Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the Council and the European Parliament — Building our common future: Policy challenges and budgetary means of the enlarged Union 2007-2013’

COM(2004) 101 final

(2005/C 74/07)

On 18 March 2004 the European Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the abovementioned communication.

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 13 July 2004. The rapporteur was Mr Dassis.

At its 411th plenary session of 15 and 16 September 2004 (meeting of 15 September), the European Economic and Social Committee adopted the following opinion by 143 votes to 26 with 11 abstentions.

1. Scope of the opinion

1.1 On 1 May 2004 the European Union made a leap towards realising the vision of the founders of the first European Community in 1952 – a vision shared by people who had known wars, disasters and other misfortunes and had lived in poverty and misery. The road to real European integration is no longer so long. The Europe of 25 is a reality and the Europe of 27 has already been decided upon.

1.1.1 However, this does not mean that the risk of a regression with unforeseen consequences has been removed. The common European structure requires supports. The best support is for European citizens to be sure that they are an integral part of that structure – to feel proud that they belong to a large geographical entity which is democratic, safeguards and guarantees peace and respect for human dignity, and aims for prosperity for all. They should also be inspired by a patriotic feeling towards Europe and proud to live there.

1.2 However, for all these things to happen it is necessary for the European Union to consolidate the already existing common policies and to proceed at a stable pace, through democratic procedures, to formulate and apply all the remaining common policies in order to go beyond the Economic and Monetary Union to become a social and political entity.

1.3 The formulation and implementation of these policies naturally entail some cost, which will need to be divided up fairly in accordance with the financial capacity of each citizen and of each country.

1.4 In response to a referral by the Commission, the EESC, wishing to contribute to the debate on the drawing up of the budget for the new 2007-2013 programming period, is issuing the present opinion, which also takes account of the Communication from the Commission: Third Report on Economic and Social Cohesion (1).

1.5 The EESC does not, however, limit itself to a critical analysis of these two documents, but also addresses policy issues and questions or dimensions not covered by them, in spite of their considerable importance to building a common European future and the financial functioning of the Union, during the period in question.

1.6 Consequently, given the nature and membership of the EESC, while taking the above documents – in particular the Commission communication on the 2007-2013 financial perspective – into account, we cannot limit ourselves to a critical analysis of them, but must also address policy issues and questions or dimensions not covered by the communication.

1.7 In other words, as well as giving its opinion (whether in favour or against) on the various positions and proposals of the European Commission, the EESC must help to develop the discussion about Europe’s future, drawing attention to other relevant factors.

2. General review of the European Commission communication

2.1 In its Communication to the Council and the European Parliament (2), the European Commission sets out its vision for the European Union and its budget planning for the period 2007-2013.

2.2 With a view to reaping the full benefits of enlargement and helping Europe prosper, three main priorities are proposed: sustainable development, the interests of the European public and strengthening the Union’s role as a global partner.

(1) COM(2004) 107 final
(2) COM(2004) 101 final of 10 February 2004
2.3 Sustainable development: growth, cohesion and employment

2.3.1 At the 2000 Lisbon European Council, the heads of state and government agreed a programme with a view to building a Europe which would become 'the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'.

2.4 The Commission feels that this process must be reinvigorated and given credible and operational targets, both at national and at EU level: promoting the competitiveness of enterprises in the single market, improving research and development, connecting Europe through networks, improving the quality of education and training in the EU, further strengthening the social policy agenda and helping society to anticipate and manage social change.

2.5 The objectives of growth and competitiveness would also be the main priorities of the next generation of regional and cohesion policies, with particular emphasis on aid for regions whose development is lagging behind. Growth and cohesion must complement each other even more than they did in the past.

2.6 In the future, cohesion policy must systematically address the problem of lack of competitiveness so that more of the Union’s regions can contribute to growth and employment.

2.7 The Commission’s proposals also explicitly note the Council’s decisions of 2003 to reform the Common Agricultural Policy and to set agricultural spending for market measures and direct payments until 2013. The reform will radically shift the focus of the EU’s agricultural policy to sustainable development by decoupling aid from production. The future rural development policy, reorganised to form a single instrument, will help to increase competitiveness in agriculture and enhance the environment and the diversity of the countryside. Additional funds will be released by the partial transfer of amounts from direct payments to farmers in order to reinforce rural development programmes.

