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## II

*(Preparatory Acts)*

## COMMITTEE OF THE REGIONS

**Opinion on the White Paper on growth, competitiveness, employment: 'The challenges and ways forward into the 21st Century'**

(95/C 210/01)

## THE COMMITTEE OF THE REGIONS

- Referring to the Committee's right, provided for in Article 198c of the Treaty establishing the European Community, at its third meeting on 18 May 1994 agreed to issue an Opinion on its own initiative concerning the White Paper on Growth, Competitiveness and Employment submitted by the Commission to the European Council in Brussels on 10 and 11 December 1993.
- Stressing the importance of the growth and competitiveness of the economies for strengthening the economic and social cohesion of the Union.
- Stressing the importance of an equal balance between economic and social development.
- In view of the serious problem of unemployment, the economy and society at large.
- With a view to countering this trend by the creation of 15 million jobs by the year 2000.

at its fourth plenary session on 27 September 1994 adopted the following Opinion by a majority of votes.

**Introduction**

In the White Paper, the Commission puts forward guidelines for improving growth, global competitiveness and for creating the highest employment possible; to this end it proposes the following general lines for action:

- making full use of the benefits of the Single Market by promoting durable development of economic activities;
- launching the information society and developing information networks both within Europe and externally;
- accelerating the implementation of transport and energy infrastructure networks;
- providing incentives for innovation and non-physical investment;

- developing cooperation between the Member States;
- obtaining fair rules for international competition.

In order to obtain higher employment in the Community, the Member States have to attain global competitiveness on the increasingly integrated sophisticated world market.

The economy is gradually evolving towards an economy of non-physical elements, and its development should be based on the creation, circulation and application of knowledge, where competitiveness factors will play a key role both in boosting growth and in the labour market generate jobs for skilled labour. The Committee of the Regions gives strong support to the new 'sustainable development' model as set out in the European Commission's White Paper.

Taking account of the problems raised in the Commission's White Paper, the European Council's meeting in Brussels on 10 and 11 December 1993 decided to implement a plan of action to combat unemployment. At its subsequent meeting at Corfu on 24 and 25 June 1994 it further examined progress made with the implementation of the White Paper proposals, and agreed to continue the effort at its meeting in Essen in December 1994.

### THE THREE ASPECTS OF THE WHITE PAPER: GROWTH, COMPETITIVENESS AND EMPLOYMENT

#### Growth

#### THE COMMITTEE OF THE REGIONS

1. notes that the relevant analysis provided by the White Paper enables us to understand the detailed reasoning behind and the intrinsic coherence of the major macroeconomic balances and the economic and monetary policies which are to be implemented;
2. stresses that to achieve the goal of creating 15 million jobs by the year 2000 requires a concerted and sustained drive to
  - a) moderate the growth of consumption to the benefit of savings and investment,
  - b) introduce more flexibility into the labour markets,
  - c) step up research, development and innovation,
  - d) speed up investment in trans-European transport, energy and information networks, thereby helping to boost company productivity;
3. notes that increased growth will have an impact on the environment not only within the boundaries of the Union but elsewhere and care must be taken not to conflict with the environmental commitments of the Union and Member States;
4. notes that in order to meet this target, growth rate of per capita real incomes must be limited to a part only of overall productivity growth;
5. stresses that this implies curbing private and public consumption growth, boosting private and public investment, keeping inflation down and reducing public deficits.



## Competitiveness

### THE COMMITTEE OF THE REGIONS

6. endorses the general lines proposed by the Commission in its White Paper for improving the global competitiveness of Community firms in open, competitive markets;
7. agrees with the Commission's view that competitiveness should be attained by means of structural changes which reconcile solidarity and efficiency. To this end, full attention should be paid to the labour factor;
8. concurs with the assessment that the European Union has lost competitiveness as against its main competitors in the world market. To make up this gap the Committee calls first for a drastic increase in productivity in those sectors which are exposed to international competition and for accelerated development and marketing of new technology-based products and the extension of European Networks;
9. recognizes the need for increased R&D efforts as an important way of raising competitiveness and creating jobs, and calls on the Member States to strive for a sustained increase in the proportion of spending earmarked for R&D. The Committee stresses the need for the White Paper to be given a clear impetus via a coordinated European investment offensive, with incentives for private investment, e.g. tax advantages for R&D expenditure;
10. agrees that the Community measures in research and technological development should be stepped up to match the Japanese rate of 3 % GDP, that better coordination of R&D activities should be realized within the European Union, and that these measures should be aligned on the requirements of the European economy, more particularly the business sector;
11. stresses the importance of the Community ensuring the practical working of the single market, thereby taking advantage of potential for development and experience in this field and the dynamic effect on firms;
12. emphasizes that it is especially important to
  - a) develop Small and Medium-sized Enterprises (SMEs) and local development initiatives,
  - b) complete the full implementation of the four freedoms in the Internal Market, and
  - c) develop trans-European networks;
13. welcomes the Integrated Programme for SMEs, and notes the importance of the single market to be supportive to the competitiveness of SMEs and in particular very small firms and craft industries. The Committee calls on the Commission, the Council and Member States to implement the measures contained in the Integrated Programme with the full participation of the local authorities and regions, in view of their experience in planning, creating and developing industrial areas and setting up local back-up services for SMEs (e.g. dismantlement at all levels of administrative hindrances and financial disadvantages, introduction of tax-relief as compensation for size-related disadvantages, creation of a reliable and stable environment, facilitation of access to capital markets, encouragement of joint ventures and improvement of management quality) as quickly as possible so as to help SMEs boost their competitiveness and adjust to the requirements of the single market and international competition;
14. regards trans-European networks, the existence of efficient, low-cost infrastructures in the energy, transport and communication sectors as essential for developing the European

economy and making a significant contribution to improving European firms' competitiveness, particularly SMEs, in view of their communication capability and access to markets;

15. believes that all regions should have equivalent access to the trans-European networks in order to draw the regions closer together, thus improving the competitiveness of their economies. This is particularly the case for island and peripheral regions of the Union which will not enjoy the full advantages of European integration unless transport and communications are improved;

16. welcomes the Bangemann report, which was presented at the meeting of the Council on 24 and 25 June in Corfu, as it considers the establishment of the information society vital for strengthening European firms' positions, particularly for SMEs, vis-à-vis international competition. Consequently, it is important that the European Union encourage action needed both to develop information technologies and to introduce them into the market. The local authorities and regions must be involved in selecting priority projects, so that full, efficient computerization can be achieved throughout Europe;

17. stresses that environmental considerations and environmental impact assessment must have considerable weight in the assessment prioritization and funding of common infrastructure projects, and regional and local authorities should be consulted at an early stage in the planning and implementation of common projects;

18. points out that it is incumbent on the European Union to facilitate the spread of new technologies by laying the foundations for these technologies to be geared to the needs of enterprises and in general to the requirements of European society in terms of competition rules; stresses that regional transfer centres can play a key role here for SMEs;

19. underlines that environmentally compatible production processes are of increasing importance for international competitiveness;

20. considers it vital for the growth and competitiveness of the European economy to pursue industrial and technological cooperation with non-member states, especially those with major growth potential. This is equally true for the countries of Central and Eastern Europe whose economies are in the throes of transformation. The economies of these countries should gradually but rapidly become part of the European Union's overall economic relations. A plan for establishing economic relations should be presented by the Commission as soon as possible.

## Education

### THE COMMITTEE OF THE REGIONS

21. welcomes the stress laid on education as a contributing factor to the maintenance of the competitiveness of the European economy, and believes that human labour and ability to innovate is the most important natural resource for the maintenance and further development of the economic strength of the European Union and that it therefore requires special support;

22. stresses that the content and structure of education are matters for the Member States and emphatically opposes any extension of the current responsibilities of the Union beyond what was set out in the EU Treaty in the field of general and vocational training;

23. points out that the proposals for closer coordination of school education and in-house vocational training by the firms and for the co-financing of this training by the private sector via the dual system of vocational training has existed for a long time in two Member States (Germany and Luxembourg) and has proved its worth as an important way of preventing youth unemployment;

24. notes that the educational systems of the various Member States differ considerably and that generalized conclusions are therefore not appropriate;

25. is convinced that a massive professional and financial commitment by firms to vocational training will be as economically necessary in the long term in the other Member States of the EU as in those Member States which already follow the twin-track system of vocational training;

26. stresses the importance of paying extra attention to the vulnerable groups of women re-entering the labour market, ethnic minorities, long-term unemployed and young unemployed people;

27. calls therefore on the Member States, including the local and regional authorities, by legislation and by an intensive strategy of motivation and information to persuade firms to become comprehensively and systematically involved in the training of young people, and to co-finance and take on full responsibility for the training of skilled workers;

28. stresses that, in order to meet the challenges of future vocational training, systems are needed covering broad basic training, sufficient specialization in a particular field and the integration of young people into the production process in the final stage of initial training. This will make a smooth transition from training to working life possible. Only in this way can steps be taken to counter the disturbing phenomenon whereby the high drop-out rate from education and vocational training in some countries, caused by a relatively low education and training level, leads to above average youth unemployment, which generates social tension, social alienation, and sharply antisocial behaviour, resulting in increased crime, drug abuse and so on;

29. stresses that the social partners should be involved to a greater extent than hitherto in the definition of education and training policy in order to facilitate the transition from training to work and to bring the scope of qualifications more into line with the jobs of the future;

30. stresses that, in addition to reform of the structuring of initial training, further training, in the sense of life-long learning, must also become the subject of social dialogue and also an integral part of every business strategy. Every firm should be required, by staff development planning and its systematic implementation, to offer every worker maximum personal career development opportunities and to ensure continuous adaptation to technological change. Universities and other institutes of higher education too, should develop their organizational structures and teaching methods in order to provide effective life-long further education. Appropriate work experience outside the academic institution but during the period of study may be an important part of any higher education course, if these work experiences are substantial and relevant to future job possibilities. To this end cross-frontier distance learning should be expanded and more widely applied;

31. points out that the systematic planning of higher and further training is not primarily a matter for Government; it must, rather, be shaped by the social partners and the local and regional authorities, and co-financed by firms. Public authorities and institutions should in particular aid SMEs by means of support for advice on further training and incentives;

32. endorses the European Commission's pilot scheme for reinforcing inter-regional cooperation within the EU between those responsible for education at local level. The scheme focuses in particular on the assessment of vocational training needs. This pilot scheme is only operating in 10<sup>(1)</sup>, and the COR would like to see the similar initiatives taken in other regions;

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<sup>(1)</sup> Greater Copenhagen (Denmark), Sachsen-Anhalt (Germany), Western Greece, Community of Valencia (Spain), Pays de la Loire (France), Liguria (Italy), Greater Dublin (Ireland), Limburg (Netherlands), Central Portugal, East Anglia (UK).

33. calls on the Member States to ensure, if necessary by legislation, that periods of unemployment can be used by workers, without prejudice to their benefits, for obtaining additional qualifications which will facilitate their reintegration into the labour market;
34. endorses the Commission's call for sufficient funding for universities and other institutes of higher learning and advocates closer cooperation between such establishments and business;
35. calls on the Member States to offer equality of training opportunity with regard to non-academic vocational training and make suitable funding available;
36. supports the initiatives for EU activities to intensify the exchange of experience and information between the Member States and to support the mobility of teachers and apprentices as a contribution to the ultimate objective of a European training and labour market. In this context foreign language acquisition is a vital factor in the creation of a citizen's Europe and completion of the Internal Market;
37. opposes unnecessary standardization of new decentralized instruments of multi-media training in order not to impede the current rapid developments in this area, and feels that they should, rather, be left to the market forces. The Committee assumes that the rapid development of the supply of compatible systems and converters will mean that this problem will gradually disappear;
38. acknowledges the EU's financial commitment in the field of general education and vocational training, particularly via the European Social Fund and the European Regional Development Fund, and expects that in future these resources will be purposefully and efficiently used, above all to reduce educational and training discrepancies in Objective 1 regions.

## Employment

### THE COMMITTEE OF THE REGIONS

39. shares the view expressed in the White Paper that the main aim of economic policy in the EU must be a tangible reduction of unemployment in the foreseeable future, as the unacceptably high level of unemployment is socially and politically explosive, and threatens to undermine the confidence of the population in the process of European integration;
40. points out that the direct and indirect impact of unemployment weigh particularly heavily on regional and local authorities and endanger the local provision of services to the population;
41. stresses the need to give equal priority to the achievement of the highest possible level of welfare and social security and to a tangible reduction in unemployment;
42. believes that a sustained reduction of real wages and deep cuts in the social security system are not a suitable way of surmounting the employment crisis in Europe and are likely to lead, rather, to a long-term stagnation and loss of growth. In this connection the Committee of the Regions welcomes the realism recently shown by the parties to wage negotiations in several Member States (e.g. Belgium, Germany, Greece, Italy, Ireland and the Netherlands), as an effective contribution to more growth and employment;
43. believes that a switch from an influx social security policy to an outflow policy improves the opportunities for creating jobs;
44. welcomes the White Paper's call for a shift of political emphasis to creating more jobs rather than cutting the unemployment rate. This means giving priority to the creation of jobs

in the regular (primary) labour market. Publicly supported employment schemes should function as a bridge for the primary labour market;

45. points out that it is better to stimulate the creation of jobs (the second labour market) than to finance unemployment and particularly welcomes in this context many and various regional and local employment initiatives. Promotion of local action should be first and foremost based on local initiatives supported by regional and national authorities. The Committee emphasizes the positive role for the structural funds in promoting local initiatives;

46. points out that, in addition to high unit costs, technological and management shortcomings are often the cause of the deteriorating competitiveness of European firms, and urges the Commission, the Council and the Member States to examine and implement the measures required to improve technological awareness within the Union;

47. believes that deregulation may at times be a suitable way of eliminating labour market rigidities. But this must be considered case-by-case with due consideration for national and regional structures and with the full involvement of employees' representatives. Deregulation, e.g. by vastly loosening the rules on termination of employment, is per se no panacea;

48. shares the view expressed in the White Paper that flexible arrangements on working time, including flexibility on hours worked, are desirable in overall economic terms, if this reflects the wishes of workers and is compatible with the economic requirements of firms. The Committee agrees that this should only be done via support measures and incentives, and by agreement between the social partners;

49. considers it necessary to point out the many ways in which shorter working hours help promote or preserve jobs, as long as they do not endanger the competitiveness of industry or economy, and stresses the positive effects of encouraging part-time work, with due attention to the equality in social protection of full-time and part-time work. Specific incentives for part-time work contracts are needed. Local and regional authorities in the European Union have helped to develop new patterns of working, e.g. part-time work, job sharing etc., and are well placed to exchange experience with other employers in the Union on these issues. National, regional and local authorities should set a good example here via their recruitment policies;

50. stresses the role of environmental protection and services, e.g. in the area of media/telecommunications, but above all in the areas of local domestic and caring services, leisure and cultural activities, in the creation of new jobs. It shares the view that in these areas more than three million jobs can be created in the medium term. Alongside private investment, regional and local authorities have a leading role to play here. The Committee therefore expects these authorities and other local actors to be given the necessary powers and funds;

51. stresses the importance of a dialogue-orientated economic policy at all levels of the Union, to include job creation, since a basic social consensus between political authorities, firms and trade unions is a prerequisite for tackling the strategic questions of future European economic development. The European tradition of action based on solidarity must remain the foundation of labour-market and employment policy. Given the economic, political and legal differences between the Member States, the necessary measures must be adopted primarily in the Member States;

52. welcomes the comments in the White Paper made on decentralization and the moves towards a decentralized economy. The Committee feels that local and regional Government has an important role to play in implementing the parts of the White Paper built around this theme, particularly in relation to the training aspects associated with the creation of local

partnership to stimulate growth and development of SMEs, the introduction of new technologies and the development of training which is linked to the demands of the local and regional labour market. The Committee expects the regional and local authorities and the various other partners to be given appropriate powers and funding.

### **New development model**

#### **THE COMMITTEE OF THE REGIONS**

53. greatly welcomes the White Paper's discussion of a new development model;

54. shares the view that in the European Union the cost of the labour factor of production is generally too high and the cost of the environment factor too low. Reducing the burden of costs on the use of labour (without reducing wages) whilst simultaneously imposing a cost on use of the environment would create incentives for both more employment and more environmental protection;

55. shares the view expressed in the White Paper that a reduction of the burden of social levies on employers is of considerable importance for the creation of new jobs and the maintenance of existing ones. The Committee agrees that employers' social security contributions have to be reduced;

56. points out that the new sustainable development model demands for an active role by regional and local Government since these authorities are the key actors in the existing environmental programmes for which sustainability is the goal. In this process, it is regrettable that when dealing with assessment of the economic consequences of the new development model external costs are not considered an economic component. The Committee of the Regions recommends to the European Commission to bring about an increased use of the products of clean technology. In this respect it is necessary for the Union to increase substantially and coordinate R&D efforts in the field of clean technology. This requires a wide-ranging green audit and a firm procurement policy.

57. stresses the need for fiscal measures to compensate for the reduction of employers' social levies to be based mainly on taxes on respectively energy — CO<sub>2</sub> — and natural resources and uniform taxation of income from capital in the EU, and points out that an ecologically orientated tax policy must not be allowed to increase the total government tax take as a proportion of GDP;

58. recognizes the need in this connection for the development and introduction of new integrated technologies, the raising of energy efficiency and the establishment of an environment-friendly infrastructure, particularly in the areas of transport, supply and disposal.

### **Concluding remarks**

#### **THE COMMITTEE OF THE REGIONS**

59. regrets the absence of sectoral or local and regional analysis in the White Paper, for instance in relation to the likely effect on growth, competitiveness and employment of opening up EU and world service sectors markets, which currently account for more than two thirds of employment. It advocates a strengthened dialogue within the Committee of the Regions itself and in other European bodies, particularly in respect of regional and local-level services mentioned in point 49 above;

60. regrets that the White Paper merely skims over the ways in which regional and local authorities can help to create growth and employment. Indeed, it is very largely the regional and local authorities which create the conditions for development in the private sector by setting up the technical and social infrastructure. The European Commission and Member States should seize every opportunity to press the case for the sustainable development model

which should become accepted outside of the European Union. As a precondition of funding from EU programmes for infrastructure development, the Commission should issue guidelines requiring the Contractor as much as possible to use green products, recycled materials and alternatives to natural resources, e.g. secondary aggregates;

61. stresses that local and regional authorities, especially in urban areas, can be called on to play a role in the following main areas;

- support for economic initiative,
- an efficient local labour market,
- research and innovation policy,
- transport networks,
- information and communications technology,
- the environment and quality of life,
- general and professional education.

62. calls for an analysis by the Commission of the impact of the cyclical economic and structural economic changes on the different types of regions in the European Union (e.g. backward agricultural regions and declining industrial regions in relation to the other regions of the Union). Account should also be taken here of expected developments in relations with neighbouring Central and Eastern European countries so that clear development trends can be laid bare and discussed as soon as possible;

63. regrets that there is no analysis of workers' profit sharing and share incentive schemes, e.g. in the form of investment wage models. The Committee stresses the importance in terms of social policy of workers having a stake in productive facilities and the extent to which this can make it easier for companies to raise capital. The Committee calls on the European Union to continue with comparative studies of the development of existing national worker incentive schemes;

64. regrets that the subject of the new development model is dealt with in isolation in a single chapter and is reflected either inadequately or not at all in other chapters which ought to pick up and apply the idea, e.g. the chapters on research and technology policy and trans-European infrastructure networks. A positive example on the other hand is the treatment of environmental problems in connection with the improvement of the competitiveness of European industry;

65. rejects an extension of the Community's funding margins and the creation of new financing instruments. The principle to be followed on funding is that, as far as possible, private capital should be mobilized, and in general is to have priority. Insofar as public money is required, funding is primarily a matter for the authorities responsible for planning and implementation of projects. If it is needed at all, the EU's financial contribution should as far as possible come from the Cohesion Fund and the other existing budgetary resources and would presuppose a contribution from the organization responsible for each project. Only in exceptional cases should the specific Community subsidies for trans-European networks be tapped. The European Investment Bank should also play a supporting role through its existing loan facilities.

Done at Brussels, 27 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

## APPENDIX I

## to the opinion of the Committee of the Regions

**1. Background**

The seriousness of the recession and the scale of unemployment led the EU's Heads of State or Government to take an initial series of decisions (the 'Edinburgh facilities') at the European Council held in Edinburgh on 10 and 11 December 1992. Following a dramatic speech by the President, Mr Jacques Delors, the European Council in Copenhagen on 21 and 22 June 1993 instructed the Commission to undertake a detailed analysis of the causes of the recession and to put forward proposals for overcoming it. The Commission duly submitted its White Paper to the Summit held in Brussels on 10 and 11 December 1993 (eleven priority transport network schemes). The first concrete decisions were taken at the European Council in Corfu on 24 and 25 June 1994. By this time all the Member States had already begun to take measures in line with the White Paper.

**2. Analysis****2.1. *The facts***

Seventeen million people are currently out of work in the European Union, i.e. 11 % of the workforce. In April this year, over 18.5 million people were registered as unemployed. Almost half of those out of work have been so for more than 12 months and the unemployment rate amongst the under 25s now stands at 20 %. Besides the economic waste of this human potential, unemployment is also a human and social disease which is at the root of a good many of modern society's ills, such as crime, drugs and racism.

This downward trend is at first astonishing.

First, because from 1986 to 1990, doubtless in anticipation of the completion of the Single Market on 1 January 1993, the annual EU growth rate was 3.2 %, employment rose annually by 1.3 %, and unemployment therefore fell from 10.8 % in 1985 to 8.3 % in 1990. The actual achievement of the Single Market and the prospect of attaining economic and monetary union by the end of the century might have fostered the belief that Europe would be able to keep up this momentum, sustain a growth rate in excess of 3 %, create new jobs and continue to bring down unemployment. But just as the Internal Market was becoming a reality, exactly the opposite happened (see graph appended).

Secondly, the United States and Japan have much lower unemployment rates than the European Union (6.1 % in the United States and 2.5 % in Japan in 1993). The White Paper points out that between 1973 and 1990, the United States achieved an annual average GDP growth rate of 2.3 %, while labour productivity grew by only 0.4 %, yielding an average 1.9 % increase in employment over the 17 year period. This growth practically matched growth in the US labour supply, which was much higher than in Europe, and kept unemployment at an almost constant cyclical average of 5.5 % over the same period. Meanwhile, however, real per capita wages in the United States grew by only 0.4 % per year, as against 1.5 % in the Community.

Is the European model undergoing a crisis?

**2.2. *The causes***

When something goes wrong, the tendency is always to put the blame on someone else. This is what has happened here: the causes are said to be external. In fact the root causes of the recession can be largely attributed to the Community itself.

**2.2.1. Competition from third countries**

The net loss of three million jobs in 1992 and 1993 has been blamed on unfair competition from the countries of South-East Asia (Taiwan, South Korea, Singapore and Hong Kong, followed by Malaysia and Indonesia, and soon also Vietnam and the Peoples' Republic of China). The very low wages in Central and Eastern European countries are also alleged to be a factor in unfair competition and even company relocation. These are doubtless valid arguments for certain sectors and in particular cases, but it should be stressed that the South-East Asian countries in question accounted for only 14 % of total



EU imports in 1993, as against 12 % of EU exports; Central and Eastern European countries accounted for only 4 % of EU imports as against 5 % of EU exports. Imports from low-wage countries account for only 1.5 % of total expenditure on goods and services in OECD countries. Moreover, the Commission makes full use of the powers at its disposal if it finds evidence of dumping. It should not be forgotten either that the European Union cannot overlook these extremely buoyant countries and new markets they offer for its future exports.

#### 2.2.2. Labour costs

Labour costs are too high in Europe. First, in absolute terms. We have, in fact, reached the stage in certain countries where, given an average gross wage of 100, the worker receives only 65 net and the employer pays out a total of 150. European statutory tax deductions and equivalent charges are obviously excessive; in some countries, they even exceed the net wage. Other ways must therefore be found to finance public spending, and social security in particular, or capital will continue to replace labour, thereby encouraging changes in production processes rather than new products. Labour costs in Europe are also too high in relative terms, i.e. compared to third countries (around four times as high as those of the South-East Asian dragons and around ten times those of Eastern Europe). Although labour productivity in Europe is extremely high, it leaves companies little room for manoeuvre in ensuring their competitiveness and breaking into new markets.

#### 2.2.3. The loss of market shares

Despite the recession and high labour costs, Europe has managed more or less to maintain its international market shares. Unfortunately, it has specialized in the export of traditional products, neglecting high technology sectors which generate growth and employment, and to which our own markets are open mainly to American and Japanese firms.

#### 2.2.4. The inflexibility of the labour market

Europe has reason to be proud of its social legislation. That said, this legislation often leads to excessively inflexible labour markets and sometimes, in turn, to the non-creation, or even destruction of jobs, and often a certain reluctance on the part of employers to take on labour in boom periods. Greater flexibility is therefore called for. The basic rules of social protection must remain intact but over-regulation, which impedes job creation, must be abolished.

#### 2.2.5. Research and development

The quality of and expenditure on research are lower in Europe than in the United States and Japan (over 3 % of GDP in Japan, 2.8 % in the US, as against 2 % in the European Union). Europe also lacks the coordination needed to avoid researching the same thing twelve times over. The Union could concentrate on a handful of joint projects — the Fourth Framework Programme of 26 April 1994 which earmarks ECU 11 billion for 1994-1998 for four types of activities<sup>(1)</sup> (in addition to the ECU 1.25 billion set aside for Euratom research over the same period), is a step in this direction. The Union could also, and above all, minimize the lead time between discovery, prototype development and the marketing of new products.

### 3. The remedies

To tackle unemployment and create more jobs, large-scale action backed by the social partners, must be implemented at European, national, regional and municipal level. According to the White Paper, a distinction should however be drawn between the true and the false remedies, though it has to be remembered that no remedy is wholly 'true' or wholly 'false'.

<sup>(1)</sup> OJ No L 126, 18. 5. 1994.

### 3.1. *The false remedies*

These include:

#### 3.1.1. Protectionism

To cut out unfair competition from third countries, the EU could either close its borders or at least levy customs duties and similar charges on imports. With the conclusion of the GATT negotiations at Marrakesh on 15 April 1994, the European Union, the world's leading trading bloc, must respect the treaties signed and do everything in its power to give the most propitious start to the World Trade Organization on 1 January 1995. Moreover, experts' estimates point to an immediate 1 % annual rise in world GDP, following the liberalization in world trade in the wake of the Uruguay Round. Given the current recession, this would be of enormous benefit to the European Union, whose exports of goods account for 9 % of GDP. This is therefore not the right time to advocate protectionism, especially since this increase in international trade will generate an increasing number of jobs in Europe.

The European Union should, however, be on its guard with regard to GATT and protect itself where necessary, as do the United States and Japan. It should intervene radically to curb imports linked to excessively low wages in third countries (i.e. dumping) and considerable care should be exercised when dealing with imports from countries violating human rights (including the rights of children). The Union can and must incorporate social clauses into the trade agreements that it concludes with third countries.

#### 3.1.2. Deficit spending

Turning on the tap of national and Community spending on consumer items is no longer seen as a suitable way of getting the economy moving, especially since most EU Member States do not have the necessary budgetary leeway. Such a cure would be worse than the disease; the lax economic policies pursued during the second half of the 80s were too disruptive to the balanced development of economies for this avenue to be seriously explored.

#### 3.1.3. Social dumping

Some parties claim that to stem competition from third countries, the EU should reduce its wages or radically review its social security systems, which are becoming impossible to fund because of Europe's demographic changes. This type of deflationary policy would also do more harm than good; the drop in Europeans' spending power would have a catastrophic effect on the supply of goods and services within the single market, which continue to account for 90 % of EU sales. However, decisions will obviously have to be taken, especially with regard to real wage growth and social benefits, and social security schemes will have to be more selective so that benefits are focused on those who need them most.

#### 3.1.4. General reduction in working hours <sup>(1)</sup>

A mandatory across-the-board cut in working hours (for example, via the introduction of the 32-hour week), even if wages were reduced in tandem is, in the final analysis, only a makeshift solution, even though it is not a bad solution in itself, given the large number of needs which cannot be satisfied. Such arrangements would place the least skilled and most poorly paid members of society in an even more precarious position. This does not of course mean that companies cannot introduce transitional job-sharing schemes to stave off redundancies, or that part-time working arrangements cannot be encouraged by tax incentives or bonuses. Furthermore, the long-term downward trend of working hours will doubtless continue.

### 3.2. *The real remedies*

The White Paper first stresses that it is incorrect to claim that unemployment is the result of insufficient demand, as the needs of our society are enormous. Some 50 million EU citizens (15 % of the population) have a precarious standard of living i.e. a real income 50 % below the national average. The requirements are vast in the fields of: housing, including refurbishment, public transport and environmental protection, (waste water treatment, upkeep of natural and public amenities and monitoring of quality standards);

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<sup>(1)</sup> See also the concluding remarks in the Opinion.

local services (home help for the elderly, child minding, assistance for young people and security in blocks of flats), leisure and cultural facilities (audiovisual or otherwise). These needs go largely unmet, either because there is too much red tape, or because there is not enough effective demand, because those concerned have insufficient incomes, or because the market prices for services are too high. Efforts will have to focus on meeting these needs.

In addition to domestic demand, export markets are now wide open to EU businesses, provided they are competitive and innovative.

The main ways to improve competitiveness and reduce unemployment are:

### 3.2.1. Major investment projects <sup>(1)</sup>

Employment can be stimulated by the accelerated implementation of a number of public works projects (networks), which Europe badly needs if it is to strengthen its competitive position with regard to third countries. These include:

- transport infrastructure (motorways, high-speed trains, airports and waterways);
- broadband information highways (multi-media world: sound, text and image);
- trans-European energy networks (gas and electricity); and
- major environmental projects.

Priority will have to be given to building those networks whose absence impedes the smooth operation of the Internal Market and which therefore would have the highest rate of return at European level. Total investment costs from now until the year 2000 are estimated at around ECU 500 billion, of which 120 billion will be earmarked for priority projects. Some 10% of the total costs could be met by the European Union, in the form of grants, loans or loan guarantees (European Investment Fund) <sup>(2)</sup>. The cost of the proposed investment is equivalent to around 1% of EU GDP (ECU 5,500 billion in 1994).

The EU budgetary forward planning for 1994-1999 agreed upon in Edinburgh will clearly not be revised. EU subsidies will therefore have to come from existing budget lines, such as the Structural Funds and the Cohesion Fund.

The Corfu European Council outlined 11 priority projects for trans-European transport networks (chiefly high-speed train links), for which the financial requirements are put at ECU 68 billion, including ECU 32 billion for 1994-1999. Funding will be examined on a case-by-case basis. Altogether, 38 transport infrastructure projects and 8 energy projects have been identified.

### 3.2.2. Development of small and medium-sized enterprises (SMEs)

According to the European definition (up to 500 employees), SMEs provide 75% of EU private-sector jobs, a quarter of which are held by self-employed workers (one third of jobs being in SMEs with under ten employees). SMEs are also the most active in generating employment (three-quarters of new jobs created over the last three years). Their activity must therefore be stimulated by:

- reducing administrative regulations as far as possible;

<sup>(1)</sup> See also the concluding remarks in the Opinion.

<sup>(2)</sup> The European Investment Fund (EIF), which was established on 14 June 1994 has a total authorized capital of ECU 2 billion, provided by private banks (30%), the EIB (40%) and the European Commission (30%). It will provide loan guarantees (up to 50% of project cost) of ECU 6-16 billion, especially for major infrastructure projects, thus promoting investments totalling around ECU 30 billion, see OJ No L 173, 7. 7. 1994). By May 1994, the EIB had also granted loans totalling ECU 5.8 billion, out of the total ECU 8 billion provided for under the Edinburgh facilities. These cover 75% (as against 50%) of investment in infrastructure (transport and environment) and in SMEs.

- giving them financial incentives to create jobs, including:
  - interest rebates (of two percentage points over five years) on global loans up to a total of ECU 1 billion (a maximum of ECU 30,000 per job created) granted by the European Investment Bank (EIB) <sup>(1)</sup>; and
  - EIF loan guarantees.

The Commission launched an integrated programme on 3 June this year to assist SMEs <sup>(2)</sup>.

### 3.2.3. Improvement of vocational training and education

Adequate general and specialist training is fundamental to effective work organization in today's society, which is hallmarked by an increasing reliance on technology. Machines have taken over much of man's work, but it is up to individuals to use them as efficiently as possible and to research and develop new products. The unemployed can be helped to find work by being given adequate vocational training. Despite its advances made in this field, compared, for example, with the United States, Europe still has a great deal of ground to cover.

### 3.2.4. The macroeconomic framework

In its White Paper, the Commission sets the target of creating 15 million new jobs by the end of the century, thereby more than halving the current unemployment rate by the year 2000.

At first sight, this objective seems too ambitious, but we should not forget that the European Union created 9 million jobs between 1984 and 1990. Moreover, simulations reveal that an ambitious project of this nature is feasible if everyone pulls their weight in creating the essential macroeconomic conditions.

The Commission presented a number of scenarios including No 1 (low growth and non-convergence) and No 4 (high growth accompanied by structural measures) are tabulated below:

**Low-growth scenario, European Community <sup>(1)</sup>, 1993-2000**  
(Annual % change, unless otherwise stated)

	1993	1994	Average 1995-2000	2000
1. Real GDP growth	-0.6	1.5	2.1	2.0
2. Employment	-2.3	0.1	0.3	0.3
3. Labour productivity	1.7	1.4	1.8	1.7
4. Unemployment rate (% of civilian labour force)	10.4	10.6	11.7	12.2
5. Consumption price	3.7	3.3	3.5	3.5
6. Public deficit (% of GDP)	-6.2	-6.1	-5.0	-5.0
7. Public investment (% of GDP) <sup>(2)</sup>	2.8	3.3	2.8	2.9
8. Real gross wage/head	0.4	0.1	1.6	1.8
9. Real long-term interest rate (deflated with GDP deflator)	4.3	3.7	—	—
10. Private consumption	-0.4	0.2	2.0	2.1
11. Total investments	-5.3	3.7	—	—
12. Exports	-1.3	3.5	—	—
13. Private savings	21.3	21.8	21.3	21.4
14. Public savings	-2.7	-2.4	-1.4	-1.3
15. Current receipts (% of GDP)	43.8	44.0	44.1	44.3

<sup>(1)</sup> Including East Germany.

