

Opinion of the European Economic and Social Committee on the ‘Proposal for a directive of the European Parliament and of the Council amending the Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators, as regards the implementing powers conferred on the Commission’

COM(2007) 93 final — 2007/0036 (COD)

(2007/C 175/15)

On 19 April 2007 the Council of the European Union decided to consult the European Economic and Social Committee, under Article 175, paragraph 1 of the Treaty establishing the European Community, on the abovementioned proposal.

Since the Committee has already set out its views on the contents of the proposal in question in its opinion, adopted on 28 April 2004 ⁽¹⁾, it decided, at its 436th plenary session of 30 and 31 May 2007 (meeting of 30 May), by 159 votes with 11 abstentions, not to draw up a new opinion on the subject, but to refer to the position it had taken in the above-mentioned document.

Brussels, 30 May 2007.

The President
of the European Economic and Social Committee
Dimitris DIMITRIADIS

⁽¹⁾ 2003/0282 COD, OJ C 117 of 30.4.2004.

Opinion of the European Economic and Social Committee on ‘The Challenges and Opportunities for the EU in the Context of Globalisation’

(2007/C 175/16)

On 26 September 2006, in connection with the activities of the German Presidency of the European Union, H.E. Michael Glos, German Federal Minister for the Economy and Technology, requested by letter an opinion of the European Economic and Social Committee on: *The challenges and opportunities for the EU in the context of globalisation*.

The Section for External Relations, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 4 May 2007. The rapporteur was Mr Henri Malosse and the co-rapporteur was Mr Staffan Nilsson.

At its 436th plenary session, held on 30 and 31 May 2007 (meeting of 31 May 2007), the European Economic and Social Committee adopted the following opinion unanimously

1. Summary

Advocating a common strategy to contend with globalisation

The EU may be regarded as a test-bed for a globalised world. It has been established in a democratic way, has no desire to achieve hegemony and shows respect for diversity of opinion and cultural diversity, whilst seeking to bring about economic and social cohesion and to open up markets. Even if the new world order cannot be cast in its image, the European Union must uphold its values and principles, whilst seeking to bring about a system of global governance based on the main achievements of the European venture. If it is to be credible, the EU needs to reflect its values and set out its integration model without any display of arrogance or desire to achieve hegemony.

If the Union fails to have a vision or a common strategy for addressing the challenges and opportunities of globalisation, the peoples of Europe may feel themselves abandoned and wonder about the usefulness of the European Union.

1.1 *Establishing a ‘planetary state governed by the rule of law’*

The initial response of the European Union must be to contribute more forcefully to the establishment of a ‘state governed by the rule of law’ which takes account of realities, without engaging in otherworldliness; the EU should, however, also not be sparing in its efforts to promote, by all means, a humanist globalisation based on the following criteria: multilateralism

rather than a power struggle; the fundamental rights of individuals, in particular employment rights and working conditions; a responsible management of our natural heritage; greater transparency on the financial markets; a high level of health and food safety for all population groups, in particular the most vulnerable; cultural and linguistic diversity and the sharing and dissemination of knowledge amongst everyone.

1.2 *Setting an example for others to follow*

Secondly, the EU can and must promote regional integration. It is clear that, apart from a few rare exceptions, most of the countries in the world are engaged in various processes of rapprochement, ranging from simple cooperation with regard to a specific issue to genuine processes of integration comparable to that being pursued by the EU. Globalisation would undoubtedly be easier to regulate if the EU were to manage to persuade more countries to follow its example and if a larger number of coherent regional groupings, based, as is the case with the EU, on pluralism, respect for diversity and the pursuit of consensus, were to establish a dialogue rather than simply engage in a power struggle. Regional integration is also undoubtedly one of the keys to the future for the most vulnerable regions in the world, for which confined markets represent an insuperable handicap and which are at present unable to make their voice heard.

1.3 *Balanced and responsible opening-up of trade*

In the field of international trade relations, the EESC takes the view that bilateral approaches are beneficial only insofar as they are complementary to the multilateralism pursued by the WTO. The EESC calls for progress to be made with regard to access to markets, reciprocity, and measures to combat obstacles to trade and illegal practices. The EESC proposes that a dialogue be opened on other aspects of global governance which have an impact on trade (such as labour and environmental standards). The EU must also contribute towards promoting an inclusive strategy so as to ensure that all developing countries, particularly those in Africa, benefit from the process of globalisation.