2.8 The new, reformed common fisheries policy will continue to focus on sustainable exploitation of resources. Environment policy is there to respond to the European public’s expectations of a better standard of living and intergenerational solidarity, to meet international commitments and to promote efficiency and competitiveness.

2.9 Citizenship

2.9.1 Since the Amsterdam Treaty, responsibility for most of the policies in the field of freedom, security and justice has been transferred to the Community. Today, everyone recognises that the challenges posed by immigration, asylum, and the fight against crime and terrorism can no longer be adequately met by measures taken at national level only. The same holds true for protection from natural disasters, health and environmental crises, access to public services and consumer and health issues.

2.10 Improved instruments and adequate funding will help make that possible.

2.11 The European Union in the world

2.11.1 The enlarged Union must play a greater role, both as a regional leader and a global partner. To meet these expectations, the EU must become a politically responsible actor capable of punching its weight.

2.12 The Union needs to play its full role in global political governance and strategic security. This includes protection against threats, ensuring civil security and protecting the European public against risks.

2.13 Financial requirements

2.13.1 These objectives can be achieved for a Union of 27 Member States without increasing the current ceiling for expenditure.

2.14 If the Union is to succeed in the challenge of building a credible political project, it must be equipped with the resources to implement that project. The Commission has calculated an average spending level of 1.14 % for the period in question. There will be a significant shift in the balance of the EU budget to support the new priorities. Expenditure levels will increase initially due to the effect of enlargement but will, at the end of the period, be close to the initial level. Payments will lie below the current ceiling of 1.24 % of GDP.

2.15 The Commission proposes that, for the future, an EU-wide correction mechanism should be considered, establishing a transparent, objective method for correcting a budgetary burden deemed excessive in relation to a country’s relative prosperity.

2.16 In the course of 2004, the Commission will draw up appropriate legislative proposals and a specific plan designed to achieve the objectives.

3. Comments of the EESC on the Commission’s document and proposals

3.1 The EESC generally endorses the European Commission communication. More specifically, the communication as a whole can be considered:

— to be cohesive, in that the different sections are logically connected and present a uniform whole, without contradictions, inconsistencies or omissions;
3.2 The EESC considers certain decisions and positions expressed in the communication to be valuable (or very valuable) and supports them, namely:

3.2.1 The concept and definition of sustainable development and the correlation of economic, social and environmental factors.

3.2.1.1 Agreeing with the Commission's position, the EESC notes that sustainable development is a complex concept encompassing:

— protection of the Union's natural resources (environmental aspect);

— creating a climate favourable to:

1) promoting competitiveness (economic-quantitative aspect);

2) promoting solidarity (social-qualitative aspect) paying special attention to citizens who run the risk of social exclusion, and ensuring more prosperity and security for all European citizens.

3.2.1.2 Thus the concept of sustainable development includes not just quantitative (economic) but also qualitative (social and environmental) factors.

3.2.1.3 The EESC criticises the confusion which occurs in other texts between the concepts of sustainable economic growth and sustainable development. In its opinion on 'Assessing the EU sustainable development strategy' (1), the EESC notes that the financial perspectives could constitute an opportunity to give a decisive boost to sustainable development. The EESC also notes that it is not enough merely to continue the application of the various policies which have turned out to be problematic for sustainable development and to include them in future under a budget heading for 'sustainable growth'. The EESC would add that economic growth and sustainable development are two different concepts which can sometimes come into conflict.

3.2.1.4 The EESC reiterates its view that, to achieve sustainable development, there is an urgent need to devote to it greater financial resources than those currently allocated and those foreseen in the financial perspectives for 2007-2013. Moreover, since the financial resources are insufficient and the environment constitutes a collective public good which transcends frontiers, as well as a substantial aspect of the strategy for sustainable development, the EESC wonders to what extent it would be advisable to separate the relevant investments in this sector from the calculation of the budget deficit which is envisaged under the terms of the Stability and Growth Pact (2).

3.2.1.5 Europe can play an important role in the globalised economy and can influence developments in the direction of more sustainable development. However, the financial resources envisaged for this are insufficient. The European Union must speak with a single voice. The Member States, however large or important they are, can barely influence developments at global level. It is urgently necessary for them to coordinate their efforts with the aim of pursuing common goals as the European Union.