<sup>(2)</sup> Including 'Edinburgh II' package.

Source: Commission services, Broad Economic Policy Guidelines, European Economy, No 55, 1993, pp. 32-33.

<sup>(1)</sup> Cf. Council Decision of 19 April 1994 (OJ No L 107, 28. 4. 1994).

<sup>(2)</sup> Integrated Programme in favour of SMEs and the craft sector (Doc. COM(94) 207), see also the Commission Recommendation of 25 May 1994 concerning the taxation of small and medium-sized enterprises (OJ No L 177, 9. 7. 1994) and the Communication from the Commission on the improvement of the fiscal environment of small and medium-sized enterprises (OJ No C 187, 9. 7. 1994).

In this scenario, growth remains low (only slightly higher than 2% p.a.), labour productivity and consequently unemployment (12.2% in the year 2000) are high and there is a large public deficit (-5.0% by the year 2000). Despite the increase in real wages, there is only a slight increase in private consumption.

In the high-growth scenario (3.5% p.a.), however, unemployment drops to 4.5% by the year 2000.

**High-growth scenario, European Community <sup>(1)</sup>, 1993-2000**  
(Annual % change, unless otherwise stated)

	1993	1994	Average 1995-2000	2000
1. Real GDP growth	-0.6	1.5	3.3	3.6
2. Employment	-2.3	0.1	1.9	2.2
3. Labour productivity	1.7	1.4	1.5	1.5
4. Unemployment rate (% of civilian labour force)	10.4	10.6	7.6	4.5
5. Consumption price	3.7	3.3	2.5	2.5
6. Public deficit (% of GDP)	-6.2	-6.1	-3.5	-0.8
7. Public investment (% of GDP) <sup>(2)</sup>	2.8	3.3	3.4	3.5
8. Real gross wage/head	0.4	0.1	0.5	0.5
9. Real long-term interest rate (deflated with GDP deflator)	4.3	3.7	3.8	3.7
10. Private consumption	-0.4	0.2	2.6	3.2
11. Total investments	-5.3	3.7	6.7	6.1
12. Exports	-1.3	3.5	6.3	6.5
13. Private savings	21.3	21.8	21.9	21.3
14. Public savings	-2.7	-2.4	0.6	3.4
15. Current receipts (% of GDP)	43.8	44.0	44.1	44.3

<sup>(1)</sup> Including East Germany.

<sup>(2)</sup> Including 'Edinburgh II' package.

Source: Commission services, Broad Economic Policy Guidelines, European Economy, No 55, 1993, pp. 32-33.

In order to meet the target of creating 15 million jobs by the year 2000, we must:

- limit the growth rate of per capita real wages to 50% of the labour productivity growth rate;
- curb private and public consumption growth;
- boost private and public investment (from 19% to 24% of GDP);
- keep inflation down to around 2.6%;
- reduce public deficits from 6% of GDP in 1994 to under 1% by the year 2000, without making any substantial increases in taxes and equivalent charges which would remain at around 44% of GDP.

Although the Member State governments and social partners more or less agree on the general thrust of this macroeconomic framework, the White Paper itself points out a potential danger: 'the most serious challenge facing policy-makers will be to maintain the awareness of the need to implement appropriate macroeconomic and structural policies even when the recession is overcome' (p. 63).

According to the latest Commission economic forecasts (mid-May), Europe is emerging from recession. The following growth rate figures are forecast for 1995: 2.5% growth in GDP, 4.9% in investments, 0.3% in employment; unemployment is to steady at 11.5%. Faced with these rather encouraging figures (apart from the unemployment rate), politicians will be sorely tempted to drop the reins and postpone the streamlining of public finances, which is however a prerequisite for bringing down long-term interest rates and making the necessary public investment.

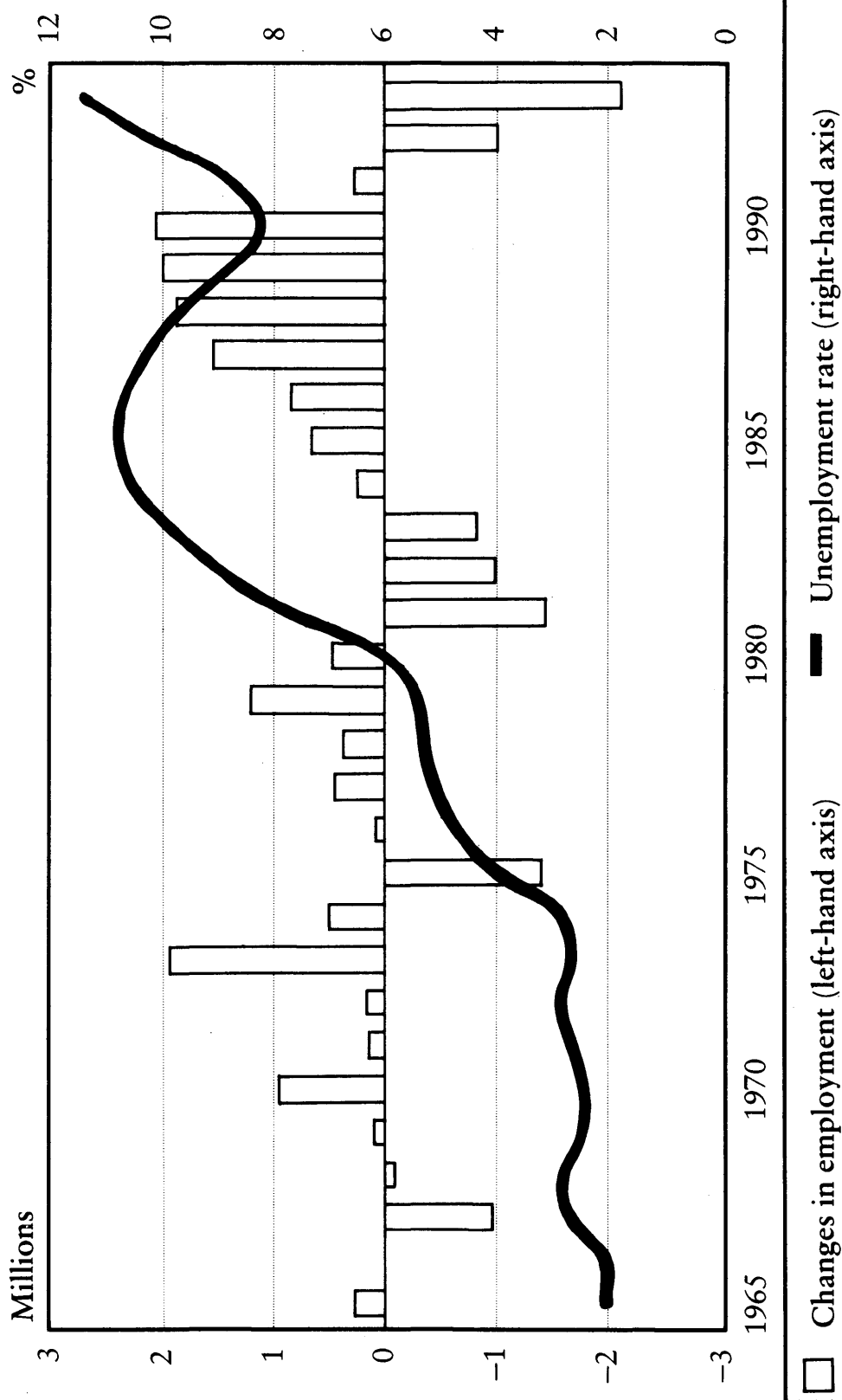
It was with this in mind that the European Council, meeting in Corfu on 24 and 25 June 1994, declared 'it essential that the improvement in the economic situation should not lead to a slackening of efforts to promote structural adjustment in Europe but should instead be exploited to speed up essential reforms, particularly in the field of employment, where the situation is still very worrying'.

Since the early '80s, Community employment has only begun to rise when GDP growth exceeds 2 % (in the early 70s GDP growth was as high as 4 %). There is no reason to believe that this gap could not be narrowed in the years to come (to 1.5 % or even 1 %, for example), if relative labour costs develop more favourably than capital costs. In the United States, the gap is only 0.5 %.

The simulations produced by the Commission which are outlined in the tables above — set out possible macroeconomic frameworks, and show that the unemployment problem cannot be solved without structural measures.

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## EC: EMPLOYMENT AND UNEMPLOYMENT



Source: EC Commission

## APPENDIX II

**Supplementary opinion on the urban aspects of the White Paper on growth, competitiveness, employment**

On 26 July 1994, the Committee of the Regions, acting under the first paragraph of Rule 9 of the Rules of Procedure, decided to draw up a Supplementary Opinion on the urban aspects of the above-mentioned White Paper.

Commission 4 on Urban Policies, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 29 July 1994. The Rapporteur was Mr V. Castellani.

The Opinion was forwarded to Commission 1, to which the main referral was made, and was considered at its meeting on 9 September.

At its fourth plenary session (meeting of 27 September 1994) the Committee of the Regions adopted the following Opinion.

1. The white Paper urges the Member States to consider how to lay the foundations for a sustainable long-term economic development which will enable them to withstand international competition and create the millions of jobs that are needed. The structural changes envisaged are not to be achieved by State diktat, but through constant attention to research and to the role of the major players in society. Special emphasis is laid on the importance of systematic cooperation between the public and private sectors. Only a few sections of the White Paper make explicit mention of the role which might be played by local authorities — particularly urban authorities — in this joint venture, but a close reading reveals that much of this venture requires a contribution from local authorities. It is clearly part of the Paper's message that these authorities should have specific responsibilities.

1.1. It is important to point out that towns can be a major force for structural change and that crucial synergies between the public and private sectors can be identified and harnessed. The present Opinion sets out to indicate some of the main sectors where the role of urban areas is of primary importance, and argues that this role must be openly recognized if opportunities for action are to be seized.

2. More specifically, towns can be called on to play a role in the following main areas:

- support for economic initiative;
- an efficient local labour market;
- research and innovation policy;
- transport networks;
- information and communications technology;
- the environment and quality of life.

2.1. *Support for economic initiative*

2.1.1. The economic role of cities has recently been shifting from the direct production of goods and services to stimulation and support of private-sector initiatives, and of cooperation between private-sector operators.

2.1.2. Cities and towns are in a position to promote planning by groups of companies at local level: only groups of companies — often with the help of Community or national authorities — can cover the ground needed to achieve trans-national development. The incentives are obvious: sharing costs, reducing risks, and setting in motion synergies by bringing together certain skills or approaches at different project stages.

2.1.3. The unfettered spontaneity of the private sector and traditional public sector initiative no longer suffice: a combination of the former's more decisive way of operating with the latter's longer time horizon must be brought to bear on schemes which will only show an economic return in the long term and where social values are at stake.



2.1.4. The municipal framework is frequently inadequate to the decisions and implementation entailed in such schemes which are often of a scale requiring organization across a larger area. The 'supra-municipal' dimension provided by the major conurbations is the most appropriate, although this must not be taken to mean that the smaller municipalities can be excluded from economic and spatial planning decisions.

Solutions should however be sought at the most suitable territorial level — which will not necessarily be the same for all types of action.

2.1.5. It should be borne in mind when planning development that cities which are purely financial, organizational and management centres tend to aggravate inequalities, while cities retaining a sub-stratum of small- to medium-scale trade and industry are able to conserve a more varied social fabric with openings and niches allowing social and economic mobility. Judicious urban planning, combined with the applications offered by the new technologies and an efficient training system, can maintain the prerequisites for an open, pluralist society.

2.1.6. Smaller companies are in many places generators of wealth and, in particular, of new jobs, but they are highly vulnerable to market uncertainties: they need resources, which alone they cannot produce, if they are to strengthen their position and come up with new forms of organization. Even countries which in the past tended to direct policy towards large-scale industry today generally accept the need to support SME growth. The role of local bodies is of great significance here. As a rule, small businesses flourish where the right conditions for them are nurtured and renewed locally. Local public action to maintain such conditions is essential. A stable regulatory framework and swift, efficient administration are the primary elements in this.

## 2.2. *An efficient local labour market*

2.2.1. An efficient labour market is one permitting all citizens to earn their livelihood in a setting where their productive skills are best used.

2.2.2. For this purpose (i) entry into the labour force must be free of barriers, and (ii) potential workers and the employed must know precisely where they stand in the market.

Barriers to entry and shortcomings in the circulation of information inevitably create inefficient labour markets. Barriers can, however, be dismantled and circulation of information can be facilitated by well-aimed action devised and executed by local bodies: the powers and scope for action of local authorities in the area of labour market policy should be considered. Such action might include:

- measures to prevent the young labour force being dissipated in low-grade activities because of under-qualification. Secondary school drop-outs engaged in unskilled work represent a loss of potential productivity which no economic and social system can tolerate;
- training at all levels (school, vocational institutions, universities) able to keep step with the constant evolution in skill requirements. This would avert the paradoxical situation which has arisen in several parts of Europe, where widespread unemployment coexists with skills shortages;
- establishment of an efficient, non-bureaucratic public employment service which operates as an information clearing-house;
- there is a risk of the structural problems characteristic of the employment market being aggravated by difficulties connected with the presence of ethnic-minority communities which are already well-established in a number of European cities. The interests of the members of these communities are often not sufficiently safeguarded, even when they are equally — or even more highly — skilled.

## 2.3. *Research and innovation policy*

2.3.1. Studies under the FAST programme have revealed the existence of urban centres of innovation which provide a cultural, institutional, infrastructural and economic/financial environment particularly favourable to research and its innovatory applications, and dissemination throughout the business world and society. It may therefore be concluded that a European research policy, if it is to be effective, must be flanked by an urban policy.

2.3.2. It is worth bearing in mind that the main bodies concerned with research policy (universities, major hospitals, public and private-sector research laboratories, etc.) are typically 'urban' either because they have such close links with towns that they cannot function elsewhere, or because the scientific and practical contributions they can make at national, European or world level depend to a large degree on qualitative and quantitative interaction with other elements of local and regional urban society.

Policies at different levels aimed at strengthening urban innovatory and cultural centres and integrating them into networks can therefore have a significant impact on the quality of research results, investment and other general conditions being equal.

It should however be borne in mind that the new programmes often require skilled workers who mainly have to be recruited from outside the major cities. Research and innovation policies should therefore be backed up by training/re-training initiatives for the unemployed and those at risk of redundancy.

#### 2.4. *Transport networks*

2.4.1. Major flows of goods and people, and the relevant infrastructure networks, focus on cities. The spatial and functional structure of these networks reflects a division of labour which is not only urban but, to an even greater extent, regional. This means that cities act as an interface between the spatially diffused local-regional level and the major national and European transport networks.

2.4.2. Striking a fair balance between these two levels is an objective of urban policy. Transport policy objectives should be geared to this end. More specifically, cities and city networks should be allowed to make proposals and take an active part in the establishment of European infrastructure networks, since they receive, redistribute and, in part, generate major traffic flows.

2.4.3. Indeed, European infrastructure networks are essential if cities are to fulfil a double function as centres of excellence capable of ensuring that Europe is competitive, and as a link with the geographical and regional units to which they belong.

2.4.4. European transport policy will need to take account of exactly how these functions can best be performed in terms of existing and potential local specialization, the role of cities in post-industrial transformation and geographical location. High-speed rail links, for example, might effectively bring about a closer integration of cities closest to the 'core area' such as Milan and Berlin (and their surrounding regions). But these rail links, alone, cannot resolve — indeed, they would worsen — the difficulties of more peripheral cities and regions. Special action on the air transport system is required if such cities and regions are to strengthen their European role.

#### 2.5. *Information and communications technology (ICT)*

2.5.1. Cities have always played the leading part in gathering, collating and broadcasting information. Since information is today the key resource for the development and control of all economic and social sectors, the role of European cities is set to grow in line with the progress of Europe's information system. In particular, European cities already have a strategic function as a hub for information flows and thus for the telecommunications networks.

2.5.2. Over the last twenty years, the highest-level economic and political functions (company management, finance, R&S, culture and other 'rare' services) have been increasingly concentrated in urban areas. This trend has, however, been mirrored by a trend, driven by relocation of productive activities towards greater decentralization of intermediate-level services.

2.5.3. These two opposing trends are part of a single process which is reshaping information networks and flows directed towards major urban centres, and extending them to regions and countries formerly considered peripheral.

Within the Community's new 'common information area', cities should be seen first and foremost as the driving force behind this double trend and hence as the fulcrum of the great structural transformations from which the Europe of the 21st century will emerge.

2.5.4. Since demand for telecommunications is at its most concentrated in cities, they will increasingly attract the main ICT infrastructures (information highway, teleports, etc.), particularly since — as the White Paper predicts — their funding and management will increasingly rely on the private sector.

2.5.5. All this is highly relevant to urban policy. Locally, ICT must be able to count on infrastructural, regulatory and management support allowing real participation by all members of society in the city's role as information centre.

The information function of the urban system should, at regional, national and Community level, be spread out geographically, in order to avoid over-concentration in major metropolitan centres and to ensure network synergies with the important potential asset represented by small and medium-sized cities.

## 2.6. *The environment and urban quality of life*

2.6.1. 80% of the EC's population lives in cities: quality of life depends to a very large extent on urban environmental conditions. The European Community is demonstrating its particular concern with this aspect of urban policy through programmes such as LIFE, Sustainable City, Civitas and so on.

2.6.2. Environmental problems are at their worst in urban areas, with their concentrations of population, economic activity, consumption, materials and energy: pollution levels tend to be particularly high, waste disposal and rehabilitation of environmental resources are at their most costly. But urban areas are also the birthplace of environmental movements, new 'clean technologies' and strategies for sustainable development.

2.6.3. At the same time, cities are the main historic-cultural and architectural sites, repositories of collective memories and symbolic values. Many, such as the città d'arte, possessing as they do an outstandingly rich cultural environment and hosting important events, represent a heritage in terms of the environment and values which constitutes the foundation of not only local, but also national and European collective identities.

2.6.4. Lastly, as well as being fundamental to the quality of life of their inhabitants, city environments are an important competitive factor because they are a magnet for high-grade economic activities. In particular, innovatory urban settings — the combination of local conditions capable of boosting European competitiveness — are closely associated with outstanding cultural settings and attractive environmental surroundings.

3. In all the areas listed above, cities are already involved in provincial and regional functions. Their capacity to act could, however, be boosted, in line with the thinking of the White Paper, so that they become economic and social entrepreneurial centres and major forces for innovation on the national and international scene. This is, of course, already occurring in many cases. The challenge is to acknowledge this fact, and create an institutional reference framework to make it universal.

3.1. One important point needs to be clarified: here, 'city' does not mean only the city authority but rather the whole range of its interacting separate and associated components — private individuals, families, associations, organizations, businesses. In contemporary society and economies, these components have more and more outside contacts, and may even be highly mobile, moving around as it suits them. The crucial problem facing today's cities is how to forestall opportunistic behaviour by interests which exploit local resources without any intention of putting anything back or adding anything for the common good, only consuming them and then moving on. Cities can best promote themselves by creating conditions in which local players are motivated to invest in two-way relationships, and adopt joint long-term strategies covering economics, politics and culture.

3.2. In this way cities can preserve and develop their assets — mutual trust, codes of interaction, institutions, business and infrastructure investments, shared know-how and a guaranteed quality of life. Municipalities have an important institutional role to play in facilitating this sort of fruitful cooperation and — without dictating — articulating the views of local interest groups and the city as a whole. This is, in any case, a joint venture with many different players, private and public.

3.3. Only cities of this kind, capable of stimulating development, can contribute to provincial and regional government. At the same time, only cities with a capacity for integration and development strategy have the means of involving their entire community in their projects and of averting the risk of a two-tier society. The new gulf between those with a stake in society and those on the outside is at its most evident in cities, and they are at the forefront of attempting to bridge it. If a sense of common social responsibility is to be brought to bear effectively on this problem, cities must be strong, recognized institutional players.

The towns of Europe — for a plethora of reasons, but in the interests of all — want a place in the Europe of nation-states and regions.

Done at Brussels, 27 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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#### APPENDIX III

**Complementary opinion on the European Commission's White Paper growth, competitiveness, employment: 'The challenges and ways forward into the 21st century (1993)'**

#### COMMISSION 5 OF THE COMMITTEE OF THE REGIONS

Whereas Article 198 A of the Treaty on European Union 1992 enables regional and local bodies to participate, via the Committee of the Regions, in the decision-making process of the European Union;

Whereas Articles 100A and 130R, S and T of the Single European Act 1987 stress that the Commission will aim at a high level of environmental protection, set out the objectives of the Community's actions in the environmental field, and establish a number of principles as the basis for Community action;

Whereas the Treaty on European Union 1992 reaffirms the objectives and principles underlying Community action in the environmental field, as set out in the Single European Act 1987, and elevates the actions to the status of policies;

Whereas Agenda 21, signed at the UNCED Earth Summit in Rio in 1992, stresses the importance of sustainable development strategies;

Whereas the Treaty on European Union 1992 introduces the concept of sustainability (Article 2), promotes sustainable and non-inflationary growth respecting the environment, and introduces the possibility of the European Council adopting measures concerning town and country planning, land use with the exception of waste management and measures of a general nature, and the management of water resources;

Whereas the Fifth Environment Action Programme (Towards sustainability: a European Community programme of policy and action in relation to the environment and sustainable development, March 1992) gives priority to achieving improvements and changes in sustainable management of natural resources, efforts to bring about a reduction in the consumption of non-renewable energy, environmental quality in urban areas, mobility management (through rational decisions on transport structures), and integrated pollution control and prevention of waste;

Whereas the Europe 2000 report, the Green Paper on the Urban Environment, and the Fifth Environment Action Programme stress that all Community policies should be reviewed in the light of the sustainable development principle and that Commission initiatives should adhere to this principle,

THE FOLLOWING OPINION IS DRAWN UP BY ITS RAPPORTEUR: Lady Elizabeth Anson.

## 1. General comments

1.1. The Committee of the Regions gives strong support to the new 'sustainable development' model set out in the European Commission's White Paper, i.e. to promote economic development in a sustainable way which contributes to a higher intensity of employment and a lower intensity of energy and natural resources consumption. As the report states, 'attacking the sources of the present unemployment problems requires a clean break from the past': there will be a need to take fresh initiatives within the context of the European Union acting as a laboratory for change.

1.2. There is a need positively to recognize and to act upon the complementarity between growth-competitiveness-employment and the environment-quality of life. It is accepted that the European Union must be economically powerful but it must also be environmentally robust: a successful economy and a successful environment go hand in hand. We believe that a principal aim of the new sustainable development model should be to maintain and enhance Europe's environment in its widest sense, encompassing town and countryside, to seek reductions in pollution, congestion and dereliction, and to conserve attractive buildings, important habitats and beautiful landscapes.

1.3. At the same time, there is an increasing need for the efficient use of non-renewable forms of energy and a more positive approach to energy conservation. Wherever possible, public authorities should give priority to renewable sources of energy such as the sun, wind, and small-scale gas production with biogas, and should adopt a positive approach to such development proposals in exercising control through the statutory planning process. Over time, spatial planning has the potential to influence travel patterns and energy consumption, e.g. by resisting low density urban development on the periphery of towns, and by creating conditions for the regeneration of inner city areas, the retention of traditional shopping centres, and greater use of mass transit.

1.4. The new sustainable development model supported in Chapter 10 of the White Paper crucially requires an active role for government at the regional and local level if it is to be implemented. The EU's Fifth Action Programme on the Environment identifies local government as a key actor and about 40 % of the Programme's measures are identified as the responsibility of regional and local authorities. In addition, local government was identified as a major group in the Agenda 21 action programme for global sustainability at the Earth Summit in Rio. In developing their own Local Agendas 21, local and regional bodies in Europe are making an important contribution to the achievement of sustainability which deserves recognition in the White Paper.

1.5. It is important explicitly to acknowledge that, whilst the new development model stresses the complementarity of economic growth and environmental protection and emphasizes the positive nature of the economic-ecological relationship, there are many circumstances in which tension can exist between them and in which difficult choices and trade-offs will have to be made. The development of clean technology enables economic development to take place, in many cases without environmental damage or even with improvements in sustainability, but it cannot resolve all of these tensions and it must be recognized that there are some circumstances in which the protection of the environment for future generations will have to take priority. Sustainable development means accepting that the 'carrying capacity' of ecosystems sets limits to the ability of the environment to accommodate certain human activities, however desirable they may be on other grounds.

1.6. We regard as unacceptable the fact that current economic accounting does not reflect external costs. We consider that there is a need for transparency in overcoming the inefficiencies of the current development model by identifying hidden welfare costs notably as regards the environment, fossil fuel, nuclear energy and transportation. To that end, and as a matter of some urgency, the Community should initiate research into green accounting.

1.7. The implementation of the new development model will require a partnership among a number of actors. It will require policy adjustments on the part of authorities at all levels, i.e. European, national, regional and local, and cooperation and a positive response from industry and the consumer. We share the view that the transitional phase would be facilitated if countries were to act together.

1.8. There are uncertainties surrounding the implementation of the new development model and there will be a need for cohesion to ensure that groups of citizens and regions of the Community (notably peripheral areas and islands) do not suffer undue disadvantage.

1.9. The introduction of the new sustainable development model will require the development of a working partnership between different tiers of government (from local and regional to national and

European) and between government and the citizen. It is important that ownership of the strategy is diffused throughout the Community to secure the active participation of all key actors. Local Agenda 21 is a Europe-wide initiative to develop local policies for sustainable development by building partnerships between local and regional bodies and other sectors thereby ensuring implementation. We commend this model of cooperative working and co-decision-making for implementing the development strategy set out in the White Paper.

1.10. We believe that the current institutional framework of the European Commission needs to be reviewed to give impetus to sustainable development. We agree that the transition towards a new development model will require 'a systematic review of existing macro and sectoral policies with as a basic guideline that market prices have to incorporate all external effects'. Such a review would cut across the whole range of the Commission's business and will require horizontal integration among Directorates-General dealing, amongst other things, with energy, transport, environment, agriculture and regional development. Horizontal integration might best be achieved if a Commissioner for Sustainable Development were appointed.

1.11. Given that European firms face global competition, we believe that the European Commission and Member States should seize every opportunity to press the case for the sustainable development model to become accepted outside of the European Union.

## 2. Specific comments

2.1. Chapter 3 (trans-European networks): we support the preparation of master plans of trans-European transport and telecommunications networks. It is noted that under Article 129 of the Treaty on European Union the Community is not empowered to make the construction and development of trans-European networks a direct legal obligation on Member States. In view of this fact and in line with the principles of subsidiarity and transparency, Member States, local and regional bodies and the citizen should be involved during the consultation phases.

2.2. Whilst we accept that unnecessary delay in the implementation of large infrastructure projects as a result of administrative procedures (authorization and evaluation) is unwarranted, we regard some intervention by local and regional bodies on behalf of the community as fully justified. Transport and energy infrastructure can have an impact over a wide area and for a considerable number of years: some delay whilst the likely impact on amenity and the quality of life is being assessed must be accepted. In this regard, we strongly support the view expressed in the White Paper that 'only projects that have passed the environmental impact scrutiny will be eligible' for inclusion in the Community's initial list of projects. The Committee notes that neither the European Parliament nor the Committee of the Regions have been asked for their views in the selection of the eleven projects confirmed at the Corfu Summit and feels that both the COR and the Parliament should be given an opportunity to participate in the selection process.

2.3. Chapter 10 (a new development model for the Community): we fully support the goal of reversing the negative relationship between environment-quality of life and economic prosperity, but we recognize that there will need to be a transitional phase. Indeed, we endorse the view that the Community should increase substantially and coordinate R&D efforts in the field of clean technology and develop economic incentives to support the diffusion of R&D results into products and processes.

2.4. We consider that the European Commission should lead by example in bringing about an increased use of the products of clean technology: this, in our view, requires a wide-ranging green audit and a firm procurement policy. Moreover, and as a precondition of funding from EU programmes for infrastructure development, the Commission should issue guidelines requiring the Contractor to use green products, recycled materials and alternatives to natural resources, e.g. secondary aggregates.

2.5. Local and regional bodies throughout Europe have already achieved a great deal in maintaining and improving the physical environment by way of a well developed system of spatial planning and control. The White Paper's reference to improving the quality of life in terms of the amenity of the landscape, better integration of new buildings and transport infrastructure into historical urban centres or the availability of parks and other green zones in urban areas, does not overtly recognize what has already been achieved.

2.6. We consider that spatial planning and local and regional development are two of the essential motors in the quest for employment. The problems of spatial planning have increasingly assumed a Community dimension. There is a need for the European Commission to base its new Europe 2010 report on the new sustainability model and to urge all local and regional bodies in reviewing their spatial development plans to do likewise. This would contribute to the creation of methods for the inter-active energization of agents of local development, research and development networks, exchanges of technology, productivity gains and job creation. Indeed, it is considered that Europe 2010 should be extended: a Community spatial planning policy should be prepared with regional and local operators directly affected by such a policy being taken into partnership. Spatial planning programmes, involving concerted action by local and regional bodies, should be drawn up. Such an approach should increasingly result in an easing of pressure on natural resources, a reduction in pollution levels and in the impact on the ecological system, and the maintenance of biodiversity.

2.7. Whilst the spatial planning system can now require a high standard of restoration, the European Commission should investigate ways of accelerating clean-up operations and making good the legacy of past dereliction arising from an outdated development model and previously inadequate control mechanisms. It should be recognized that land is also a scarce resource: in certain circumstances, it may need to be recycled (as a result of mineral workings) or decontaminated (as a result of industrial use), and it may suffer from negative equity values which hamper regeneration.

2.8. The way that scarce and finite resources are consumed, e.g. when generating energy, is central to the new sustainable development model. We note proposals such as a Carbon/Energy Tax. We strongly support the principle of shifting general taxation from social goods, such as labour and capital, towards environmental 'bads' such as the consumption of natural resources and waste. Such changes to the system of taxation should seek to avoid inequity, e.g. by increasing travel costs in rural areas where there are few or no alternative means of transport, while retaining their progressive elements.

### 3. Conclusion

3.1. The White Paper is a significant milestone in recognizing that economic growth does not necessarily equate with an increase in jobs. It also makes an important step forward in accepting that the relationship both between actors of local development and economic and environmental objectives needs to be refashioned. The transition from the present to the new development model will be highly challenging but this is a challenge which must be met in the interests of future generations. If met successfully, it will bring into place a Europe in which more jobs will be created by a 'rediscovery' of the value of labour relative to capital which, in turn, will help to reduce the over-exploitation of environmental resources (energy and raw materials), enhance the quality of life, and provide a more sustainable future.

Brussels, 27 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

## APPENDIX IV

**Supplementary opinion on the Educational and training aspects of the White Paper on growth, competitiveness, employment**

On 20 June 1994 the Committee of the Regions, acting under Article 9(1) of the Rules of Procedure, decided to draw up an Opinion on Educational and training aspects of the above-mentioned White Paper.

The Commission on Education and Training, which was responsible for preparing the Committee's work on the subject, adopted its Supplementary Opinion on 20 July 1994. The Rapporteur was Mr Efstathiadis.

At its ... plenary session (meeting of ), the Committee of the Regions adopted the following Opinion by ...

**1. Introduction**

1.1. The White Paper places a number of problems in their context of high unemployment, increasing competition pressures, and the new technologies which are radically reshaping numerous aspects of social and economic activity.

1.1.1. In the field of 'growth, employment, competitiveness', priority should be given to:

- tackling unemployment
- supporting SMEs, and
- creating trans-European networks.

Efforts should be concentrated on boosting employment.

1.1.2. Acquisition and dissemination of knowledge is an investment by the Member States in a viable social future.

1.2. The Treaty on European Union charges the Community to contribute to the development of quality education and vocational training by supplementing Member States' action, while fully respecting their responsibility for curriculum content, the organization of educational systems and their cultural and linguistic diversity and the content and organization of vocational training. (Articles 126 and 127 of the EC Treaty as amended by the EU Treaty).

1.3. Although it is up to the Member States to overhaul their education and vocational training systems, the Community should provide support through programmes to promote such reform and through the financial instruments at its disposal. This kind of action today has a greater impact on the Member State economies.

1.4. No policy on competitiveness, employment and growth can be complete or fully effective unless it is consensual, which means that local and regional authorities must be involved, not only because of their democratic responsibilities but also because of their role in the delivery of education and training.

1.5. It is the duty of the Committee of the Regions to monitor the relevant programmes, and harness its expertise and resources to the enhancement of competitiveness in fields which affect economic and social cohesion in the various regions.

1.6. Firstly, it is necessary to reduce disparities between the different parts of the Community and between regions in Member States. The concentration of investment and human resources in some areas has resulted in the potential for wealth creation in other regions being left untapped.

1.7. Growth based exclusively on economic scale, without a balanced reinforcement of the other aspects of social and cultural life will be distorted and, in the long term, unproductive. Resources must be transferred in order to offset social and regional disparities by providing equal opportunities in housing, education, training and employment.



## 2. Analysis of the vocational training aspects of the White Paper

2.1. Unemployment is a particular problem for people with inadequate skills. This diagnosis by the White Paper confirms the key role of education and vocational training in growth, employment and the competitiveness of the European Union. It should be added that this role must reflect the multifarious needs of society.

2.2. The diagnosis of weaknesses by the Employment section (chapter 7.3) prompts an important observation which should be of particular concern to us and which should be the focus of our efforts.

2.3. The relatively low level of training in some states of the Community, and especially the fact that too many young people leave school without essential basic training, is worrying. It leads to marginalization and social exclusion, and from there to the ranks of the unemployed. Some regions of the Union suffer from especially low levels of training, which is of particular concern.

2.3.1. The White Paper reports that in the Community only 42 % of school-leavers have a secondary qualification, as against 75 % in the USA and 90 % in Japan. It also states that in the Community 25 % to 30 % of young people, betrayed by the failure of the education system, leave it without adequate preparation for the labour market. The Committee adds that the education system is in particular unable to meet the requirements of children with special needs, such as EU migrant workers' children.