At EU level, the EESC takes the view that there is a need to make a careful assessment of the impact of any new trade concession, to make better use of trade defence instruments, in particular to defend the interests of EU manufacturers, and to promote joint actions in markets outside the EU. The EESC considers that the European Globalisation Adjustment Fund should be used as a strategic tool to assist people and regions affected by globalisation and should be replenished by national funding.

1.4 *Stepping up progress towards integration whilst preserving cultural diversity*

The more Europe becomes a coherent, integrated entity, the more convincing it will be and the more power it will have to sway the argument in favour of bringing about a multipolar, responsible system of global governance. Globalisation may now be a source of opportunity for the process of European integration as it forces us to step up the pace of integration. A race is now under way. The keys to achieving success could lie with innovation, universal dissemination of knowledge and democratisation. A number of steps are already long overdue,

namely fully achieving the internal market, dismantling barriers separating networks of education and research and establishing new common policies, in particular in the fields of energy, the environment and research.

1.5 *Organised civil society should promote the achievement of globalisation 'with a human face'*

The EU itself should seek to achieve greater popular involvement, whilst at the same time supporting the dialogue between civilisations at global level. Having recourse to organised civil society, its organisations and institutions, such as the EESC, represents a course of action which has so far not been adequately explored. This approach takes on particular significance in the context of globalisation since, apart from just the states themselves, it is clear that the following players are also involved in international relations: the media, the social partners, enterprises, the scientific and cultural community, associations and all other civil society players.

2. **Meeting the challenges posed by globalisation by adopting an approach which is also global**

2.1 The development of the European venture has, from the outset, been based on a process of opening-up. By gradually doing away with its internal frontiers, the EU has been able to: establish a large internal market; modernise its economy; develop its infrastructure; and become one of the leading players in international trade.

2.2 The process of European integration represents much more than the creation of an internal market. The European Union has set out common rules, introduced its own legal order and due process of law, established a Charter of Fundamental Rights and introduced common policies. Special mention should be made of the policy of economic and social cohesion, which represents a channel for the application of the principle of solidarity between states and regions; this policy is designed to help reduce the discrepancies in levels of development which have increased following the recent enlargements of the EU.

2.3 Today, the challenge of globalisation is posed in a very different context and against a background of very differing conditions, characterised, inter alia, by: a form of global governance which is still in its infancy; temptations to pursue a hegemonic agenda; and growing tensions between developed countries and emerging economies. These global balances constitute a genuinely new order for the European Union.

2.4 The European venture was originally by no means a 'eurocentric' project. The instigators of the initial treaties already imagined that the European Communities could embrace all the peoples of Europe, once they had been liberated from dictatorships, and could also provide a model for a new world order based on: states governed by the rule of law; openness; and trust.

2.5 Globalisation demonstrates a number of similarities with the positive effects already experienced by the EU Member States in the wake of the reciprocal opening of their markets, such as the exploitation of comparative advantages and economies of scale and the opportunity to take advantage of new development dynamics and new markets.

2.6 Globalisation does, however, also give rise to many new challenges which call for responses and adjustments which are frequently highly complex, involving, inter alia: many difficulties and asymmetric conditions with regard to market access; the brain drain and the preservation of multilingualism and cultural diversity; migrations; extremely diverse working and production conditions; a hitherto unknown degree of internationalisation of capital and financial markets; established social rights in the developed countries becoming increasingly at risk as a result of exposure to global competition; and, finally, major challenges in terms of environmental protection, health and security.

2.7 Globalisation does not produce the same effects everywhere. Whilst it promotes economic and social development in certain parts of the world, it undermines this development in other areas, namely developed regions facing stronger competition and countries suffering from underdevelopment, which are the casualties of this process.

2.8 If it is to meet these challenges, the EU has to demonstrate that knows how to benefit from globalisation, rather than simply being carried along by it. The EU needs to take all the opportunities which arise but also to identify how globalisation is affecting regions, sectors and categories of the population in order to enable it to pinpoint, together with the Member States, the social partners and other civil society players concerned, concrete measures which will make it possible successfully to carry out the necessary adjustments.

