Opinion of the European Economic and Social Committee on ‘Regional integration and sustainable development’

(2004/C 241/12)

On 21 January 2003 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on ‘Regional integration and sustainable development’.

The Section for External Relations, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 9 March 2004. The rapporteur was Mr Dimitriadis.

At its 409th plenary session (meeting of 2 June 2004), the European Economic and Social Committee adopted the following opinion with 179 votes in favour, 2 against and 5 abstentions.

1. Introduction — Key issues

1.1 This opinion is intended as a contribution towards identifying the basic elements of a working framework through which European regional development policies, as framed through intergovernmental and regional agreements and development programmes, can incorporate the concept of sustainable development. On this basis, the added value of the opinion lies in the proposals it puts forward for making the incorporation of the concept of sustainable development in regional integration measures a key point on the agenda of working discussions between the EESC delegations and the representatives of developing countries and the Euro-Mediterranean Partnership countries. The opinion also aims to serve as a warning to the developing and least developed countries (LDCs) not to repeat the mistakes made by European countries during the long process of economic development they have ahead of them. Such mistakes have weighed heavily on Europe’s efforts to walk the path of sustainability.

1.2 This opinion concerns the EU’s external relations with the developing countries and LDCs and with the Euro-Med countries with which it has special ties.

1.3 This opinion adopts the definition of sustainable development given in previous EESC opinions (1), which in turn is based on the Brundtland report and the Gothenburg summit. Particularly important is the breakdown of the definition of sustainable development into three pillars, namely economic development, environmental compatibility and social justice.

1.4 None of these three pillars can fully convey the sense and importance of sustainable development on its own, but together they provide a satisfactory basis for identifying the operational features of sustainable development. These features are necessary for transforming sustainable development from a general theoretical concept into a practical tool.

1.5 It is of course essential to identify the functional features of sustainable development for all policies in which it is supposed to be a basic component. In particular, there must be recognition of the need to identify functional characteristics in efforts to make sustainable development an inherent and integral element of regional integration. This is because regional integration is mainly realised through specific intergovernmental agreements and programmes involving clear actions.

1.6 Regional integration is one of the six key areas of EU development cooperation agreed on between the Member States and the Commission in 2000. Together with support for macroeconomic policies, trade and development, transport, food safety, sustainable agricultural development and institutional capacity building, it makes up the EU’s strategy for securing productive and constructive cooperation with the developing countries and LDCs. This fact was also stressed at the 6th EU-ACP Regional Seminar of Economic and Social Interest Groups.

1.7 Regional integration and cooperation help to integrate the developing countries into the global economy and play a crucial role in consolidating peace and preventing conflict. They also enable the countries involved to address cross-border differences, particularly concerning the environment and the use and management of natural resources.

1.8 This link between regional integration and the use and management of natural resources gives a clear indication of the direct connection and relationship that efforts towards regional integration must have with action for sustainable development. Particular emphasis must be placed on this link, which must also be manifest in subregional cooperation between the developing countries and LDCs and the Euro-Med countries.

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EESC opinion on The Lisbon strategy and sustainable development, OJ C 95, 23.4.2003.
1.9 On a conceptual level, sustainable development is a much broader term than regional integration. While sustainable development refers across the board to all areas of economic and social activity, regional integration focuses more on economic cooperation through specific trade agreements and policies. Nevertheless, both terms are directly relevant to the new globalised environment which has begun to take shape over recent decades and which is dramatically changing economic, social and environmental conditions all over the planet.

1.10 It is also worth pointing out that the term sustainable development mainly occurs in strategy documents, while regional integration comes up in documents outlining programmes of economic action and policy. That is to say, sustainable development is, and should be treated as, an overarching, rather than complementary, dimension of regional integration.

1.11 It is clear that the EU's efforts to promote regional integration in the developing countries and LDCs and the Euro-Med countries are guided by the basic principles, philosophy and priorities which the EU has applied within its own borders. Sustainable development is a top priority for the EU. Even though it has been declared a main strategic goal of the EU (1), it can hardly be considered fully operational, mainly owing to the small number of both quantitative and qualitative indicators proposed for monitoring it. This fact must be addressed as a challenge and the EESC has clearly stated its intention in previous opinions to support moves to fully incorporate sustainable development in the Lisbon strategy at a practical level. Particular reference is made in the opinion issued in May 2002 on the Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions — Towards a global partnership for sustainable development.