2.3.2. The Committee points out that whilst there are considerable difficulties in making accurate statistical comparisons between EU Member States and third countries and whilst there are wide differences in figures between and within the Member States themselves, it is nevertheless clear that skill levels in the EU need to be raised.

2.4. What needs to be re-examined is the role of education and vocational training in our social system.

2.4.1. Young people discover immediately on leaving school that there are no jobs for them. This generates social tension, social alienation, and sharply antisocial behaviour, resulting in increased crime, drug abuse and so on. (At the end of the Belgian Presidency, Foreign Affairs Minister Claes, speculated on the millions of criminals who might 'graduate' in coming years from the ranks of the Community unemployed.)

2.5. The traditional teaching model is not so useful in lifelong training, because learning must be combined with experience.

2.5.1. Further and higher education establishments must adapt to the demands of today's rapidly evolving and changing world.

2.5.2. Proper education based on willing cooperation from the outset, ensures that people want to learn and acquire the skills and know-how which are fundamental to a competitive market.

2.6. Lifelong education, as a means of acquiring knowledge and of personal development, is the main aim of society, and must become the subject of social dialogue.

2.6.1. This is where further and higher education establishments should play a role, namely by inculcating the skills which their students will need if they are to continue their educational development on their own. These institutions must diversify their organizational structures and teaching methods, in order to provide a basis for strong, effective lifelong training. The available budgetary facilities will not allow for substantial increases in funding for both initial and continuing training. Given that the mass of knowledge doubles every seven years, more attention should be focused on continuing training. The duration of initial training should not therefore be lengthened and measures supporting continuing training should be reinforced.

2.6.2. In higher education establishments, the emphasis is often on theory which can be an important preparation for the academic world and for research. However, for those wishing to enter the non academic labour market, such an approach may be less useful and higher education institutions need to ensure that all students have access to courses providing a basis for acquiring additional vocational skills. Appropriate work experience outside the academic institution but during the period of study must be an important part of any higher education course.

2.6.3. Distance learning is important for all the reasons set out in the ESC's Opinions — provided it does not preclude human contact and training networks are properly structured.

2.7. Presentation of university development initiatives is of interest not only to the participating university staff, teachers and students: it is also of direct interest to firms, especially smaller firms.

2.7.1. Hitherto vocational training has usually reflected company activities.

2.7.2. The White Paper states that new technologies and training of relevant research workers are of assistance in vocational training.

2.7.3. Firms have urgent education and training needs. Universities and research centres should take suitable measures to meet these needs. A system of training credits should be developed to allow trainees or students to amalgamate the qualifications of training courses or study programmes that could lead to the obtaining of a certificate, diploma or degree.

2.7.4. Electronic image transmission, electronic access to data and electronic mail are helping small and medium-sized firms to become more competitive.

2.7.5. Telework, telematics and telemanagement require specialized staff.

2.8. Increasing the competitiveness of small and medium-sized firms boosts their contribution to the dynamism of the Internal Market.

### 3. Description of the sectors where measures have been taken, and of current programmes

3.1. The Leonardo and Socrates programmes set general objectives and deploy various methods of funding.

3.2. Specifically, the Leonardo programme establishes a common set of aims for Community action to promote coherent, well-defined development of vocational training throughout the sector. It comprises a package of Community measures, geared to the common aims, which support and supplement the action taken by the Member States.

3.3. The Socrates programme seeks to develop the European dimension in education at all levels, so as to establish a European awareness based on:

- the cultural heritage of the Member States;
- steps to promote foreign language teaching, so as to encourage solidarity and understanding between nations;
- greater mobility for students;
- closer cooperation among educational establishments at every level in all the Member States, in order to make full use of intellectual potential by enhancing teacher mobility;
- promotion of mutual recognition of academic qualifications;
- greater use of communication and information technologies in education;
- development of distance learning;
- promotion of exchanges of information and experience.

3.4. The two programmes cover the educational aspects and needs addressed in the White Paper on growth, competitiveness, employment.

3.5. Similarly, the problems raised in the White Paper are vigorously addressed by a range of Community initiatives under the European Social Fund (ESF): Employment (incorporating Horizon, Now, Youthstart), Adapt (industrial change) and the SME initiative.

#### 4. Specific comments on the White Paper and proposals for practical measures

4.1. The Committee of the Regions endorses the European Union's action to further the European dimension of education and training and to improve the quality of education at all levels, but believes the primary educational objective must be to ensure a sound basic education for all.

4.1.1. To this end, it would be desirable that each Member State set up a body to provide information on the development of the European dimension in schools.

4.1.2. Training for teachers and administrative staff should also have a European dimension.

4.2. It is necessary to start by looking at the first level of basic education, which must be slanted more to the quality rather than the quantity of knowledge. Pupils need to be convinced that learning and education are essential components of their life in society.

4.3. If they are to cope with the working environment of tomorrow, today's workers need continuing training and education, to become flexible to cope with changing skills and new technologies. Training should form an integral part of every person's career.

4.4. The plans which have been implemented so far concern certain groups in a community and do not cover all the interested parties in a region.

4.5. Local and regional authorities can do much to promote partnership schemes, through appropriate machinery, by acting as catalysts and coordinators and by helping the partners to reach agreement. The problems cannot be solved unilaterally or at a sectoral level, but solutions can be worked out with the participation of the entire community.

4.6. Local and regional authorities and universities can offer each other a great deal. Local and regional authorities must also play an important role in promoting cooperation between the labour market and education authorities.

4.6.1. Universities must not be cut off from the day-to-day problems of their local regions. They have both a teaching and a research function.

4.6.2. It is necessary to formulate complementary measures for the training of employees in the small/medium business sector, which makes a significant contribution to consolidation of the Internal Market and to the competitiveness of its products. Small and medium-sized firms — apart from those producing hi-tech products — seem to be unaware of their needs and unable to adapt to new organizational methods and new technologies. Businesses in the private sector should therefore be more involved in the area of education and training, in particular by promoting training for their employees as part of their personnel strategy.

4.7. The COR endorses the European Commission's pilot scheme for reinforcing interregional cooperation within the EU between those responsible for education at local level. The scheme focuses in particular on the assessment of vocational training needs.

4.7.1. This pilot scheme is only operating in 10 regions<sup>(1)</sup>, and the COR would like to see similar initiatives taken in other regions.

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<sup>(1)</sup> Greater Copenhagen (Denmark), Sachsen-Anhalt (Germany), Western Greece, Community of Valencia (Spain), Pays de la Loire (France), Liguria (Italy), Greater Dublin (Ireland), Limburg (Netherlands), Central Portugal, East Anglia (UK).

4.7.2. The COR endorses the recent EC Commission initiative under the Arion Community action, which will enable 950 education specialists to visit another Member State in 1994-1995 to familiarize themselves with different education systems at first hand.

4.7.3. Such exchanges have also been called for by ESC Opinions<sup>(1)</sup> and the COR Opinion on the Socrates programme (CdR 43/94).

4.8. Foreign language acquisition is a vital factor in the creation of a Citizens' Europe and completion of the Internal Market. But foreign languages should not be learned at the expense of regional languages and dialects.

4.9. The political, economic and social completion of the European Union will require a quantitative and qualitative increase, in information on educational matters and on specific issues relating to the development of educational establishments. This need is served by the Eurydice network.

4.9.1. It would be a helpful to extend Eurydice to cover vocational training. The European Centre for the Development of Vocational Training (CEDEFOP) will make a significant contribution in this field.

4.10. Commission programmes have hitherto focused on promoting individual sectors of education and vocational training.

4.10.1. A cooperation network should be set up to coordinate the action taken. At the same time, equipment and infrastructure should be guaranteed through funding from the Structural Funds, and efforts should be focused on disadvantaged regions in order to avoid multi-speed development. The COR recalls that for the first time financial support is available for developing education infrastructure (premises, building etc.) within the new regulation for the European Regional Funds. The Committee argues that this possible funding for the period of 1994-1999 should be used effectively and sufficiently allocated in order to offset education disparities in the Objective 1 regions.

4.11. Present activities under the programmes lack synergy which would integrate them with the social structure. The COR therefore calls for adoption of a multiannual Community programme of studies and networking which will bring together regional and local authorities in a region with the economic, social and educational groups with a view to making full use of human capital throughout the working lives of the workers concerned.

4.11.1. This initiative will link the other programmes together, integrate them with society and the real world, and ensure assessment of their regional impact. A principal catalyst for the activities will be the regional and local authorities, which will

- address horizontal aspects of education, training and policies;
- assess and pursue Community programmes and plans;
- compile and provide information.

4.11.2. Partnership between the local and regional authorities, the universities and firms will create links between:

- education/training and industry/economic life;
- education/training and policies to combat unemployment;
- education/training and efforts to integrate migrant children;
- education/training and measures to combat social exclusion;
- education/training and concern for regional development;
- education/training and needs.

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<sup>(1)</sup> ESC Opinion CES 564/94 on the Socrates programme, and ESC Opinion CES 381/94 on the 'Youth for Europe III' programme.

- 4.11.3. The initiative would set up a two-way channel of communication between local and regional authorities, research and teaching bodies and industry.
- 4.11.4. The Community's aim would be to narrow the education and infrastructure gap between Objective 1 countries and the developed North.
- 4.11.5. Full use must be made of experience gained in cooperation between universities, in student exchanges, and in cooperation between industry and university bodies under the Leonardo and Socrates programmes, etc.
- 4.11.6. Local and regional authorities should encourage firms to familiarize themselves with and promote the individual cultural, vocational and social interests of their employees. The aim would be to ensure that employees are socially and occupationally well-informed and integrated, which is to the advantage of their employers.
- 4.11.7. There should be vocational guidance from local centres supported by partnership schemes.
- 4.11.8. Knowledge should be continually updated, and extended by flexible, open training systems, so that individuals can adjust to the technological innovations which are so essential to them and to companies.
5. In conclusion, we endorse the ESC Opinion of 27 January 1994 on the participation of economic and social interest groups in Community regional policy, and the Opinion of 27 April 1994 on the Green Paper and the European dimension of education (CES 420/94 fin).
6. The COR acknowledges that the White Paper proposal on tax incentive is not relevant to all Member States. On the other hand it recognizes the importance of aiming towards harmonization within each Member State in the different forms of financial support for education.

Brussels, 27 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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#### APPENDIX V

Supplementary opinion on the European Commission's White Paper on growth, competitiveness, employment: 'The challenges and ways forward into the 21st Century (1993)'

#### MAIN POINTS, COMMENTS ON THE DELORS' WHITE PAPER

##### General

- Endorse White Paper's objectives with emphasis on unemployment.
- Point out that the White Paper takes a macroeconomic stance and that macroeconomic decisions have repercussions for local and regional authorities.
- Economic growth and social development are both necessary, including from the perspective of competitiveness.
- Point up the costs of the social consequences of unemployment. The costs of unemployment make up a substantial part of Member States' high budget deficits. The White Paper rightly stresses that

total social costs, taking into account rising ill-health and crime, are much higher, measured by purely economic criteria, if social security support is not provided. It is clear that the consequences of high unemployment are emerging at local/regional level:

- marginalization;
- social exclusion;
- crime.

The White Paper states that three million new jobs must be created, some of which should be geared towards improving the quality of the environment and living standards.

These could include: home help for the elderly, health care, care for the disabled, creches, flat wardens, extracurricular activities, etc.

But also: urban and village renewal, public safety, public transport, maintenance of public green spaces, surveillance of environmental quality standards. In this connection I would point out that the LIFE programme must be strengthened so as to form a basis for:

- renewal of environmental technology in SMEs;
- systems for efficient energy use;
- cleaning up contaminated land.

In an imperfectly functioning labour market, jobs cannot be created just like that in these sectors. Hence the government has a role to play and funds have to be released.

There are openings at local/regional level for a constructive policy:

1. promotion of employment;
2. occupational guidance.

#### Re 1) The organizational capacity of the government

Precisely because they are in direct contact with all the parties concerned, local/regional authorities can help by bringing job-seekers and job-providers into contact with each other. Many new jobs are emerging in the SME sector especially. Local and regional authorities can actively support this objective by pursuing a business-friendly policy, being open to developments in the market sector and consulting periodically at decentralized level with employers. The creation of the preconditions for economic development, such as the provision of good infrastructure, land for industrial purposes and business incubators, is also a task which must definitely be tackled at local/regional level.

#### *Local and regional authorities as employers*

Local/regional authorities can help to create jobs by initiating economic development. Economic development is not in itself sufficient to create enough jobs. A structural approach must be developed, hinged especially on an active job-creation policy rather than a 'passive' reduction in the unemployment figures (the comments of Commission I in point 37 rightly focus on this matter). The means of achieving this include greater labour market flexibility and the translation of increased productivity into jobs instead of wage rises.

Re 2) It is very important to shift the focus emphatically from entry into the social security system to exit from it. The experience of the Netherlands is that this is a significant change of emphasis. My point here is that people who previously claimed social benefits are being given guidance, encouraged to become more independent; this means that the idea of social counselling is assuming a whole new dimension/direction.

- The promotion of work experience, training and instruction to strengthen their position on the labour market and moving on to regular work. In this connection the Netherlands has had useful experience with 'youth employment guarantee plans' and 'job pools'. These aim to find paid work for unemployed persons who are difficult to place. It would seem that these schemes are yielding fruit in providing a channel to regular work.

- The aim of adult education is to help place job-seekers and adults threatened by unemployment in a better position to find work. Extra attention must be paid to target groups such as women resuming work, immigrants and the long-term unemployed.
- Finally, the switch from voluntary to paid work is an essential link. Even for those who still have little chance of finding paid work on the labour market, voluntary work provides meaningful activity which has some of the benefits/features of paid work and can increase their chances of reintegration into the labour market.

Four preconditions must be met for this to succeed:

1. flexible, labour market-oriented programmes;
2. close contact with trade and industry;
3. cooperation with the various educational establishments concerned;
4. assessment of the effects of the measures taken.

This last point is important for the financial consequences of the measures taken. It goes without saying that the effects of the policy should be assessed and that the results of any project to combat unemployment should be weighed against the costs involved.

Finally, I would draw attention to the need for a European policy aimed at stimulating this development through the structural funds and Community initiatives such as Youthstart, LEDA and ILE. In addition, the exchange of experience by local/regional authorities can play an important role in the development of local/regional initiatives.

Hence Community initiatives in this field, such as the Pacte programme, must be reinforced. The creation of a data bank to store information on local/regional authority activities and developments could be a European task.

Brussels, 27 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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**Opinion on the proposal for a European Parliament and Council Decision on Community guidelines for the development of the trans-European transport network**

(95/C 210/02)

THE COMMITTEE OF THE REGIONS:

- Having regard to Articles 129b to 129d of the Treaty establishing the European Community;
- Having regard to the Commission's White Paper on the Future Development of the Common Transport Policy (Doc. COM(92) 494);
- Having regard to the Commission's White Paper on Growth, Competitiveness and Employment (Doc. COM(93) 0700-C3-0509/93);
- Having regard to the Commission's Green Paper on The Impact of Transport on the Environment (Doc. COM(92) 46);
- Having regard to the European Parliament's Romera report on common policy in the field of transport infrastructures (A3-0161/91);
- Having regard to Council Directive 91/440/EEC of 29 July 1991 on the development of the Community's railways;
- Having regard to Council Decisions 93/628/EEC to 630/EEC of 29 October 1993 on the creation of trans-European road, inland waterway and combined transport networks;
- Having regard to the proposal for a Council Regulation laying down general rules for the granting of Community financial aid in the field of trans-European networks (Doc. COM(94) 62);
- Having regard to the proposals for Council Decisions concerning the specific programmes implementing the fourth European Community Framework Programme for research, technological development and demonstration activities (1994-1998) (Doc. COM(94) 68);
- Having regard to Council Regulation (EEC) No 2083/93 of 20 July 1993 on the European Regional Development Fund;
- Having regard to the proposal for a Council Regulation laying down detailed rules for implementing Regulation (EC) No ... establishing a Cohesion Fund (Doc. COM(93) 699);
- Having regard to the conclusions of the Second Pan-European Transport Conference held in Crete on 14-16 June 1994;
- Having regard to the conclusions of the Presidency of the meeting of the European Council of 24-25 June 1994;

at its 4th plenary session of 27/28 September 1994 adopted the following Opinion by a large majority:

THE COMMITTEE OF THE REGIONS:

- welcomes the Draft Decision as a contribution to a European development model in which environmental protection, growth, competitiveness and employment have a healthy, productive relationship to each other;
- regards the construction of an environmentally sound trans-European transport network as a key factor in making the European economies more competitive;
- also sees the accelerated construction of a trans-European transport network as an opportunity for pursuing an active employment policy, for making it possible to harness technological progress to the improvement of living conditions and for mitigating the impact of transport on people and the environment, particularly in transit regions;



- highlights the need for modal networks to be consolidated into a comprehensive common blueprint for the development of a trans-European transport network with the local authorities concerned being involved in the decision-making process;
- with this proviso notes with satisfaction that the Council Decisions of 29 October 1993 on the creation of trans-European road, inland waterway and combined transport networks have been incorporated in this multimodal approach;
- shares the view that a jointly developed approach is the only way of guaranteeing interoperability and exploiting the comparative advantages of the individual modes of transport; and thinks that priority should always be given in this context to the more environmentally sound projects, particularly when they are supported from the public purse;
- stresses the positive impact on Europe's economic growth and cohesion of the development of an integrated infrastructure network and of simultaneous harmonization of transport technology and management, as long as the regional authorities responsible for land-use planning are given powers of joint decision, thus guaranteeing transparency and closeness to the individual citizen;
- points out that Article 130r of the Treaty makes environmental policy an integral part of all other Community policies, and that this principle must always be rigorously applied, particularly in the field of transport policy, in view of transport's major impact on the environment;
- calls on the Council to make sure that the Community blueprint for the trans-European network is not merely an amalgam of national network plans, but that there is sufficient coordination of the transport networks across national boundaries and modes; and thinks that the regional authorities should be involved here, particularly in transit areas;
- calls for the Decision to include selection procedures for networks and priority projects, as well as monitoring procedures, with a view to establishing on-going planning; and thinks that when objectives and priorities are fixed, economic profitability should be specifically included as a selection criterion, with due regard being paid to external environmental costs;
- expects the contribution to the financing of projects of common interest to be arranged as rapidly as possible;
- urges that, in adopting this and future decisions and in establishing priorities, the Commission and the Council take account of the proposals and interests of the regions, and provide them with prompt access to all information, thus creating the conditions for true co-determination.

#### I. Comments on the general principles (Articles 2-7)

only via an intermodal approach, but feels that this should be framed jointly with all the interested parties, including the regional authorities;

#### THE COMMITTEE OF THE REGIONS:

1. points out that the Treaty does not empower the Community to make the construction and development of trans-European networks a legal obligation on the Member States, but shares the view that measures coordinated with the Member States under the second paragraph of Article 129d require them to give priority to implementation at national level, and calls for the regional and local authorities concerned to be involved in this process of coordination and for decisions to be taken jointly with the regions where under national law they have statutory responsibility for development and land-use planning;

3. welcomes the Commission's aim of integrating inaccessible regions, the island and peripheral regions, the EFTA countries, the Mediterranean and central and eastern Europe more closely into the existing network, and thus of helping to eliminate the peripheral regions' development deficit;

- highlights the need to accommodate these requirements and expectations in the planning and decision-making process;

2. agrees with the Commission that socially acceptable and environmentally sound mobility can be achieved

4. shares the view that the traffic management and control system is part of the trans-European transport

network within the meaning of Articles 129b) and c) of the EU Treaty and stresses that lack of compatibility is a major hindrance;

5. points out that the resources in the Fourth R&D Framework Programme earmarked for the transport sector are insufficient for the necessary groundwork; and thinks that the Programme should also include detailed studies of intra-Community freight movements;

6. emphatically supports the call for all costs, including external (e.g. environmental) costs, to be included in the calculation of the total infrastructure charges of the various modes of transport, in order to make the environmentally sound modes competitive;

7. points out that the evaluation of environmental impact should not begin only as the network is developed, as suggested by the Commission in its discussion of further measures in relation to the objectives set out in Article 2 (point 43 of the Explanatory Memorandum), but that environmental soundness should, rather, be considered from the outset in relation to all projects and measures; this is the only way to guarantee an intact environment as an existential basis — in the economic sense too — particularly in ecologically vulnerable areas such as the Alps;

8. sees a danger that for lack of clear objectives and priorities in the current proposal, the construction and expansion of trans-European networks will not take sufficient account of efficiency and environmental criteria and will take far longer to achieve than projected under the deadlines set;

9. calls for the increased transfer of traffic from the roads to environmentally-friendly modes of transport, and therefore considers that the individual sections of the networks should be ranked in order of priority;

10. feels that combined transport projects and environmentally sound cross-border railway and inland waterway projects which meet a real need should be given priority over other specific networks, particularly in conurbations and in the central regions of the Community which are affected by a high volume of transit traffic;

11. assigns these three networks a key role in multimodal passenger and freight transport and feels that — particularly in regions severely affected by transport — priority support for these planned networks is a prerequisite for establishing an environmentally acceptable transport market able to guarantee sustainable mobility;

12. is pleased to note that the 11 priority projects proposed by the Commission largely meet these criteria, but particularly regrets that the choice of these 11 top projects was made exclusively by the Commission and

the governments of the Member States represented in the Council, and that neither the European Parliament nor the Committee of the Regions was given the opportunity to express its views;

— regrets the inadequate coordination between the Commission's work on the guidelines and network schemes and the discussions of the group of personal representatives of the Heads of State and Government (Christophersen Group) set up on the basis of the White Paper on Growth, Competitiveness and Employment;

— therefore calls for the high-priority transport projects adopted by the European Council at its meeting in Corfu of 24-25 June 1994 to be classified, in implementing the proposal for a Decision, as projects of common interest and for the Committee of the Regions and the European Parliament to be consulted on these projects;

13. urges that the COR be consulted promptly before any choice is made in the desirable event of further priority projects being selected; and that it be given the opportunity to participate in the selection process.

## II. Comments on individual, modal networks (Articles 8-23)

### THE COMMITTEE OF THE REGIONS:

14. feels it necessary to make the following comments on the road network:

— reiterates its view that, above all for environmental reasons, road traffic should be reduced and wider use should be made of rail and inland-waterway transport, in order to secure Europe's long-term future as a business location and to improve people's quality of life, particularly as some ecologically vulnerable areas are already at saturation point;

— is convinced that, even if the policy of traffic prevention and transfer is entirely successful, the roads will continue to carry a substantial proportion of total traffic, and that everything possible must therefore be done to mitigate the resulting damage to the environment;

— at the same time stresses that in each individual case transport interests will need to be carefully weighed up against the objectives of land-use planning, protection of the environment and nature and urban planning, and that this can only be done with the full involvement of the regional authorities;

— given that the trans-European road network is to facilitate access to peripheral regions in the interests of improved land-use planning, feels that here too there is a need to give regional interests equal weight in the discussion of guidelines and to consult the affected regions with a view to achieving joint solutions;

- welcomes and supports the proposal to ensure that traffic on existing motorways can, as far as possible, flow safely and without impediment and thus with less damage to the environment;
- therefore supports the introduction and expansion of modern traffic guidance and information systems, e.g. systems for influencing traffic flow, the coordination of traffic control centres, the Europe-wide support and improvement of traffic message radio channels;
- agrees with the Commission that the various telematics systems must be interoperable;
- calls for the integration of public local passenger transport in tandem with the development of telematics systems;
- urges that the foundations be laid as soon as possible for a Community system of traffic management and telematics;

15. endorses the high importance which the Commission attaches to the railway network;

- confirms the need to separate track operators from suppliers of transport services;
- points out that capacity bottlenecks are in many cases not so much the result of inadequate track capacity, as of problems at nodes;
- notes with satisfaction that the Commission is to support the technical harmonization of track, rolling stock and systems of control and command and calls for the further development of telematics systems beyond the realm of road transport;
- draws attention to the scale of the efforts being made by certain countries to adapt their national track gauges to the European gauge, to construct new lines and to upgrade existing ones;

16. supports the view that inland waterway transport and coastal shipping are cost-effective, safe and environmentally sound means of transport and that their infrastructure must be expanded in line with needs and their efficiency improved;

- suggests that the Commission, in carrying out further preparations for a trans-European transport network, attach great importance to the major role which both large and small sea and internal waterway ports will play in a future European infrastructure;

17. calls, as a matter of priority, for improvements in use of airport capacity, in operating and general safety at airports and in airport access to interfaces with other transport networks of Community importance;

calls for transfer to other modes or transport, especially rail, in this area too;

stresses that airports too ought to be part of combined transport and should therefore be included in the combined transport blueprints;

18. points out that in combined transport a clearer distinction must be drawn between rail, road and inland waterway, and feels that the combined transport network must be examined and discussed in detail in close cooperation and coordination with the Committee of the Regions in order to prevent duplication of services;

- regrets that the projects set out in the network schemes of annex 1 and the lists of annex 2 are to a great extent incomplete and in some cases unclear. The annexes need to be comprehensively revised and coordinated with the relevant national and regional plans, inter alia with a view to enlargement of the EU, and to be constantly updated.

### III. Comments on the common provisions (Articles 24-29)

#### THE COMMITTEE OF THE REGIONS:

19. supports the Commission's efforts to establish a multimodal telematics system employing modern satellite technology;

20. welcomes the Commission's intention of informing the Committee of the Regions of progress, considers continuous reporting as essential and calls on all Community bodies to study the COR's proposals in detail and to seek joint solutions with it;

instructs its Chairman to forward this Opinion to the Council, the Commission, the European Parliament and the Economic and Social Committee.

Done at Brussels, 28 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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**Opinion on the proposal for a Council Directive on the interoperability of the European High Speed Train Network**

(95/C 210/03)

THE COMMITTEE OF THE REGIONS:

- Whereas Title XII of the Treaty establishing the European Community lays down that the Community shall contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures;
- Whereas Article 129c of the Treaty stipulates that the Community shall implement any measures that may prove necessary to ensure the interoperability of the networks, in particular in the field of harmonization of technical standards;
- Whereas following the Council resolution of 4 and 5 December 1989, the Commission convened a high-level expert group composed of the representatives of Member State governments, European railways and the railway industry, whereas this working group was consulted with a view to drawing up the master plan for a European high-speed train network, and whereas the working group was also consulted on the common standards and technical characteristics which would enable modern trains to operate on such a network;
- Whereas the Commission presented to the Council in December 1990 a Communication on the high-speed train network, and whereas the Council welcomed that Communication in its Resolution of 17 December 1990;
- Whereas the activities in question are a matter of shared responsibility of the European Community and the Member States under Article 129d of the Treaty;
- Whereas the interoperability of the European high speed train network is intended to
  - enable citizens, economic operators and regional and local authorities to benefit from the establishment of an area without internal frontiers;
  - promote the competitiveness of the railway sector as a whole;
  - reduce substantially the costs arising from the juxtaposition of national techniques and operating rules;
- Whereas the Commission proposes the establishment of a regulatory framework involving in particular technical specifications for interoperability (TSI) which would be obligatory and applicable to the various subsystems making up the railway system (infrastructure, energy, maintenance, control-command and signalling, rolling stock, environment, operation, users);
- Whereas these TSI lay down essential requirements for safety, health, environmental and consumer protection and technical compatibility, fix the basic parameters which the subsystems must respect (gauge, voltage etc.) and determine the components and interfaces which play a critical role in interoperability, as well as procedures for evaluating the conformity to standards or suitability for use of subsystems and components;
- Whereas the Commission in its draft Directive also lays down the procedures needed for manufacturers to obtain the authorization for placing in service issued by the supervisory authorities once conformity to standards or suitability for use of components or subsystems has been established;
- Whereas the Commission's approach is based on the one hand on the principle of mutual recognition of 'CE' checking declarations, and on the other on the responsibility of the Member States for authorizing the placing in service of subsystems (Article 13), but in practice the provisions of Article 15(1) limit Member States' scope for intervention in that area, while they have responsibility in the field of security;

- Whereas the Council decided, under the terms of Articles 129c and 129d of the Treaty establishing the European Community, to consult the Committee of the Regions (COR) on the proposal for a Council Directive on the interoperability of the European high speed train network,

ADOPTED

unanimously, at its 4th plenary session of 27/28 September 1994, the following Opinion.

### Introduction

The Commission defines the interoperability of systems as follows:

'... interoperability within the European high speed train network refers to all of the regulatory technical or operational conditions which must be met in order to ensure, without interruption, movements by high speed trains on infrastructure within that network which accomplish the specified levels of performance.'

By this definition, interoperability does not mean that each train must be capable of operating on any route of the European high speed train network, but that any interested transport enterprise must be able to operate, at the most economic cost, a commercial service of its choice with equipment designed for the only route(s) which it chooses.

The Committee of the Regions welcomes the Commission's approach. It feels that it would be unrealistic to seek to impose universal interoperability, given the considerable disparities in existing equipment.

The Committee of the Regions also acknowledges the need to make arrangements to allow for interoperability on the European high speed train network. The difficulties encountered with coupling locomotives and shuttle trains for the Channel Tunnel, as a result of the large number of manufacturers, show the need for such regulation as regards the implementing modalities proposed by the Commission. However, the Committee of the Regions has the following comments to make:

### 1. Coherence of the system

1.1. The text proposed by the European Commission subdivides the European network into 8 subsystems [Article 3(1.2)] but there is no provision to ensure the overall coherence of the system. For reasons of safety, efficiency and general economy, it is particularly important to define the links between the various elements which go to make up the European network.

1.2. The Committee of the Regions proposes that the concept of a rail transport system be introduced before the division into subsystems, and that the means to check the coherence of this system be provided for.

1.3. The Committee of the Regions also asks that the networks defined in Annex I be enlarged to take account of Member States' projects which strengthen, supplement or round off the master plan of 1990 and which have already been examined by the Member States when the Directive was approved.

1.4. Finally, the Committee of the Regions stresses the need for coordination of the common aspects of documents Doc. COM(94) 106 and Doc. COM(94) 107.

### 2. Compatibility of the arrangements with the existing subsystems

2.1. The TSI are intended to apply to the new lines constructed after their publication, but also to the existing lines upgraded after that date.

2.2. Existing lines carry other traffic designed for the existing subsystems. It seems important to specify in the Directive that any further improvement can be made either in accordance with the European system defined by the TSI for new high speed lines or with the other existing subsystems covered by the TSI, the choice being left to the Member States. It is essential that trains not affected by the TSI should be able to go on operating on the network. If this were not the case, the financial cost would be excessive, particularly for local authorities.

2.3. Moreover, existing new lines, like upgraded conventional lines, must continue to be available to trains which do not conform to the TSI but do conform to existing national rules, so as to avoid breaking up

sub-networks or making costly modifications to such stock. The Committee of the Regions stresses that such a situation would have especially negative consequences for regional and interregional trains.

2.4. Finally, in the case of existing new lines being extended, the Member States must be left the choice of using either the subsystems defined by the TSI for new high speed lines or those of other existing systems covered by the TSI, since at all events the interoperable trains using the extension will also have to use the existing line which is being extended.

### 3. Rigidity of the proposed system

3.1. It is surprising that Annex I-3 of the draft Directive limits the requirement for high speed trains to 250 km/h, since an agreement signed in Geneva on 31 May 1985 (European Agreement on major international railway lines) fixes a speed of 300 km/h for new lines.

3.2. Moreover, a number of Member States already have lines designed for a speed of 300 km/h, and trains operating at that speed.

3.3. For this reason the Committee of the Regions takes the view that the requirement of 250 km/h for interoperable high speed trains laid down in the draft Directive is insufficient, in view of the need to optimize utilization of the capacity of new lines built for 300 km/h and to improve the service to users in terms of journey time.

3.4. The Committee of the Regions regrets that there is no provision in the draft Directive on a revision procedure for the TSI. It is important that the arrangements should not become fossilized, given the speed of technical progress in the transport sector.

### 4. Guaranteeing the level of safety

4.1. The eighteenth recital of the draft Directive states that 'the suitability for use of the most critical constituents as regards safety, availability or system economy should be assessed'.

4.2. The Committee of the Regions takes the view that suitability for use must also apply to subsystems. In the arrangements proposed by the Commission, subsystems are subject to a procedure for checking by bodies notified by the Member States; this checking is intended solely to ensure that the subsystems comply

with the TSI and with European standards. The Committee of the Regions stresses that respect for specifications is not enough and that it is absolutely essential to check 'in situ' that equipment is operating properly. EUROSTAR is a revealing case in point: very precise specifications were insufficient to make the system operational, as some problems only emerged during the test runs.

4.3. It is extremely important that the checking and suitability for use procedures laid down in the draft Directive should apply not only to the new lines but also to the conventional lines likely to be used by high speed trains.

4.4. For assessment of conformity or suitability for use, the draft Directive provides for the application of the modules deriving from Council Decision 90/683/EEC.

The Committee of the Regions feels that the modules defined by that Directive are not enough to guarantee safety, and that it should be stipulated that specific modules must be developed for assessing the subsystems' suitability for use.

### 5. Operational subsystems

5.1. The arrangements proposed by the Commission are precise for structural subsystems (infrastructure, energy, maintenance etc.).

In contrast, the Committee of the Regions notes that the standardization proposed for operational subsystems (environment, operation — particularly safety rules — and users) remains imprecise.

5.2. The Commission proposal does not take sufficient account of the human factor, either in terms of staff (drivers, accompanying and operating staff) or in terms of users.

5.3. The Committee of the Regions takes the view that there should be provisions for interoperability of services provided for users: information, seat reservation and ticketing procedures, harmonization of commercial services offered by railway undertakings.

### 6. Notified bodies

6.1. The Member States state which bodies will be responsible for the procedure for assessing conformity or suitability for use, and the checking procedure (Article 20).

6.2. The Committee of the Regions considers that the Member State must be able to state which firm is

managing the infrastructure, since technical expertise on high speed rail transport is far from widespread. To this end, it would be desirable to replace 'independence' with 'impartiality' in Annex VIII-5.

## 7. Advisory Committee

7.1. Article 21 of the Commission proposal stipulates that the Commission shall be assisted by an Advisory Committee composed of Member States' representatives, but does not define the tasks of that committee.

