Opinion of the Committee of the Regions on the ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Social Dimension of Globalisation — the EU’s policy contribution on extending the benefits to all’

(2005/C 164/11)

THE COMMITTEE OF THE REGIONS,

Having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Social Dimension of Globalisation — the EU’s policy contribution on extending the benefits of all (COM(2004) 383 final),

Having regard to the decision of the European Commission of 18 May 2004 to consult the Committee on this text under Article 265(1) of the Treaty establishing the European Community,

Having regard to the decision taken by the CoR Bureau on 15 June 2004 to instruct the Commission for Economic and Social Policy to draw up an opinion on the subject,

Having regard to the Report of the World Commission on the Social Dimension of Globalization published on 24 February 2004,

Having regard to its Opinion on the impact on local and regional authorities of the negotiations on the General Agreement on Trade in Services (GATS) at the WTO (CdR 103/2003 fin) (1),

Having regard to its Opinion on the Communication from the Commission on immigration, integration and employment (CdR 223/2003 fin) (2).

Having regard to its Opinion on the conditions of entry and residence of third-country nationals for the purposes of studies, vocational training or voluntary service (CdR 2/2003 fin) (3).

Having regard to its Opinion on a proposal for a Council Decision establishing the European Refugee Fund for the period 2005-2010 (CdR 80/2004 fin) (4),

Having regard to its Opinion on the Mid-term review of the Lisbon Strategy (CdR 152/2004 fin),

Having regard to its Opinion on the proposal for a new Regulation on the European Social Fund (CdR 240/2004 fin).

Having regard to its Opinion on the strategy of the Internal Market 2003-2006 (CdR 341/2002 fin) (5),

Having regard to its draft opinion (CdR 328/2004 rev. 1) adopted on 8 December 2004 by the Commission for Economic and Social Policy (rapporteur: Ms Ulrike Rodust, Mitglied des Schleswig-Holsteinischen Landtages (DE-PES)),

adopted the following opinion unanimously at its 58th plenary session, held on 23 and 24 February 2005 (meeting of 23 February):

(1) OJ C 256 of 24.10.2003, p. 83
(2) OJ C 109 of 30.4.2004, p. 46
(3) OJ C 244 of 10.10.2003, p. 5
(5) OJ C 128 of 29.5.2003, p. 48
Views and recommendation of the Committee of the Regions

1. General comments

The Committee of the Regions

1.1 welcomes the Communication on social dimension adopted by the European Commission in May 2004 setting out its initial views on the issues raised in the report of the World Commission on the Social Dimension of Globalisation (WCSDG) and its conclusions;

1.2 shares the view of the Commission that the WCSDG report delivers balanced, critical but positive messages that can be the basis for future action;

1.3 points out in this regard that globalization has set in motion a process of far-reaching change that is affecting everyone. Wisely managed, it can deliver unprecedented material progress, generate more productive and better jobs for all, and contribute significantly to reducing world poverty. But the world is far short from realizing this potential. The current process of globalization is generating unbalanced outcomes, both between and within entities;

1.4 notes with concern that the influence of globalization results in the following developments at the regional and local level:

— an increasing number of communities in the world have been directly affected by globalization. Communities have been hit by a loss of jobs as a result of the decline of local industries due to changing patterns in the international division of labour and trade liberalization leading in some cases to the relocation of companies in labour-intensive sectors to lower-wage countries. This might create problems for local and regional adjustment and for the social systems;

— certain aspects of globalisation can erode the apparent resilience and vitality of local communities even when they are not directly affected. The increasing impact of the global media, entertainment, and tourism industry often influences and undercuts traditional cultures and values and the sense of solidarity and identity at the regional and local level. A global community needs to accommodate the multitude of local cultures and capabilities instead of brushing away its diversity by a tidal wave of homogenization;

1.5 considers the need of progress towards a fair globalization and expresses its commitment to taking action to strengthen the social dimension in the light of the WSDG’s report and the initial proposals made in the Commission Communication;

1.6 is of the opinion that the inclusion of a social dimension of globalization requires more balanced and integrated economic and social policies at all levels. In this context, special attention must be paid to the regional and local level as the area most directly affected by the globalization and regional and local bodies must be guaranteed at least some involvement, in particular through the Committee of the Regions, in the process of solving the problems caused by this phenomenon;

1.7 notes a difference in the use of the term ‘regional level’. ‘Regional’ in the context of the WCSDG report means the continent whereas the use of ‘regional’ in the Communication with regard to ESF refers to the subnational level.