1.11.1 That opinion notes: 'Global sustainable development is an area for which the EU can furnish a very particular contribution based on experience within the Union itself.' (2) This experience must therefore be applied as effectively as possible to the LDCs and Euro-Med countries.

2. Regional integration and sustainable development in the context of globalisation

2.1 The project to create a working framework referred to in 1.1 cannot fail to take account of the globalised environment of recent decades and particularly the connection between regional integration agreements or regional trade agreements and the World Trade Organisation.

2.2 A basic duty of the WTO is the liberalisation of international trade: the abolition of tariffs and distorting subsidies, and removal of non-tariff barriers to trade. Regional development agreements must be compatible with this objective and go one step further, giving equal weighting to issues related to restructuring at national level with a view to reducing internal trade barriers. Thus, regional development agreements should concern matters of fiscal restructuring, reducing political instability and corruption, creating and supporting new institutions and other domestic issues. Thus they are seen as more in keeping with efforts to achieve sustainable development as they create a ripple effect in areas of social and environmental policy.

2.3 While it is not a given that this ripple effect is always positive, the potential of regional development agreements to function in a more integrated way than agreements formalised through the WTO should be acknowledged.

2.4 Another question linked to sustainable development and regional development is that of foreign direct investment in the developing countries and LDCs.

2.5 In the recent past, foreign direct investment provided the focus of increased interest from developing countries. The influx of foreign direct investment increased eightfold in the decade 1990-2000, but was concentrated to a large extent on a limited number of developing countries.

2.6 Foreign direct investment can play an important role in economic development and consequently in reducing poverty by creating jobs (a basic requirement of sustainable development). It is a fact that creating jobs can really help to improve people's standard of living in the LDCs and Euro-Mediterranean countries. The production process can therefore be expected to bring about growth in national wealth and an improvement in basic infrastructure through the resulting public investment.

(*) Gothenburg Summit.

3. Strategy and implementation at EU level

3.1 There is no doubting the EU's intention to frame efforts to achieve regional integration with the concept of sustainable development. Since regional integration has been recognised as a key force for development, it makes sense, particularly for the developing countries and LDCs, to seek to incorporate the concept of sustainability into the development model being created in these countries so that it does not subsequently become necessary to adjust a model which has not taken this dimension into account. However, it is especially important and necessary for this intention to be translated into concrete action in the developing countries and LDCs. On this point, the role of sectoral policies is crucial.

3.2 The concept of sustainable development can only be incorporated effectively into action on regional integration through concrete sectoral policies. It is sectoral policies which determine the measures to achieve certain objectives at an operational level. It is therefore necessary to create a checklist of issues to be addressed by specific sectoral policies in regional integration and sustainable development. This reasoning is also supported by the results of the Johannesburg World Summit on Sustainable Development, where the EU endeavoured — though perhaps less successfully than expected owing to resistance from other countries — to commit the international community to a series of operational measures helping to promote sustainable development.

3.3 This checklist must be the result of an exhaustive process of dialogue with civil society organisations. The timeframe for drawing up this checklist must on the one hand allow full coverage of the issues while on the other hand ensuring that the whole undertaking produces results. In other words, it should be neither uncomfortably short nor unnecessarily long. The whole process could be significantly facilitated by promoting the development of Local Agendas 21 in the developing countries, LDCs and the Euro-Med countries. Local Agendas 21 are action programmes at local level (municipalities, rural communities, etc.) to promote sustainable development. The Agendas are designed principally by local authorities, working in close cooperation with all parties concerned, and with civil society organisations playing an important role. Development of the Local Agendas 21 is backed by the UN Environment Programme and was launched after the Earth Summit in Rio (1992). When drawing up the agendas, priority must be given to sustainable rural development, which is also supported by the EU in the context of implementing national development strategies.

3.4 With this in mind, the following issues are proposed. This must be seen as a preliminary set of key items on the agenda referred to above, which may well be added to as a result of exchanges of views with civil society, as indeed provided for in the 2003-2004 work programme of the EESC's Section for External Relations. The items proposed as comprising the basic agenda are presented in terms of the three pillars of sustainability, namely economic development, social justice and environmental compliance.