2.9 The approach pursued in response to the challenges of globalisation cannot be purely economic. Political, social, environmental and also cultural issues are all closely involved. The EU response to the challenges of globalisation must therefore also cover all these fields otherwise there is a danger that it will lack the requisite strength of conviction and persuasion.

2.10 The approach, based on regional integration, which characterises the European Union enables it to speak on behalf of its Member States at meetings of the WTO. Other examples of regional integration are to be found in the world, but they have not reached a degree of integration equivalent to that of the EU. Thus, with the exception of CARICOM, which brings together Caribbean states, these regional entities do not speak with one voice at the WTO. A better structured and more effective form of global governance would, however, have much to gain from such a development.

2.11 Within the EU, the way in which globalisation is perceived differs according to the various categories of the population and the individual Member States. This diversity may be seen as a source of enrichment but, in view of the fact that the pace of development and the extent of the challenges of globalisation are increasing, there is now a need to adopt a common strategy, and to put forward concrete proposals.

3. Helping to draw up more effective global rules to promote the achievement of 'globalisation with a human face'

3.1 The values which underlie the European project (including diversity, collegiality, states governed by the rule of law, subsidiarity and the achievement of a balance between economic and social aspects and sustainable development) are today not sufficiently in evidence on the international stage.

3.2 The full range of phenomena involved in globalisation cannot be covered solely by relations at infra-state level. These phenomena include: migratory flows; movements of financial resources; pollution and damage to the climate; and channels of information, in particular the Internet. In addition to states, the following players are also involved, in one way or another, in the process of globalisation: multinational enterprises, the financial markets, the media, the scientific community, organised civil society and its institutions, the social partners, NGOs and many other players besides.

3.3 It is therefore vital that the EU continues to play a more decisive role in promoting global governance, involving:

- the relaunch of the Doha process at the WTO with a view to bringing about a greater opening-up of trade; this process should, however, be backed up by regulations to ensure more balanced and fairer trade;
- the development and efficient implementation of other world-wide regulations, such as the ILO conventions (dealing with labour law), UNESCO conventions dealing with cultural issues (diversity), the Kyoto Protocol on the environment, International Atomic Energy Agency (IAEA) decisions relating to energy matters, WIPO (World Intellectual Property Organisation) conventions dealing with intellectual property, WHO provisions dealing with health, UNIDO for industrial cooperation, and other regulations;
- coordination between the various instruments of global governance, under the auspices of the UN, with a view to establishing 'guidelines for creating a state governed by the rule of law', involving regulation and jurisdiction mechanisms based on respect for pluralism.

3.4 With these aims in view, the following action needs to be taken, in particular, in the context of international trade rules:

- finalising the WTO Trade Facilitation Agreement, with a view to establishing standards in respect of: customs rules and procedures, the simplification and lightening of procedures — in particular the introduction of a 'Single Window' system — the promotion of effective, transparent rules and the use of IT tools;
- stepping up the adoption, implementation and observance of public health and crop protection measures and SPS (sanitary and phytosanitary) agreements of the WTO (covering the safety of food products, animal health and plant preservation), together with measures in respect of the protection and welfare of animals;

- organising a more effective campaign to combat the pirating of products and counterfeiting, which cause a considerable and growing amount of harm to European products, by taking a number of measures, in particular the drawing-up of a genuine strategy for properly protecting intellectual property rights by having recourse to the TRIPS Agreement;
- linking progress in trade negotiations to respect for social, ethical and environmental standards;
- helping to develop the capacities of the emerging economies (in particular China and India) and the developing countries in the abovementioned fields.

3.5 Other regulations

3.5.1 Even if significant progress were to be made in respect of all these trade issues, such progress would, in itself, not be sufficient to provide the requisite conditions for genuine 'sustainable development', a goal which was, however, expressly recognised by the WHO in the agenda set out at Doha. If we are to make progress towards achieving such an objective, other regulations will be required and the European Union can also act as a driving force in bringing about the introduction of these regulations. These regulations concern primarily the following issues: the environment, security, fundamental rights, working conditions and cultural diversity.