3.2.2 The economic efficacy of social cohesion depends on a clear understanding that in addition to its social function and role in reducing disparities, the cohesion process also entails quantitative improvements in aspects of the economic dimension.

3.3 The whole plan for pursuing and achieving the overall political project is based on the key concept of sustainable development, as defined within the complex framework of its economic, social and environmental aspects.

3.4 In conjunction with the relevant analyses of the Third Report on Economic and Social Cohesion, the European Commission also raises the issue of how the organisation and process of promoting interregional cooperation must be addressed and discussed.

3.4.1 It is proposed that the additional programmes of the CSFs be abolished, as well as the CSFs themselves as management tools, replacing them with an equivalent strategic instrument for promoting cohesion that is equitable at Community level.

3.4.2 In addition, since the practice followed to date, with the 60-70 priorities of the old provisions, has been seen to be ineffective, it is proposed that 3-4 specific priorities be set for each country, but with the common priority of improving governance. Moreover, in order to take more account of the particularities of the member countries, the European Union could adopt more flexible and decentralised forms of administration, always requiring full transparency and rigour.

(1) CESE 661/2004 of 28 April 2004

(2) EESC Opinion on Budgetary policy and type of investment, OJ C 110, 30.4.2004, p. 111
3.4.3 The proposal to adapt the method of monitoring financial management is particularly significant: rather than monitoring being carried out project-by-project, it would be based on prior signing of a ‘confidence pact’ setting out the management rules. In this sense the monitoring procedure should take place within a single framework and should be acceptable to all institutions concerned.

3.4.4 Furthermore, the EESC expresses its concern at the widening gulf between credits and payments. At the end of the 2007-2013 programming period, it is estimated that the gap will reach €188 billion, the equivalent of one year’s budget. The EESC therefore takes the view that the financial perspectives need to be made more flexible. Allowing the possibility of lengthening the period of payment of commitments undertaken in the framework of the Structural Funds by one further year (by changing the N+2 rule into an N+3 rule) would enable the available funds to be used and exploited more calmly, free of time pressure: this would turn out to be wiser and more effective.

3.5 The discussion must be underpinned by the realisation that the Community budget and financial resources are directly dependent on the degree of economic growth of the Member States and the size of their national GDPs.

3.5.1 Therefore the Community budget, by also helping to promote economic growth in the ten new Member States, will pave the way for improving and broadening the base for calculating the EU’s own resources. In effect, strengthening national economies and increasing national GDPs will improve the Community budget by raising Member States’ contributions (percentage calculation on a broader basis).

3.5.2 It is also pointed out that incorporating the markets of the new countries in the Single European Market guarantees an improvement in the growth prospects of the earlier 15 Member States. Indeed, it would not be too difficult to assess the extent of the additional growth which each of those 15 countries can expect from the multiple effects of the growth of the new countries and the incorporation of their markets in the Single European Market. However, this expected additional growth of the E-15 countries also entails additional allocations from the Community budget.

3.5.3 In addition, the EESC considers that, in order to ensure that EU resources are distributed in such a way as to meet the basic objective of convergence, priority must be given to the needs of the new Member States, where most of the less developed regions are located and where the process of integration has not yet been completed.

3.5.4 The EESC takes the view that, going beyond the ceiling of the European budget, special attention will need to be given to the projections of that budget. Indeed, the budget is based on the gross Community revenue, the estimation of which must take account of employment hypotheses related to economic growth, the exchange rate between the euro and the dollar, the crude oil price, etc. Consequently, the existing uncertainties influencing total financial resources are many. The EESC therefore recommends that the European Commission work out alternative scenarios on the basis of pessimistic and optimistic hypotheses in order to give the parameters within which the annual budget figures for 2007-2013 will be found.

3.6 In the EESC’s view, the question of how to reconcile the economic cost of major political objectives with the available (inadequate) economic resources can be resolved by determining to what extent the available resources suffice to achieve the objectives.

3.7 A dilemma arises with regard to adjusting these factors: either there will be pressure to dilute the political objectives and the vision that they represent in line with the available resources or, alternatively, it will be necessary to try and increase resources to an adequate level so that the ambitious objectives remain intact. This dilemma may remain theoretical if the available resources in practice are adequate.