4. The economic development pillar

4.1 Agricultural development policies

4.1.1 The developing countries and LDCs are dependent on agriculture for a large proportion of their GDP. In this context, the EESC would point out that the European Union has already taken many initiatives in favour of trade with these countries ('all except weapons' initiative). Indeed, the European Union is the main importer of agricultural and food products from the LDCs. However, regional integration is to a large extent based on agreements concerning agricultural products. Given that the prevailing methods by which agriculture is practised around the world are far from what could be described as sustainable,
all the necessary measures will have to be taken to promote the use of sustainable farming practices meaning first and foremost security of food supply, better control of water use and soil fertility management, in the countries involved in processes of regional integration. Moreover, agricultural production in the developing countries and LDCs will have to show substantial qualitative improvement if the goal of reducing the number of people below the poverty line is to be achieved. Therefore agricultural methods that are to be used to increase production must be supported by proven techniques that ensure the sustainability of the operation.

4.1.2 It should be pointed out in this connection that the indigenous knowledge of local populations concerning farming practices can be valuable in regional integration processes. This knowledge is usually associated with sustainable practices as it derives from the long-established relationship between man and his natural environment. In many cases, this knowledge is in danger of being lost, the practices based on it having been almost entirely replaced by less sustainable practices. This has been the result of the rash decision by many developing countries and LDCs to follow the Western model for modernising agriculture and of pressure by Western countries on the former to open their markets to practices which are not in keeping with the sustainable development of agriculture. Regional integration can therefore be an excellent opportunity for transferring technical expertise on sustainable farming practices between the countries involved in it. One example of ‘indigenous knowledge’ would be the use of processed remains from agricultural production as fertiliser, which has been almost entirely replaced by chemical fertilisers. Admittedly, the available technology means that producing chemical fertilisers is more cost-effective than recycling, but it is possible to solve these problems by applying innovative methods.

4.1.3 Current agricultural production practices in the developed countries have shown their limits. Organic farming and reduced use of fertilisers and phytochemicals are becoming more and more important. This has to do not just with the need to reduce the environmental impact of farming but also clearly with cost factors. For example, it has been shown that the high cost of inappropriate use of nitrate fertilisers significantly reduces any benefits they have in terms of increasing agricultural production. For this reason the developing countries and LDCs must be given the message that traditional farming practices should not automatically be replaced with modern methods which have been shown to be disadvantageous both from an environmental and economic point of view.

4.1.5 In the field of rural development, the EESC wishes to draw attention to the negative effects of the rural exodus going on in many of these countries. It would therefore be advisable to support any measures to keep the existing population in rural areas by creating new activities to complement farming and through exchanges of experience.

4.2 Forestry policies

4.2.1 Forestry plays an important role in both the economic and social life of many developing countries and LDCs. On this issue, regional integration has to address the cross-border nature of forests and therefore the need for sustainable management of forestry resources, which, it should be noted, are a prime example of renewable natural resources.

4.2.2 Particular emphasis should be given to developing national and regional certification schemes for the sustainable production of forestry products (especially wood). These must comply with international certification standards in these matters.

4.3 Transport policies

4.3.1 International transport networks are an essential requirement for regional integration. However, transport infrastructure also brings with it major risks of damaging or even destroying important natural resources. For this reason, policies are required, but also monitoring systems to ensure that the benefits for regional integration resulting from international transport networks are not cancelled out by environmental damage.

4.4 Tourism policies

4.4.1 Tourism is a direct example of international exchanges of all kinds, from economic to social and cultural. The developing countries and LDCs taking part in regional integration schemes can benefit enormously from the development of tourism. It is important to achieve the sustainable development of tourism through regional integration schemes. Something approaching this can be achieved with coordinated international programmes to diversify tourist facilities on offer and to develop new forms of tourism, such as ecotourism, cultural tourism, etc.

4.4.2 It should be stressed in this respect that the diversification of tourist facilities and new forms of tourism should be based on best practice adapted to the local conditions in each country. The EU should also be more active in supporting projects to develop new forms of tourism in the developing countries and LDCs, as well as the Euro-Med countries, involving public-private collaborations to develop know-how in these sectors. The need for this is born out of the fact that the diversification of tourist facilities and the development of new forms of tourism does not constitute direct competition with conventional tourist activities and therefore cannot be regarded as an area which is not eligible for assistance and incentives.
4.5 Fisheries policies

4.5.1 After long deliberations the EU has managed to frame a common policy in the area of fisheries. However, the wealth of the sea is not subject to physical boundaries. Both the Mediterranean and the Atlantic are exploited by a whole host of countries outside the EU. Many of these are developing or least-developed countries that are not obliged to follow sustainable practices.