3.5.2 Environmental protection is a fundamental requirement in view of the growing threats with which we have to contend (the need to protect the living environment and species and to combat the 'greenhouse effect' and pollution, etc.). This challenge which, by definition, knows no frontiers, is inextricably linked to the very concept of globalisation. It should become an integral part of the trade negotiations and be taken into account as a cross-disciplinary theme in the various negotiations. The European Union should give top priority to this requirement by:

- taking the initiative with a view to renewing the Kyoto Agreements on reducing emissions of greenhouse gases, with the aim of involving every country on the planet in these agreements in order to limit global warming (the report drawn up by the international Intergovernmental Panel on Climate Change (IPCC) endorsed the goal set out by the EU).
- developing — also jointly — research efforts and the drive to master environmental technologies which would, against the background of new global requirements, make available leading edge expertise in the fields of processes, products and services, involving a large variety of different areas (e.g. agriculture and rural communities, water and energy, industry and recycling, accommodation and spatial planning, etc.).

3.5.3 Security requirements have also taken on an increased and manifold importance. Reference may thus be made, by way of example, to: health protection against, inter alia, pandemics; measures to combat crime; nuclear monitoring; the protection of exchanges of IT data; and product safety, especially the quality of food. Globalisation must not, under any circumstances, be assimilated with additional insecurity. Effective rules therefore need to be devised for ensuring improved security in

respect of the development of trade, the fundamental tasks which states have to carry out and in respect of living conditions. Progress in these spheres must go hand-in-hand with improvements in practices relating to governance and measures to combat corruption and threats of all kinds.

3.5.4 The social dimension of globalisation and, in particular, the requisite labour-law standards, based on ILO Conventions⁽¹⁾, have to be effectively implemented throughout the world. By invoking the concepts of 'decent work' and also trade which is 'fair and just', the EU, working in partnership with the ILO, can establish a body of underlying values and examples of good practice. The issue of the effective application of ILO Conventions, which could go so far as to cover the establishment of jurisdiction, needs to be raised.

3.5.5 Many highly encouraging social initiatives have been launched in developing countries by non-governmental actors, enterprises and the social partners. Reference may be made in this context to the policies developed by many European enterprises on the basis of guideline principles agreed within the framework of the OECD and ILO labour standards. Special mention should also be made of initiatives carried out by non-governmental players in the following fields: employment; training; health; and living and working conditions, including initiatives launched in connection with a regional social dialogue extending beyond national frontiers. The support provided by the EU to such initiatives should be stepped up, starting with initiatives in the ACP states. Aid provided by the EU should also be made more dependent upon the establishment of such programmes involving active participation by civil society players, including, and in particular, programmes at regional level.

3.5.6 In the face of the growing internationalisation of the financial markets, the Member States of the EU must be able to act as one with a view to making the IMF a genuine stabilisation instrument. The euro-area states should decide to unify their participation in the work of the IMF as this would give added weight to the EU. At the same time, and following the example set by the OECD Conventions, the EU should promote global governance with respect to measures to combat money-laundering and fraud.

3.5.7 With a view to the establishment of a system of global governance which serves the interests of the people, the questions of education and the sharing of knowledge are matters of fundamental importance. There is a need to develop UNESCO projects and to support networks for sharing expertise and knowledge amongst the greatest possible number of beneficiaries whilst paying due regard to the need to respect pluralism and whilst acting within the framework of an intercultural dialogue. The EU approach to bringing about better global governance should therefore take account of the issues of cultural diversity and multilingualism, which, whilst being key aspects for the EU, are nonetheless now under threat.

⁽¹⁾ ILO Conventions: Convention No 87 on freedom of association and protection of the right to organise; Convention No 98 on the right to organise and to bargain collectively; Convention No 29 on forced labour; Convention No 105 on the abolition of forced labour; Convention No 138 on the minimum age for admission to employment; Convention No 182 on the worst forms of child labour; Convention No 100 on equal remuneration for men and women workers; and Convention No 111 on discrimination (employment and occupation).

3.5.8 Turning to the issue of fundamental rights, the EU should take concerted action with a view to making the provisions of the UN Declaration of Human Rights more effective and extending the role of the International Criminal Tribunal, whilst showing due respect for cultural diversity.