7.2. The Committee of the Regions takes the view that in view of their regulatory (authorization for placing in service) and financial responsibilities with regard to infrastructure, the Member States must be more closely associated with the drawing up of the TSI through this Advisory Committee.

## 8. Timescale for implementation

8.1. The draft Directive stipulates that the Member States have until 30 June 1997 to transpose it into their national legislation and to use or accept subsystems conforming to the TSI.

8.2. The Committee of the Regions considers that, in view of the complexity of drawing up the TSI and the scale of their repercussions on national rules, the time-limits laid down are unrealistic, particularly since the publication of the TSI is normally planned for the same date.

8.3. Moreover, after the publication of the TSI, time will be needed for the designing of products to conform with them, and it is necessary to avoid any delay in bringing new high speed lines or equipment into service which may be caused by the unavailability on the market of products conforming to the TSI.

The Committee of the Regions endorses the proposal, subject to the above comments being taken into account by the Commission and the Council.

Done at Brussels, 28 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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## Opinion on the Green Paper on strategic options to strengthen the European programme industry in the context of the audiovisual policy of the European Union

(95/C 210/04)

### Introduction

The White Paper on Growth, Competitiveness, Employment, which the Council adopted on 5 December 1993, specified in Chapter 5.C that the Commission was to present a Green Paper on audiovisual policy in the first half of 1994. The Commission was to propose in the Green Paper how existing policy instruments may be developed and refined 'in order to maximize their impact and contribute to guaranteeing not only the survival but also the growth of a viable audiovisual software industry in Europe into the year 2000'.

The Green Paper entitled 'Strategy options to strengthen the European programme industry in the context of the audiovisual policy of the European Union' (Doc. COM(94) 96 final) adopted by the Commission on 7 April 1994, fulfils this requirement.

The Commission document focuses on the development, within the audiovisual sector, of the European television and film programme industry. It does so because the programme industry has a strategic role to play in connection with the development of the audiovisual sector. In addition, film productions and television programmes deserve special support because they are excellent vehicles for the dissemination of culture and they testify to the traditions and identity of each country.

Article 128 of the Treaty establishing the European Community states actions by the Community shall be aimed at encouraging cooperation between Member States and, if necessary supporting and supplementing their actions in areas such as artistic and literary creation, including the audiovisual sector. Local and regional authorities have an important role to play here also. It also states that the Council is to take cultural aspects into account in its actions under the other provision of the Treaty and is to adopt incentive measures after consulting the Committee of the Regions. At the inaugural meeting of Commission 3 on 25 May 1994, Mr Denis Haughey was appointed Rapporteur for the Committee of the Regions' Opinion on this Green Paper.

The key issue identified by the Commission at the start of the Green Paper is as follows:

'How can the European Union contribute to the development of a European film and television programme industry which is competitive on the world market, forward-looking and capable of radiating the influence of European culture and creating jobs?'

The Green Paper indicates what, in the view of the Commission, are the fundamental trends in the programme industry, analyzes the challenges facing the European programme industry and describes the instruments which already exist for assisting the industry. The Commission's thoughts on the options for the future are of great significance. They address the future rules of the game, the establishment of financial incentives by the European Union and the case for converging national support systems under certain circumstances.

In presenting this Opinion, the Committee of the Regions trusts that during its consultations the Commission will take account of the special views of the regional and local authorities on this key future issue.

The Committee of the Regions unanimously adopted the following Opinion at its 4th plenary session on 27/28 September 1994.

#### THE COMMITTEE OF THE REGIONS:

- Having regard to the Council Decision of 21 December 1990 on the implementation of an action programme to promote the development of the European audiovisual industry (MEDIA) (1991-1995);
- Having regard to the Communication from the Commission to the Council and the European Parliament on digital video broadcasting: A framework for Community policy. Draft Council Resolution (Doc. COM(93) 557 final of 15 November 1993);
- Having regard to the proposal for a Directive of the European Parliament and of the Council on the use of standards for the transmission of television signals (Doc. COM(93) 556 final of 15 November 1993);
- Having regard to the White Paper adopted by the Council on 5 December 1993 on growth, competitiveness, employment — The challenges and ways forward into the 21st century (Doc. COM(93) 700 final);
- Having regard to the Communication from the Commission to the Council and the European Parliament on the application of Articles 4 and 5 of Directive 89/552/EEC — Television without frontiers (Doc. COM(94) 57 final of 3 March 1994);
- Having regard to the Council Decision of 22 July 1994 on an action programme for the introduction of advanced television services in Europe:

1. underlines the importance of films and television programmes in safeguarding and promoting the diversity of national and regional cultures, including the lesser used languages, bearing in mind the high level of artistic and creative vitality shown by many small communities, welcomes the Commission's recognition of the cultural importance of the audiovisual industry;



2. underlines the importance of the reflections presented by the Commission in the Green Paper on strengthening the programme industry in the context of the European Union's audiovisual policy;

3. welcomes the comprehensive consultations being organized by the Commission and assumes that the Commission will take account of the views of local and regional authorities and the key role which they often play in this sector when it proposes incentive measures in relation to the audiovisual sector for adoption by the Council;

4. endorses the fundamental trends in the programme industry diagnosed by the Commission, as well as the challenges which the Commission says will face the audiovisual sector in future; moreover, it is also important that cultural diversity is encouraged in the programme industry;

5. considers, however, that there is a close link between this Green Paper on strengthening the programme industry and the forthcoming Commission conclusions arising from the consultation on the Green Paper on pluralism and media concentration in the Internal Market;

6. therefore agrees with the Economic and Social Committee's criticism that the Green Paper on strengthening the programme industry has not taken sufficient account of possible socio-political consequences of unrestrained competition in the audiovisual sector;

7. therefore, while respecting the competence of Member States for media policy, considers it vital to discuss proposals for addressing the threat of concentration of ownership of the European media with particular reference to safeguarding free speech, consumer choice and human rights and regional diversity;

welcomes the EU Commission's announcement, in its Communication of 21 September 1994, of a new comprehensive consultation procedure for examining what, if any, initiatives at EU level could be considered; calls upon the EU Commission to involve the regions fully in this consultation procedure from the outset, especially those regions which have legislative powers over the media;

calls upon the EU Commission to provide the regions with access to its studies on pluralism and media concentration;

8. in order to protect minors, steps must be taken to ensure that programmes containing pornographic or violent material are not broadcast from European states; in this connection it must be clearly spelt out which state is to be responsible for taking action;

9. considers that the aim of creating jobs in the audiovisual sector will only have a chance of succeeding if small and medium-sized enterprises are also given a realistic chance on the market;

10. notes that the White Paper on growth, competitiveness, employment stated that though there is a lack of reliable statistics on employment within the sector, it has been estimated that at least 1.8 million people are earning their living in the EC audiovisual services; but agrees with the Economic and Social Committee that the White Paper's projection that job creation could be of the order of two million jobs in the audiovisual industry by the year 2000 if current conditions prevail, is over optimistic;

11. welcomes the Commission's general approach to the formulation of a European policy in this area, which is to apply the subsidiarity principle and achieve consensus on the level at which the listed objectives can be achieved most effectively;

12. welcomes the Green Paper's acceptance that support mechanisms, directed at national, cultural and industrial objectives are not incompatible with the objective of developing a European Programme Industry and can act as a powerful lever to strengthen the industry;

13. welcomes also the Green Paper's statement that various levels of authority at national, regional or any other level have a direct and decisive influence on the structures of the audiovisual sector;

14. also thinks that the scope which regional and local authorities have to exert influence in this area must be expanded in future in the interests of cultural diversity and the promotion and maintenance of regional identities;

15. is convinced that it will not be possible to devise a specifically European formula for success without bearing in mind that public demand is mainly geared to local, regional and national content;

16. therefore considers it necessary to promote the further production of creative and avant-garde programmes at local and regional level, even if these cannot be marketed worldwide;

17. thinks that the Commission's digital transmission scenario could support this set up;

18. assumes that the European Union's future role will lie in developing the programme industry by opening up markets and promoting the production and marketing of European programmes, with due regard at all times to the subsidiarity principle;

19. endorses the Commission proposal that a forum be created for exchanges and thought at European level and that thought be given to the contribution which the Member States can make at all levels of authority to jointly defined objectives; and calls for the full involvement of regional and local authorities in this; would point out in connection with the Commission proposal to create a forum for exchanges and thought at European level that the powers of existing national or even regional bodies should not be encroached upon; and calls for the full involvement of regional and local authorities in the exchanges at European level;

20. welcomes the action plan to introduce advanced television services in Europe on the basis of the initial experiences to date;

21. notes that the current Media programme runs until 1995 and strongly supports the need for a Media 2 Programme to run after 1995 until the year 2000 at least, notes and supports the four priority objectives identified in the Green Paper, stresses the importance of particular emphasis on the needs of small and medium-sized enterprises and of smaller Member States and calls for special priority to be given to training in this context; however, the Committee of the Regions believes that the Media, Babel and Scale programmes should have a greater geographical coverage to take into account regional diversity;

22. asks for the promotion and support of programmes for the joint training of specialized workers from different linguistic or cultural backgrounds and working environments in the audiovisual field;

23. calls in particular for the exchange of existing audiovisual materials in order to facilitate the reproduction of such materials in additional language versions which otherwise might not be economically viable, recognizing the rights of artists to equitable remuneration, and their moral right to control the uses made of their artistic creations;

24. expresses its concerns that the vital position of public service broadcasters be protected and strengthened in the new competitive environment, recognizing their importance in preserving and reflecting the rich mosaic that comprises European Culture and their significant contribution to choice available to European audiences;

25. urges that in any revision of the Directive 'Television without frontiers' the position of broadcasting services established primarily to achieve specific cultural objectives be respected,

and that consideration be given accordingly to the provision of tangible support by way of direct grant/subventions from European Union Funds; in this connection any unnecessary centralism should be avoided; respect should be shown for the diversity and individual features of the way in which radio and television broadcasting are organized in the Member States and their regions; this particularly applies to the powers and responsibilities of the regions and the independence of broadcasting organizations in the field of programme content;

26. rejects the introduction of parafiscal charges at European level and the convergence of the ways in which national support systems are financed;

27. agrees with the Commission that it is absolutely necessary to involve all Union regions in the development of the audiovisual industry and to positively discriminate in favour of regions with low production capacity or where a lesser used language is spoken;

28. supports the inclusion of central and eastern European countries in the European support system within the framework of a new partnership; and requests in particular that funds from the Phare programme be earmarked for the audiovisual sector in those countries;

29. hopes that the Commission will successfully coordinate the different strands of activity into an overall policy; capable of developing a European film and television industry that is competitive on the world market, forward looking, capable of generating new employment, while embracing a contribution to culture, respect for identities and the emergence of a European citizenship;

instructs its Chairman to forward this Opinion to the Council, the Commission, the European Parliament and the Economic and Social Committee.

Done at Brussels, 28 September 1994.

*The Chairman  
of the Committee of the Regions*  
Jacques BLANC

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**Opinion on 'Towards the personal communications environment: Green Paper on a common approach in the field of mobile and personal communications in the European Union'**

(95/C 210/05)

**1. Introduction**

1.1. At its meeting on 22 July 1993 a Council Resolution was passed to review the situation in the telecommunications sector and to consider its future development. The Council Resolution set the future Agenda for the evolution of telecommunications in the European Union. It identified as a major goal the development of future policy in the field of mobile and personal communications to which the publication of a Green Paper on Mobile Communications will contribute (93/C 213/01).

1.2. Mobile communications is currently the fastest growing area within the telecommunications sector. Europe has now more than 8 million cellular mobile telephony users in the European Union, and with the growing expansion into personal communication services (PCS), up to 80 million users by the year 2010.

1.3. The market is being driven by rapid advances in technology, by commercial opportunities and by falling prices. Subscriber growth rates during the last few years in Member States with high growth cellular telephony markets (car telephones and hand-held portables) have varied from 30 — 40%. Recent analysis shows that this

trend is withstanding the current economic recession.

With the pan-European digital mobile system, GSM, the European Union has established a world-leading technology in this key area of the future global communications market. The EU must continue along these lines so as to encourage development of a universal service in this sector for the citizens of Europe.

## 2. Green paper

### 2.1. The Global aims of the Green Paper are:

2.1.1. to permit the development of a Union-wide market for mobile services, equipment and terminals;

2.1.2. to identify common principles where required, for achieving this objective in relation to the provision of mobile infrastructure, the development of mobile networks and services, and the supply and operation of mobile terminals;

2.1.3. to promote the evolution of the mobile communications market into mass personal communications services, with particular emphasis on pan-European services;

2.1.4. to facilitate and promote the emergence of trans-European networks and services in the sector, and to ensure that the sector's development is achieved in a manner consistent with the public interest.

## 3. The approach chosen

3.1. The approach on the Commission is that the overall policy should:

3.1.1. be based on the recognition of the major market and technology trends which are having a dramatic effect on an already innovative sector. These trends are found in both the Union and worldwide, in particular in the United States and the Pacific area;

3.1.2. build on the policies of the Member States to date which have led in most Member States to a substantially more open competitive environment;

3.1.3. extend the basic principles of the Union's telecommunications policy and Community law, in particular the balance achieved between liberalization and harmonization, to mobile communications;

3.1.4. take full account of the wider international dimension and the existing framework for cooperation which has developed in the sector reaching beyond the European Union;

3.1.5. develop further the Internal Market in this area, as the basis for a strong negotiating position in the

bilateral and multi-lateral framework aimed at achieving equivalent and comparable market access in third countries.

These five objectives have determined the approach taken by the Commission in developing the positions and proposals set out for consultation and discussion in this Green Paper.

3.2. The studies were concentrated on the areas most critical for future policy formulation, in particular, future market and technology conditions to the end of the decade and beyond, to the year 1010, current licensing and radiofrequency allocation procedures for mobile systems in the Member States and future requirements in this field, as well as interface and interconnection issues between different systems and services and analysis of the application of the Open Network Provision framework to these issues.

In parallel, the Commission has examined reports and comments forwarded by major organizations representing a variety of interests which were prepared with a view to contributing to the Green Paper. The Commission also considered reports established in a national context, often based on national consultation and/or extensive hearings.

The Commission also received during the preparation period a substantial number of comments by mobile network operators, fixed network operators, service providers and users which drew attention to specific issues involved.

3.3. As regards the structure for cooperation in the sector beyond the European Union, key roles are played in the European context by the European Telecommunications Standards Institute (ETSI); the European Radiocommunications Committee (ERC) and its associated European Radiocommunications Office (ERO); the European Committee for Telecommunications Regulatory Affairs (ECTRA) and its future associated European Telecommunications Office (ETO) which are now developing continent-wide coverage, including the countries of Central and Eastern Europe.

## 4. Major trends and opportunities

The mobile telecommunications sector represents one of the major areas for potential growth in the communications and information sector.

From the studies undertaken mid-range estimates of the use of mobile communications in Europe suggest that there could be nearly 40 million users by the year 2000 and up to 80 million users by 2010 — up from a current total base of around 16 million users (including cellular telephony, paying and private mobile radio).

Market research predicts that 20-30% of the business users can be expected to have personal mobile com-

munications by the year 2000, with slower penetration growth thereafter. By 2010 penetration would be 30-50 %.

In addition, 30-40 % of the population would have personal communications for private use by 2010.

4.1. Total user numbers could ultimately substantially exceed 200 million in the European Union — compared to a current total subscriber base for traditional fixed telephony of 153 million.

4.2. While the public mobile telephony market is still served mainly by analogue cellular technologies such as NMT, TACs and other systems, the digital technologies now being introduced, in particular GSM 900 (the European Global System for Mobile communication), DCS-1800 (so called Personal Communications Networks — PCN services) and DECT (Digital European Cordless Telecommunications), as well as systems such as CT2 and ERMES (the pan-European digital paging systems) and TETS (the European digital Terrestrial Flight Telecommunications System) will rapidly overtake analogue systems.

Only one year after its effective launch, GSM accounts for over 10 % of the installed cellular mobile telephony base in the Union.

Europe is now considered to the world leader in digital cellular system. GSM has been adopted — or planned to be adopted in more than 60 countries, in particular, throughout Europe including the countries of Eastern and Central Europe, and also in the Pacific Area, with the exception of Japan, and in a number of other countries in Asia, the Middle East and Africa.

## 5. Barriers to be overcome

5.1. In looking at the barriers to be overcome the Green Paper looks at the many and various areas causing difficulties in a Union-wide single telecommunications system. These include exclusive market rights or special rights; licensing systems; allocation of frequencies; the Common Union response to the United States domination of satellite based personal communications; access to third country markets.

5.2. Having looked at and commented on these and other barriers, the Commission considers that five major changes are required to remove the barriers to further development.

These are:

5.2.1. abolishing remaining exclusive and special rights in the sector, subject where required, to the establishment of appropriate licensing conditions;

5.2.2. removal of all restrictions on the provision of mobile services both for independent Service Providers

and direct service provision by mobile network operators.

This should include the freedom to offer a combination of services provided under different licenses, as well as the ability to provide in different Member States, and the lifting of existing restrictions, thereby facilitating access of users to these services;

5.2.3. full freedom for mobile network operators to operate and develop the networks for the purpose of the activities provided for in their licence or authorization.

This should include the right to self-provide infrastructure for use in carrying out these activities or to use third party infrastructure for that purpose, as well as the right to share infrastructure;

5.2.4. unrestricted combined offering of services via the fixed and mobile networks, within the overall time schedule set by Council Resolution 93/C213/01 of 22 July 1993 for the full liberalization of public voice services via the fixed network.

This would imply the right for mobile operators or independent Service Providers to bid for resale licenses on the fixed network, as well as for the lifting of all existing entry restrictions for fixed network operators in mobile markets, subject only to full application of the Treaty competition rules, in particular, Council Regulation 89/4064/EEC on the control of concentrations and the provisions of the Treaty competition rules concerning abuse of dominant positions;

5.2.5. facilitating pan-European operation and service provision.

This should include further development of mutual recognition of type approval of mobile terminal equipment, as well as coordination of licensing and award procedure, where appropriate to facilitate development of trans-European networks.

5.3. In identifying detailed positions, the Green Paper has limited itself to fields where a common position is required at a European Community level. The positions concern:

5.3.1. licensing conditions for mobile operators;

5.3.2. conditions for service provision, interconnection, infrastructure, frequency and numbering issues; and

5.3.3. launching the evolution towards personal communications.

5.4. The Green Paper gives proposed positions on these subjects.

5.4.1. It is proposed to amend Directive 90/388/EEC on competition in the markets for telecommunications

services to cover mobile communications. It is proposed that licences be awarded on open, non-discriminatory and transparent procedures. It further discusses the awarding of licenses but does not at present favour any single system but does place a particular priority on maximizing benefits for users. Further it emphasizes that licensing conditions must ensure transparent and non-discriminatory behaviour between fixed and mobile operators in common ownership.

5.4.2. It is proposed that commercial freedom should be guaranteed allowing the provision of services by Independent Service Providers and that a Code of Conduct for Service Providers be established so as to comply with the rules and regulations as well as maintaining standards.

5.4.3. In dealing with Interconnection, Infrastructure, Radio frequencies and Numbering, the Green Paper calls for the harmonization of these services throughout the Union. In detailed observations, it emphasizes the benefits to be gained by the citizens of the European Union through this harmonization process.

5.4.4. In launching the evolution towards personal communications services, the Green Paper emphasizes that the basic requirements are to remove initially restrictions on the combination of multiple mobile technologies or services through a single service provider and subsequently, to remove restrictions on the free combinations of services provided via fixed and mobile networks.

5.4.5. The overall tenor of the Green Paper is to provide an emphasis towards liberalization and harmonization in the area of mobile communications.

5.4.6. It proposes that this be achieved by 1998 with additional transition periods of up to five years for Spain, Ireland, Greece and Portugal and, if justified, two years for Luxembourg.

5.4.7. The Green Paper proposes the adoption of the General Data Protection Directive and the proposed Directive on protection of privacy in the digital network environment.

5.4.8. In the fields of Health the Commission proposes setting in motion a comprehensive action programme to accelerate necessary safety standards. In this regard emphasis is placed on lower power emission characteristics for hand equipment in order to minimize electromagnetic exposure.

5.4.9. In order to safeguard the environment the

Green Paper proposes that standards should be designed to allow the sharing of sites and radio infrastructures.

5.4.10. With regard to Third Countries, it is proposed that common Community positions be taken on all major matters when dealing with these countries, especially in the fields of standards, frequencies and numbering.

## 6. Comments

6.1. The Green Paper is an extremely detailed document and covers all aspects of mobile communications. Its basic theme is for harmonization and liberalization within the personal Communications systems in the Union.

6.2. The report points to the fact that the Union is now a world leader in this field and that by liberalizing and opening the market this lead will not only be held but significantly advanced.

6.3. For these reasons the document is to be welcomed by Commission 3 and the Committee of the Regions. If the Union continues its success in the field of digital mobile systems then this can only lead into new Third Country markets, thus enhancing the prospects of job opportunities within the Union.

6.4. Already GSM (European Global System for Mobile Communications) has been adopted in more than 60 countries throughout the world. As has been pointed out, it is expected that by the year 2010 the number of users of mobile phones will rise from the present figure of 16 million to 80 million at that time.

6.5. With the prospects of such high growth it is imperative that at the end of the discussion period on the Green Paper that the Council and the Commission implement the Final Document as quickly as possible.

## 7. Other comments

### 7.1. Licensing

On this matter the Commission veers towards a centralized Community licensing of operators. This raises questions for national Governments and, in particular, it should raise questions for the Regions. Perhaps the Regions should have a say in the issuing of licenses, because of their local impact.

### 7.2. Health

While the Green Paper does give some consideration to the impact of these systems on public health, the Rapporteur feels that not enough attention has been given to this area and that further detailed examination

of the impact of the new technology on the peoples' health should be undertaken, before any final decisions are taken for a major extension of the system.

### 7.3. *Environmental Impact*

Local and regional authorities will be faced with a proliferation of applications for planning permission for new masts, transmitters, etc. In a free liberalized atmosphere the question must be raised as to whether the local and regional governments should supply centralized transmission/reception sites in given areas so as to minimize and prevent the proliferation of multiple mast sites. And care must be taken to prevent undue pressure being put on local and regional authorities by supplier groups in this area of the protection of the environment.

### 7.4. *Regional response*

As indicated earlier the Green Paper and the Commission's proposals are wide and complex and will impact deeply right across all sections of the Union, affecting all sections of the Community. Realistically each of the Member States and representatives of the different Regions will have varying views on many aspects of the proposals.

7.5. In order therefore that a fully comprehensive submission be made to the Commission, reflecting all the views of all the Regions of the Union, the Rapporteur feels that a small Study Group be set up to compose this comprehensive view. This should be done only, of course, if the time to respond allows.

7.6. Overall the Green Paper is to be welcomed as a positive step towards the development of a common approach in the field of mobile and personal communications.

## APPENDIX

### to the Opinion of the Committee of the Regions

#### 1. Introduction

1.1. In my report of 14 July 1994 on the Draft Opinion of Commission 3 of the Committee of the Regions on the Green Paper on a common approach in the field of mobile and personal communications in the European Union (Doc. COM(94) 145 final) I outlined the details of the Green Paper.

1.2. Further to this I pointed out the impact these new developments in the area of personal communications would have on the Regions of Europe and especially in the areas of Licensing Health and Environmental impact.

1.3. In the area of Regional Response, under Section 7.5. of the report I proposed that a Study Group be set up in order to obtain a comprehensive view from all the individual countries of the Union. This proposal was made because the Rapporteur recognized that each individual country and indeed each region would be affected by the process of liberalization and harmonization in the field of personal communications. By obtaining as wide and expert a view as possible the Committee of the Regions would be able to give a very comprehensive view to the Council and the Commission on this very vital area.

1.4. However, because the Commission wishes to have our Opinion given at our Plenary meeting at the end of September 1994, time does not allow this Study Group to be formed, meet and give its Opinion. Therefore I would request that Commission 3 would approve of the Rapporteur's Opinion of 14 July 1994 as well as this Supplementary Opinion and any other amendments submitted to and agreed by Commission 3.

#### 2. Appendix to the Opinion of the Committee of the Regions on a Common Approach in the field of Mobile Communications in the European Union

The Committee of the Regions unanimously adopted the following Opinion at its 4th plenary session on 27/28 September 1994.

2.1. The Committee of the Regions welcomes the Green Paper as a very positive step in the development of personal communications.

2.2. It welcomes its proposals on liberalization and harmonization of the sector within the Union, thus allowing for a standardization of the service.

2.3. It is, however, concerned about the following matters which should be further addressed.

#### 2.4. *Licensing*

The Green Paper proposes the centralized Community licensing of operators. The Committee of the Regions feels that because of their local impact that Regional and Local Authorities should have an input into the issuing of licences.

#### 2.5. *Health*

The Committee of the Regions feels that not enough research has been done into the impact of the new technology on the Public Health and in particular exposure to electromagnetic radiation.

#### 2.6. *Environmental impact*

The Committee of the Regions is concerned about the Environmental impact of the new Technology. If there is centralized issuing of licences where will local authorities stand in relation to the issuing of planning permission for masts, transmitters, etc. The Committee of the Regions feels that Regional and local authorities should have the final say in this area so as to prevent a proliferation of mast and transmission sites.

2.7. Mobile communications is a high growth area and one in which European technology leads the world. Thus it is important to look at the Commission's proposals in the light of a substantially expanding market with increased opportunities for manufacturers, service providers and network operators. All of this should lead to retention, if not the creation, of employment. The Committee of the Regions would be concerned that any new employment created would be spread throughout all regions of the Union.

2.8. The Committee of the Regions supports the overall policy contained in the Green Paper and would wish to make further submissions when detailed proposals are being considered for a Directive.

The Committee of the Regions instructs the Chairman to forward this Opinion to the Council, the Commission, the European Parliament and the Economic and Social Committee.

Done at Brussels, 28 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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**Opinion on the proposal for a Council Directive laying down detailed arrangements for the exercise of the right to vote and to stand as a candidate to municipal elections by citizens of the Union residing in a Member State of which they are not nationals**

(95/C 210/06)

On 30 March 1994 the Council of the European Union decided to consult the Committee of the Regions under Article 8b(1) of the EC Treaty on the above-mentioned proposal.

At its 4th plenary session (meeting of 27 and 28 September 1994) the Committee of the Regions adopted the following Opinion in the majority with one abstention. The Rapporteur was Mr O'Neachtain.

## 1. Introduction

1.1. The Committee of the Regions congratulates the Commission on coming forward with a comprehensive and balanced Directive which seeks to redress the situation in some Member States where non-nationals did not have the right to vote or to stand as candidates in municipal elections. Article 8b(1) of the Treaty of European Union states that citizens of the Union are entitled to vote and to stand as candidates in municipal elections in their Member States of residence.

Moreover, although welcoming the opportunity to contribute its Opinion on this proposal, the Committee laments the fact that in this instance, such consultation is not explicitly provided for in the Treaty. The right of Union citizens to stand and to vote in municipal elections is a matter which is evidently central to the very nature and composition of the Committee of the Regions. Article 8.1 of the Treaty establishes citizenship of the Union while Article 8.2 states that said citizens shall be subject to the duties imposed by the Treaty. As the Institution which operates most closely with the individual citizens of the Union it is clearly inappropriate that the Treaty does not lay down that the Committee should be consulted on this matter and indeed on all other legislative proposals, not least those arising from Article N of the Treaty relating to the examination in 1996 of provisions of the Treaty for which revision is provided. The Committee therefore calls on the Commission to re-examine and extend the consultative scope of the Committee with a view to presenting a proposal to this effect to the Council by the end of 1994.

1.2. This Article is the result of many years of political debate on this important issue which has culminated in this Directive which lays down detailed arrangements whereby citizens of the Union residing in Member States of which they are not nationals may vote and may stand in local elections of that Member State.

1.3. Without prejudice to the principle of non-discrimination between the citizens of the Union, great

care has been taken in this Directive not to seek overall change in the legislation which governs local elections in the Member States. It is very specific in its objective to replace the nationality requirement by the requirement of citizenship of the Union. This fundamental right which affects some five million citizens of the Member States is an important step in the development of European citizenship and it is to be welcomed both in the spirit and content of its objective.

1.4. As European Union takes shape and the challenging concept of 'European citizenship' is registered, it is essential to fill the 'democratic deficit' and bring the Union closer to the individual citizen. The proposed Directive is a significant step forward in achieving this goal. Its adoption would help prove to the many citizens who felt alienated from the 'Maastricht process' that the Union, whilst respectful of cultural diversity and of plurality of thought and of tradition, as enshrined in the Treaty, can nonetheless unite around basic, democratic values common to all, indissolubly linked to civil and political rights and duties. The Directive would help to give local, regional, national and transnational expression to these common democratic values.

1.5. In the same spirit, and as a follow-up to the current proposed Directive, the European Union should also address the civic rights and duties of third-country nationals, legally resident in the Union.

## 2. Specific comments

### 2.1. Article 2.2

The following sentence should be added to Article 2.2 of the Directive:

'It also covers votes by direct universal suffrage organized by basic local government units.'

## 2.2. Article 5.3

Whereas in the spirit of non-discrimination it would be desirable to ensure that the right to hold the offices of elected head or member of the executive of a basic local government unit be extended to all citizens of the Union resident in another Member State without prejudice to nationality, the Committee acknowledges that, in certain cases, such as when that office involves the performance of state-devolved duties, a Member State may exercise the right to reserve such positions for its own nationals.

However, the Committee would urge the Member States to minimize such restrictions, and further, in those Member States which choose to reserve this right that the decision be considered as a transitional measure keeping in mind the ultimate objective of extending the right to all citizens of the Union residing in their territories.

## 2.3. Article 7, paragraph 1

Method of entry onto the electoral role varies from Member State to Member State. In those Member States where entry onto the electoral role is officially carried out without request by the electoral office, a separate system whereby non-national Union citizens should have to formally express their wish to be officially registered could on first sight be regarded by some as discriminatory. However, the Committee recognizes that the requirement that there be an expression or declaration of the wish to vote is intended to protect the right of non-nationals to decide not to vote if that is their wish. The requirement to expressly declare the wish to vote protects, by extension, the right of the resident, non-national EU citizen not to vote if he so wishes in a Member State which exercises a compulsory voting system along with a system of automatic entry onto the electoral role.

However, since a system of automatic registration coupled with compulsory voting is not applied throughout the EU, and since there exists no other scenario whereby a non-national EU citizen could find himself in a position of being obliged to vote against his express wish, the Committee would recommend that the necessity to expressly declare the wish to vote be made mandatory only in those Member States which operate the aforementioned system. In those Member States which do not operate such a system, existing systems for registration and voting may remain unaffected.

The Committee would further recommend that in those Member States where an express declaration of the wish to vote is necessary, that the nature and form of this declaration be left to the individual Member State to decide.

## 2.4. Article 8

### 2.4.1. Article 8, paragraph 1

The Committee recommends that the words 'shall take' be replaced with 'shall adopt'. This is to ensure that a voter within the scope of Article 3 will have a clear legal reference-point in terms of expressing his wish to be included on the electoral register sufficiently in advance of election time.

### 2.4.2. Article 8, paragraph 2

Whether or not it should be mandatory for non-nationals to produce a formal declaration stating nationality and address in the country of residence at the time of expressing their wish to exercise their right to vote, should be left to the discretion of each Member State, insofar as if a Member State has already established the non-national's nationality and place of residence to its satisfaction by other means, such as through local registration of residence requirements, this system should be respected and deemed sufficient as regards the requirements of this Directive.

## 2.5. Article 9

### 2.5.1. Article 9, paragraph 1

In the interest of clarity and consistency between the text in the various EU languages the Committee would recommend the deletion of the word 'dichiarazione di' in the Italian text and 'declaration de' in the French text.

### 2.5.2. Article 9, paragraph 2

Similarly, the Committee would further recommend the deletion of the phrases 'en outre' from the French text and 'inoltre' from the Italian text.

## 2.6. Article 10, paragraph 1

In the case that the application of a non-national EU citizen to be included on the electoral register of his country of residence or to stand as a candidate be rejected, sufficient time for an appeal of such a decision should be provided for. The Committee would therefore recommend that the first paragraph of Article 10 be amended as follows:

'The Member State of residence shall inform the person concerned in good time of the action taken on his application for entry on the electoral roll or of the decision concerning the admissibility of his application to stand as a candidate.'

## 2.7. Article 12

Whereas pursuant to Article 8b(1), the Committee recognizes the possibility of obtaining derogations from the provisions of this Directive, the Committee is of the opinion that in accordance with the principle of non-discrimination, any such derogations should ultimately be regarded as transitional, and subject to future review. The Committee would also stress that derogations under Article 8b(1) should be as narrowly defined as possible, both as regards content and duration.

In this regard the Committee welcomes the report envisaged in Article 12.3 while noting that this report should also be submitted to the Committee of the Regions.

Furthermore, taking into account the diverse nature of regional concentrations of non-national citizens of the

Union in the various Member States, the Committee wishes to acknowledge that there are some who may argue that any derogations under Article 12.1 might best be considered at local as opposed to national level. However, the Committee is satisfied that in reality, the operation of such a system would not only prove impracticable from an administrative point of view, but may also be construed as running counter to the spirit and principles underlying the very concept of citizenship of the Union.

2.8. To ensure that all Member States and their regions can avail of the benefits of this Directive, and in order to dissipate outstanding concerns as to the scope of its application, the Committee would propose the following addition to the Directive's Annex under Germany, at the end of the second indent:

'Stadtgemeinde Bremen in der Freien Hansestadt Bremen'

('Bremen municipal authority in the Free Hanseatic City of Bremen').

Done at Brussels, 28 September 1994.

*The Chairman  
of the Committee of the Regions*  
Jacques BLANC

## Opinion on the proposal for a Council Directive concerning the quality of bathing water

(95/C 210/07)

On 14 June 1994 the Council of Ministers decided to consult the Committee of the Regions on the above-mentioned proposal.

At its 4th plenary session (meeting of 28 September 1994), the Committee of the Regions adopted the following Opinion (Rapporteur-General: Mr J. Vairinhos) by a majority.

### 1. General comments

1.1. The proposal seeks to amend Directive 76/160/EEC in the light of the successive adaptations to which this Directive has been subject and the scientific and technical progress made in the meantime, with a view to protecting public health and the environment.