3.8 Given that these objectives are considered necessary for effectively building the future of Europe, any ‘watering down’ of them raises problems. In this sense it is not easy to accept, nor can one fully understand, the Commission’s attempt to redefine the necessary balances, even if the dilution of its political objectives is minimal.

4. Alternative options for the appropriations ceiling

4.1 The communication indicates that before reaching its compromise proposal, the Commission considered three alternative ceilings for funding the Community budget, also taking account of recent relevant developments.

4.2 Option one was to set the appropriations ceiling at 1 % of GDP, which would also have reflected the stated preference of certain Member States. The European Commission explicitly states that this ceiling for the Community budget is quite inadequate.

4.3 Option two was to set the ceiling at 1.30 % of GDP. The Commission considers that this ceiling, though still moderate, would allow the European Union to better respond to the needs involved in meeting all its political objectives.

4.4 Option three was to set the ceiling at 1.24 % of GDP, which is the current financial framework. However, the European Commission notes that if the final choice is 1.24 % of GDP, then shifts in EU spending will be required in order to ensure that there is a margin for financing the new priorities.
4.5 In the end, the Commission chose the third option, which obviously means:

4.5.1 First, maintaining the current fiscal framework: this raises the question of whether it will ultimately be possible to manage and finance the new priorities with the appropriations used until now to cover fewer priorities. It is pointed out that the level of development of most of the ten (and in the future twelve) new Member States is lagging significantly behind that of the E-15 countries and that, as a result, effective financial support to ensure the development of the new member countries will require the allocation of new resources on a considerable scale. The Commission text points out that 'in the enlarged Union, average GDP per capita will be more than 12% lower than in the Fifteen, while income disparities will double overall.'

4.5.2 Second, corrections and adjustments to the Community budget: this raises the question of whether these required corrections and adjustments will also result in a corresponding 'dilution' of the political objectives set in the Commission's communication, which would undermine the basis for building Europe's future.

4.5.3 Third, with the adoption and putting into effect of its constitutional charter, the EU will acquire to a greater extent a federal structure and operation, in terms of a reduction in additionality and greater support for common European policies, and consequently for the necessary resources.

4.5.4 The EESC draws attention to specific references in the Commission communication which demonstrate clearly the probable financial shortfalls which could arise during the 2007-2013 programming period, thereby overturning the political expectations and removing any chance of putting into effect the proposed action plan described above.

4.5.5 Indeed, despite the conciliatory tone, moderation and balanced logic which characterise the text, the Commission does not fail to stress that 'since enlargement will have an asymmetric impact on the Community budget – increasing expenditure more than revenues – even the simple preservation of the 'acquis' implies an intensification of financial effort' (Introduction). This elegantly expressed comment does not leave any room for doubts about the inability simply to maintain (let alone improve) the Community 'acquis' if the funding is not increased.

4.5.6 The Commission further reinforces this observation by referring to a further widening of the gap between the EU’s political commitments and their practical implementation, and to an undermining – through lack of political will and inadequacy of funds – of the EU’s capacity to keep its promises in many of the new priority sectors (Introduction).

4.5.7 Similar allusions are also made elsewhere in the Communication. Thus, in Chapter II, it is stated that 'the gap between the demands on the Union and the resources at its disposal has grown too wide', and this is followed immediately by the warning that 'To saddle the Union with a set of goals and then deny it the resources required would be to condemn it to the justified criticism of citizens denied their legitimate expectations'.

4.5.8 The EESC thinks it useful to point out the Commission's declaration that, if an agreement is not reached on the objectives of the European plan, and if the necessary funds are not provided, 'all Member States stand to lose'.

4.5.9 The above must be considered in connection with the fact that, because the European Development Fund will be incorporated in the Community budget for the new 2007-2013 programming period, in practice a Community budget will not be maintained at the same level but reduced.

4.5.10 In the course of the new programming period, 2007-2013, common European policies would be strengthened, while the corresponding national policies would be limited. This development is justified by the fact that the EU cannot be transformed into a mere executive of national policies. The common interest requires the formulation and implementation of common European policies.