3.6 *The originality of the contribution made by the EU*

3.6.1 With a view to strengthening global governance, the EU could also tap into its experience in the following fields which could serve as keys for bring about the broadest possible acceptance of global governance:

- subsidiarity, the principle which makes it possible to attribute responsibility at the appropriate level, thereby providing the Member States, regions and also civil society players with real room for manoeuvre;
- the practice of managing a complex Union, which involves the application of procedures at differentiated speeds and calls for respect for cultural diversity;
- the consultation of economic and social players in respect of the decision-making process and their participation in this process.

3.6.2 As it is already doing in its dealings with the ACP states, the EU should therefore give priority — wherever possible — to the adoption of a regional approach in its political, economic and trading relations with its partners. The development of mutual contacts in this way between the EU and other regional entities, reflecting a spirit of emulation and mutual rapprochement, would benefit all the parties concerned, whilst at the same time backing up and strengthening, in an undoubtedly decisive way, the multilateral framework of the WTO.

4. **Developing a common strategy for the EU in respect of international trade**

4.1 *Multilateralism or bilateralism?*

A line of approach is set out in the European Commission's communication of 4 October 2006 entitled *Global Europe competing in the world*.

4.1.1 The difficulties encountered by the WTO in making progress with the Doha Agenda and the very limits of this Agenda should encourage the EU to undertake new initiatives. The European Economic and Social Committee therefore welcomes the fact that, in its Communication of October 2006, the European Commission recommends that a new commercial strategy be taken up, based on both bilateral and multilateral approaches.

4.1.2 The multilateral approach to tackling problems linked to globalisation is the most desirable approach as it offers the best guarantees for achieving well-balanced and sustainable results. The EESC therefore joins the Commission in reaffirming its support for the intrinsic merits of multilateralism and the WTO. The goal is still to successfully conclude the work on the Doha Agenda as part of an overall framework, committing all the participatory states to observe common rules.

4.1.3 The EESC draws attention to the need to take effective back-up action in respect of the proposals put forward by the

Commission. In the face of the ongoing difficulties encountered in the negotiations in the framework of the WTO, the Commission takes the view that the EU should now explore more actively other complementary approaches, including bilateral approaches. One option would be to step up discussions with those emerging economies which are experiencing a high rate of growth (China, India, ASEAN, Mercosur and the Gulf States), whilst also, however, strengthening our strategic links with neighbouring economies (Russia, Ukraine, Moldova and Mediterranean states) and successfully modernising our relations with the ACP states (Africa, Caribbean, Pacific) by means of the regional economic partnership agreements currently being negotiated.

4.1.4 The EESC is sceptical with regard to these initiatives and points out that a redeployment, based on bilateral approaches, of the international strategy of the EU cannot take the place of the multilateral approach, which must remain the fundamental objective since such an approach is in line with European values.

4.1.5 There is a need to ensure not only that the approaches which are pursued are compatible with WTO commitments — a requirement which is rightly highlighted by the Commission — but also to ensure that these approaches:

- do not thwart opportunities to make progress in multilateral negotiations;
- rather serve, ultimately, to facilitate the latter negotiations as a result of the more in-depth discussions and the closer alignment of positions brought about by bilateral approaches.

4.1.6 Any bilateral approach adopted by the EU should therefore be confined to providing support for the multilateral approach, with the aim of either:

- preparing the ground for multilateral negotiations by, inter alia, highlighting the most important issues for the EU (the unresolved DOHA issues, commercial practices, measures to combat counterfeiting, public contracts, etc.), or
- making progress, via bilateral discussions, in respect of the other areas of global governance: political, social and environmental issues, cultural policy and energy.

4.1.7 Many clarifications and adjustments are still required in respect of, in particular: (a) the implementing procedures relating to the criteria to be applied and (b) the policies to be followed vis-à-vis a number of countries, in particular, such as China, Korea, India and also Russia.

4.2 *Enhancing relations with neighbouring states and special relations*

4.2.1 Special attention should be paid to neighbouring countries of the EU (in particular Russia, Ukraine, Belarus, Moldavia and the Mediterranean states) by establishing special partnerships as part of a coherent neighbourhood strategy and a strategy for promoting communities based on shared interests.

4.2.2 Within the framework of the transatlantic dialogue, the EU and the USA should step up their efforts to bring their respective visions of globalisation closer to each other and to provide a framework of stability for cooperation and trade between the EU and the USA.