1.2. The objectives advocated initially have not changed. All that has happened is that the Directive's operation has been simplified by only applying parameters which are strictly necessary in the light of current knowledge.

1.3. It is recognized that there are links between the quality of bathing water and the development of tourism

in the European Union with a view to greater economic and social cohesion throughout the Community.

1.4. The COR is pleased to see that the principle of subsidiarity laid down in the Treaty on European Union is to be strengthened by involving regional and local authorities in the adoption of measures pursuant to the Directive's proposed objectives.

1.5. It thinks, however, that in each Member State it will be necessary to clarify the administrative and legal setup which will have responsibilities to bear in this area, so as to increase the Directive's effectiveness.

1.6. The COR points out that the different levels of intervention must be properly interlinked and complementary. Above all, environment and urban policies, which are heavily to blame for the swift degradation of coastal ecosystems when incorrectly applied, must be in tune with one another.

1.7. It recognizes the need and the importance of making all citizens aware of environmental issues. Information campaigns must be stepped up, especially among younger people, so as to bring about changes in mentality and behaviour.

1.8. The COR recognizes the importance of integrated planning and management instruments for the development of coastal areas, so as to avoid overbuilding, bad planning and any other improper activity which might threaten the natural balance of the environment and increase the sources of pollution.

1.9. The COR notes the positive contribution which the original Directive 76/160/EEC has made to improving the quality of bathing water, and the considerable impact it has had on protecting bathers' health and the state of the environment in general.

1.10. The COR is interested to note that the quality criteria and standards for waters used for recreational purposes are to be simplified without this jeopardizing the objectives. This simplification is justified by the significant increase in scientific knowledge in the fields of microbiology and analytical techniques.

1.11. The COR gives its general approval to the broad thrust of the document under consideration and issues a favourable Opinion, though it would also make a number of recommendations aimed at improving the application and effectiveness of the Directive.

## 2. Specific comments

2.1. The proposal was drawn up in accordance with Article 130r of the Treaty establishing the European Community, for the purpose of protecting and improving

the quality of bathing water and helping to protect bathers' health. On this basis, the Commission will have to ensure the existence of strict machinery for monitoring pollutants. The COR would draw the Commission's attention to the fact that the new principle of different quality grades of bathing water which are to be subject to different checks could distort competition between the Community's regions.

2.2. Member States are to be free to adopt the measures they see fit, in the light of each region's distinctive features. The only obligation they will have to fulfil is that they meet the objectives that have been set. Despite this, the COR calls on the Commission to adopt an interdisciplinary approach and consider concerted measures for tackling the various matters which may affect living and environmental conditions in bathing areas.

2.3. The idea of providing comparable information on bathing water quality is innovative and entirely commendable. It will allow bathers to make an informed choice when deciding where to bathe. Nonetheless, it is recommended that documentation be drawn up for alerting bathers to the problems and allowing them to use bathing areas properly.

2.4. The COR suggests that the deadlines for the transposition of the Directive's provisions into national legislation be extended so as to fit in with other Directives already in force in this field.

2.5. The proposal achieves its aim of simplifying matters by omitting the analytical parameters which are not thought to provide any extra information or to be relevant for bathing purposes. At the same time bathers are to be provided with precise information.

2.6. The preference for faecal contamination indicators, which are responsible for a variety of diseases, raises the question of which parameters are to be monitored and how representative these are. In this respect faecal streptococci and E.coli are regarded as reliable indicators of faecal contamination. They can be analyzed efficiently, with the results being obtained quickly and cheaply, and can thus be regarded as an initial basis for monitoring bathing water quality.

2.7. However, this is not a way of checking for the presence of enteric viruses in bathing water. Hence the question of how these viruses can best be monitored.

The COR is seriously concerned about the Commission's proposal that regular tests for enteroviruses should be obligatory. Local and regional authorities will find it

difficult to adhere to this because of the cost and the administrative work involved.

The COR therefore asks the Commission to examine the possibility of being more flexible about these tests. The Commission should consider whether it is feasible to make provision for other less costly tests.

The indicator 'bacteriophages' is proposed as an alternative. This indicator is easier to analyze, the results are obtained quickly and the tests are less costly.

2.8. Finally, the COR proposes that the circumstances under which bathing is to be prohibited should be precisely defined in Article 7. The Committee of the Regions rejects the classification of bathing water into two categories. This goes beyond the proposed Directive's purpose of protecting bathers. The proposed Directive lays down limit values. If water fails to comply with these values, it is no longer suitable for bathing, but if it does comply, bathers need not fear for their health. Any further classification would give rise to differing interpretations and data manipulation which do not serve the protection of health.

Done at Brussels, 28 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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**Opinion on the proposal for a European Parliament and Council Decision adopting an action plan 1995-1999 to combat cancer within the framework for action in the field of public health**

(95/C 210/08)

On 13 July 1994 the Council of Ministers decided to consult the Committee of the Regions on the above-mentioned proposal.

**THE COMMITTEE OF THE REGIONS**

Having regard to Article 3(o) which refers to a contribution to the attainment of a high level of health protection;

Having regard to Article 3(b) which stipulates that, in areas which do not fall within its exclusive competence, the Community shall take action, in accordance with the principle of subsidiarity, only if and insofar as the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale of effects of the proposed action, be better achieved by the Community;

Having regard to Article 129 of the Treaty which refers to the ensuring of a high level of human health protection;

Having regard to the Communication of the Commission concerning the fight against cancer in the frame of action in the field of public health;

Having regard to the proposal for a Parliamentary and Council Decision for the adoption of an action plan 1995-1999 for the fight against cancer in the frame of action in the field of public health;

## ADOPTED

unanimously the following Opinion, presented by Mr Böhm, at its plenary session on 28 September 1994.

1. The Committee of the Regions endorses continuation of the Europe against Cancer programme. Closer cooperation among the Member States, particularly in research, is essential to combat this disease.

2. This is the Commission's first specialized programme under the recently adopted framework for action in the field of public health. It is not clear what priority the cancer programme has in the special framework. There is a lack of a framework programme which would provide a binding overall approach to the public health field.

3. The principle of subsidiarity should be strictly observed in implementing this action plan. It is clear from the proposal's recitals that the Commission starts from an incorrect interpretation of subsidiarity. Under Article 3B, the precondition for involvement of the European Community is that the aims of the measures concerned cannot be adequately achieved by the Member States and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community.

Moreover, the wording and implementation of individual measures must always respect the limits of Article 129. In particular, the field of treatment and health care may not be covered.

4. The Committee of the Regions asks that the Member States be given the power of co-decision in the implementation of the programme. A management committee should therefore be set up in place of the proposed advisory committee. So that the Member States can participate effectively, the Commission will need to provide information on a regular and timely basis.

In addition, the regions must be more closely involved, so that the implementing measures decided by the Commission and the Member States take account of regional particularities and these measures can be better coordinated with regional projects. To that end it is necessary for the regions to be informed in good time of planned measures at all stages of the programme.

The Committee of the Regions therefore calls upon the Commission to maintain close contact with Commission 8 of the Committee of the Regions and keep it informed of the implementation of the action plan.

5. Finally, the content of the programme should be further improved by the following changes and shifts of emphasis:

- Because of the increasing incidence of breast, prostate and skin cancer these types of cancer ought to receive special attention in all fields of action.
- Promotion of health at the workplace should be covered in the planning and promotion of preventive measures in the field of public health.
- Research should be carried out on the effect of psychological factors in the emergence of cancer, and strategies for overcoming them should be developed.
- Experience in the field of general public cancer prevention and in health education shows that awareness of the 'proper' lifestyle is not enough to make people forego the use of tobacco and/or alcohol. Steps should therefore be taken to promote research into the possibility of motivating adults and particularly young people to adopt a lifestyle which is not self-destructive.
- A comparative assessment of screening in various countries of the European Union should be carried out.
- Comparative studies of tumours occurring in families should be promoted.
- Therapy studies with the aim of evaluating existing data, and studies of the incidence of secondary tumours, should be included in the programme.

- Studies and research work on possible carcinogenic effects of weak radiation emissions from nuclear power plants and power lines should be promoted and adequately funded.
- Finally, the action plan should take more account of regional and local aspects of cancer prevention. It is becoming increasingly clear that environmental influences play a considerable role in cancer cases. It is therefore suggested that studies be carried out to show the differing regional incidence of tumours in relation to socio-economic factors.

Done at Brussels, 28 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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**Opinion on the proposal for a Council Regulation (EC) on reform of the common organization of the market in wine**

(95/C 210/09)

On 16 May 1994 the Committee of the Regions, acting under the first paragraph of Rule 10 of its Rules of Procedure and in accordance with Article 198c of the EU Treaty, decided to draw up an Own-initiative Opinion on the above-mentioned proposal.

Commission 2: Spatial Planning, Agriculture, Hunting, Fisheries, Forestry, Marine Environment and Upland Areas, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 6 September 1994. The Rapporteur was Mr Rodriguez Ibarra.

At its fifth plenary session (meeting of 15 November 1994), the Committee of the Regions adopted the following Opinion by a majority vote.

**1. Objectives of the CAP reform**

1.1. The Commission discussion paper on the development and future of the Common Agricultural Policy<sup>(1)</sup>, which was submitted to the Council and laid the foundations for the 1992 CAP Reform, set the following objectives:

- a) A sufficient number of farmers had to be kept on the land. There was no other way to preserve the natural environment, traditional landscapes and a system of agriculture based on the family farm.
- b) Production had to be controlled to the degree necessary to bring the markets back into balance.
- c) Extensification should be encouraged, as a way of reducing surplus production and contributing to an environmentally sustainable form of agricultural production and food quality.
- d) The CAP must continue to be based on its three fundamental principles: a single market, Community preference, and financial solidarity.
- e) The Community's agricultural budget should become an instrument for real financial solidarity to help those in greatest need.

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<sup>(1)</sup> Doc. COM(91) 100 final and Doc. COM(91) 258 final.

f) Direct aid should be used to guarantee farmers'

incomes. Its level should vary in line with farm size, income, regional situation and other relevant factors.

1.2. The Commission's proposed Regulation for the reform of the common market organization in wine does not reflect the basic principles of the discussion paper, and makes an arbitrary interpretation of subsidiarity designed solely to reduce expenditure in the sector.

1.2.1. The proportion of expenditure on the wine sector (in comparison with total EAGGF expenditure) has always been consistently much lower than the sector's contribution to the European farm economy (in terms of turnover, employment and foreign currency earnings).

1.2.2. Moreover, such expenditure has been consistently less than the appropriations voted annually in the European Parliament for the last eight years (and by significant — and growing — margins), to the extent that this systematic under-use of appropriations is one of the main causes of the present situation on the markets and of wine and alcohol surpluses.

## 2. Comments on the Commission's proposal

### 2.1. Background

2.1.1. On 22 July 1993 the Commission issued a Communication to the Council on the development and future of wine sector policy<sup>(1)</sup>, which it also submitted to the European Parliament, the Economic and Social Committee, trade organizations and some representatives of the Union's wine-producing regions. The Communication has now been followed by a draft Regulation, approved by the Commission on 11 May 1994<sup>(2)</sup>. While the Commission waited until the adoption of the European Parliament report, it is worth noting that the corresponding ESC Opinion did not appear in the Official Journal until five days after the Commission proposal had been adopted, making it difficult for the Commission to take it into account.

2.1.2. It should be noted that there are marked inconsistencies between the proposed Regulation and the Commission discussion paper of July 1993.

### 2.2. The European Parliament's report

2.2.1. The EP report<sup>(3)</sup> made a number of points which the Commission failed to take up, thereby

displaying a lack of political sensitivity. These were as follows:

- The reform of the CAP must be comprehensive and coherent and its underlying principles must be extended to the wine sector. Measures are necessary to regulate production and support producers' income, alongside price policy.
- There are some regions which have a strong natural vocation for wine-growing, and in which wine-growing is an integral part of the economy and the way of life. Action is needed in these regions to prevent wine-growing from dying out.
- All Community producers must be accorded equal treatment under the same conditions.
- The practice of indiscriminate enrichment has served to create surpluses and allowed low-quality products.
- The tax treatment of wine differs from one Member State to another and sometimes discourages consumption, while also distorting competition in the Internal Market. This situation should be remedied.
- The fall in consumption is due in part to adverse publicity and a lack of information. A programme is therefore needed to provide information and promote modest consumption of wine as a product forming part of Europe's cultural and gastronomic tradition.
- Inter-branch relationships should be strengthened, and the cohesion of the sector boosted.
- The European Parliament expressed doubts about the effectiveness of the measures proposed by the Commission, and feared that they would widen the disparities between producer regions and constitute discrimination vis-à-vis other agricultural sectors.
- The Parliament felt that the structural and intervention measures should be fully financed from the Community budget, as was the case for other agricultural sectors following the reform of the CAP.

### 2.3. The Economic and Social Committee Opinion

2.3.1. The ESC Opinion<sup>(4)</sup> made the following main points:

- The ESC deplored the fact that the Commission took no account of the effects on incomes and the industry. It pointed out that other sectors of the

<sup>(1)</sup> Doc. COM(93) 380 final.

<sup>(2)</sup> Doc. COM(94) 117 final.

<sup>(3)</sup> PE(206) 935 fin, Rapporteur: Mr Mateo Sierra Bardaji.

<sup>(4)</sup> CES 231/94, Rapporteur: Mr Kienle.



economy were dependent on the wine sector and that if wine-growing were to cease, many regions' economies would crumble. There was a danger that the sector's demise would lead to the erosion of economic, social and cultural life.

used by the Commission. Furthermore, doubt is cast on the basic claim that there is an upward trend in yields by (at least) one mistake in the July 1993 document, which has not been corrected since.

— The ESC felt that the Commission report painted far too negative a picture of wine-growing's effects on the environment. Wine-growing prevented soil erosion and depopulation, and wine-growers used environmentally-compatible practices as a matter of course.

Lastly, the cost of supporting wine-growing (underlying all the Commission's proposals) has been artificially inflated by 60% more than actual expenditure since 1990.

— The Commission had based its national reference quantities on the assumption that consumption would fall by almost 2m hl per year. The ESC asked the Commission to consider a second scenario for the year 2000, in which account was taken of measures to boost consumption and reduce excise duties.

2.4.2. The proposed reform of the wine market rests on the control of supply as the sole instrument for achieving market balance.

COR Commission 2 considers it necessary to pursue a more vigorous policy to promote sales of wine products and to provide adequate funds for this.

— The ESC also stressed the implications of the GATT decisions for the EU's wine sector. The phasing-out of external protection via the abolition of reference prices and the dismantling of import restrictions and customs duties would lead to a rise in imports. While the areas under vine in the Community had been reduced by a million hectares in the last 30 years and now stood at less than 4m hectares, wine-growing areas elsewhere had only shrunk slightly and some had even been expanded (United States, Morocco, Chile) or replanted with high-yield varieties (Eastern Europe). Account thus had to be taken of trends in consumption in third countries.

2.4.3. The establishment of regional plans part-financed by the Member States may cause market imbalance. The proposed measures run counter to the general spirit of the CAP reform, which seeks to encourage extensive rather than intensive production. On the contrary, by discouraging extensification the proposal uses different ground rules from those applied to sectors which have already been reformed. This could lead to a dangerous tendency for farmers to increase production since, in order to keep up their income level, they will be obliged to use intensive cultivation methods. The result will be a significant drop in quality which will erode the wine-growing heritage and identity of traditional producer regions.

— The ESC came out firmly against national reference quantities, and was concerned that the quota scheme would create new tensions between wine-growing regions. The producer should be the direct target of intervention policy, without the bureaucratic superstructure of a Community quota scheme. The aim should be to make the adaptation of production to market openings a more attractive proposition than the production of surpluses. The ESC also recommended the fixing of maximum yields per hectare for table wines.

2.4.4. The Commission's July 1993 discussion paper noted that the use of sucrose to enrich wine artificially generates surpluses. However, not only does the final proposal fail to propose any measures to restrict this practice, it indirectly encourages it by abolishing aid for the use of concentrated must. Furthermore, it is signally at odds with the definition of wine as a 'product obtained from the total or partial alcoholic fermentation of fresh grapes or grape must' while respecting traditional production practices. By allowing producers to boost alcoholic content artificially through the addition of products not intrinsic to the grape, the proposal enshrines competition.

#### 2.4. Other comments

2.4.1. The basic data used by the Commission are unreliable. They do not tally with those provided by the International Vine and Wine Office (IWO), with studies by European universities which cast serious doubt on the scale of surpluses and are more upbeat about consumption trends, or even with the data originally

2.4.5. The Regulation seeks to bring balance to the wine sector by adjusting production to likely demand. This is to be done by the establishment of a 'national reference quantity' for each Member State, calculated on the basis of average production over their best three marketing years out of the last four (1989/1990 to 1992/1993).

2.4.6. The national reference quantity for each producer Member State and marketing year has been decided in a totally arbitrary manner, penalizing countries where production has traditionally (rather than in the last four marketing years) remained stable or even been reduced. By way of example, Appendix I shows the vineyard areas grubbed up over the period 1988-1993.

2.4.7. Moreover, in the initial proposal the Commission's technical services calculated the reference quantity by a flat rate reduction coefficient of 0.7968 for all countries, while the final proposal does not use flat rate coefficients. Account appears to have been taken of the surplus/deficit situation of each Member State. This is clearly at odds with the Community spirit which applied to the other sectors such as milk or cereals, where non-surplus countries were obliged to cut their production in line with reference quantities laid down by the Commission, and not on the basis of domestic consumption (Appendix II).

2.4.8. The production cuts for each Member State are based on present total production, and take no account of national differences in yield per hectare. Since Member States' yields per hectare vary greatly, the reduction in the area under vines will therefore be much greater in low-production countries than in others whose unit production is three or even five times higher.

2.4.9. Account should also be taken of the efforts made in some regions over the last few years to reduce wine-growing potential by introducing practices which limit production and encouraging quality, such as regulation of new plantings, changing to different varieties, grubbing up, limitation of yield, prohibition of irrigation, regulation of processing yields, and the use of oenological practices which enhance quality.

2.4.10. Hence the criteria used to establish the reduction coefficients should not be based solely on market factors, but should reflect other social, economic and cultural factors.

2.4.11. Appendix III gives the latest available figures (1989/1992 marketing years) for wine production and areas under vines in the Member States.

2.4.12. The period laid down for this adjustment is too short and will make the process unnecessarily traumatic. No provision is made for Member States to extend the deadline and cushion its impact according to the socio-economic circumstances of each region.

2.4.13. Although the proposal speaks of environmental considerations, no accompanying measures are provided for farmers who cease wine-growing, nor is any

special provision made for certain regions, such as Southern European regions where no alternative crop is possible and where afforestation schemes, even if environmentally beneficial, cannot provide a stable economic alternative for the local populations. Consequently, Structural Fund resources must be used more selectively and efficiently to help these regions.

2.4.14. The Commission proposes reduction of the Community area under vines as the main tool for securing market balance. Despite the scale of this measure, little thought is given to its economic, environmental and social effects. Many Southern European wine-growing regions where no alternative crops are possible would be abandoned, bringing a serious risk of erosion, desertification, impoverishment and a flight from the land, creating pockets of poverty.

Moreover, it is inconsistent to continue proposing a considerable increase in the grubbing premium (ECU 7,000 where regional viticultural adjustment programmes apply) while the grubbing target presented as final in the proposal of 11 May 1994 has been revised sharply downwards, in line with the level recorded over the last five years with the current premium (60,000 ha/year).

2.4.15. The Commission proposal significantly reduces aid for compulsory distillation and the distillation of winemaking by-products, and introduces highly restrictive *ad hoc* distillation arrangements. A fixed reference system is established which is independent of the market situation and market trends. No account is taken of the fact that an increase in the distillation of by-products improves quality, and no mention is made of other instruments such as storage aid, voluntary distillation and aid for the preparation of musts.

2.4.16. In the negotiating process which preceded the signing of the GATT agreements (Jumbo Council), the Commission and Council agreed that the sectors not yet reformed would be subject to the same budgetary guidelines as the reformed sectors. This meant an increase in the Community budget allocated thereto, and full EU financing of the sectors concerned, but the reverse is now being proposed for the wine sector.

2.4.17. A Community moving towards union cannot tolerate a sectoral reform based on measures which will encourage friction between North and South, and worsen economic divisions. As well as setting a dangerous precedent, this would also impede convergence towards Union.

### 3. Alternative proposals

#### 3.1. General comments

3.1.1. As the ESC Opinion notes, the Commission proposal may be premature insofar as there has been no serious study of the market situation or of likely trends

over coming years, particularly as regards consumption. It may be that after a draconian reform that will destroy 20 % of the area under vines, forecasts will turn out to have been overpessimistic, and the surplus will give way to a deficit.

3.1.2. At a time when the trend internationally is to maintain, if not increase, wine-growing potential, the proposal prejudices EU production on the world market, to the benefit of third countries where wine-growing is steadily expanding, as demand in some regions of Europe is on the increase.

3.1.3. The surplus mentioned in the Commission preamble does not seem to be borne out by the statistics quoted in studies by some European universities, which estimate that actual surpluses are appreciably lower than those given, at less than 30m hectolitres.

3.1.4. The proposal may be doubly premature when we consider that four countries are set to join the EU within the next year. Since these are non-producer countries, and thus potential consumers, with considerable purchasing power, demand is bound to rise, so surpluses will fall. Similar developments may follow the end of the Uruguay Round and the signing of the GATT agreements, which will radically alter international trade relations and significantly boost world trade. Hence, in order to improve its market outlets, the EU should develop a genuine trade policy and equip itself with the means to make its wine products more competitive.

### 3.2. *National reference quantities*

3.2.1. Some European regions could be particularly penalized by the chosen reference years, since these were years of exceptional drought in which rainfall was in many cases less than half the average, with serious effects on production.

3.2.2. In line with practice in the organization of other common markets in fixing a national reference production, account should be taken of indices relating directly to production aspects, such as yields. These should be used alongside indices of consumption and use.

3.2.3. Community reference production — which is the Commission's target for restoring balance to the wine market — should be determined in natural alcoholic strength, and not in hectolitres.

3.2.4. Similarly, consideration should be given to the introduction of a corrective weighting of the reference quantities in line with yield per hectare, so that some Member States do not have to make a disproportionate reduction.

3.2.5. The Commission's way of establishing the reference quantities goes against the traditional mechanisms for regulating wine surpluses by means of distillation, which imposes higher penalties for higher productivity. It seems inconsistent to require greater efforts from those who produce least per hectare.

### 3.3. *Viticultural adjustment programmes*

#### 3.3.1. *Measures to control yield*

3.3.1.1. The basic instrument for controlling production in order to achieve the reference quantities should be the limitation of yield per hectare. Unlike grubbing up, the control of yield must take account of the natural vocation and tradition of wine-growing in certain regions, and avoids the undesirable effects of the abandonment of vineyards.

3.3.1.2. Production can also be reduced by green cropping to eliminate part of the harvest, under the multiannual regional programmes, with a view to regulating production, preserving a centuries-old landscape, and avoiding the damaging effects of erosion.

3.3.1.3. Growers who reduce production should receive compensation for loss of income, established as a premium for cultivated area. This premium should be more attractive than for permanent abandonment, and should be equivalent to the income lost from the cut in production.

3.3.1.4. Lost production is already assessed in % volume per hectare in the existing market organization, which applies it to the quantities disposed of by distillation. Similarly, EAGGF sales of the product of distillation are done by volume of alcohol.

#### 3.3.2. *Voluntary abandonment of vineyard areas*

3.3.2.1. Grubbing-up measures must always be voluntary and entitle the grower to a premium based on a reference figure per hectare established for the national average yield. The premium would take the form of a one-off payment in the year the land was grubbed up. Payment of the premium should not disqualify the grower from any other aids or compensatory payments established under the CAP reform or its accompanying measures.

3.3.2.2. The average amounts of the premiums would be equivalent, in all regions, to the average amount under the current system, since the grubbing target (60,000 ha/year) is slightly less than the grubbing

recorded over the last five years with the current premium (62,000 ha/year).

### 3.3.3. Replanting period

3.3.3.1. The period during which replanting rights apply should be extended to at least 15 years from the year of grubbing up, as this contributes to the reduction of yield and market balance. It should only be possible to transfer the right to another farm in the same wine-growing region, so as not to distort regional balance.

### 3.3.4. Oenological practices and processes

#### 3.3.4.1. Blending:

The common market organization should definitively, rather than by way of derogation, accept the blending of red and white wines in appropriate proportions in countries where this is a traditional practice, provided that the product obtained retains the characteristics required of red table wine. This will stimulate demand for white wines, which are in more serious surplus.

#### 3.3.4.2. Artificial increase in natural alcoholic strength:

Enrichment is a clear stimulus to production, and creates serious distortions as it allows alcoholic strength to be achieved artificially and at lower cost.

In traditional wine-growing regions where climatic conditions make it impossible to reach the minimum alcoholic strength, the difference should be made up by natural enrichment using concentrated musts, so that the alcohol surpluses in the sector offset the deficits. The price difference between sucrose and concentrated musts should be offset by a system of aid for concentrated musts until market balance is achieved.

The IWO estimates that the replacement of sucrose by concentrated musts could on its own remove 20 million hl of wine from the market, which would account for the bulk of Community surpluses.

### 3.3.5. Intervention and other measures to improve market conditions

3.3.5.1. Given that the surpluses are produced within the Community, and are of a Community nature, the burden of eliminating them should be borne by all Member States. The volume to be distilled should be allocated according to an overall Community quota to

be distributed in the light of individual yields and farm incomes. Since all the wines are for a single market (a basic principle of the Union Treaty), regionalization is not possible, and would create tensions between the different wine-growing regions.

3.3.5.2. Compulsory and voluntary distillation should continue in the usual way until other measures have successfully restored market balance. Distillation of by-products should be raised to 15 % and should be extended to all types of wine. This would reduce surpluses and improve product quality.

3.3.5.3. Aid must be allocated to keep up demand for alcohol of wine origin for oral consumption, which is currently estimated at 15 million hl. This subsector needs support in order to ensure that it is competitive.

3.3.5.4. All wines — both table wines and quality wines psr — should be subject to compulsory distillation. Nevertheless, the possibility should be allowed of exempting quality wines psr from the quota and replacing them by table wines. In the case of some island regions, controlled withdrawal of by-products should be allowed, calculating the equivalent which disposal of the wine by compulsory distillation would entail.

3.3.5.5. Voluntary distillation should be credited against compulsory distillation, benefiting from a higher price in order to make it more attractive.

3.3.5.6. Special *ad hoc* distillation would be unnecessary if voluntary distillation were used to complement compulsory distillation.

3.3.5.7. Penalties should be imposed on a sliding scale, proportional to individual yields.

### 3.3.6. The alcohol market

3.3.6.1. Official figures show that the market in alcohol for oral consumption (manufacture of spirits, brandies, liqueurs, etc.) provides an outlet of at least 15m hl.

3.3.6.2. This quantity should therefore not be treated as part of the surplus, but as a subsector with its own characteristics which deserves management measures, both to stabilize the market and to enable it to compete fairly in other consumption areas currently dominated by industrial alcohols, bringing a quality which the latter lack.

3.3.6.3. This would boost demand for distillation by the alcohol market; at present, distillation is almost all

compulsory. By helping to satisfy demand for musts and wines on the free market, this would be of major benefit to the wine sector.

### 3.3.7. Funding

3.3.7.1. All intervention measures should be fully financed from the Community budget, in line with the principle of financial solidarity and the GATT Jumbo Council agreements.

3.3.7.2. National aid should not be permitted as it would distort competition.

## 4. Conclusions

Preamble: The COR respects the traditional wine-growing areas in all EU Member States. Wine-growing is part of the culture of every region and interwoven into its social, economic and political fabric. The COR therefore calls for wine policy to be tailored more closely to regional characteristics, and for coordination with regional structural policy and the accompanying measures adopted as part of the CAP reform.

- a) Before any proposal is made, a detailed examination is needed of the balance between supply and consumption, and the possible impact on the sector of the EU's forthcoming enlargement and the removal of customs barriers under the GATT agreements. In this context, the EU must examine all possible ways of making its wine sector more competitive.
- b) Grubbing up should not be compulsory, as it has serious social, environmental, economic and land-management implications for the European Union as a whole.
- c) Compulsory grubbing up should be replaced by:
  - temporary grubbing up
  - qualitative renewal of wine varieties
  - the introduction of a comprehensive programme bringing wine-processing into line with the new economic context, within a regional, inter-branch framework.
- d) National reference production should be calculated on the basis of a reduction coefficient which does not only consider market criteria but also takes account of social, economic and cultural factors, and unit yield.
- e) Where production needs to be regulated, the basic measure should be the establishment of maximum yields per hectare calculated according to the EU

average yield. It should take account of the special circumstances of the poorer and less productive regions. A premium should be established for loss of income on the cultivated area.

- f) At all events, rectified concentrated grape must, which does not alter the character of the wine produced, should be used for the enrichment of wine. Aid should continue to be granted for the production of rectified must, and should not be reduced.
- g) Until production balance is achieved, measures will have to be adopted regarding distillation. These should not entail any loss of farm income, in keeping with the spirit of the CAP.

However, the regional viticultural adjustment programmes should also provide for the possibility of putting part of the harvest into temporary storage in order to regulate the quantities available and adjust supply to demand.

- h) Distillation of by-products should not generally exceed, for all Member States, 15% of total production. This should cover both table wines and quality wines psr.
- i) All EU producer aid and financial compensation should be based on individual yields as expressed in % volume of alcohol per hectare.
- j) The financial measures for regulating the sector should be financed in their entirety by the EAGGF-Guarantee Section, just as other sectors are, in accordance with the principle of financial solidarity. The appropriations voted by the European Parliament for the wine sector must actually be used, in proportions comparable to those of the EAGGF-Guarantee Section total, i.e. on average  $\pm 3\%$  of estimates. The proportion of expenditure on the wine-producing sector within the EAGGF should progressively be brought into line with the sector's contribution to the farm economy in terms of turnover, employment and foreign currency earnings.
- k) The market in alcohol for oral consumption should be treated as a separate subsector providing an effective outlet for wine production. As such it should be subject to management measures to guarantee its supplies, irrespective of wine surpluses.
- l) Fiscal policy on wine should be harmonized throughout the Community. Excise duties should be reduced, and accompanied by measures to encourage moderate consumption of wine, with reference to its gastronomic and cultural importance and its benefits for health.

- m) The balance of the sector should be improved by encouraging the establishment of inter-branch and producers' organizations.
- n) Voluntary abandonment of vineyard areas should be compensated by a one-off premium in the year of grubbing up, and not disqualify the grower from other types of aid granted under the CAP reform. The amount of the premium would be proportional to the grubbing target set by the present proposal, i.e. no change from the current scheme.
- o) The reform of the common market organization should not prejudice the least favoured regions.
- p) The current division into seven wine-growing areas should be retained so that different arrangements

can be used to allow for the difference in natural production conditions.

- q) Interspecific vine varieties should be allowed for the production of quality wines psr.
- r) The vineyard register should be the definitive basis for adequate surveillance of the wine market regime. Extending the system on the basis of expensive graphical reference bases is rejected. Adequate arrangements are not, however, considered to have been made for constant updating.

It is essential that the 'body of specific officials of the Commission' be adequately staffed by an equal number of representatives from Member State authorities and the Commission so as to fulfil the conditions of Council Regulation (EEC) No 2048/89.

Commission 2 of the Committee of the Regions urges the Council to study to what extent the whole EU wine market organization, and in particular the wine-growing regulations and accounting and notification obligations, can be further simplified.

Done at Brussels, 15 November 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

## APPENDIX I

## Areas grubbed up

1988-1993

Member State	88/89-92/93 (ha)	%
Spain	129,689	40.52
Italy	90,882	28.40
France	71,319	22.28
Greece	23,461	7.33
Portugal	4,000	1.25
Germany	694	0.22
Luxembourg	8	0.00
Total	320,053	100

Source: Report of the European Parliament's Committee on Agriculture, Fisheries and Rural Development, February 1994.

## APPENDIX II

## National reference production

Original and final proposals

Member State	Original proposal by the Commission's technical services			Proposal adopted on 11 May 1994		
	Average historic production (1 000 hl)	National reference production (1 000 hl)	Reduction co-efficient used	Average historic production (1 000 hl)	National reference production (1 000 hl)	Reduction co-efficient used
Italy	62,357	49,689	0.7968	62,350	49,661	0.7964
France	62,513	49,813	0.7968	63,446	51,837	0.8170
Spain	37,187	29,616	0.7968	36,722	29,248	0.7964
Portugal	10,209	8,135	0.7968	9,758	8,371	0.8578
Greece	4,204	3,350	0.7968	4,201	3,584	0.8531
Germany	12,828	10,222	0.7968	12,889	11,125	0.8631
Luxembourg	218	174	0.7968	218	174	0.7981
Total	189,497	151,000	0.7968	189,584	154,000	0.8123

Source: Based on data from AGROEUROPA.

## APPENDIX III

## Areas under vines, yields and production

	Area (ha)			Yields (hl/ha)			Production (1 000 hl)		
	88/89	89/90	90/91	88/89	89/90	90/91	88/89	89/90	90/91
Germany	93,000	93,000	101,000	107.3	155.8	94.1	9,976	14,486	9,505
Greece	82,000	76,000	85,000	57.7	59.6	41.5	4,345	4,531	3,525
Spain	1,379,000	1,473,000	1,453,000	16.1	22.8	27.8	22,252	31,276	38,658
France	912,000	943,000	892,000	62.0	64.2	71.7	57,170	60,508	63,940
Italy	910,000	952,000	771,000	69.5	62.7	70.4	60,360	59,727	54,266
Luxembourg	1,000	1,000	1,000	118.4	232.0	151.0	142	232	151
Portugal	377,000	377,000	377,000	10.4	20.9	30.1	3,938	7,890	11,351

Source: EUROSTAT.