2. Involvement of local and regional level in global governance

The Committee of the Regions

2.1 is of the view that the present problems produced by economic actions at a global scale are not the result of globalization as such but of deficiencies in its governance. Global governance is the apex of a web of governance, stretching from the local level upwards to multinational companies. ‘Good governance’ of globalization can only be the result of a positive interlink between supra-national, national as well as regional and local actors in the private and the public sector. The framework of global governance is no longer be determined alone by the behaviour and rules of nation states. Besides the national level the interaction between global actors, such as the European Union, corporate governance and regional and local authorities is indispensable at this level playing field. The degree of their commitment to multilateralism, to universal values and common goals on one hand, the extent of their sensitivity to the cross-border impact of their policies, and the weight they attach to the social consequences of their actions at a global scale on the other are all vital determinants of the quality of global governance. All these actors, in managing their internal affairs, decide and influence to which extent people will benefit of globalization and be protected from its negative effects;

2.2 underlines that only the involvement of the regional and local level in the formation of all these ‘determinants’ will lead to an acceptable policy of global governance in Europe;
3.2 stresses that global and national developments depend on both the local and regional level. This is prerequisite and a key-issue to a fairer, more generous globalization. Decentralized approaches to policy formation and implementation are more effective at the end, because they are based on better knowledge of the real situations and constraints, are more participatory, are closer to the needs and demands of people, and they are easier to monitor. In order to strengthen this linkage between the local/regional and the global dimension, there is a need for a proactive and positive agenda focusing on local and regional government, the local and regional economic base, values and cultural heritages;

2.4 point to the fact that in the European Union especially the further development of the Lisbon process, the formation of the migration and gender policy, the cross-border and inter-regional policy as well as the trade policy add significantly to the European answer towards the challenges of the globalization.

3. The Lisbon Strategy in a global context

THE COMMITTEE OF THE REGIONS

3.1 shares the view of the Commission that the Lisbon Strategy is the basis for the EU’s response to the impact of globalization on competition, economy and labour-force in Europe;

3.2 notes the growing interdependence between economic decisions of global dimension, affecting the local as well as the regional level and underlines the necessity to think local in acting global;

3.3 points to the fact that global economic actions have to safeguard a certain standard of living at the local and regional level in all countries. People can only participate in and benefit from globalization if they are in adequate health have access to training and can benefit from this, and have real opportunities to find employment which will provide them with a basic living. Employment, an income, and a healthy environment are the essential conditions to guarantee a self-determined, human life, and to participate fully as citizens in their local, regional, national and global communities;

3.4 stresses the importance of education and training to balance the effects of globalization. As good practice demonstrates, all countries which have benefited from globalization have invested significantly in their education and training systems. Since the regional and local level play a major role in the educational and training system in the European countries, adjusting these systems to the challenges of globalization is indispensable. While this task remains in the responsibility of the member-states and the subnational level, the European Union should concentrate its supportive competencies to upgrade the educational and training systems in Europe;

3.5 underlines that, even today, full advantage is not being taken of opportunities to develop human potential. Unequal access to education, illiteracy and low skills as well as the discrimination affecting ethnic and religious minorities need careful attention, in both high- and low-income countries;

3.6 reiterates its positive view of the admission of third-country nationals for the purpose of training and education, which will make Europe more competitive in this area;

3.7 strongly underlines the interlink between the reform of the European Cohesion Policy for the next financial framework, the implementation of the Lisbon strategy and the unanswered challenges of globalization in Europe. The EU Cohesion Policy and the three different objectives of this policy should enable the regional and local level in the Union to combine the pursue of the Lisbon strategy with a better ability to cope with effects of globalization at the same time;

3.8 strongly demand from the Member-States to agree in time on the outline and the financial framework for the new EU Cohesion Policy to waste no time for the necessary programming at the regional and local level;

3.9 explicitly welcomes the proposal in the draft Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (COM(2004) 492) that if companies benefiting from the funds cease a productive activity, with possible loss of jobs, within seven years of the financing decision, they must repay the sums received (cf. Article 56 of the draft Regulation);

3.10 asks the EU Commission to make sure that the reform of the EU state-aid regulations (Article 83 EC Treaty) will give regional and local authorities the possibility to foster economic development by well-targeted financial incentives;

3.11 agrees with the European Commission that the multi-annual internal market strategy should be more closely linked to the various economic processes. Considering the specific recommendations of the Wim Kok report, the strategy should also be geared to the single objective of making the Union the most competitive and dynamic knowledge-based economy in the world by 2010;
3.12 therefore supports the efforts of the European Commission mentioned in the summary report to simplify realisation of the internal market strategy in parallel with the other processes on the basis of a single, global strategy. This joint objective for 2010 should be part of the European response to globalisation;

3.13 also sees the need to enlarge the concept of the internal market. Over the next few years an internal market strategy must develop solutions to this end, geared to the requirements of the global market and compatible with the economic policy responsibilities and initiatives of the Member States and regional and local authorities, as well as the quality of the European social model.