4.2.3 The EU will also have to continue to promote, by means of its bilateral contacts, the development of regional integration in other continents (cf. the ACP states, Mercosur, ASEAN, etc.); such integration would make it possible to improve the structure and balance of global trade and to facilitate progress in the discussions at the WTO. Quite apart from the actual originality of this venture, the experience gained with integration in the EU should continue to inspire and provide support for other examples of regional rapprochement, which constitute an essential feature of any sustainable and structured globalisation. This approach is particularly valid as far as developing countries are concerned (e.g. the ACP countries). The negotiation of partnership agreements must go hand in hand with measures to promote regional integration processes which are undoubtedly one of the major means of ensuring that these countries do not get left behind by globalisation. The positive example of CARICOM is particularly significant in this light and gives cause for hope. The EU must support administrative capacities for regional integration and contacts among civil society stakeholders.

4.2.4 We can also endeavour to learn from examples of both good and bad practice drawn from other countries or regional groupings. The EU should continue to promote and give favourable treatment to regional groupings which, despite the fact that they are developing at a different pace and pursue different goals, nonetheless are following a similar path to that pursued by the EU; such regional groupings include Mercosur and ASEAN.

4.2.5 The role and the work of civil society actors in promoting such a bilateral approach must not be underestimated. We must acknowledge more and give due recognition to the full strategic importance of the EESC's participation in the civil society dialogue set up by the Commission as part of the follow-up to the negotiations within the WTO framework and to the work carried out by the EESC through the intermediary of the various structures which it has set up.

4.3 *A more responsible liberalisation of trade*

4.3.1 There is also a need to ensure that impact assessments of the advantages, limitations and concessions involved in any agreement, take due account of the economic and social consequences, particularly from a sectoral standpoint (including the impact on agriculture and industries which are highly labour-intensive). These assessments, carried out at the initiative of the European Commission in respect of all new negotiations, should involve local experts and representatives of civil society to a greater extent. There is also a need to define in greater detail the risk-management strategy addressed by the Commission in its Communication.

4.3.2 The EESC has expressed its support for the European Globalisation Adjustment Fund (EGF). It takes the view that the EGF should be used as a strategic tool to assist people and regions affected by globalisation. Even though the role of the EGF is complementary to that of national sources of funding, it is essential that its role should be visible and that it should have the requisite financial critical mass. As is the case with the European Social Fund, the EGF should, in the EESC's view, be managed by a tripartite committee, with the participation of the social partners.

4.3.3 Particular attention needs to be paid to the agricultural sector in this context. In addition to actual agricultural production, account also needs to be taken of agri-industrial products, which account for 14 % of EU added value and provide four million jobs. The CAP underwent a radical reform as of 2003, involving major sacrifices for the professions concerned, in order to make it possible to reach an agreement at the WTO. A future WTO agreement will therefore have to secure reciprocal access to markets and an equivalent significant reduction in the subsidies paid to US producers.

4.4 *Joint action in respect of external markets*

4.4.1 The EU Member States should take on board, to a greater degree, the goals of a genuine common strategy with regard to access to global markets and the means of achieving these goals: with this aim in view, steps should be taken, inter alia, to remedy three shortcomings:

4.4.2 Firstly, export credit insurance schemes continue to be organised mainly on a national level, despite the political, economic, financial and — following the introduction of the euro — monetary integration in the EU. The EU should support these national arrangements with a view to coordinating them and harmonising them in respect of all European enterprises, in particular, SMEs.

4.4.3 Secondly, the EU's main trading partners are visited, in turn, by trade missions which are essentially of a national nature and are competing with each other. The aim is not to question such bilateral approaches, which are often based on historic ties, but rather to complement them — when this can be justified on economic grounds — and strengthen them by introducing European-level sectoral promotion missions which reinforce our common identity.

4.4.4 Thirdly, the trade defence instruments (in particular, anti-dumping instruments) must be more widely known and used more effectively through the allocation of increased resources.