4.5.11 However, the improvement of added value cannot be left to national policies. The Commission explains unequivocally that effectiveness requires 'large critical masses' at supranational level, and that it can therefore best be achieved through common policies (page 4 of the English text).

4.5.12 It is therefore a mistake to regard the question as a simple matter of redistribution of resources between Member States. On the contrary, it should be presented as a question of optimising the impact of European common policies, with a view to further increasing the added value of the Community funds made available for them (page 4 of the English text).

4.5.13 Moreover, in listing the positive points, the Commission points out the scope of Community measures and the ensuing creation of a European added value for every euro paid out from the EU budget.

4.5.14 References of this type are also found in the following passages of the Commission text:

— in the Introduction, where it is stated that 'The goal must be to maximise the efficiency of public spending and make national and European efforts more than the sum of the parts';

— in Chapter I.A.1.e), where the operation of Community policies is analysed, seeing them as a catalyst for the implementation by the Member States of the social policy agenda which is an integral part of the Lisbon strategy;
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funds to be released for the development of the 10 new
Member States will still come back to the countries which will
be net contributors to the Community budget (market in tech-
nological or electronic equipment, provision of special services,
transfer of know-how, etc.). This aspect cannot be ignored with
a view to the preparation of the new Community budget. The
Commission does not fail to refer in its Communication to this
specific question, pointing out that applying the rules of the
single market also to cohesion policy makes it possible to
obtain a measurable added value, through the increase in intra-
Community trade between the less developed Member States
and regions and the rest of the EU. The reason for this rise in
intra-Community trade is that ‘around one quarter of expendi-
ture under the programmes for these areas returns to the rest
of the Union in the form of increased exports’.

4.6 The EESC fully agrees with the Commission’s comments
on the consequences of acquiring the status of European
citizen. Indeed, the advantages attaching to it must not be
confined to market freedoms: in parallel with freedom, justice
and security, it is also necessary to ensure that citizens have
access to the basic public services. The Commission rightly
notes that the benefits of a Europe without frontiers must be
equally available and accessible. The Union ought to supple-
ment the Member States’ efforts in this respect, but such action
involves a cost.

4.7 The EESC also shares the Commission’s analysis that it is
necessary to have available not only funds but also resources
for exploiting them if Europe is to be able to play a leading
role (development aid, trade policy, external policy, security
policy, external aspects of other policies, etc. (see page 5 of the
English text).

4.7.1 Going beyond that, on the basis of the forecasts of the
draft constitutional charter of the European Union, the protec-
tion of European citizenship undertaken by the EU is not
merely a matter of its recognition, but creates a corresponding
legal responsibility through guaranteeing it, and consequently
commitments and obligations in terms of compensation (e.g. in
a case where a European citizen is the victim of terrorist action
or a natural disaster).

4.8 The EESC welcomes the progress on certain budget
headings. However, the relevance of the percentage changes
should not escape us. Indeed, for the chapter on citizenship,
freedom, security and justice, an increase of 162 % is envisaged
for the seven-year period 2007-2013, although this amounts
only to €2,239,000,000. For the same period, the expenditure
on agriculture will be reduced by 3 % (€1,442,000,000). At the
end of the period, the expenditure for these two chapters will
correspond to 2 % and 26 % of the budget respectively. As
regards the agricultural share of the budget, it should be borne
in mind that EU enlargement and reform of further Common
Market Organisations create new, substantial challenges for the
CAP.

4.5.15 The EESC thinks it useful to point out that there is
no sense at aiming at ‘more Europe’ while providing smaller
resources for it. Moreover, the limitation of own resources to
1 % of GDP would lead in the end to cuts in the funding of the
structural policies and cohesion policies. Indeed, given the
framework for funding the Common Agricultural Policy up to
2013, all the further cuts arising from the reduction in the
Community budget will aim at the cohesion policy, with
ramific effects in relation to the challenges and needs arising
from the enlargement of the EU. More than that, such a trend
would render any developmental initiative or incentive devoid
of content and value.

4.5.16 On the basis of these observations, the EESC takes
the view that it is necessary to overcome the Commission’s
reservations and opt for increasing the own resources of the
Community budget for the new 2007-2013 programming
period beyond the current budgetary framework, to the
maximum level of 1.30 % of GDP, while ensuring in parallel
that the annual approximation to this ceiling does not vary too
much.