4.5.2 The value cycle of marine products involves many countries and forms of regional cooperation. For this reason, compliance with sustainable fishing practices should be ensured by implementing initiatives and programmes aimed at regional integration, especially through North-South agreements, but also through South-South agreements.

4.6 Energy policies

4.6.1 The EU has published a Green Paper on security of energy supply, in which particular attention is paid to environmental protection issues. Since the EU directly links energy supply policy to sustainable development, regional integration strategies must provide for policies and measures in the sphere of energy. This is quite a tricky issue because many of the developing countries, LDCs and Euro-Med countries have substantial reserves of oil, which is currently the main source of energy for the EU; optimistic targets have been set for reducing oil consumption, also based on commitments in relation to greenhouse gas emissions (Kyoto Protocol).

4.6.2 One topic highlighted as being of key importance for sustainable development in the developing countries, LDCs and Euro-Med countries is the development of energy infrastructure in rural areas. Given the importance of this issue, and the EU’s strategic goal of improving energy management and making it consistent with the objectives of sustainability, energy infrastructure must be developed in such a way that the economic gains from such infrastructure are compatible with environmental protection and social development.

4.7 These are not the only areas of economic activity where regional integration schemes must be based on the rationale of sustainable development. They should simply be thought of as the basic areas which will serve as examples for other economic activities. Trade agreements and programmes to promote them in these areas must show the way ahead, based on participatory planning procedures.

5. The social justice pillar

5.1 It is impossible to ensure the long-term success of any regional development effort unless it is based on education and training. Sustainable development in education must be a fundamental goal of regional integration schemes. It is the educated citizens of the future who will ensure that the achievements of regional integration continue to be built upon in a sustainable way.

5.2 Given that, in many developing countries and LDCs, the position of women is not that required for a policy of sustainable development, regional integration schemes must not only eliminate any cases of social exclusion of women, but also provide for the particular role women have to play in international exchanges. Regional integration schemes must inter alia support changes in the way the sexes are treated, as well as structures and mechanisms on a political, legal and family level to help do away with possible discrimination on the basis of gender.

5.3 Under no circumstances must regional integration alter the cultural identity of developing countries. On the contrary, regional integration schemes must respect specific cultural features, seek to promote cultural exchanges and support the rights of cultural minorities. Preserving the cultural identity of developing countries should of course always go hand in hand with respect for individual rights and the principles of democracy, equal opportunities and the eradication of social or racial discrimination.

5.4 It is also very important that employees be involved on an equal footing in decisions relating to regional integration and sustainable development. Obviously job creation is one of the major goals of the regional integration programmes. Active participation of employees and their representative organisations in the process of organising these programmes can be very helpful both in terms of achieving the objective of creating new jobs and of reducing the possible negative impact of job creation on the environment. Since workers themselves are informed citizens of the communities in which regional integration programmes are intended to promote growth, their opinion must be of key importance and they must be directly represented, since they are consumers as well as producers of the products and services concerned by the programmes.

5.5 Several non-governmental organisations (NGOs) from the LDCs and Euro-Med countries have indicated their interest in actively supporting measures to promote sustainable development. Many have also taken measures relating to the above issues. This means that they must be closely involved in the processes of incorporating sustainable development into the regional development programmes through the formal channels of organised civil society.

5.6 Developing effective and accountable institutions with the powers required to promote the necessary strategies and policies for sustainable development and regional integration is a basic prerequisite for the success of this effort. For this reason, developing capacity building programmes at local and regional level in the developing countries, LDCs and Euro-Med countries must be a political priority.
6. The environmental compatibility pillar

6.1 The geographical areas where regional integration is sought include countries which share important water resources. The management of water resources is also a major cause of friction between a number of countries. Securing the sustainable management of transnational water resources must be considered a top priority in regional integration processes. There can be no question of any type of trade, economic or other regional integration agreement between countries which do not respect the right of all to access to good quality water in sufficient quantities.

6.2 It goes without saying that the management of transnational water resources must go hand in hand with rational management at national level. On this point, the Commission directive 60/2000 (1) on the management of water resources should be promoted in the developing countries, LDCs and Euro-Med countries. That directive establishes a comprehensive framework for the management of water resources and could form the basis for framing regional water management policies in respect of technical issues.

6.3 Equally important is the management of protected areas, as, in this case too, there are many examples of transnational reserves, as well as cross-border friction. Given that these areas support many economic activities, it is clear that regional integration agreements directly affect management of them. For this reason there must be special provision for the sustainable management of protected areas.