## APPENDIX IV

## Area to be grubbed up under the Commission proposal

Member State	Surpluses (1 000 hl)	Yield (hl/ha)	Hectares to be grubbed up	%
Italy	12,689	70.4	180,241	26.1
France	11,609	71.7	161,910	23.4
Spain	7,474	27.8	268,848	38.9
Portugal	1,387	30.1	46,079	6.7
Greece	617	41.5	14,867	2.1
Germany	1,764	94.1	18,746	2.7
Luxembourg	44	151.0	291	0.1
Total	35,584		690,982	100.0

Source: Original.



## Opinion on the White Paper on European social policy: 'A way forward for the Union'

(95/C 210/10)

The Committee of the Regions decided on 26 July 1994, in accordance with Article 198c of the Treaty establishing the European Community, to draw up an own-initiative Opinion on the above-mentioned White Paper.

The commission on Economic and Social Cohesion, Social Policy and Public Health, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 12 October 1994. The Rapporteur was Mr Bodfish.

At its 5th plenary session (meeting of 16 November 1994) the Committee of the Regions adopted the following Opinion.

### Introduction

1. The Committee of the Regions welcomes the opportunity to contribute to the vigorous discussion currently taking place in the European Union on the future of social policy and gives a strong welcome to the White Paper and the debate it has stimulated. The Committee of the Regions wishes to emphasize the crucial role of local and regional authorities in the process of social and economic development, which it feels is not always adequately represented in the White Paper. It is, however, disappointed that consultation on social policy is not specifically provided for in the Treaties.

2. The Committee of the Regions stresses the interdependence between the White Paper on Social Policy and the White Paper on Employment, Growth and Competitiveness and welcomes the focus that both documents place on unemployment, which the Committee of the Regions agrees is the single most important economic and social problem and challenge for the Union. The two documents taken together represent a comprehensive set of proposals for developing the economic and social policy of the Union into the next millennium.

3. The Committee of the Regions:

- believing that local and regional government already *de facto* plays a major role in social policy in all countries of the Union, underlines the critical nature of developing this involvement if the White Paper objectives are to be achieved;
- noting that local and regional authorities are large scale employers, employing in some countries of the Union up to 25 % of the workforce and that as major employers they have a responsibility not only to their employees on issues relating to working conditions, equal opportunities, training and health and safety, but to the Union to help underpin the conditions

necessary for economic growth, seek full recognition by the Commission of the important role local and regional authorities have in this regard;

- acknowledging the key strategic role played by regional and local authorities in stimulating and coordinating local economic development, through involvement in urban regeneration and rural development schemes, infrastructure redevelopment and by facilitating or providing training or retraining in anticipation of local changes in the labour market, seeks for consultation on all proposed European Union policy development in such fields;
- notes and fully endorses the Council of Europe's Charter for Local Self Government which acknowledges the need to support and nurture diversity through the granting of strong general powers to local and regional authorities, and
- above all, emphasizing the role played by local and regional authorities in many Member States as primary service providers in the fields of education, training, social housing, social and welfare services, transport, health promotion and the environment, asserts its pivotal position in representing the interests of local communities.

### Jobs — the top priority

4. The Committee of the Regions agrees with the European Council that the seven areas identified at its meeting in Brussels in December 1993 require particular attention by Member States in its action plan resulting from the Commission's White Paper on Employment, Growth and Competitiveness, namely:

- (i) improving education and training systems, especially continuing education;

- (ii) improving flexibility within enterprises and in the labour market;
- (iii) the reorganization of work at enterprise level;
- (iv) targeted reductions in the indirect costs of labour (statutory contributions), particularly of less skilled work;
- (v) better use of public funds set aside for combating unemployment;
- (vi) specific measures concerning young people without adequate training;
- (vii) developing employment in connection with new requirements.

5. The Committee of the Regions endorses these principles. These are being implemented by the Member States — albeit with varying priority — in order to reduce high levels of unemployment. A uniform and rigid set of objectives in all Member States would, however, preclude a flexible and rapid response to regional labour market trends, which differ by virtue of the general conditions obtaining in each region.

The aim should be to operate complementary employment policies at EU, Member State and sub-national level with closer coordination within the European Union. Therefore the Committee welcomes the Commission's proposal that cooperation with the relevant national, regional and local bodies be stepped up and given encouragement at Union Level.

6. The Committee of the Regions welcomes the focus on the promotion of job creation as the top priority and the recognition in the White Paper on Social Policy of the contribution of different kinds of enterprises to this task in particular, locally-based initiatives and partnerships, very often initiated and coordinated by local and regional authorities with the assistance of European Union funding. These have encouraged positive and active labour market measures, emphasizing the need to involve the community in developing creative solutions, while being responsive to national and local labour market needs in accordance with the subsidiarity principle. The Committee of the Regions strongly recommends that best practice from such innovative measures at local level should be fed into the debate on social policy and the forthcoming employment action plan.

7. Furthermore, the Committee of the Regions considers that the White Paper should accord more importance to territorial cohesion policies, not only on grounds of social justice, but as a way of boosting economic growth and job creation in the European

Union. Regional disparities continue to be the reason for, and consequence of, the inefficient use of productive potential, resulting in social inequalities. Consequently, to achieve maximum growth and job creation, special attention should be given to the exploitation of the productive resources of Europe's less developed regions; this can be done by providing them with infrastructures designed to bring about regional balance and increase the economic output of these regions. This will not only further economic and social cohesion, but also help growth and job creation in Europe. It is also a good formula for integrating economic efficiency with the objectives of equality and social welfare.

#### Investing in a world class labour force

8. The Committee of the Regions endorses the right to training for life and the expression of commitment to the development of life-long learning opportunities for adults which do not concentrate solely on job-related training but also seek to improve general knowledge. In-service and continuing training should cover a combination of general and job-related skills. This would not only raise the education and skills level of the whole population, but would also contribute to the reduction of the human, social and economic costs of unemployment. Local and regional authorities are major providers of education and training and have a positive contribution to make in the development of skills, in liaison with firms. Local and regional authorities also can help to meet the training needs of SMEs and have a strong tradition in many Member States of collaboration and partnership with the private sector in the provision of training.

#### 9. The Committee of the Regions

- welcomes the proposal to build a Union-wide guarantee that no person under the age of 18 can be unemployed; however it recognizes that this can only be achieved with the support and availability of high quality, appropriate education and training, with no displacement of the existing labour supply, and adequate funds;
- underlines the important role local and regional authorities have in tackling illiteracy, not just for young people leaving the education system but also for adults entering re-training and supports the setting of targets for its elimination, which must be supported by the provision of appropriate training and resources;

- believes that extending the scope and range of existing apprenticeship schemes can most appropriately be achieved through the mutual recognition and promotion of broad and modularized training to develop competencies;
- in welcoming the proposal to increase and improve the coordinated provision of guidance and placement services, believes that this must be part of a continuum of guidance which supports progression through life and is available to all entrants to, and members of, the labour force;
- advances the suggestion that there should be an examination of tax incentives to promote training, which should include exploration of the idea of a training levy.

### The European Social Fund

10. The Committee of the Regions wishes to strongly emphasize the importance of strengthening the involvement of local and regional authorities in the ESF partnership arrangements. It is important for the provisions to specify that Member States are responsible for ensuring that regional and local authorities, the social partners and educational establishments are involved in preparatory work. The Committee of the Regions welcomes the White Paper's emphasis on targeting more ESF funds within a regional and local framework and participation in the decision-making process to provide for quality, innovative training which effectively addresses local labour market needs and which covers both job-related and broader, more general skills, rather than the use of ESF funds for mainstream national programmes.

11. The Committee of the Regions further welcomes the use of the new Objective 4 of the ESF and especially the need for pilot projects on retraining to adapt to industrial change to be supported under the Adapt Initiative, and suggests that Objective 4 funds be administered at regional level. The Committee of the Regions welcomes the broadening of Objective 3 from a purely training approach to encompass other areas of social policy. However, the extension of Objective 3 into new areas of exclusion combined with rising unemployment requires that much of the limited resources available must remain concentrated on Objective 3.

12. Furthermore, the broadening of the range of ESF, also to include a new Objective 4, means that in future there is an urgent need for an increase in resources to pursue these objectives.

### Encouraging high labour standards as part of a competitive Europe

13. The Committee of the Regions agree that the Commission must prioritize the successful conclusion of those aspects of the Social Charter Action Programme yet to be invoked, notably proposals dealing with the information and consultation of workers, non-standard employment and the posting of workers.

14. The Committee of the Regions believes that the Social Charter and Social Protocol can play a key role in promoting a healthy economic environment based on social justice. However, further progress in this area is needed so that the Single Market can be achieved and the workforce throughout the Union can expect common minimum standards. To this end the Committee of the Regions supports binding and enforceable minimum standards in the field of health and safety at work, whereas common minimum standards on working conditions should be dealt with within the framework of convergence of policies, not in the form of binding Directives. This approach will provide a framework which the various national systems can fit into as well as room for collective bargaining between the social partners.

Recommendations on convergence might include:

- Individual protection rights on dismissal;
- protection of the privacy of workers;
- the requirement of equal treatment in case of part-time work (where opted for) and work on fixed-term contracts;
- the prohibition of discrimination against workers who uphold their rights to refuse to perform illegal tasks;
- the right to payment of wages on public holidays and during illness;
- the right of a worker to be heard in internal private company matters which concern him or her personally;
- abolition of indirect discrimination against women in the fields of social protection and individual workers' rights.

15. There is a need for immediate action in these areas without waiting for further developments in the individual Member States, as the Commission intends to do. Great care will have to be taken to ensure that the measures focus on binding minimum standards, which will form a framework for national systems and the social partners' collective bargaining. The Committee of the Regions seeks an unequivocal undertaking from Member States to provide the necessary

resources in the public sector to bring such policies to fruition.

16. In noting the emphasis placed on the Social Agreement of the Treaty on European Union, based on a consensus between employers on the one hand and employees' organizations on the other, the Committee of the Regions believes that regional and local government should have its important role fully recognized. Without such recognition, the future progress of the social dialogue must be doubted, since strengthening and broadening of the social dialogue cannot be reached without the involvement of local and regional authorities, which are such significant employers.

17. The Committee of the Regions is a ready-made forum for discussion of labour market and social policy issues particularly in so far as they impact upon the competences across local government.

#### Building a European labour market

18. The Committee of the Regions supports moves to remove the remaining legal barriers to free movement of workers as proposed in the White Paper and notes that an important part of this process is the mutual recognition of qualifications.

The Committee of the Regions would point out, however, that the further alignment of social welfare benefits and immigration policies is a *sine qua non* for complete freedom of movement of all EU citizens.

The rights of third-country nationals who are legally resident in the EU Member States cannot be extended towards full freedom of movement until Member States' provisions on immigration and asylum have been harmonized.

19. In terms of the fight for jobs and against racism and xenophobia, the Committee of the Regions believes that local and regional authorities have a crucial role; the Union should look at the many positive examples of the promotion of harmonious community relations at the local level. Local and regional government is in the unique position of being the principal arm of governance at the community level and are well placed to tackle the disproportionately high levels of unemployment faced by ethnic minorities because of the role they play in providing the social care, education, language facilities and conditions of services appropriate to recruit and integrate ethnic minorities into the workforce.

20. The Committee of the Regions welcomes measures in the White Paper designed to encourage free movement of persons and the development of EURES.

21. Racial harmony is one of the keys to a European Union built on solidarity between its citizens and the Committee of the Regions believes that the Union should provide increased financial support for the exchange of experience among local and regional authorities to encourage best practice in this area.

22. The Committee of the Regions supports the European Commission's intention to debate the question of explicit reference in the Treaties to combating discrimination on the grounds of sex, race, religion, age and disability. The Committee of the Regions intends to play a full part in the debate on revision of the Treaties particularly with reference to issues of particular concern to local and regional authorities and regrets that there is no requirement in the present Treaty for consultation with the Committee on the negotiations for the review of the Treaties in 1996.

#### Equality of treatment between women and men

23. The Committee of the Regions, noting that local and regional authorities employ a high percentage of women therefore have much good practice to share on positive policies towards women, and have promoted better working conditions for 'atypical' workers, (the vast majority of whom are women), believes that the Commission should promote exchanges of experience between local and regional authorities in their capacity as employers to allow them to further develop best employment practices, and in order that this experience can be better shared.

24. The Committee of the Regions welcomes the intention to:

- follow up the Childcare Recommendation, but believes that Member States and regional and local authorities of the EU should take a greater lead in stressing the value of nursery education, kindergarten and other forms of pre-compulsory schooling by promoting exchange of experience and good practice guidelines;
- press for the adoption of the proposed Directive on parental leave, but would also wish the Commission to research the development of new forms of work, including job sharing, job splitting, flexitime, moving to and from part time work, annualized hours, seasonal working, term time working and the use of information technology for home working: all of

these, which local and regional authorities have pioneered, have advantages to the employer as well as the employee and have a vital role to play in encouraging women into the labour market;

- encourage the adoption of the outstanding proposal for a Directive on the burden of proof;
- develop mechanisms to integrate the equality dimension in the operation of the Structural Funds and the Community Initiatives through the use of more precise targets, data collection and monitoring.

#### Social policy and protection — an active society for all

25. The Committee of the Regions endorses the view that European social policies should go beyond employment-related issues and be directed towards social and economic integration of all citizens and that all policies aimed at economic and monetary convergence should be subject to regular monitoring and assessment as to their social consequences. Further, the Committee of the Regions supports convergence between Member States and believes that it should be upward convergence. Legislative action at European Union level should seek to set minimum standards for social protection and avoid excessively detailed legislation; the Committee of the Regions believes social protection rights should be individualized. Furthermore, there should be a recommendation to consolidate/implement existing proposed Directives instead of formulating and publishing new ones.

26. In particular, the Committee of the Regions welcomes:

- the White Paper's support for social protection systems throughout Europe based on the concept of the Welfare State, and emphasizes the importance of putting systems in place to protect those who are out of work, in low paid jobs, or who are excluded from full participation in the labour market because of family commitments, illness or disability, whilst maintaining the fight against unemployment;
- the proposal to maintain and adapt the European model of the Welfare State;
- the proposal for a Recommendation on the adaptation of social systems, notably the individualization of rights and contributions on the basis of a comparison of actual gender inequalities in social security;

- the proposal for a Recommendation on the financing of social security setting out common guidelines to promote better adaptation of social security to employment promotion;

- the integrated area-based approach in the European Community's anti-poverty/social exclusion programme which was emphasized in Poverty III and stresses the importance of exchange of experience and innovation in these programmes;

- the commitment to ensuring that the needs of disabled people are taken into account in relevant legislation, programmes and initiatives;

- the proposals for a Decision for further Union wide actions to help meet the challenges of an ageing population;

- the Commission's proposals and measures to do away with gender-related segregation in the labour market and supports the proposals on future action to achieve these goals;

- the Commission's view that consistency is needed in pursuing the task of abolishing labour-law discrimination and initiating union-wide measures to promote the rights of women in the field of gender equality;

- the proposals to deepen social dialogue in the field of equality of treatment, regarding them as a suitable instrument for achieving progress in this area.

27. In relation to housing, the Committee of the Regions:

- asserting that access to affordable and adequate housing is fundamental to achieving the objectives in the areas of health, poverty, education and employment;

- believing that there is a need to strengthen people's rights to housing and for actions to tackle homelessness; and

- in support of the need to review the adequacy, extent and nature of service provision for homeless people, the main conclusion of the European Federation of National Organizations Working with the Homeless (FEANTSA) 1993 report 'Abandoned: Profile of Europe's Homeless People';

warmly welcomes the White Paper's recognition of the importance of housing in combating social exclusion.

28. However, the Committee of the Regions notes that a key factor in employment protection is the need to avoid 'poverty traps'. Therefore, the details in social

security systems will have a great impact. In addition, social security systems and housing benefits need to be integrated into strategies to combat low pay.

29. In recognition of the need to provide a framework for legislation which leaves the details of implementation to national policy makers, the Committee of the Regions wishes to propose that the EU focus attention to the outcomes of national social policies as they affect the fight against social exclusion; the development of performance indicators of social exclusion, to be monitored by the EU, would greatly assist in the achievement of this goal.

30. The Committee of the Regions wishes to see clear definition of aims and remit of the new social exclusion programme and above all stresses the need for full and formal recognition of the role of local and regional authorities in combatting social exclusion.

#### **Action in the field of public health**

31. The Committee of the Regions, recognizing the role of local and regional authorities in addressing the fundamental determinants of poor health and improving health, finds particularly welcome the emphasis in the White Paper on preventative action, (proactive disease prevention and health promotion), rather than curative action alone. Within this approach, the Committee of the Regions notes that local and regional authorities have a key role in primary preventative measures to ensure good health: this includes in some Member States direct medical services including hospitals, minimization of exposure to risk factors implicated in the causation of disease and ill health, including air pollution, noise nuisance and the quality of drinking water and through the provision and monitoring of a safe and healthy environment in which people live, work and play.

32. The Committee of the Regions therefore welcomes the recognition given in the White Paper to the impact of environmental conditions on health, inequalities in health such as poverty and unemployment, and the importance of accidents, injuries and pollution related diseases. Local and regional authorities make a significant contribution to improvements in the socio-economic and physical environments which provide the minimum framework on which more specific and disease oriented action can be built.

33. The Committee of the Regions invites the Commission to consider therefore what further measures can be taken to initiate and support local and regional government programmes to improve the basic living

framework on which specific action designed to make health gains and improve healthy choices can be based.

#### **Trade Unions, employers' organizations and voluntary organizations as partners in the process of change**

34. The Committee of the Regions believes that the role of local and regional government strategies in the creation of economic growth and employment cannot be too strongly emphasized, and therefore argues that the European Union can play an important role in supporting the development of local initiatives and strengthening the capacity of local areas to sustain and generate employment.

35. Therefore, while the Committee of the Regions applauds the proposals in this section of the White Paper, in particular towards increased participation of the social partners and stronger cooperation between employers' and workers' organizations, and would like to see this involvement covering participation in discussions on the scope and nature of solutions, including the financial arrangements. But there is some disappointment that there is no specific reference in this section to local and regional authorities and it does not feel that sufficient regard is placed on the vital role played by local and regional government. The Committee of the Regions has already argued earlier in the Opinion for full recognition of local and regional government in social policy discussions and has advocated the important role that the Committee can itself play in this regard.

#### **Enforcement and implementation of European law**

36. The Committee of the Regions notes that under European law local and regional authorities are recognized as organs of the state with special responsibilities to implement European legislation, especially Directives. However, the relationship between legislation and agreements and the status of agreements (binding or normative) is still very unclear. This point must be clarified to avoid a plethora of different interpretations as to when an agreement is binding and when normative. It may help to establish a common culture of negotiation in which it is clearly stipulated who has the competence to negotiate. The Committee of the Regions also notes that organizations representing local and regional authorities have developed useful mechanisms for monitoring the development and adoption of European employment legislative proposals and the dissemination of advice

on the application and implementation of European legislation at local and regional level.

37. The Committee of the Regions therefore believes that the European Commission's enforcement strategies should recognize the contribution and experience of local and regional authority Associations in ensuring the effective and timely implementation of European law. Further support should be given for the development of such mechanisms and the exchange of information between local and regional authorities across Europe and with other European employers who would clearly benefit from this approach.

#### **International cooperation in the role of European social policy**

38. While concurring with the general thrust of the White Paper on the role of European social policy in bilateral and multilateral cooperation, the Committee of the Regions considers that a specific reference is required to the pivotal role of good governance in the development of sustainable socio-economic models.

39. The Committee therefore considers that the European Union should recognize the link between good governance and sustainable development. In this context the work programme will seek to enhance capacity building relationships with the less developed countries, with a view to promoting democratic and efficient local self-government and community participation in economic and social development planning.

40. The Committee of the Regions supports the suggestion that the time is ripe for a well-focused policy discussion between the European Union and Central and Eastern European countries on social issues. In addition to organizing cooperation to help formulate responses to difficulties relating to employment policies, the European Commission should extend EU measures aimed at strengthening local and regional democratic structures in Central and Eastern Europe.

41. The European Union should campaign more strongly for the introduction of certain minimum social standards in international trade agreements. However, the formulation and implementation of such standards should not be left solely to the new World Trade Organization as the body responsible for free trade in the world; the International Labour Organization should also be involved.

#### **Next steps**

42. In concluding this Opinion on the White Paper, the Committee of the Regions would like to emphasize:

- the need for the Committee to be fully consulted on the European Commission work programme presented in 1995 based on this White Paper;
- the need to place within the context of the 1996 Inter-Governmental Conference and the revision of Treaties the position of local and regional government and the issues of citizens rights. The Committee of the Regions regrets however that there is no requirement in the present Treaty for consultation with the Committee on the negotiations for the review of the Treaties in 1996;
- that it wishes to make a full contribution to the Joint Hearing with the Parliament on the Social Charter in 1995, as another key body of democratically elected representatives and for the reasons stated clearly in the introduction to this Opinion;
- that whilst the proposal to establish a Forum for debate and discussion on social policy is a welcome one, nevertheless feels that for it to meet only every 18 months does not represent an extensive mechanism for fostering debate and involving local and regional levels.

43. Finally, the Committee of the Regions looks forward to making a continuing contribution to the development of the social policy agenda in Europe, and welcomes the impetus that the White Paper will undoubtedly give to this process.

Done at Brussels, 16 November 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

**Opinion on the proposal for a European Parliament and Council Decision establishing 1996 as the European Year of Lifelong Learning**

(95/C 210/11)

On 14 October 1994 the Council decided to consult the Committee of the Regions, under Article 198c of the Treaty establishing the European Community, on the above-mentioned proposal.

The Commission on Education and Training, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 24 October 1994. The Rapporteur was Ms Helene Lund.

At its 5th plenary session (meeting of 15-16 November 1994) the Committee of the Regions adopted the following Opinion unanimously.

**1. Introduction**

1.1. The Committee of the Regions (COR) welcomes the Commission's proposal to declare 1996 the European Year of Lifelong Learning.

1.2. The COR endorses the emphasis placed by the White Paper on Growth, Competitiveness and Employment, on investment in education and training for the purpose of solving the EU's economic and employment problems and preserving and adapting the European model of society.

1.3. The cooperation of local and regional authorities is vital to the implementation of the White Paper's ideas on lifelong learning. They should therefore take a closer look at what can be done on the local and regional fronts to promote this European Year.

1.4. Local and regional authorities can play a key role, particularly in two areas relating directly to the aims of the White Paper and the European Year, by:

- promoting cooperation — at all levels — between education systems and undertakings (especially SMEs), since education is an integral component of local development strategies; information networks of good practice at local and regional level would be invaluable in these business partnerships;
- fostering the creation of a 'European education and training area' since education is an integral component of citizenship training.

1.5. Accordingly, the COR considers that local and regional authorities should back this major Commission venture. At the same time, however, it would not want to see the Year's emphasis on large spectacular events to be the only impact. It would want to see a programme of information and exchange networks of good practice which would have lasting value.

1.6. This would ensure that the European Year achieves tangible results; the COR would therefore set its priority so as to enable creative activities. The COR would wish to see part of the funding used to set up a Pan-European information network for dissemination of good practice and exchange of information and experience, for example in the area of access and use of information technology and distance learning not only in urban areas but also within rural development projects. Setting this priority would facilitate creative activities bearing out the value of lifelong education and the lessons learned can then be passed on to other parts of the EU.

1.7. Projects which are wholly funded from the Community budget should concentrate on the areas mentioned in Articles 126 and 127 of the EC Treaty which are covered by Community support programmes in the field of education.

**2. Education — relevance for regional and local development**

2.1. The White Paper on Growth, Competitiveness and Employment regards local development strategies as most important in promoting growth and job creation. Here the key principles are close strategic cooperation between the public and private sectors and the key role played by education policy in labour market and trade policies.

2.2. The division of responsibility for education among the various territorial authorities differs substantially among the EU Member States; in some countries responsibility for educational matters is concentrated entirely at central government level; but in others responsibility for education and training including primary and secondary education has been decentralized and devolved to local and regional authorities. On the whole local and regional authorities in the EU nonetheless shoulder a substantial share of responsibility for the education of children and young people.



2.3. Local and regional authorities have an interest in education on four fronts:

- as education authorities, since many local and regional authorities are responsible for both general education and vocational training;
- as employers, they have a direct interest in upgrading the skills of their own staff;
- as social authorities, they are responsible for providing those most in need with the qualifications necessary to find employment as new job opportunities arise — thereby helping to combat social exclusion;
- as territorial authorities, they also have an interest in upgrading the labour force's skills because of the direct link between higher qualifications and new product development which can lay the foundations for growth and generate more jobs in the area concerned.

2.4. Local and regional authorities already play a key role, in some countries the essential role — or may do so in the future — through their involvement in:

- the allocation of resources for local education;
- ensuring that resources are deployed as effectively as possible (through cooperation between public and private educational establishments);
- organizing cooperation between the local labour market and the educational establishments.

2.5. Cooperation on a partnership basis between educational establishments, businesses and local and regional authorities can, for instance, be organized within the framework of local educational centres or education boards.

2.6. The COR therefore calls on the Commission to consider the following proposals:

- Implementation of pilot schemes to enable local partnerships to exchange experiences and establish networks of good practice in connection with 'education as an integral part of local development strategies'.
- The convening of a European conference in connection with Lifelong Learning Year 1996 in order to focus attention on the links between study leave and job rotation schemes and lifelong learning.

### 3. Education and democracy/citizenship

3.1. In the COR's view, the European Year must be rooted in the broadest possible definition of education and training and an open approach to new training and

information technologies. The focus must not be solely on vocationally-oriented education and training, but encompass the concept of 'learning for life' by seeking to harness new technologies to that end.

3.2. The actions must not be confined to economic aspects. It is more important that they cater for education and training with a European dimension. Education and training in this sense should be the personal development of every individual. It should instil in them the basic values of private, social and civic life, such as solidarity, tolerance and understanding for cultural diversity. Education and training should also foster the ability to communicate between different cultural groups and to take part in democratic decision-making processes.

3.3. The overriding aim of a democratic society must be to enable the individual to develop and express his/her human potential. Local and regional authorities are therefore faced with a major challenge in assuming responsibility for the education of all citizens within their ambit. This aim tallies with for example that of the 'Educating Cities' campaign being conducted by the CLRAE.

3.4. This presupposes that everyone has access not only to education but also to information of all kinds so as to be able to form his/her own impression. However, this goal is empty and futile unless backed simultaneously by an all-out drive to tackle the problem of functional illiteracy.

3.5. This is not just a matter of giving a qualitative boost to general education and ensuring transparency in the education system. The possibilities inherent in alternative forms of education also need to be explored in the form, for instance, of open education/open university linked up with local radio, possibly with local business sponsorship. A wide range of partners must be mobilized. Local libraries, for instance, play a key role in providing democratic access to information.

### 4. Role played by libraries

4.1. As mentioned above, local libraries make a major contribution in ensuring democratic access to information — both for citizens and for businesses, via commercial services specially targeted at SMEs.

4.2. At the same time libraries are steadily becoming more and more important in the education sector: a number of courses (e.g. those specifically aimed at young

people) do not, unlike the universities, have their own library facilities.

4.3. The information on offer is increasingly based on new technology. For libraries to be able to supply the citizen with such information, the copyright problems inherent in the loan of electronic aids must therefore be settled.

4.4. The COR therefore calls on the Commission to request the Member States to grant training to all citizens to be able to use electronically-based information and to ensure free library loans, e.g. arrangements whereby the public authorities buy the copyright.

#### **5. Function and role of out-of-school education as part of lifelong learning**

5.1. Colleges providing youth and adult education courses are a linchpin of democratic and cultural education in the Northern European countries. However, information groups also have considerable capacity to educate all age groups, at all levels and in every possible sector. This is of particular relevance to facilitating the entry and re-entry of women into the labour market.

5.2. The role and function of out-of-school education as part of lifelong learning could therefore be one of the subjects to be discussed in connection with the European Year, possibly in the form of a European conference or support for network cooperation and pilot projects.

5.3. Here one major target will be to harness the potential in the EU's most developed countries to promote development in less-developed EU countries.

#### **6. The democratization process in Eastern and Central Europe**

6.1. Concurrently the link between democracy and education is particularly significant because the Eastern and Central European countries with which the EU has concluded association agreements are also eligible to take part in the European Year.

6.2. The COR therefore urges the Commission to consider:

- appropriate forms of action for relaying experiences in 'education as an integral part of citizenship training' to the Eastern and Central European countries;

- funding different models of professional development schemes for teachers, administrators, librarians and others, in the countries of Western, Central and Eastern Europe with detailed evaluation on a Pan-European level.

#### **7. Young people and educational barriers**

7.1. Lifelong learning must start already in childhood and adolescence. Young people who lose out run a serious risk of never achieving an educational grounding which can ensure a job and/or quality of life.

7.2. As regards young people, the most urgent task is the introduction of an EU-wide youth scheme guaranteeing all young people (under the age of 18) a place in the education system or a combination of practical work and education, as proposed in the White Paper on Growth, Competitiveness and Employment.

7.3. For the education system to succeed in 'catching' young people, the motto is 'accessibility, diversity and flexibility', viz. education must be:

- free of charge;
- offer a wide variety of options and combinations;
- readily accessible, with few restrictions.

7.4. However, it is not sufficient to make education accessible. One major task is to break down various social and cultural barriers to education for all young people. One of the most serious obstacles is lack of motivation, since it is among the most difficult to tackle, especially in a climate of widespread unemployment. Experience has shown that educational barriers can be overcome most successfully by linking education and training to meaningful job prospects.

7.5. To ensure that as many people as possible complete a basic course of education — and do not land up as school 'drop-outs' — it is important to find alternative course options for those who do not fit into the traditional education system; these could include special youth-oriented courses and schools offering a wide range of subjects, with teachers from differing educational backgrounds. At the same time it is important for alternative courses to form part and parcel of the established education system, in the sense that they too provide a qualification.

7.6. Young people's own initiatives should also be supported since such schemes can provide them with vital general qualifications and experience (e.g. creativity, problem-solving, flexibility, helpfulness and capacity to 'work against the clock').

7.7. The COR recommends that the European Year highlights:

- the stimulation and education of young people who cannot be accommodated in the traditional education system;
- educational barriers.

## 8. Education and particularly vulnerable groups

8.1. Another matter to which special attention should be paid is the education of particularly vulnerable groups, such as disabled persons or immigrants and refugees.

8.2. To encourage the concept of 'independent living' among people with disabilities, it will be necessary to make technology available to aid communication, in order to network.

8.3. The COR calls on the Commission to consider the following proposals:

- The implementation of an action programme to combat racism and xenophobia, which encompasses information networks and cooperation on the exchange of experiences and the transfer of good practice.
- Setting-up of networks for the exchange of experiences and the transfer of good practice in the teaching of disabled persons, including special tuition for disabled children in elementary schools and programmes to integrate disabled adults in education and employment.
- Setting-up of networks for the exchange of experiences and the transfer of good practice in the teaching of immigrants and refugees, to include projects to help them integrate into nursery and elementary schooling, as well as education and employment programmes and projects for adult immigrants and refugees.

## 9. Schools and the European dimension in education

9.1. As stressed in point 7.1, lifelong learning must start already in childhood. At elementary school level, for instance, the idea of 'friendship schools', i.e. computer-linked cooperation between schools in different

European countries, should obviously be extended. That presupposes the introduction of information technology and reinforcement of foreign language teaching in schools. This is an area in which both the EU and local and regional authorities should show a stronger commitment and build on experience within the Member States and the Council of Europe.

## 10. Lifelong learning also extends to older persons

10.1. Conversely, lifelong learning does not end on retirement. Local and regional authorities face a clear challenge to provide local classes for older persons (e.g. universities for senior citizens) and involve them in the democratic decision-making process in their local community, for instance through their own special councils.

10.2. However, older persons, as well as early retired persons, also have a wealth of wisdom and experience to pass on to the younger generations. The COR therefore suggests that advantage be taken of this European Year to focus attention on the importance of oral traditions — the art of story telling — in the cultural and democratic education of children and young people. This could be achieved by:

- Reviving the art of story telling by inviting the elderly to go into schools to talk about, for example, folklore or their experiences from the Second World War, with direct reference to current problems of racism and xenophobia.
- The production of a European video featuring stories by older people, for use in school education throughout Europe.

## 11. Concluding remark

In order to face the challenges of the 21st century which lie before us and develop a new model for growth, competitiveness and employment in which education and training play a key role, in accordance with the guidelines of the White Paper, the COR calls on the European Union, within the framework of the European Year of Lifelong Learning to:

- give support to the objective of putting an end to the waste of talent and resources by granting access to education to all, regardless of difference in gender, ethnic and economic and social background and thereby to contribute towards combating social exclusion and eliminating regional disparities.

Done at Brussels, 16 November 1994.

*The President*  
*of the Committee of the Regions*  
Jacques BLANC

**Opinion on the proposal for a Council Directive amending Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment**

(95/C 210/12)

On 14 June 1994 the Council of the European Union decided to consult the Committee of the Regions on the above-mentioned proposal.

At its fifth plenary session, held on 15 and 16 November 1994 (meeting of 16 November), the Committee of the Regions unanimously adopted the following Opinion prepared by the Rapporteur, Mrs Ulrike Riedel.

### **Introduction**

The draft Directive amending Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment (referred to below as the environmental impact assessment or 'EIA' Directive), complies with Article 11(4) of the EIA Directive which requires the Commission to submit additional proposals to the Council, should this prove necessary for the purposes of uniform application of the Directive.

The proposal is based chiefly on the findings of the report on the application and effectiveness of the EIA Directive, which the Commission is required under Article 11 to send to the European Parliament and the Council five years after notification of the Directive. The report was submitted in November 1992 (Doc. COM(93) 28 final — vol. 13).

The report shows that the EIA Directive has been applied differently in the various Member States. The differences particularly concern the rules on:

- the practical scope of the Directive, as laid down by Article 2(1) in conjunction with Article 4 (Annexes I and II);
- the information to be supplied under Article 5 in conjunction with Annex III;
- monitoring of the impact of the project.

The Commission attempts to remedy these shortcomings with new rules on (a) the compulsory assessment of Annex II projects (screening) and (b) on the content of the assessment (scoping, compulsory assessment of alternatives).

Screening means the system whereby the responsible authority is required to consider, on the basis of the limit values in force in the Member States and the selection criteria defined in Annex II, whether the probable impact of a project on the environment warrants an EIA.