4.5.17 This viewpoint is further strengthened by the point
that in the case of countries which are net contributors to the
Community budget, part of the resources made available
through the Structural Funds returns to the economy thanks to
exports. This question has already been studied in the 15-
member EU, and this is expected to operate in the same way in
the 25-member EU. As a result, a significant proportion of the
funds to be released for the development of the 10 new

— in Chapter I.A.2, which studies the added value of political
cohesion;

— in Chapter I.A.3, which notes the implications of the
Common Agricultural Policy in terms of added value;

— in Chapter I.C, where it is stated that ‘coherent external rela-
tions can increase [the European Union’s] influence far
beyond what Member States can achieve separately or even
along parallel lines of action’;

— in Chapter I.C.2, with the observation that the ‘leverage of
EU financial assistance and of trade bilateral preferences
would be considerably increased by such a unified presence
in the organs of multilateral economic governance such as
World Bank, IMF and UN economic agencies: in particular,
the value for each euro spent in this new context, would
rise substantially’;

— in Chapter I.C.3, which analyses the added value of the
assistance provided by the EU to third countries (comparative
advantage of a joint European approach to crises outside its territory);

— in Chapter III.B, which examines the question of the added
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5. Specific comments

5.1 Neither the text of the communication, nor the third report on economic and social cohesion, tackles a question the management of which is likely to have repercussions on the Community budget, namely that of the free movement of workers from the ten new Member States on the labour market of the fifteen current Member States and the application of the relevant transition period of two, five or seven years. In this field, the main question is to what extent the employment restrictions imposed on workers from the ten new countries in the Fifteen will affect the scale of the expected economic and social development of those countries.

5.2 The balance between the contribution of European funds and the degree of adoption and promotion of the commitments already made by the 10 new Member States could form the subject of a discussion.

5.3 An examination of the economic prospects for a specific period requires separate consideration of own resources and expenditure. The Commission Communication is set out on these lines: in Chapter 4 it examines the new financial framework, emphasising expenditure, while Chapter 5 contains reflections on the funding system.

5.4 This opinion concentrates on examining expenditure, because the EESC will return to the question of own resources when the Commission has submitted a report on the subject to the Council.

5.5 At this stage, however, the EESC thinks it useful for it to give its views on the following two points:

— setting the level of any Community tax (which will be paid directly by European citizens to support the resources of the Community budget) is a positive and in any case interesting proposal. However, it must be applied very carefully to avoid any anti-European repercussions;

— it seems desirable to establish a new system of contributions with a fairer weighting. A simple study of the balance of contributions as against profits shows that the operation of the Community contributions system does not take account of average income per head in each Member State – a figure which is a good indicator of the wealth of the citizens of the country concerned.

5.5.1 On the other hand, the EESC has serious reservations as to the generalised corrective mechanism which would only institutionalise the principle of 'fair return'. It is an unacceptable form of solidarity between the less rich and the richer countries. In a 1998 report (1), the Commission attempted simulations for the implications of such a mechanism. It emerged that in 1996, on the assumption that the generalised corrective mechanism had been applied to five countries (UK, DE, NL, AT, SE; 48.7 % of the GDP) and assuming their exclusion from the financing of the correction, the burden would have been shared between the ten other countries representing 48.9 % of the EU's GDP! The recent enlargement to include countries with a lower standard of living would further worsen this unfairness.

5.5.2 At all events, if a generalised corrective mechanism proved to be necessary, the EESC takes the view that correction of the imbalances should not take account of expenditure incurred as part of structural interventions, since they have an explicit aim of redistribution.

5.5.3 The EESC takes the view that, with a view to the possible introduction of the generalised corrective mechanism, the calculation of budgetary balances should be based solely on operational expenditure, as suggested in Berlin as early as 1999. This would avoid the perverse effects linked to the charging of the Union's administrative expenditure and expenditure on Community policies to the country where these sums are actually spent. It would also be more consistent with the 'direct budgeting' method whereby (a) administrative expenditure is linked to the operational expenditure which gives rise to it and (b) the funds for administrative expenditure are broken down among all the categories.