4. Migration

THE COMMITTEE OF THE REGIONS

4.1 supports the Commission in view of further development of bi- and multi-lateral dialogues on migration;

4.2 recalls the importance of labour migration, significant for the regional and local level in Europe and underlines the necessity to continue urgently to develop a set of rules that will govern the EU's approach towards migration;

4.3 stresses the necessity to set up specific assistance programmes for migrants' countries of origin;

4.4 calls on the Council and the Member States to take account, in drafting EU and national immigration policies, of the need to integrate legal migrants, through non-discrimination and equal access to public services;

4.5 considers that the EU could contribute added value to the action taken at national level to achieve integration, predominantly through incentives and support measures rather than through harmonizing legislation;

4.6 is of the view that local and regional authorities should be invited to take part in the preparation of national action plans and that this would facilitate comparing and identifying best practice and analyzing the real impact and the results of strategies adopted by Member States;

4.7 urges the recognition of the existence of a large number of illegal migrant workers and the need to establish mechanisms to enable migrants who are in breach of immigration law to have their status legalized where appropriate without undue delay, with cases being dealt with on an individual basis, provided this is done in a way compatible with the capacity for appropriate reception and excluding those who have committed offences classified as serious. However, the Committee of the Regions would also point out that without internal border controls, regularisation will affect the situation of other Member States in the Schengen area. A cautious approach should be adopted towards regularisation programmes;

4.8 points out that a major gap in the current institutional structure for the global economy is the absence of a multilateral framework for governing the cross-border movement of people;

4.9 considers that from the perspective of developing countries the absence of a multilateral framework for the cross-border movement of people reflects yet another gap in the rules governing the global economy. Many of them maintain that a more free migration to the industrialized world would be a swift and powerful means of increasing the benefits they receive from globalization.

5. Gender equality

THE COMMITTEE OF THE REGIONS

5.1 points out that there is a growing body of evidence illustrating that especially women are affected by globalization. Globalization has a negative influence on a growing number of women both absolutely as well as in relation to men. For example, women producers face formidable barriers to enter into new economic activities generated by globalization. This is often because of biased attitudes against women directly or in the micro and small enterprise sector in which they predominate, in the policy and regulatory environment. At the same time, for many other women, globalization has resulted in an improvement in their economic and social status. They include the millions of women workers absorbed into the global production system. Wage employment gave them higher incomes than in their previous situations — either intra-family servitude or a penurious and precarious existence in the informal economy. Wage employment also gave these women greater potential economic independence and often raised their social status even within the most oppressively patriarchal societies;

5.2 calls upon the Member-States to give special attention to the social and legal framework governing the employment of women and support all activities at the regional and local level to improve gender policies;

5.3 shares the view of the Commission that gender equality is a fundamental objective of EU internal and external policies and an essential element of the internationally agreed core labour standards.
6. Crossborder, transnational and interregional cooperation, e.g. neighbourhood policy

THE COMMITTEE OF THE REGIONS

6.1 underlines that the future ‘Territorial Cooperation’-instrument of the EU must be drafted in a way to assist the regional and local authorities in their struggle with the negative effects of globalization;

6.2 supports the ‘European Neighbourhood Policy’ as activities aiming at enhancing relations with the Eastern and Southern neighbouring countries of the Union following enlargement;

6.3 shares the view of the Commission that the ultimate aim of this initiative is to create an area of stability and prosperity based on shared values and common interests;

6.4 will contribute in assisting the partner countries in carrying out political and economic reforms while strengthening dialogue and cooperation with them in the social field;

6.5 recalls the need for proper adjustment assistance for those sectors and regions in the EU affected by greater integration between the EU and the Eastern and Southern neighbouring countries.


7. EU trade policies

THE COMMITTEE OF THE REGIONS

7.1 urges the Commission, as a partner in the WTO negotiations, to consider the following issues:

— to bear in mind that liberalisation is not a goal in itself but a means to increased prosperity. Accordingly, liberalisation is not one-dimensional, but is to be developed with due regard to the whole social, economic and environmental consequences, especially for the regional and local level, the area directly affected;

— to consider the principles of regional and local self-government in the WTO negotiations, in accordance with the provisions of Article 6 of the EU Treaty and the Constitutional Treaty;

7.2 welcomes the Commission’s efforts to improve transparency of international trade negotiations and include interest groups from all relevant service sectors. However, it considers that regional and local authorities are to be distinguished from civil society, as they are democratically legitimated and as they regulate the public service sector as part of their remit within the democratic process.


The President
of the Committee of the Regions
Peter STRAUB