Mexico) in May, the Committee gives full backing to the idea of achieving a number of targets relating to social, tax, economic development and social expenditure policy amongst others.