Scoping means the system whereby the responsible authority is required to define the scope of the information to be supplied, in consultation with the authorities concerned and the project manager and before the application is made.

Point 2 of Annex III requires an outline of the main alternatives studied to make it easier for the authority to identify the most environment-friendly solution.

The projects subject to EIA listed in Annexes I and II are also systematically rearranged and expanded.

The proposal also takes account (Article 7) of the international law commitments entered into by the Community and the Member States in signing the Espoo Convention on environmental impact assessment in a transboundary context<sup>(1)</sup>.

As the Directive is based on Article 130s (1) of the Treaty on European Union, the cooperation procedure with the European Parliament applies and the Economic and Social Committee has to be consulted. In view of the subject matter, the Commission has suggested that the Committee of the Regions also be consulted.

Commission 5 (Land-use Planning, Environment, Energy) recommends that the Committee of the Regions adopt the following Opinion at its Session of 15/16 November 1994.

### **1. General comments**

#### **1.1. *The EIA Directive needs to be expanded***

The COR agrees with the Commission that uneven application makes it necessary to expand and clarify the EIA Directive. The COR endorses the objective of the Directive: to aim for a uniform level of protection of the environment and the quality of life, and to this end to establish as early as possible the impact of certain projects on the environment, and to take these into account in reaching a decision on authorization. The COR feels that the EIA, as amended, should help guarantee identical standards for siting projects and

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<sup>(1)</sup> OJ No C 104, 24. 4. 1992.

consistently healthy living conditions in all the regions. Regional disparities in environmental protection must not be permitted. The administrative aspects of environmental impact assessment — for which the regions are mainly responsible — must also proceed smoothly. Disparate rules and administrative procedures would jeopardize cooperation between the regions and compromise equality of development opportunity.

#### 1.2. *General assessment of the proposals*

The COR confirms that it regards the provisions of Article 5, in conjunction with the revised Annex III, and Articles 6-13 as appropriate to the objectives of amending the EIA Directive.

The COR feels however that the proposal will not secure uniform application of the assessment procedure.

The COR feels that the shortcomings in the application of the EIA Directive pinpointed in the report will actually be exacerbated by the present proposal. The proposal should therefore be revised to make it more workable in practice.

The regions, whose administrative authorities are responsible for implementing the proposal, fear that adoption will only intensify the disparities in application of the Directive between the various Member States.

#### 1.3. *Lack of coordination with other Commission draft Directives*

The COR feels that the regions will find implementation difficult, as the EIA Directive is insufficiently coordinated with the Council Directive on integrated pollution prevention and control (Doc. COM(93) 423 final, OJ No C 311 of 17 November 1993) ('IPC Directive'), although both Directives cover the same or similar projects. The Commission's environmental policy will be successful only if strategies and detailed rules are coordinated. Differences of definition (e.g. between the EIA and IPC Directives), non-harmonized administrative procedures and different material requirements for the same projects in practice lead to confusion and are detrimental to the environmental policy objective of sustained development.

#### 1.4. *Necessary rules not covered by the Commission proposal*

The COR alerts the Commission to the fact that whilst the EIA Directive is of a procedural nature, it also requires an assessment of content. But for this the necessary criteria are lacking, e.g. with regard to impact on soil and water. The Commission should consider whether special standards for the level of protection need to be established.

#### 1.5. *General objectives of environmental impact assessment*

The COR fears that EIA will become a mere formality if it is applied to too many small projects with an insignificant environmental impact. It should be confined to projects likely to have a significant impact on the environment.

### 2. *Specific comments*

#### *Article 1(2) of the EIA Directive*

The COR confirms that the regions' administrative authorities have had difficulty in interpreting the concept 'modifications to projects', both in terms of the scale of the change and in relation to the original conditions under which consent was granted. The new Commission definitions will not help however, as they are too abstract. The definitions should spell out what constitutes a major change, and the criterion for this should be environmental impact.

The COR regrets that even the change proposed in Article 1 is not coordinated with Article 2(9) of the IPC Directive. 'Substantial change' should be defined uniformly and as concretely as possible. The IPC Directive's definition is more concrete. The Commission should also decide whether the concepts 'modifications to projects' and 'substantial change' should be used in both Directives.

#### *Article 4(3) of the EIA Directive*

The COR regrets that the proposal does not harmonize the project definitions contained in Annex II of the EIA Directive with those contained in the draft IPC Directive, where the EIA Directive covers comparable projects.

The proposed new screening procedure will not permit uniform application of EIA in all the regions. Indeed the abstract and general nature of the criteria for decision may even exacerbate regional disparities.

With regard to the IPC Directive, it is proposed that the distinction between Annexes I and II of the EIA Directive be dropped and that the Commission draw up a comprehensive list of projects subject to EIA. Project

assessment experience accumulated over decades can be exploited in identifying (on the basis of type and scale) projects likely to have a significant environmental impact. Case-by-case decisions by the authorizing authorities on the basis of the limit values of the various Member States or the criteria set out in Annex IIa are not acceptable. Such an approach will cause administrative problems in the regions and will further accentuate disparities.

The Member States will retain the right to make other kinds of project, not specified in the Directive, subject to EIA, in order to take account of specific national or regional conditions (Article 130t of the Treaty).

#### *Articles 5(1) and (3) of the EIA Directive*

The COR welcomes the proposed arrangements, particularly the requirement under the revised Point 2 of Annex III that an assessment of alternatives be carried out in respect of all projects subject to EIA.

#### *Articles 6 and 9 of the EIA Directive*

The COR welcomes the requirement for the environmental authorities to be heard not only on the developer's application for consent, but also on the information supplied by the developer. We also welcome the requirement that the public be consulted before development consent is granted, rather than before the work actually commences.

#### *Article 7 of the EIA Directive*

The COR feels that the rules and regulations on cross-border environmental impact assessments should be clarified. In order to simplify the procedure, the COR feels that the reciprocal provision of information and consultations should be carried out by the authorities and regions in the Member States responsible for project approval. The COR recommends that a provision be included requiring the submission of a non-technical summary of the project description within the meaning of Annex IV(1) in the language of the Member State

concerned. This should highlight the impact on neighbouring regions.

#### *Annexes I and II of the EIA Directive*

The COR has no reservations as to the inclusion in Annex I of installations for reprocessing irradiated nuclear fuel and storing radioactive waste. Installations for processing nuclear fuels should however also be included. The concept of reprocessing does not cover plants which manufacture fuel elements from nuclear material.

The COR feels that the definition of integrated chemical installations is still not satisfactory. It would be more logical, as in point 4 of Annex 1 to the IPC Directive, to give a comprehensive definition of the chemical installations concerned.

The expansion of Annex II is in principle to be welcomed. It would however be better, particularly in the case of irrigation and land drainage projects, afforestation and intensive stock farming, to specify the size of installations subject to EIA.

The same applies to projects listed in point 11 of Annex 2. An indication of size would, for example, be helpful in the case of waste-water treatment plants and sludge-deposition sites.

#### *Annex IIa*

Apart from the COR's view that screening should be dropped in favour of a clear and binding list of projects subject to EIA, the Committee notes that the selection criteria listed in point 1 are very general and require clarification.

The COR fears that screening will require the administrative authorities of the regions to introduce a further stage into the approval procedure, with no clear distinction between screening and scoping.

The COR feels that the practicalities of the various stages of the procedure have not been sufficiently thought through.

The COR therefore reiterates its suggestion that the Commission opt for an exhaustive list of projects subject to EIA.

Done at Brussels, 16 November 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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**Opinion on the Communication from the Commission and a proposal for a European Parliament and Council Decision on a programme of Community action on health promotion, information, education and training within the framework for action in the field of public health**

(95/C 210/13)

On 20 September 1994 the Council of Ministers decided to consult the Committee of the Regions, under Article 198c of the Treaty establishing the European Community, on the above-mentioned Communication and proposal.

The commission on Economic and Social Cohesion, Social Policy and Public Health, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 12 October 1994; the Rapporteur was Mr Peter Soulsby. The enclosed supplementary Opinion (CdR 247/94) was adopted by the commission on Education and Training on 24 October 1994; the Rapporteur was Mr Séan O'Neachtáin.

At its 5th plenary session (meeting of 16 November 1994) the Committee of the Regions adopted the following Opinion.

## **1. Introduction**

1.1. The Committee of the Regions (COR) welcomes the opportunity to comment on this important new area of competence and proposals which seek to adopt a programme of Community action within the overall framework for action in the field of public health. The COR is aware of the importance of regional and local factors on the health of the Community. It is anxious, therefore, that the Commission recognizes the crucial role of local and regional authorities which addresses the fundamental determinants of poor health by providing a safe and healthy environment in which people live, work and play, and the extent to which this underpins attainment of an acceptable standard of public health by other means, such as health promotion.

1.2. The emphasis which the Commission gives to preventative rather than curative action alone is particularly welcome. The COR recognizes, therefore, the importance of an appropriate framework of health promotion, information, education and training but stresses the importance of combining this activity with other activities designed to minimize exposure to risk factors implicated in the causation of disease and ill health. Of particular concern to the COR is the impact of socio-economic and physical environmental conditions on health, and the effect of inequalities, such as poverty and unemployment, and access to preventative or curative health facilities.

1.3. The recognition of the many contributory factors to poor health is also welcome. The COR believes that successful public health initiatives demand a framework which enables a holistic view of the various

policy initiatives within the overall action programme to be taken, and of which health promotion, education and training is just one part.

1.4. The COR stresses that action in the field of health promotion is most effective only if those members of the Community which the action programme is designed to target, live and work in an environment which enables them to exercise informed healthy choices and pursue healthy lifestyles once information, training and education have been imparted to them.

## **2. Health promotion: concepts, objectives and scope**

### *2.1. Concepts and Objectives of Health Promotion*

2.1.1. The COR accepts that the health of an individual can be characterized by endogenous, behavioural and environmental factors, but does not agree that, in all circumstances, individuals have the opportunity to exercise full control over certain behavioural factors. Those subject to poverty, poor housing, or those in care, for example, may not be able to access or afford improved nutrition or physical exercise.

2.1.2. Persuading the individual to adopt a responsible lifestyle and behaviour is, in respect of certain population groups, not solely dependent on the provision of skills and knowledge to live a healthy life, but also on a socio-economic and physical environment conducive to good health. The Community has a role in encouraging the delivery of both.

2.1.3. The COR accepts and supports the assertion that the primary focus of health promotion must be health, rather than disease, while recognizing in some circumstances that health promotion is complementary to other, more specific, Community public health action.

2.1.4. COR supports also the overall aims of health promotion in the European Union both at Community and Member State level, but stresses the need to coordinate the action programme on public health with other Community action programmes. As an example, the objective of providing individuals with the information and knowledge necessary to take action against accidents and injuries must be supported by an appropriate framework of health and safety, and consumer protection legislation.

2.1.5. The extent to which modern life is sedentary and the decision by many people to do the minimum amount of walking is another example. It is fully recognized by most individuals that the lack of adequate physical exercise is a determinant of certain diseases and ill-health conditions, yet planning and transportation policy in many areas militates against exercise. In many regions, employment, shopping, leisure and education are conveniently accessible only by car. The extent to which the car or public transport is preferred to walking or cycling is also dependent on wider factors such as the safety of the built environment and social issues such as crime. While the COR would support activities to promote more exercise, it is again the case that there is a need for an appropriate infrastructure to ensure that less sedentary patterns of life are a viable alternative.

## 2.2. *Scope of health promotion: health determinants*

2.2.1. The COR is pleased that the Commission recognizes that the state of health of a community depends to a certain extent on the prevailing physical environment and socio-economic conditions. Of particular interest to the COR is the extent to which these vary from region to region. The COR supports the recognition of housing and urban planning, quality and level of education, employment and working conditions as social and environmental conditions of decisive importance for health. The COR believes also, however, that the quality of the environment plays a significant part in determining good health. Clean water, effective sewerage, the absence of vermin, clean air and appropriate collection and disposal of waste are also vitally important.

## 3. Overview of trends and actions at Community level

### 3.1. *The health promotion approach*

3.1.1. The COR supports the shift from single issue health promotion approaches towards a multi-issue approach. The COR agrees also with the broadening of the approach so that improvement in health is regarded as an important element in determining quality of life. It is important to recognize, however, that, in targeting action, a single issue approach may be most appropriate when dealing with those most disadvantaged or vulnerable groups within the Community or the most significant health scourges. Until those priorities have been dealt with, many of the more general health promotion messages may be inappropriate.

3.1.2. The adoption of the WHO's Health for All programme by many Member States is recognized as a key component of many health policies. The COR supports the attention being given currently by WHO to the holistic approach to health with its recognition of the importance of the link between health and the environment. The COR feels that there is much more work to be done in the field of environmental health, although there is much to be learned already from the Healthy Cities Programme and its experience of single and multi-issue approaches. The COR would support an improved network of expertise and research within the Community on which future health promotion programmes can be based.

## 4. The Community approach

4.1. The COR stresses that Community action must take account of the principle of subsidiarity and the requirement of proportionality. The COR notes and supports the principle objectives for Community action as being:

- (i) to prevent premature death;
- (ii) to increase life expectancy;
- (iii) to promote the quality of life;
- (iv) to promote the general well being of the population.

4.2. The COR believes, however, that the Commission should set itself targets by which its actions to secure these objectives can be measured. An assessment of the contribution of health promotion to these programme areas is essential to ensure that future action is appropriate, efficient and cost effective.



4.3. The COR believes also that, in attempting to promote coordination of policies and programmes among Member States, due weight should be given to regional issues and the role and contribution of regional and local authorities. Cooperation is essential at national, regional and local levels to achieve the most from the proposed action programme.

#### 5. Community action programme on health promotion (1995-1999)

5.1. The COR would support a contribution from the Commission to improve knowledge of the mechanisms involved in the design of health messages. Evaluation of health information measures by promoting exchanges of expertise, information and experience is also broadly supported. The COR believes, however, that an important element of the programme will be an evaluation of the way in which the message is delivered and the mechanism which is used to deliver it. There could be a case for regional and local differences to reflect local circumstances and the Commission should accordingly encourage regional initiatives within a Community framework.

5.2. The COR supports the objectives of Community actions in respect of health information and health education and also those measures aimed at improving the expertise and knowledge of health professionals. It is important to recognize, however, that many professions are involved in the promotion of health, health education or, more generally, public health. The way in which collaboration between all of them can be successfully established needs further consideration.

5.3. This recognition is important when developing specific prevention and health promotion activities and when considering health promotion structures and strategies. No single national or regional body can be responsible in isolation for health promotion and it is important that all participants are fully represented, and the intersectoral dimension of health promotion fully recognized, when networks are established.

5.4. The COR welcomes, therefore, the proposed interdepartmental consultation procedure, prior to Commission decisions, to ensure that health considerations are taken into account in other Community policies.

5.5. The COR also welcomes the fostering of cooperation with third countries, some of which have close links with the regions of the Community and which, in public health terms, have a great deal in common.

#### 6. Consultation and participation

6.1. The establishment of an Advisory Committee to be chaired by the Commission is to be welcomed. The COR urges, however, that membership of the Committee be extended to include representatives of local and regional authorities and non-governmental organizations, to fully recognize the regional implications of Community policy.

#### 7. Evaluation and reports

7.1. Evaluation and reporting are essential elements of the Community action programme and are supported by the COR.

#### 8. European Parliament and Council Decision

##### 8.1. Article 1

The COR offers its full support to the Community action programme on health promotion, information, education and training and recognizes it to be a priority area of the Commission's Communication on public health

##### 8.2. Article 2

The COR believes that, having regard to the budget the Commission has identified and the breadth of activities that the programme embraces, the action programme might benefit from being more focused and specific to ensure an appropriate level of achievement and cost effective use of resources.

##### 8.3. Article 4

The COR stresses the importance of ensuring consistency and complementarity between Community actions and other relevant Community programmes.

##### 8.4. Article 5

The COR urges the Commission to recognize the importance of regional and local interests on the proposed Advisory Committee.

##### 8.5. Article 6

The COR stresses the importance of cooperation with third countries and with the World Health Organization.

##### 8.6. Article 7

The COR welcomes the recognition by the Commission of the importance of regularly published information and the proposal to report to the COR with a mid-term report.

## 9. Annex — Community Action Programme

### 9.1. *Health Information*

It is not clear to the COR what is meant by support for a European Infrastructure for information but believes that the exchange of information should not be limited to details of information campaigns.

### 9.2. *Health Education*

The COR recognizes that school health education is not well established in all Member States but is concerned that proposals exceed the Commission's current powers. The COR is particularly anxious that there is a full understanding of the differences between health promotion and health education and notes that in many places the terms are interchanged inappropriately. The COR believes, for example, that, within the workplace, health promotion is preferable to general health education. The workplace is an area where action by individuals determines also the health, safety and welfare of others. The COR would be pleased to see further clarification and amplification of the support that is intended for health education and health education projects.

### 9.3. *Vocational Training in Public Health and Health Promotion*

The COR believes that there may be significant variation among Member States in the format and role of schools of public health and, as a result, the proposal for exchanges may be over ambitious at this stage.

### 9.4. *Specific Prevention and Health Promotion Measures*

The COR feels that the resources available to the Commission might be better utilized if support was offered for specific and targeted health promotion activities rather than the broad range being proposed. Targeting might relate, for example, to specific disadvantaged groups. The COR does believe, however, that the development of robust health promotion programmes will be assisted by more and better research work to evaluate the effectiveness of health promotion.

### 9.5. *Health Promotion Strategies and Structures*

The COR would welcome further details of activities to encourage and support cooperation between Member States.

Done at Brussels, 16 November 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

## APPENDIX

**Supplementary Opinion of the Committee of the Regions**

On 26 July 1994 the Committee of the Regions, acting under Article 9(1) of the Rules of Procedure, decided to draw up a Supplementary Opinion on the above-mentioned proposal.

The Commission on Education and Training, which was responsible for preparing the Committee's work on the subject, adopted the following Supplementary Opinion on 24 October 1994. The Rapporteur was Mr O'Neachtain.

This Supplementary Opinion was enclosed with the Opinion of the Committee of the Regions (CdR 246/94) adopted at its 5th plenary session (meeting of 16 November 1994).

**1. Health education**

The COR agrees with the Commission in its Communication that health education is the cornerstone of health promotion policy. It stresses that in view of the fact that many illnesses, and deaths are related to lifestyles and behaviour, these can be preventable and that education and training systems have a key role to play in teaching positive healthy attitudes.

1.1. It underlines that health education, as distinguished from other health promotion actions, implies a dynamic process of learning, involving interactive feedback between the learner and educator. The COR maintains that health education forms an integral part of any health promotion strategy and supports the Community action programme's coordinated framework for the actions proposed.

1.2. The COR stresses the importance of teaching positive attitudes to school children, starting at primary school level, since this would have a beneficial influence on their future behaviour patterns. It supports the promotion of health education in school curricula yet stresses the importance of an interdisciplinary approach to health education. In this light, the COR in particular supports projects giving support for the European Network of Health Promoting Schools in cooperation with the WHO and the Council of Europe.

1.3. Whilst recognizing that children should be a priority target group for health education, the COR maintains that health education should not stop with the classroom. In order for there to be effective health promotion an adapted process of continuous education should be available to all citizens, at all ages, whether in their workplace or their local communities. Measures should therefore encourage active participation of the whole Community in acquiring necessary knowledge to lead a healthy life and prevent disease, accidents and injuries; the attainment of a high level of health protection being an objective of the Maastricht Treaty.

1.4. The COR supports the Commission's health promotion approach in health education based on the principle 'prevention is better than cure' yet points out that in order to address problems at their source a more in depth analysis is required, especially of the determining factors for unhealthy risk-taking behaviour. It is important therefore to be able to distinguish the cause of such behaviour from the symptoms and to recognize that health promotion measures will be ineffective if these causes are not properly tackled.

1.5. The COR calls on the Commission to explicitly refer to unemployment and social exclusion as important determinant factors for unhealthy lifestyles and maintains that education and training measures in health promotion should go hand in hand with policies aiming to improve social and economic conditions, in particular increased health service provision.

1.6. In this light special attention should be given to the provision of health education to disadvantaged population groups and particular deprived territorial areas (depressed inner-city or peripheral areas, rural areas) which have particular difficulties in promoting health education.

1.7. The COR maintains that the Commission's proposals for health education objectives should specifically refer to mental health. Any effective Community health education strategy cannot overlook this area which is particularly relevant given that suicide is now one of the major causes of mortality in the EU.

1.8. Psychological determinant factors such as stress, boredom and alienation (which can also be related to unemployment) should also be considered here. Factors such as these, point towards the need for establishing a citizens' Europe which attaches importance to the quality of life as well as the standard of living.

1.9. The COR stresses the importance of conveying positive, clear and scientifically justifiable messages in health education. It should therefore focus on the benefits of healthy lifestyles, balanced nutrition, preventative measures such as vaccination, sport and leisure activities, safe sexual behaviour and avoidance of smoking, drug and alcohol abuse as well as avoidance of dangerous driving. It stresses the value of visits to hospitals and health institutions as well as effective audiovisual material, demonstration projects. These bring the citizen closer to the issues of public health promotion and raise awareness of the importance of risk-taking behaviour avoidance.

1.10. The COR maintains that health care professionals, in particular doctors and nurses, have an important role to play not only in treating ill health but in promoting good health and the COR calls for support to be given to pilot projects encouraging health professionals to actively contribute towards health education in schools and in the workplace.

1.11. It emphasizes that rhetorical presentations which convey prohibitive messages could amount to a covert form of scaremongering which could be counter productive and encourage challenging behaviour.

1.12. The COR calls for health education measures promoting health and safety awareness, accident and injury avoidance at the workplace and in the home, taking into consideration the particular needs of the elderly and the ageing population trend.

1.13. The COR, whilst acknowledging that an effective health promotion and education policy will present considerable savings in the overall cost of health systems, stresses that this should not imply a resulting reduction in health service spending.

## 2. Vocational training in public health and health promotion

2.1. The COR supports the review and assessment of existing structures and training schemes in public health, health promotion and education and the compilation of a European directory. It endorses the constitution of networks of Schools of Public Health, colleges, universities and training bodies with a view to developing a common core in training courses and exchanges of students and teaching staff between EU countries. It also stresses the importance of emphasizing an interdisciplinary approach by promoting public health modules within training courses.

2.2. It maintains that any promotion of cooperation between Member States on the content of training courses and training activities in the fields of public health must involve interregional cooperation between the relevant actors, in particular local and regional health and education authorities. They have a better understanding of the real problems of promoting health within their communities whose different cultures, socio-economic conditions and prevalent lifestyles call for different approaches. Moreover, they have direct contact with teachers, social workers and medical and paramedical professionals who are the key players in health education. Community action can support cooperation and networking which strengthens their role.

2.3. The COR stresses the importance of developing effective teaching aids and materials, in particular audiovisual material which can be put to the widest use throughout Member States. The dissemination of information on 'best practices' is particularly valuable for training purposes.

2.4. The COR supports the coordination of community action in health promotion training with the proposed Socrates and Leonardo Da Vinci programmes and the taking into account of experience acquired through the existing Community education and training programmes including Erasmus and Comett.

### 3. Interregional cooperation in health education and training in public health and health promotion

3.1. The COR calls for the setting up of cooperation networks encouraging exchange of information, experience and supporting pilot projects involving schools, parent associations, relevant training and health institutions, universities, non-governmental organizations (in particular the Association of Schools of Public Health in the European Region and European Public Health Association) medical centres, hospitals, social workers, social centres, businesses, sports and recreational centres as well as local and regional authorities who have a key role to play as catalysts and coordinators, bringing all partners involved closer together under an integrated community-based approach. It stresses the importance of compiling a European Directory enabling all the principal actors involved in health education promotion at local and regional level throughout the EU, to be identified and thus linked through Community networks.

3.2. The COR calls for support to be given to highly innovative local or regional demonstration-type projects, involving citizens themselves in particular young people, within the planning, implementation and especially evaluation of the projects. These pilot projects could provide invaluable information on good practice to all the actors involved in public health education throughout the EU. Projects such as the one in the UK which enables doctors to prescribe a course of swimming as treatment at a local leisure centre or the project in Ireland within semi-state bodies which involves compulsory attendance of a course for workers abusing alcohol, illustrate the important contribution of local and regional authorities towards positive health promotion strategy.

3.3. The COR, maintaining that health scourges have no frontiers and that health promotion is a global issue, strongly supports cooperation with non-member countries and with international public health organizations, including the World Health Organization, as well as the association of EFTA countries and the countries from Central and Eastern Europe and calls for interregional cooperation to be strengthened with third countries in the area of health education and training in public health and health promotion.

3.4. It concludes by underlining that effective coordination of health promotion and health education actions as well as effective planning and evaluation of the actions require the involvement of local and regional authorities, in accordance with the principle of subsidiarity.

Brussels, 24 October 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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**Opinion on the Commission Communication and proposed Decision for Community action  
in the field of drug dependence**

(95/C 210/14)

On 20 September 1994, the Council of Ministers decided to consult the Committee of the Regions, under Article 198c of the Treaty establishing the European Community, on the above-mentioned Communication and Decision.

The commission on Economic and Social Cohesion, Social Policy and Public Health, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 12 October 1994. The Rapporteur was Mr Eurig Wyn.

At its 5th plenary session (meeting of 16 November 1994) the Committee of the Regions adopted the following Opinion.

## 1. Introduction

The Committee of the Regions welcomes the Commission's communication which is proposing a strategy aimed at developing Community action which would lead to the prevention of drug dependence. This action would be within the framework of the programme on public health. The Committee of the Regions is pleased to say that the European Commissioner's communication acknowledges the:

- increase in drug mortality and morbidity;
- increase in the number of requests for treatment;
- increase in the number of first-time use of drugs;
- high percentage of drug addicts among prisoners;
- increase in the number of AIDS cases linked to drug use;
- growing concern among drug users about the risks of infection with HIV.

## 2. General comments

2.1. The Committee of the Regions stresses that individual socio-cultural, legal, medical, economic and geographic factors exist in Member States and regions and thus bear differently on individual national and regional policies. The problems occasioned by these differences should be assessed by the Community to back up drug dependence action. Some aspects do converge and respond to corporate approaches.

2.2. The Committee of the Regions would wish to support the European Commission in its aims, but believes that whilst the ultimate objective is to end drug use, we should set as an initial target the reduction of use.

2.3. The Committee of the Regions believes that increased resources need to be made available in the field of drug education and demand reduction. The reduction in any dependency can most effectively be achieved through early intervention.

## 3. Specific comments

### 3.1. Paragraph 41

The Committee of the Regions asserts that a high proportion of drug users are leading normal lives with no marginalization. It therefore requests that the European Commission clarifies that marginalized drug users are a minority who place high demands on services. Few services offer support to ethnic minority groups.

### 3.2. Paragraphs 42-43

The Committee of the Regions in general agrees with the activities suggested. It particularly supports the creation and supports of telephone help. Additionally we suggest that work to identify ways of accessing hard-to-reach groups is included in the listing in paragraph 43. The unemployed should be identified as a group requiring special attention.

### 3.3. Paragraphs 44-48

The Committee of the Regions strongly supports the view that the prevention of drug dependence through education is best carried out in the general context of promoting more positive attitudes towards health. It believes that local and regional authorities with responsibility for education are best placed to deliver such programmes. The COR would draw attention to the strategic position occupied by youth service and community education personnel and the contacts they have with young people who are disconnected from any other public services.

The COR believes that training is a cornerstone of any future action to provide good services in this area. It particularly supports the establishment of multi-disciplinary drug prevention training modules. Experience has shown that these have proved to be extremely effective in building local partnerships in this area of work. There is great advantage in close connection between local authorities and police services.

### 3.4. *Paragraphs 50-52*

3.4.1. Evidence of the effectiveness of the high level of expenditure within the UK and some other Member States on needle exchange schemes demonstrates how health risks from using shared needles/equipment can be contained and controlled.

3.4.2. The COR would underline the fact here that to change the risk behaviours of vulnerable groups they have to be offered services. Priority should be given to educating drug addicts on the dangers of needle sharing. One of the key services is needle exchange. Low-level programmes should be implemented mainly by non-government organizations, which are easier to get underway than official programmes. The delivery of information on risk behaviour will be frustrated if the particular means to implement the advice are not available.

### 3.5. *Paragraphs 53-56*

The group of children and young people who are attracted to the use of drugs at an early age tends to coincide with the same cohort of young people who have been affected by family disruption, poverty, housing and other social and economic issues. Young people who are not in employment are particularly vulnerable. Therefore, the COR believes that procedures for monitoring children and young people, backed up by testing, would be the best form of early detection for drug use. In addition, the creation of support centres with integrated educational programmes should be fostered so that early detection is continued through such support programmes.

### 3.6. *Paragraphs 57-58*

The COR agrees with the proposals set out in paragraph 58 on reintegration into the work place, vocational training opportunities and sporting and cultural programmes. It is particularly important to develop vocational training programmes which lead to real work opportunities giving drug users the opportunity to rebuild their lives. At the same time the Community should encourage the creation of work structures for

drug addicts who are capable of work but who, because of their addiction, would find it very difficult to find a job through the normal channels. The Community should encourage the setting aside of jobs for drug addicts who find themselves in this relatively favourable situation.

### 3.7. *Paragraphs 59-61*

The development of services for drug addicts in prison is vital. The COR believes that unless addicts in prison receive both treatment and rehabilitation their post-prison behaviour within the broader community will add to the problems we face from drug addiction. The COR support the activities set out in paragraph 60, in particular, it believes that there needs to be a reinforcement of links between the services available in the community and programmes within prisons.

### 3.8. *Paragraphs 62-63*

The COR strongly supports the proposals set out here with regard to those who use licit substances and the proposal to undertake prevention efforts in the fields of education, information and training paragraphs. It supports research that develops non-discriminatory procedures for dealing with drug users.

### 3.9. *Paragraphs 64-67*

The COR agrees with the absolute necessity for the collection of data on the extent of the drug abuse problems and the structures, trends and consequences of drug abuse. It would urge that the information provided be presented in such a way as to be useable by all workers in this field, particularly those working in drug agencies that require information that assists them to plan their service strategies from an informed position.

### 3.10. *Paragraphs 68-69*

The COR hopes that research commissioned by the Commission will be targeted on activities that serve on the needs of those working in the field of drug prevention and are not too specialist in their nature. There is a lack of research in the area of the prevention of drug dependence with little work carried out measuring the outcomes of drug prevention programmes. The COR welcomes the European Commission's aim to encourage Member States to develop this further.

#### 4. The Proposed Action Programme

4.1. The COR supports the proposals for an action programme. In particular it supports the initiative to support young people of school going age in relevant environments, and the promotion of best practices in this regard. It needs to be emphasized that many of the young people who are in this target group will not be able to be targeted through school environments, and thus the range of activity available will be critical. It encourages the European Commission to ensure sufficient funding is available.

4.2. The COR would welcome the establishment of an advisory body on drug dependence, and the suggestion that National coordination committees for Drug Dependence should be established. It would support those bodies including elected representatives. In addition, the Regions/Local Authorities must be more closely involved

to ensure that the measures involved tie in better with local projects. To this end, the regional and local authorities must be briefed, in time and at all stages of the programme, about proposed measures.

4.3. The COR requests that in elaborating its action programme the European Commission bears in mind these comments on its communication. The COR would welcome further opportunities to comment upon the action plan as it develops, and make available the experience of local authorities in this vital area.

#### 5. Conclusion

The Committee of the Regions is convinced that when an overall strategy on drug prevention has been developed we will see signs of the quality of life of Europeans being protected, and the health and welfare of some of its citizens being improved.

Done at Brussels, 16 November 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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#### Opinion on the effects of the use of bovine somatotropin on milk production in the regions of the European Union

(95/C 210/15)

At its 5th plenary session held on 15 November 1994, the Committee of the Regions, in accordance with Article 198c of the Treaty on European Union, unanimously adopted its Own-initiative Opinion on the effects of the use of bovine somatotropin on milk production in the regions of the European Union. The Rapporteur was Mr Bocklet.

#### Recombinant bovine somatotropin (rBST)

1. BST is a protein, produced naturally by the pituitary gland, which controls cow milk production. It can also be obtained by genetic engineering techniques, in the form of recombinant bovine somatotropin (rBST) which differs only slightly from natural BST. Under normal administration conditions rBST cannot be detected in milk and its proper use therefore cannot be monitored.

2. Injected rBST can increase milk yields by up to 20%. However, animal health problems frequently arise. rBST injections have raised the hormone level to physical limits. rBST thus degrades cows to milking machines and causes avoidable pain. On animal protection grounds, this is unacceptable.



3. The impact on metabolism has been insufficiently researched. It is not possible to obtain a full picture of the changes in milk composition which can be caused by rBST, but there is already evidence that a deterioration in milk quality is to be expected.
4. The use of rBST will deprive small farms of their economic basis and lead to the development of agrobusiness production units. 25,000 to 30,000 farms in the EU will be enough to fill the milk quota of approximately 100 million tons, rather than the present 1.2 million. As a consequence milk production will gravitate to areas with favourable production conditions and low environmental standards and cows will mostly be kept indoors. At the same time extensive areas in disadvantaged regions which have hitherto lived off dairy farming will be abandoned and hence lose their specific character and regional cultural value. This at a time when the EU and the Member States are implementing structural measures to promote rural areas and stabilize them socially and economically.
5. The use of rBST would benefit only a few farms while the high external costs of landscape preservation are borne by public money. Farmers who refuse to use rBST on ethical grounds will lose competitiveness.
6. The vast majority of consumers do not want to drink milk from rBST-treated herds. Farmers' associations are also opposed. The use of rBST will increase the pressure on the milk market and will not promote production curbs. On the contrary, there is a serious danger that the market organization system will be undermined.
7. The Committee of the Regions therefore calls
  - on the EU Council to extend the moratorium on the authorization of rBST until 31 March 2000, i.e. the expiry date of the guaranteed quantities arrangements for milk;
  - on the European Commission to draw up forthwith its own Directives on performance enhancers; rBST must not be assessed on the basis of veterinary medicine laws;
  - for the establishment of a practicable examination and detection procedure for every substance which a manufacturer wishes to market;
  - on the EU Council to commission independent organizations to research thoroughly the impact on animal metabolism. It is also necessary to carry out a comprehensive well-grounded assessment of the technological consequences and costs for individual farms and Member States, taking into consideration ecological and environmental repercussions.