6.3.1 Management of protected areas must be based on comprehensive plans that are not only supported by adequate evaluation of the three pillars of sustainable development (economic, environmental and social) but also lead to operationally practicable measures that include the dimension of regional cooperation.

6.4 The EU is in the process of establishing a network of protected areas in the Member States with the aim of preserving biodiversity (the Natura 2000 network). The experience Member States have in this field should be passed on to the developing and least developed countries. Programmes to develop skills in managing protected areas and maintaining biodiversity should therefore be promoted. The Commission and Member States can also contribute directly to this by inviting observers from the developing and least developed countries to sit in on the biogeographical seminars (especially seminars on the Mediterranean region).

6.5 Among the most important areas for development is the coastal zone. Any process of regional integration must inevitably involve issues which affect the coastal zone, either directly or indirectly. Given the complexity of both the ecosystems and economic activities in such areas, regional integration must also be used as a means of promoting the sustainable management of the coastal zone. In this field, the EESC is in favour of implementation of the integrated coastal zone management developed by the Commission.

6.6 Another issue of particular importance is wildlife management and strict controls on the trade in wild flora and fauna. In this context, the EESC supports the strictest possible implementation of the CITES convention and the promotion of it in as many countries as possible.

6.7 Special attention must also be paid to the considerable problems posed by the increased risk of desertification in many Euro-Med countries. In many parts of the Euro-Med countries this phenomenon not only has environmental implications for the regions concerned but also disrupts regional economies by preventing economic activities. The Euro-Med countries must therefore be helped to develop regional cooperation projects that provide for specific measures to contain the risk of desertification.

7. Measures and practices

7.1 The basic principles of incorporating sustainable development into regional integration initiatives presented above demand specific measures and practices. The measures and practices must help the developing countries and LDCs to include the concept of sustainable development in regional integration and make it possible to monitor the progress made on this issue in these and the Euro-Med countries. A key role must be given in the process of developing such measures and practices to participatory planning and efforts to achieve optimum forms of governance.

7.2 Through its external assistance section, the EU has planned and implemented development programmes for the developing countries and LDCs (MEDA, ALA, CARDS etc.). Sustainable development is an integral element in the planning of these programmes. Their effectiveness has not so far lived up to the EU’s ambitious aims, but they can help to promote the idea of incorporating sustainable development in regional integration initiatives.

7.3 Special mention should be made of Euro-Mediterranean cooperation arrangements. The Euro-Mediterranean cooperation strategy is a high-priority area in the EU’s external relations. The basic tool for implementation of this strategy is the MEDA programme. The SMAP programme is another key tool for policy implementation in the environmental and sustainable development field.

(1) Directive 60/2000/EC establishing a framework for Community action in the field of water policy.
7.4 The MEDA programme has not lived up to expectations to date. Despite the fact that the budget for MEDA II was considered more than adequate, it has not yet managed to achieve the objectives set at the start of implementation. Although it has succeeded in triggering off sustainable development projects, the SMAP programme does not have the necessary continuity to ensure completion of actions. Although it is difficult to implement projects under these programmes because of a lack of the necessary cooperation between the target countries, the EU’s efforts, and particularly those of the Commission, will have to be directed towards mobilising the necessary players with a stake in the programmes. The EESC feels that the Commission should examine the possibility of funding more flexible mechanisms involving both public operators, who will guarantee the national commitment of the countries with a stake in the programmes, and private players, who can fulfil the function of transferring technical expertise to the target countries.

7.5 As regards monitoring the progress made in the developing countries and LDCs and the Euro-Med countries with efforts to incorporate sustainable development into regional integration measures, the particular importance of sustainability impact studies should be highlighted. On this point, the EESC endorses the Council’s view that a sustainability impact assessment study should be drawn up for free-trade agreements. This view was confirmed in May 2003 at the mid-term Euro-Mediterranean conference in Crete.

7.6 The performance of countries where regional integration measures are being implemented should also be assessed on the basis of the sustainable development indicators which have been adopted and are starting to be applied in the EU’s Member States. Although still in an early stage of development and application, these indicators should be thought of as a modus vivendi providing a working framework for assessing the performance of such countries.

7.7 One issue that will have to be considered very carefully during the process of assessing the performance of countries in which the regional integration programmes are being implemented is the overlapping of measures implemented due to countries taking part in more than one regional integration agreement. Many developing countries and LDCs belong to several regional integration agreements, which can reduce efficiency and create a risk of wasting resources. A major aim of incorporating sustainable development into regional integration measures must be to mitigate any consequences this might have.