5. **Stepping up integration so that globalisation provides an opportunity for the people of Europe**

The EU should address the challenges of globalisation by stepping up economic integration, solidarity and the ongoing search for improved productivity, which are core aspects of the Lisbon Strategy. Only if it becomes stronger, will the EU be in a position to bring a substantial influence to bear in the process of globalisation vis-à-vis the commercial powers which have a continental dimension. With this aim in view, a number of steps have to be taken.

5.1 *Enhancing the attractiveness of Europe as a site for investment*

5.1.1 The first step which needs to be taken is to enable the EU to be in a position to rely on an internal market which is adequately integrated, effective and competitive. There would be no point in wanting to secure from our global-level partners concessions which we would be scarcely ready to grant to other EU Member States. We continue to lag far behind what needs to be achieved in this area.

5.1.2 Many old obstacles remain unchanged and European enterprises have scarcely been provided with the means to enable them to feel 'European'. Services, which account for two thirds of GDP, continue to be organised to a large extent on the basis of segregated national markets. As regards public procurement in the Member States, whether it is a matter of supplies, services or any work relating to the defence sector, the most recent serious studies carried out in this field — which have not been reviewed for ten years — show that over 90 % of these public sector contracts continue to be awarded to national suppliers.

5.1.3 There is a need to take care to ensure that the established body of EU law (the *acquis communautaire*) is not threatened by sterile competition between the Member States involving dumping; subsidies; the policy of creating 'national champions'; and new barriers and obstacles. The development of a European industrial policy, covering also the defence sector, would make a considerable contribution towards strengthening the economic and technological standing of the EU in a globalised economy. It is also essential to bolster EU competition policy, to establish a transparent fiscal and social framework within the EU and to combat double taxation, the most blatant cases of distortion of competition and fraud involving intra-Community VAT.

5.1.4 The lack of infrastructure which is of a genuinely European dimension (in fields such as transport, energy, new technologies, technology parks and research centres) is now having a detrimental effect on Europe's ability to offer the best investment opportunities in what is still the world's leading market.

5.2 Expanding the skills and levels of training of Europeans with a view to creating an innovative society and providing access to knowledge for all

5.2.1 Europe is not rich in raw materials and it cannot compete with the rest of the world by resorting to policies involving social, environmental or fiscal dumping. It cannot either become the 'supermarket' of the world and let Asia take on the role of the 'workshop of the world'. Europe's future depends, above all, on its capacity to innovate, its capacity for enterprise and on the talents of its men and women. Long-term investment in lifelong education is the key to the achievement of harmonious development. There is therefore a need to promote not just training and education but also voluntary mobility in the EU, fostered by multilingualism and career plans — also in the civil service — having a European and international dimension.

5.2.2 Europe remains too fragmented. The EESC calls for the adoption of large scale projects involving: the real development of a plurilingualism in schools; a mobility programme for young people, including those still at school, in apprenticeships or already working; European universities; European pathways for lifelong education; a common framework for the recognition of all qualifications, etc.

5.2.3 Europe therefore deserves to be the beneficiary of a wide-ranging European initiative in the fields of education, training and the dissemination of knowledge. Special attention will have to be paid to people and areas which have been the

victims of industrial restructuring and relocations by providing training opportunities and creating new jobs.

5.3 *Equipping ourselves with effective means of meeting the challenges posed by globalisation*

5.3.1 The issues at stake as a result of globalisation make it necessary for the EU to enhance the competitiveness of both its products and its services. The economic interests of the EU are every bit as important as they are diverse. If it is to continue to be a leading player in global trade, the EU must, in particular, strengthen its position both in respect of 'top of the range' products and services — which make up half of its exports and satisfy one third of global demand in these categories — and as regards other types of products and services which satisfy popular aspirations.

5.3.2 The introduction of a European policy to provide support for entrepreneurship and innovation should, together with action in the field of education, training and the dissemination of knowledge, be a fundamental priority in future years, as part of a new European 'post-Lisbon' strategy. The EESC proposes that a roadmap be drawn up in these fields, bringing together the work carried out by both the Member States and the EU and funding provided by both public and private bodies.

5.3.3 Although there is no longer time to provide the EU with a better budget for the period 2007-2013, what we can do is to ensure that the best use is made of this budget, in particular by:

- providing proper funding for the priority trans-European networks, with the aid of public-private partnerships (PPPs);
- stepping up the capacity of the EU to provide loans and guarantees and developing more innovative financial engineering in respect of the Structural Funds, which are currently overly confined to simply providing grants.