5.6 Moreover, in the indirect taxation sector, the EESC reiterates the proposal it made in its opinion on the widespread introduction and interoperability of electronic road-toll systems in the Community (2), for the creation of a European infrastructure and transport fund to be financed by levying one euro cent per litre of fuel consumed by all vehicles.

5.7 The EESC agrees with the Commission proposal to synchronise the period of the financial budget with the period of office of the European institutions (Parliament and Commission).

5.7.1 The EESC is pleased that the financial perspectives have been included in the Constitution. This will give greater stability to the EU's budgetary framework.

5.7.2 However, the EESC regrets that the European Council has not managed to put into practice the progress made by the European Convention whereby the financial perspectives would have been adopted by a qualified majority in the medium term. The European Council in fact preferred to retain the unanimity rule, albeit allowing for the possibility of changing to a qualified majority rule – provided that the decision to do so is taken unanimously at the European Council. Indeed, the EESC fears that retaining the unanimity rule may plunge the Union into a serious constitutional crisis, or that the Union's political ambitions may have to be scaled down.

(1) The funding of the European Union: Commission report on the operation of the own resources system

(2) Of C 32, 5.2.2004, p. 36, point 4.1
The EESC supports the proposal to make the European Parliament the main body responsible for the Community budget in the sense that the Parliament would become responsible for the whole (obligatory and non-obligatory parts) of the budget.

The EESC also thinks it necessary to point out that, despite the clear challenges created and the necessary initiatives presupposed by the Lisbon Strategy, the Commission text does not appear to propose specific measures likely to give rise to economic development initiatives in the EU. The only specific idea put forward in the text is the foundation of a special 'growth adjustment fund' (IV. The new financial framework: C. Flexibility). However, the funds envisaged under this chapter are regarded as completely inadequate. The application of the Lisbon strategy was based on a framework of average annual economic growth of 3 %, whereas the forecasts for the coming years do not exceed 2.3 % for a 27-member EU. In addition, the anaemic economic growth experienced by the EU since 2000 does not enable it to make up for this ‘economic growth deficit’.

Thus it is necessary to revise these sums upwards in order to meet the basic condition for promotion and success of the Lisbon Strategy, which amounts to changing our system for investment in training and research.


Roger BRIESCH

The President
of the European Economic and Social Committee

Opinion of the European Economic and Social Committee on 'The role of women's organisations as non-state actors in implementing the Cotonou Agreement'

At its plenary session of 17 July 2003, the European Economic and Social Committee decided, under Rule 29(2) of its Rules of Procedure, to draw up an opinion on 'The role of women's organisations as non-state actors in implementing the Cotonou Agreement'.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 7 July 2004. The rapporteur was Ms Florio.

At its 411th plenary session (meeting of 15 September 2004), the European Economic and Social Committee adopted the following opinion by 115 votes to eight, with eight abstentions.

1. Introduction

1.1 As part of the activities relating to the European Union’s policies towards developing regions, and in particular towards the ACP countries, the European Economic and Social Committee has had the opportunity to monitor developments in the EU’s cooperation policy. These developments have increasingly been towards a participatory approach, i.e. moving towards involving and recognising the role of non-state actors (NSAs) in defining and implementing those policies. Thus, institutions and NSAs play a complementary role in activities aimed at enhancing the impact of development programmes.

The Cotonou Agreement is currently the only example of such participation being put on institutional footing. It demands that governments fully involve non-state actors in the various stages of the national development strategy.

1.2 In view of those guidelines and of the fact that the Committee has already set out its position in a previous opinion on the role of civil society in European development policy (REX 097/2003), we feel it is important to look in more depth at the subject of women’s participation and their fundamental and specific contribution to the formulation and implementation of development policies in the ACP countries that are covered by the Cotonou Agreements. We believe that it would be useful to emphasise how valuable their role can be and how it needs to be properly supported within the framework of the Cotonou Agreements and indeed in all development policies.

1.3 Moreover, as the EU body that represents organised civil society, the Committee has previously affirmed ‘the fundamental role played by women as leading players in development, and emphasiz[ed] the need to promote their organizations and ensure that they participate fairly in advisory and decision-making bodies.’ (Opinion on the Green Paper on relations between the European Union and the ACP countries on the eve of the 21st century - challenges and options for a new partnership (Rapporteur: Mr Malosse), EXT 152/1997).