7.8 With regard to financing sustainable development in regional integration programmes, the EESC supports the Monterrey Agreement on financing for development, which provides for a steady increase in the amount of financing available for sustainable development. The declaration calls for increased mobility and effective use of financial resources so as to establish the conditions required to meet the development goals agreed on at international level. These goals are also set out in the Millennium Declaration and concern eradicating poverty, improving social conditions, increasing living standards and protection of the environment as a first step towards satisfying the need for the 21st century to be a century of development for all.

8. Concluding remarks

8.1 As mentioned in the introduction, sustainable development is, and must be treated as, an overarching, and not complementary, dimension of regional integration. This issue is not easy but must not be regarded as impossible. The goals set for the EU’s efforts in this direction may bring substantial results. By way of regional cooperation programmes, the EU not only helps the developing countries and LDCs, but also conveys cultural, political and social messages. These messages can be summed up in the concept of sustainable development and implemented, inter alia, through regional integration.

8.2 One of the EU’s concerns as part of its effort in this field should be to seek out opportunities for international cooperation. On this subject, special mention must be made of cooperation with the United Nations.

8.3 Relations between the UN and the EU have developed over time through a variegated network of cooperation projects. These relations are strong and cover virtually all areas of external relations. The further promotion of relations with the UN is a strategic priority of the EU, of the Member States and of the Commission.

8.4 Regional integration and sustainable development offer an ideal area for improving these relations. Given the strategic orientation and experience of the UN in matters of sustainable development and the technical expertise of the EU in matters of regional integration, the EESC is in favour of cooperation between the two organisations through regional and sustainable development projects funded by joint mechanisms of the two organisations.

8.5 The EU’s intention to pursue such cooperation has already been expressed both in the November 2000 declaration by the Council and the Commission on European Community development policy and in the Communication from the Commission to the Council and the European Parliament - Building an effective partnership with the United Nations in the fields of Development and Humanitarian Affairs (COM(2001) 231 final/2.5.2001).

8.6 With respect to regional integration the EU cooperation programmes, in particular those that concern regional integration with the developing countries and LDCs, must therefore place special emphasis on the various dimensions of sustainability, i.e. economic, social and environmental. The EESC can contribute greatly to the success of these efforts, since it is the EU body with the most appropriate remit to address these questions within civil society.


Roger BRIESCH
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European Economic and Social Committee

Opinion of the European Economic and Social Committee on the Proposal for a Council Directive implementing the principle of equal treatment between women and men in the access to and supply of goods and services

On 31 March 2004 the European Economic and Social Committee decided to draw up an own-initiative opinion, under Article 29(2) of its Rules of Procedure, on the Proposal for a Council Directive implementing the principle of equal treatment between women and men in the access to and supply of goods and services.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 5 May 2004. The rapporteur was Mrs Carroll.

At its 409th plenary session of 2/3 June 2004 (meeting of 3 June 2004), the European Economic and Social Committee adopted the following opinion by 120 votes to 49 with 15 abstentions:

1. **Legal basis, content and scope of the proposal**

1.1 The Commission's proposal is based on Article 13(1) of the Treaty establishing the European Community, which has already been the basis for the Directives combating discrimination in employment or occupation on grounds of religion or belief, disability, age or sexual orientation (1) and, in relation to both employment and occupation and access to and the supply of goods and services, on grounds of racial or ethnic origin (2).

1.2 The proposed Directive lays down a framework for combating discrimination based on sex in access to and the supply of goods and services, with a view to putting into effect in the Member States the principle of equal treatment between men and women. It has no retrospective effect.

1.2.1 Direct and indirect discrimination based on sex are prohibited, including less favourable treatment of women for reasons of pregnancy and maternity. Harassment and sexual harassment, as defined in the proposal, are deemed to be discrimination on grounds of sex and, therefore, prohibited. A person's rejection of, or submission to, such conduct may not be used as a basis for a decision affecting that person. Incitement to discriminate is also deemed to be discrimination within the meaning of the Directive.

1.3 The scope of the proposal is wide, although there are certain significant limitations. Broadly it covers access to and supply of goods and services available to the public, including housing. It covers both the public and private sectors, including public bodies. Transactions of a purely private nature are excluded, for example the renting of a holiday home to a family member or the letting of a room in a private house.