5.3.4 The euro now constitutes a major asset for Europe since it has become not only the single currency of 13 EU Member States, but is also a major international reserve currency and medium of exchange. The euro now provides a growing number of countries in the world with a credible and useful alternative to the dollar. It facilitates the conclusion of commercial contracts involving EU enterprises and promotes the financial security of such contracts. It ensures the existence of a real sentiment of a united Europe, both within and outside the Community. The euro does, however, lack a central decision-making body with regard to economic policy and this shortcoming is, at present, curbing the anticipated benefits of the single currency.

5.3.5 It is the common policies which underlie the cohesion of the EU. Although coal and steel can now no longer be regarded as constituting the cornerstones of cohesion, the economic and social players are very strongly in favour of the assumption by the EU of increased responsibility in the area of energy policy (maintaining resources, security of supply, new investments in non-polluting energies, energy saving and efficiency) and environmental protection. These two areas require more action at European level, in particular genuine common policies.

5.3.6 The Union must adopt a more comprehensive and consistent migration policy through coordinated integration and reception policies that comply with the European Charter of Fundamental Rights and the Geneva Conventions on the Right of Asylum, at the same time working more effectively to combat criminal networks. The EU should also more actively encourage the creation of high-skilled jobs in developing countries through a policy of partnership and the promotion of regional integration which should make it possible to offer prospects for mobility, improvement and new trade.

5.4 *Providing globalisation with a human face*

5.4.1 The European Union can rally the people of Europe, once again, behind its European integration project by invoking the theme of the European response to the challenges of globalisation.

5.4.2 From a general standpoint, the EESC stresses the need to fully involve the social partners and the various players representing organised civil society in the new overall approach which it advocates as a means of tackling the challenges posed by globalisation. The Council and the European Commission must be required to display greater transparency, including over the matter of trade negotiations. The EESC and its civil society partners in non-EU countries would, in particular, like to be involved in both bilateral and multilateral initiatives.

5.4.3 Specifically, the EESC advocates involving the social partners and other civil society players in:

- European information campaigns and debates on the issues at stake as a result of globalisation; these campaigns and debates should be conducted with civil society organisations;
- regular briefings and consultations on the new international strategy envisaged by the European Commission and the Council, along the lines of the briefings and consultations organised by the EESC on the subject of the European Convention;
- impact analyses regarding the economic and social effects of new trade agreements; participation in the management of the European Globalisation Adjustment Fund (EGF);

- participation in the various policies which need to be pursued in order to strengthen the EU policies (single market, cooperation strategies, cohesion, euro, etc.);
- support for the development of an effective social dialogue with regard to the various aspects of the adjustments and reforms which need to be carried out at EU level, in the Member States and in the regions, including cross-frontier adjustments and reforms;
- the follow-up to bilateral negotiations with regional groupings such as the EPA agreements with the ACP countries, for which the EESC can provide its expertise and that of its civil society partners in non-EU countries.

5.4.4 The EESC calls for the establishment of a European-level organisation of tasks in respect of services of general interest; this would go beyond just cooperation, and involve integrating resources in respect of economic security, civil and environmental protection, customs surveillance at the EU's external frontiers; police forces and even in the defence sector, rather than allowing such a blueprint to be suffocated by a system of 'national fortresses', which flies in the face of the achievement of further progress in the European venture.

5.4.5 The EESC also supports the adoption of a more participatory approach to the single market by encouraging initiatives by the voluntary sector, the social dialogue, corporate social responsibility and socio-occupational self-regulation and co-regulation (in respect of, in particular, services, commerce, financial markets, the environment, energy, social aspects and consumer rights).

5.4.6 Organised civil society players do, themselves, have a direct, autonomous role to play in developing links with their counterparts in the countries and regional groupings which are trading partners of the European Union.

5.4.7 The achievement of both globalisation with a human dimension and European integration are matters which involve the people and organised civil society. If they are better informed and consulted and systematically involved, the peoples of Europe will take on board a strategy which they have shaped and which they can make their own.

Brussels, 31 May 2007.

The President
of the European Economic and Social Committee
Dimitris DIMITRIADIS