Done at Brussels, 15 November 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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**Opinion on the integrated programme in favour of SMEs and the craft sector**

(95/C 210/16)

On 26 July 1994 the Bureau of the Committee of the Regions, acting under Article 198c of the Treaty establishing the European Community, decided to draw up an Opinion on the integrated programme in favour of SMEs and the craft sector.

The Commission for Regional Development, Economic Development and Local and Regional Finances was instructed to prepare the Committee's work on the subject. The Rapporteurs were Mr Albert Bore and Mr Luigi Ricca.

At its 6th plenary session of 1 and 2 February 1995 (meeting of 1 February 1995) the Committee of the Regions adopted the following Opinion.

**1. General comments**

levels and acknowledges that large enterprises are still restructuring, decentralizing and outsourcing.

**THE COMMITTEE OF THE REGIONS**

1. Welcomes the Commission's efforts to improve services to SMEs and fully supports the integrated programmes in favour of SMEs and the craft sector (where the text which follows refers to SMEs, this should be taken to mean SMEs and the craft sector).

2. Expressly welcomes the Commission's expressed recognition of subsidiarity, feeling it to be of decisive importance to the effectiveness and acceptance of all measures that regional and local levels be involved and that specific local circumstances be taken into account.

3. Acknowledges the contribution to community employment provided by enterprises employing fewer than 10 people. The Committee of the Regions notes in this connection that SMEs and craft firms are both pillars of the urban and rural economy and an essential factor in urban and village development.

4. Accepts that a services sector where SMEs predominate is still an area for employment potential and that SMEs, because of their mostly regional and local ties, are least sensitive to international competition.

5. Agrees that SMEs do employ young people and women more readily than do large enterprises who have employment and educational barriers in place and are more likely to employ part-time workers therefore allowing access to job opportunities. Full time employment should be the goal where possible and both full and part time work should be reimbursed in line with the social chapter of the EU Treaty.

6. Agrees that the practice of large enterprises in terms of hiring off and contracting out services or production towards the SME sector helps stimulate the developments of SMEs thus maintaining employment

7. Does not support the view that SMEs are well equipped to meet the challenges facing them but does accept that there is a large market available to them. They still however have many problems to overcome in order to qualify for the term 'well-equipped'.

8. Supports the statements concerning the complexity of legal and administrative environment that adversely affect SMEs and agrees that a heavy burden is placed on self-employed persons. SMEs should be freed from administrative tasks as much as possible. Both SMEs and the Community still have some way to go to adjust to the Internal Market.

9. Points out that the access of SMEs to the EU's incentive measures is heavily dependent on their being made aware of the incentive possibilities open to them. For this reason the integrated programme should pay more attention to co-operation with professional associations, chambers of commerce and credit institutions.

10. Emphasizes that the application criteria should take account of the possibilities of SMEs. For this reason it is vital that information and applications be in the appropriate national languages.

11. Agrees SMEs still have difficulty in obtaining the right sort of finance suitable for their differing phases of development.

12. Stresses the importance of the SME structural weakness in their management capacity as an area which needs further attention if we are to progress and have self-reliant SME sectors.

13. Fully supports the integrated programme, with its objectives of:

a) reducing burden on enterprises and particularly

- SMEs arising from administrative and legal environment;
- b) overcome enterprises financing difficulties;
- c) support the enterprises in their efforts to handle the complexity of their administrative tasks and to develop strategic policies particularly as in SMEs most management tasks are carried out by the head of enterprise themselves.

Acknowledges that the 'Gateways to Growth' conference in Birmingham attempted to compare existing measures of SMEs, following which a number of states adopted laws or draft deregulation documents concerning SME development.

14. Supports the view that the main objectives are the participation of SMEs in the Internal Market and facilitating the Europeanization of enterprises.

15. Acknowledges that the priority of the Commission is growth and that most measures affecting job creation potential of SMEs are not solely of national origin, and that an important role is also played by local and regional measures.

16. Emphasizes that the programme must also encourage the growth of SMEs in the interests of competition and research and development, and to fill the gaps left by the structural crisis facing big industry.

17. Agrees with the Commission that Community initiatives because of their concentration in less developed regions, particularly Objective 1, do not fully exploit the full potential for employment creation offered by SMEs. Just as a regional policy which promises success cannot boil down to action to support small and medium-sized enterprises, so too it is not possible for an SME policy to focus solely on less developed regions; if an SME policy covers the whole of the Community, problem regions will also benefit from their ties with other regions. The Committee of the Regions stresses the importance of the viability and support to SMEs straddling the boundaries of the EU and in ultra-peripheral regions of the EU and the resultant advantages to SMEs within Europe of cross-border trading between these countries and enterprises in the EU.

18. The following objectives are particularly pertinent to SME requirements:

- to draw on best practice in the various Member States and especially in certain key regions as

regard administrative and fiscal matters and SME support systems; and, consequently, to make a careful comparison of different countries' and regional and local authorities' systems, so that their experience can be used to good effect elsewhere;

- to identify those characteristics and 'best practices' which typify Fast Growth Firms in specific Regions and to develop appropriate measures to transpose those to the wider population of SMEs;
- to improve awareness of the complex and diversified range of SME support systems within the EU in order to make it more accessible and to incorporate new initiatives.

19. Recognizes the important role of the European Union and Member States in creating a framework for SME growth particularly by easing legal and administrative burdens and improving access to finance. However, these levels of government often seem remote to many SMEs. Local and regional government have a key role in stimulating the growth and formation of SMEs and their economic development strategies emphasize the importance of this role in the local economy. These economic development strategies are responsive to the needs of the regional economy and local labour market. Local and regional government can assist in the provision of premises, advisory services, export advice and promotion, training, advice on marketing and technology transfer, industry/education links and employment measures to create permanent jobs.

20. Finds that the programme lays considerable emphasis on consultation between Member States as the way to achieve some of the objectives. In practice, the mechanisms envisaged could prove intrinsically confused and inconclusive. However, the danger of red-tape and deadlock could be overcome by targeting each consultation exercise to tackle specific problems in a concrete manner, and by offering streamlined, technically proficient representation channels.

## II. The integrated programme: a new approach

### THE COMMITTEE OF THE REGIONS

21. Gives its fundamental approval to the programme which will assemble the various initiatives both existing and new into a global framework, thus increasing coherence and visibility.

22. Welcomes the proposals to develop closer working partnerships between all parties concerned with a view to enhancing the convergence of these measures.

23. Considers it of vital importance that the role of manufacturing and trade associations be better supported by the EU.

### III. From the first to the second generation of enterprise policy

#### *The existing framework*

#### THE COMMITTEE OF THE REGIONS

24. Notes the many provisions which already exist to help SMEs, under a programme which seeks to encourage the Europeanization and internationalization of enterprises, particularly SMEs.

25. Notes that not all the provisions for SMEs extend to the crafts sector, which should in fact be included in all the forms of assistance.

26. Stresses the need for SMEs in the service sector to receive the same help and assistance as manufacturing SMEs.

27. Recognizes that Community policy has recently paid more attention to the problems of SMEs and craft businesses by launching initiatives and allocating corresponding resources, although these still cannot be considered sufficient.

28. Notes that the Community SME initiative under the Structural Funds goes only some way towards meeting the requests made by the Council in November 1993 and the guidelines contained in the White Paper.

29. Endorses the call that the new integrated programme should mark a move to a second generation of enterprise policy, and reiterates the following matter of principle: development policies, particularly those for SMEs and craft businesses, should not lead to a proliferation of fragmentary initiatives and instruments, but should rationalize and reorganize existing ones. In order to ensure that the limited resources available are used more efficiently and effectively, existing support instruments must be more widely publicized and better coordinated, and made more accessible and less bureaucratic.

30. To this end, recommends that the proposed measures be supported by the allocation of a level of resources better calculated to make them effective.

31. Welcomes the proposed evaluation and report for future action which will be presented by the Commission on the various networks concerning Euro Info Centres and EIC Network.

32. Requests that all programmes and initiatives affecting SMEs should be the subject of a monitoring and evaluation report produced on an annual basis and such a document made available to the Committee.

33. Supports the Community's continued involvement in the Interprise and Europartariat programmes as being particularly useful in terms of business to business contacts within the Internal Market.

34. Supports the resolution from the memorandum entitled 'SMEs Driving Force for European Growth' that there needs to be a closer partnership of parties involved in the development of SMEs particularly at regional level in order to enhance convergence between these measures.<sup>(1)</sup>

35. Welcomes the Council's decision to introduce EIB low interest loans on the understanding, however, that steps must be taken to ensure that small and micro enterprises have effective access to these loans.

36. Welcomes the launch of a Community initiative to assist SMEs but considers that attention should be given to the difficulties faced by Objective 1 areas in tackling the complexities of the globalized economy.

37. Agrees with the introduction of the Leonardo Programme, but believes that effectiveness, coherence and visibility would be improved if the existing programme names could be maintained rather than developing new names.

38. Suggests that existing programmes should be assessed, and recommends that, where results are positive, derivative programmes should be introduced rather than developing new ones.

39. In devolving power to local and regional authorities there should be appropriate allocation of funding and fund-raising powers.

40. Agrees that the various initiatives need to be both comprehensive and complementary to each other and that coherence and visibility will be improved through greater coordination of these measures.

41. Welcomes the proposed simplification of the legal and administrative environment in which SMEs have to work.

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<sup>(1)</sup> See Belgian Presidency memorandum 'SMEs: Driving Force of European Growth'.

**IV. New measures****THE COMMITTEE OF THE REGIONS**

42. Supports the view that the best way to encourage enterprises' capacity to generate and retain jobs is to develop a legal and administrative environment conducive to enterprise creation and growth.

43. Urges the Commission to take the interests of SMEs into consideration when drafting legislation.

44. Agrees that Member States should encourage information and experience exchanges. As prominent actors in economic development, local and regional authorities need to play a leading part in these exchanges so that good practice is spread throughout the Union.

45. Welcomes the Commission's suggestion of setting up a group composed of Member States/organizations who have a responsibility or a role in respect of administrative simplification.

46. Identifies that local authorities in particular have a major regulatory role not only in legislative terms but also because the environment they provide can play a crucial part in the setting-up of SMEs and in meeting their production and innovation needs.

47. Considers that it would be helpful to set up a European-wide Forum to act as a clearing house for all new initiatives and to assist the EU authorities in the formulation of proposals.

**V. Concerted action on support initiatives for enterprises****THE COMMITTEE OF THE REGIONS**

48. Acknowledges that there is an impressive array of measures currently existing in all member states to support enterprises and that the life cycle of SMEs is recognized in the support programmes.

49. Agrees that smes are discouraged by difficulties in obtaining information on support measures and their complexity and, in particular, they question the ability of outside organizations to assist them.

50. Accepts that the SMEs who do seek external support have a much greater survival rate than those who do not. Points out that whilst a long term

relationship is required with smes there is a careful balance not to create dependency.

51. Supports the proposed advisory facilities for firms on the various aspects of their day-to-day management.

52. Accepts the proposal on the discussion forum on services to assist enterprises and welcomes any research into effectiveness and the concentration of resources into helping and developing growth SMEs.

53. Calls for research into and support mechanisms to assist the establishment of workers and community cooperatives within the EU.

54. Suggests that where monitoring and evaluation is available this should be made available on a regular basis to the panels recommended in this paper.

55. Encourages exchanges of experiences to increase knowledge of markets and accepts that this is increasingly required by enterprise in order to take advantage of the Internal Market.

56. Asks that the Commission provides concrete support for SMEs when introducing environmental management and business assessment systems and transferring the 1993 Eco-Audit Regulation. Support mechanisms should be established in remote rural areas adversely affected by environment protection initiatives like increasing fuel prices.

57. Agrees that concerted action is needed to encourage greater use by enterprises of information, training and advisory services.

58. Agrees that the minimization of the number of programmes would form an important step in making programmes more visible and ensuring better targeting of such services. The Committee of the Regions feels that local and regional authorities can play an important role in increasing both the visibility and targeting of these programmes and that, due to their close contact with SMEs, local and regional authorities can provide a link between SMEs and the European Union.

**VI. Improving the environment for enterprises****THE COMMITTEE OF THE REGIONS**

59. Fully endorses the programme's emphasis on the need for measures to facilitate business transfers, thereby safeguarding the SME and craft network and employ-

ment. Transfers are a particular obstacle to the development of small firms, seriously hampering their ability to provide jobs and pursue long-term objectives.

60. Stresses the need, as part of concerted action between Member States on business services, to strengthen advisory services for entrepreneurs to help them define a transfer strategy. The Committee of the Regions stresses the need to support the fundamental role which local and regional authorities play in providing services which are increasingly geared to the production and innovation needs of SMEs.

61. Deems it vital to improve the legal and fiscal environment of SMEs by removing legal and fiscal barriers raised by national legislation.

62. Stresses the need to facilitate spread of the best-practice arrangements found in certain Member States, and to make particular efforts to:

- a) lift the obstacles to the continued operation of a sole proprietorship or partnership in the event of the death of the head of the enterprise or one of the partners;
- b) help the firms mentioned in a) to move to corporate status, with a view to transfer;
- c) reduce the administrative formalities and the cost of access to public limited-liability status for SMEs, in a manner which is compatible with the protection of partners and third party interests;
- d) reduce the fiscal burdens on legatees who continue to operate the enterprise.

63. Considers it necessary to take appropriate action to address the problem of double taxation of estates when the deceased, the heir and assets are domiciled in different Member States.

64. Considers that a Recommendation is a rather weak instrument for implementing this initiative, and wonders whether it would be possible, for example, to scrutinize the transfer instruments (which might involve free assistance or other incentives) used in the most advanced systems (as identified in the course of the consultation process), with a view to devising other forms of action, rather than just a Recommendation.

65. Welcomes the Commission's efforts concerning the impact on businesses of various programmes and is pleased to know that impact assessments are being carried out.

66. Agrees that compliance costs and other administrative burdens weigh heavily on the SME and conditions for transfer of enterprises should be improved.

67. Welcomes the advisory services for entrepreneurs and agrees that they in themselves do not ensure successful transfers.

68. Supports the Commission's plans to facilitate the circulation of various countries' best practices but without imposing binding procedures on Member States. The Committee of the Regions, given the present employment situation in the Community, is of the view that there is a need for intensification of national measures with a view to creating greater job opportunities.

69. Welcomes the Commission's consultation process with interested parties covering aspects of legal and fiscal environment for transfer of business.

70. Welcomes the Commission's submission to improve the physical environment of SMEs aimed at reducing obstacles to their development and to facilitate an environment favourable to the creation of new employment in local services.

71. Welcomes the Commission's work on creating new jobs in areas not so far exploited such as local services or protection of the environment.

72. Looks forward to receiving the objective analysis concerning ways to support the development of such services and activities without conflicting with the interests of existing enterprises.

## VII. Improving the tax environment for SMEs

### THE COMMITTEE OF THE REGIONS

73. Considers that improving the fiscal environment for SMEs is a priority (alongside Point 102 below) of the integrated programme. In order to make the most of SMEs' growth and employment potential, it is vital to improve their ability to fund expenditure from their own resources, gain access to external sources of funding, and reduce their operating costs.

74. To this end, endorses the objectives of:

- a) bringing the fiscal charges levied on sole traders

and partnerships into line with those paid by corporations of a similar size;

- b) eliminating the double taxation which may arise along the SME financing chain, as regards investors and, in particular, venture funds;
- c) eliminating the fiscal and administrative charges which often discourage SMEs from setting up permanent establishments in other Member States;
- d) coordinate, and simplify, where possible, taxation and social security reporting and payment arrangements for SMEs.

75. Stresses that harmonization of the fiscal treatment of SMEs will also help to prevent the emergence of unfair regional competition conditions with respect to investment.

76. Agrees that the present VAT system should be revised.

77. Proposes that the Commission examine the potential for selective use of payment of reduced levels of corporation tax by SMEs.

78. Considers that the proposal to issue a Communication and Recommendation on improving the fiscal environment is not ambitious enough.

#### **VIII. Improving payment deadlines between enterprises**

#### **THE COMMITTEE OF THE REGIONS**

79. Agrees with the Commission's view that late payments increase financial and administrative burdens, undermine the entire economic fabric and endanger the survival of many enterprises.

80. Recognizes the need for measures to impose compliance with payment deadlines and discourage the systematic delaying of payments as a way of improving cash flow.

81. Stresses the need to develop appropriate financial instruments accessible to SMEs and to launch a 'package' of different measures (both legal and practical) to improve the situation.

82. Endorses the Commission's proposals and invites it to back the proposed initiatives (Recommendation, joint action by the Member States to enable injunctions to be obtained for non-contested claims, etc.) by devising penalties for undertakings which fail to comply (e.g. withdrawal of other special concessions for SMEs).

83. Examines the feasibility of adapting 'best practise norms' in relation to late payments, by referring to practise in the two best performing countries.

84. Proposes immediate action by Member States to ensure that all payments in respect of the public sector to SMEs are processed within the specific contract period.

85. Accepts the support for the development and adjustment of SMEs is vital to ensuring full effectiveness and adequate levels of competitiveness within the Internal Market.

86. Welcomes community initiatives which assist enterprises to handle administrative and legal environment successfully, that embrace innovation and modernization and, in particular, give preference to the latest management methods as part of a more strategic approach to the development of SMEs.

87. Welcomes the measures introduced such as the fourth RTD framework and the Leonardo training programme, which is a real catalyst for a changing society. The Committee of the Regions is, however, concerned at the low take up rate from SMEs in past programmes and feels that consideration should be given to ensuring the greater involvement of SMEs in new programmes. Participation of SMEs in the RTD programmes is particularly important because technological SMEs have a strong record in terms of growth and employment creation. To ensure maximum effectiveness, financial support for training should take the form of a full-scale commitment rather than just topping-up.

88. Supports the work that will bring about the information society which will allow improvements of SME management capability and allow access to advanced telematic services together with increasing spread of new technologies into SMEs.

89. Fully supports the White Paper's three major objectives of improving access to finance and credit, supporting cooperations between firms and improving management quality.

90. Supports cooperation between enterprises and regards the encouragement of partnership and alliances between European enterprises as essential to maximize benefit of the Internal Market.

91. Feels that SMEs and the craft sector should be given support in seeking out and accessing new markets.

92. Agrees that it is necessary to follow up the initial phases of partnership and alliances with some practical hands-on support by way of encouragement through what is a complex process.

93. Supports the statement that enterprise networks should be encouraged between the more and less advanced regions.

94. Considers that the opening up of public procurements whilst an opportunity for SMEs still needs a considerable amount of work in order to create transnational partnerships between enterprises.

95. Believes that sub-contracting is a key factor in the development of new industrial relations and plays an increasingly important role in enterprise competitiveness.

96. Agrees that a total package is required in terms of quality and modernized management systems and production facilities if SMEs are to increase and sustain their shares of the globalized economy.

97. Regards the closer cooperation between principles and subcontractors through such mechanisms of 'inverted trade shows' and better cooperation between subcontracting SMEs will significantly increase the prospects of SMEs in significant change affected sectors.

98. Welcomes the opportunity to work with the Commission concerning subcontracting promotion centres to develop complementary areas of activity between economic regions.

99. Accepts that it is a fact that in many cases the head of the enterprise themselves carry out multiple functions and in many cases do not have the necessary skills or qualifications to carry out some of the more technical roles.

100. Supports the statement that there is scope for improving the availability of advisory services which deal with various aspects of day to day management as well as the usefulness of a European standard defining the quality criteria for consultants who hope to participate in programmes.

#### **IX. Support for improving management quality**

##### THE COMMITTEE OF THE REGIONS

101. Supports programmes which allow expertise to be made available to SMEs when entering a growth phase.

102. Considers that Euro-management project is a valuable addition to SME development but would wish to receive some output data for this programme and the projects dealing specifically with quality and certification issues.

103. Calls for more information on the Plato programme in order to review how the benefits of this programme could be successfully used at a national and regional level.

#### **X. Improved access to finance and credit**

##### THE COMMITTEE OF THE REGIONS

104. Notes the various financial instruments available to SMEs, but observes that financing remains the chief obstacle to SME investment. The Committee of the Regions expects the Member States to improve their own capital aid programmes.

105. Recalls that the White Paper calls for an increase and improvement in the financial resources made available to SMEs, and for steps to improve relations between financial institutions and SMEs, paving the way for more generous allocation of private finance to SMEs and broader use of the most appropriate financial instruments.

106. Welcomes the initiatives proposed in the integrated programme, and recommends:

- a) that the overall resources available to SMEs and craft businesses be ensured;
- b) that special attention be paid to the practical operation of the financial instruments available and that access be widened by simplifying procedures, reducing administrative costs, and making assistance arrangements as flexible as possible;
- c) that the financial instruments available and the conditions governing access to them be widely publicized at every opportunity, and that measures be decentralized at local or regional level, since this is the level at which SME and craft firms operate;
- d) that priority consideration be given to improving SME access to new technologies and increasing their investment rate, in order to speed up product and process innovation;
- e) that resources be allocated to help business start-ups, particularly on the part of young people or the unemployed, inter alia in the form of guarantees;
- f) that financial incentives be used first and foremost



for ensuring future profitability and for investment and innovation, and not just for financial purposes.

## XI. Conclusions

### THE COMMITTEE OF THE REGIONS

107. Welcomes the integrated programme for SMEs and the craft sector which not only brings together various initiatives into a global framework, thus ensuring

their coherence and visibility, but also reflects the great need to develop closer partnerships between all parties concerned with the development of the SME sector.

108. Agrees that the measures outlined will help to achieve the objectives of the White Paper in terms of growth and competitiveness whilst improving the unemployment situation but believes that more information in terms of monitoring and evaluation of programmes is required in order to allow the Committee to fully participate in the direction of such services and programmes.

Done at Brussels, 1 February 1995.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

## Opinion on a policy for the development of rural tourism in the regions of the European Union

(95/C 210/17)

On 26 July 1994 the Committee of the Regions decided, under Rule 10 of the Rules of Procedure and the fourth paragraph of Article 198c of the EU Treaty, to draw up an Own-initiative Opinion on a policy for the development of rural tourism in the regions of the European Union.

COR Subcommission 2 on Tourism — Rural Areas, which was responsible for carrying out the relevant work, unanimously adopted its Opinion on 25 November 1994. The Rapporteur was Mr Lafay.

At its 6th plenary session on 1 and 2 February 1995 (meeting of 2 February) the Committee of the Regions unanimously adopted the following Opinion.

### RURAL TOURISM: A FUNDAMENTAL ELEMENT OF A TRUE RURAL POLICY

Rural tourism has a special role in spatial planning as an important and complementary element of rural development strategy.

- It directly or indirectly involves a multitude of public and private sector operators, and is thus a most suitable field for an interdisciplinary view of rural development.
- Being based on other factors, it helps to offset the problems of disadvantaged regions, and correct distortions and inequalities. To this end a proper 're-balancing' policy could be followed, by reanimating areas which have suffered at any rate a partial economic decline, for example as a result of the new deal on agricultural policy. This integrated action can serve as a cornerstone for local recovery, not merely by establishing a new economy based on services (both public and private), but also by re-using the particularly large stock of traditional buildings which reflect the history of the cultures which have fashioned Europe.

- As a source of additional revenue and new jobs, even part-time or seasonal ones, it helps fight exclusion by providing an economic function and social recognition for many rural people, including farmers' spouses. It is important that high-quality tourism is encouraged in rural areas and training plays a key role in this development. The link between training and investment is crucial and high-quality training will enhance the status of jobs in tourism.

Many areas have already seized this opportunity for development. But has it been exploited to the full? What are the requirements for a better form of development, which would fit in with a heritage policy where the exploitation and protection of natural, human and cultural resources form the basis of a lasting economic strategy? What role should European intervention play, and according to what criteria?

It is worth trying to piece together the answers to this type of question, keeping three objectives in mind:

- To assist elected representatives in their role as promoters, supporters and partners in local initiatives which alone are fundamental to long-term economic activity. Here it is less a case of devising new regulatory frameworks but usually of aiding the adoption or the spread of ideas that have been successfully tried at national or regional level.
- To devise the means needed to ensure a greater consistency in Community intervention and a harmonization of the different Member States' policies.
- To reconcile the needs of local economies and environmental protection on a sustainable basis through the catalyst of a structured and finalized tourism venture.

Openings for Community horizontal or sectoral intervention (objectives 5a and 5b, 1, PICLEADER, funding of pilot projects etc.) already exist in many areas of interest. Obviously these are still too fragmentary and underfunded when seen in relation to the potential scope for global development generated by promotion of tourism. At the same time a number of tasks or requirements are undoubtedly overlooked by this plethora of instruments for action.

In any event, the first principle to be highlighted is the need to pool all the various existing means of action so as to frame a global development approach for a rural tourism project.

From another angle, the problems to be tackled by a new-look development policy need to be appraised:

- the wide range of rural tourism products on offer, though attractive, are poorly structured and insufficiently slotted into the major tourism distribution networks. Supply should therefore be structured along territorial as well as vertical lines;
- the scale of operations is tricky since tourism schemes are faced with a dilemma: either to remain small or to expand possibly at the expense of their individuality and the high standards which have contributed to their success. Here again the problem of organization on an appropriate scale arises;
- the potential detrimental effects of taxing rural tourism and the need to harmonize the various tax rules applicable to rural tourism operators.

Lastly, an initial appraisal should be made of operations supported successfully over the period 1989/93 so as to identify the profile of the various approaches or methods to be encouraged:

- projects must be based on an integrated approach;

- the region's main natural resources must be exploited;
- the local population must both benefit and be involved. Here attention should be paid to boosting attractions by expanding the range of activities available to the tourist (sports, culture, etc.): the project must therefore be planned on a global partnership basis.

A new overall approach must therefore be encouraged. The guidelines of this effective rural tourism promotion strategy, acting as a catalyst for rural development and planning, can focus on twelve key points, grouped under five main principles.

## 1. Research

More effective development of rural tourism depends on the existence of instruments for determining both global and individual market strategies.

### 1.1. *Support for the creation and development of observatories covering the economic aspects of tourism*

More detailed knowledge of expectations and patterns of demand is an important aid in framing market strategies. The absence of comprehensive studies and references is particularly regrettable given the 'migratory flow' patterns of rural tourism, where European clients are in the majority.

Every Member State has its own arrangements for observing and documenting tourist flows. These arrangements, though valuable, need to be harmonized: there is an urgent need to settle on a common language, method and knowhow. This approach could draw on the lessons learned in connection with the observatory for the rural environment to be set up by the Commission.

### 1.2. *Support for the creation and development of regional resource centres*

The aim would be (a) to compile the technical data needed by decision-makers, technicians and business leaders and (b) to encourage links between these regional centres to allow more effective harmonization of their activities and an accumulation of knowhow. Public or private field operators could then be aided in planning and implementing their individual strategies. The success of the CARRURE (European rural workshop) project could serve as inspiration for a broader approach, in which the role of rural tourism would be clearly identified.

In addition, more general activities should be pursued throughout the Community to pinpoint the representative bodies in each Member State and their main action

programmes. This appraisal should help in setting up networks designed to improve product quality and economic performance (*cf.* the LEADER 1 project). Here a European Federation grouping all bodies active in rural tourism is highly recommended to provide a forum for exchanging information and practical experience.

## 2. Development for a new equilibrium

Rural tourism is an accumulation of activities and services focusing on a geographical area: this concept of a chain of common interacting interests must be the guiding idea to ensuring consistent sectoral and horizontal development policies.

2.1. Protecting and exploiting the cultural, natural and traditional heritage, stressing the rehabilitation of disused buildings and support for local culture and traditions as part of an overall project drawing on all local resources

- Original schemes such as 'Rendez-vous en France' can serve as guide. Starting with the restoration of 'ordinary' buildings up to modern standards of comfort, the aim is to propose a comprehensive economic project integrating local services and a variety of activities respecting the authenticity of the rural environment. This policy of reanimating the 'pays' (involving several local authorities) is based on a 'tourist product' label and approach which can help to give rural areas a new momentum.

It could be backed by the exploitation of local products and time-honoured agricultural working practices, especially in stock farming and crafts (trades) which are a high priority in the 'diversification' to which both

local representatives and tourists in search of an authentic lifestyle attach such importance.

Lastly, on a more general level, encouragement must be given to promoting and protecting local cultures, which can become the focus of tourism (e.g. music, dance, art, literature, etc.). These 'assets' have been exploited in many regions of the Union by arranging events such as traditional fairs and international festivities. Obviously such strategies should be extended to more traditional holidays, since it is clear that this approach does not benefit holidaymakers alone but is in the interests of the local population. Many schemes have been launched to make these various cultural aspects a more integral feature of recreation activities and in some cases already receive Community assistance (e.g. the 'pays Cathare' project supported by the Belgian Wallonia group under LEADER 1).

Encouragement must be given to this type of development strategy, which can help surviving aspects of our past threatened by the decline of the farming economy to regain their usefulness and economic viability, besides preserving a living heritage through the close support and involvement of the local population.

On a proper heritage policy for management of the natural environment, ranging from support for the upkeep of open spaces and tourist areas to a real countryside policy encompassing the entire territory. Various initiatives have already been taken by Member States; European Directives on the protection of wildlife and control of agricultural production have also started to yield partial solutions to the need for management of natural resources by setting aside special resources for a sustainable agricultural and environmental development policy. In addition to its human assets, rural tourism mainly relies on natural attractions.

Local communities must therefore receive support (also across national and/or regional borders), in exploiting these resources for tourist purposes by organizing proper channels for tourist products.

Economic support and back-up must therefore give preference to 'soft', alternative and sustainable forms of tourism which focus on the natural environment yet preserve the natural balance and reconcile the long-term interests of all local protagonists.

The development policy pursued by the Regional Natural Parks is a model of spatial management which is both professional and respects the natural heritage.

There is a need to promote and protect indigenous culture, particularly in remote rural communities. Indigenous culture should be promoted and developed as a platform for developing interest tourism such as linguistic and cultural tourism. This would be associated with the stimulation of tourism in its widest sense and include language, music, dance, art and literature. By strengthening indigenous culture, not only is tourism stimulated but the threats to the culture are also reduced and a greater enthusiasm for tourism is encouraged locally.

2.2. Taking into account the problems of maintaining public and private local services, which are indispensable for visitors. Such a policy would help in restoring the balance of areas, both in physical terms and in terms of reviving the rural environment. So far insufficient attention has been paid to this key point, even in connection with initiatives such as Leader.

2.3. Improving the accessibility of cultural, natural and leisure sites to permit greater exploitation of this heritage by support for communications infrastructure across national and regional boundaries. Consideration also needs to be given to the exploitation and maintenance of little-used transport services to ensure route continuity throughout Europe, never losing sight of the necessity of protecting and developing the way of life of the local inhabitants. Action under way to rehabilitate ramblers' paths or create access routes (objective 5B, Leader ...) should be pursued — they are essential for tourism — as should measures to be taken to improve road signposting.

2.4. Definition of a common sign system: In order to make the countryside of the Union legible and accessible to everyone, a set of common symbols should be developed, not with the intention of replacing commercial trademarks, but rather to make a European reading of rural tourism easier. These standard symbols should correspond to harmonized lists of indicators (accommodation, facilities) and services on offer, with the emphasis on quality criteria and giving clients the assurance of properly trained local operators.

Reception must be organized along with the information points needed at the appropriate level (small town — 'region'), depending on an assessment by the local and regional authorities and set up in due collaboration with these authorities. Coordinated services will make the tourist's choice easier.

In any event the main aim is initially to harmonize and simplify symbols throughout the Union. However, it is

also important that space is made available for minority languages in any signposting scheme.

### 3. Organization

One of the major difficulties with which the various operators involved in rural tourism have to contend is the definition of a 'critical mass' large enough (in terms of facilities and variety of services) to be attractive yet at the same time preserving the authenticity and special features to which they owe their success.

#### 3.1. *Encouraging and organizing new local tourism schemes*

The attraction of rural tourism is linked with the natural and cultural assets of Europe's mosaic of regions. Opportunities for local development will best be promoted on a long-term basis by exploiting their specific human and cultural resources. Consequently encouragement must be given to new projects during the planning stage and common consultation among all potential operators in a geographical area (transcending administrative divisions to focus on geographical, economic and human compatibility).

This promotion and consultation drive involving all operators within a particular area requires support since in many cases it is vital in order to get individual or collective projects off the ground, to be followed by the coordinated development programmes necessary to put together a tourist product combining reception, accommodation, catering, services, recreation activities and entertainment.

The management of tourism will differ in the regions of the European Union according to climatic conditions and this may mean providing facilities which could not be sustained by the local population alone.

#### 3.2. *Promoting infrastructure for the management of local development strategies*

Formulae for facilitating cooperation, partnership and the pooling of resources between businesses, associations and public authorities must be worked out and put into practice.

In this connection, the Irish Country Holidays scheme (currently grouping nine districts) could serve as guide in identifying the requirements and methodology of an overall approach for planning and marketing a complete

and harmonious tourist product encompassing an entire area.

### 4. Training

The main aim is to introduce a back-up policy stretching from the start-up stage of a project (awakening of interest) to its monitoring and networking by means of a central operator, who enlists the requisite external skills at each stage in the project's life. This new global long-term back-up policy is clearly an additional guarantee of implementing ambitious and viable individual projects.

With this in mind, pending the identification of a global financial framework for finalizing this new policy, two aims must be achieved: firstly, to improve the quality of advice provided to businesses and, secondly, to devise training methods which are both innovative and of a high standard.

4.1. Support for jobs by assisting firms. Advice centres for firms and project developers should be set up and developed to collect data on all activities conducive to rural development, thereby encouraging young entrepreneur 'nurseries'. In addition to the various instruments, the UK project allocating public subsidies to the council for the promotion of small and medium-sized firms is of interest.

4.2. Support for the training of elected representatives and technical staff, both in occupational sectors and in the field, focusing on practical schemes grouping the various partners: local representatives, economic operators (firms, etc.) and representatives of associations (social, occupational, cultural and other organizations). The activities of local operators must be adapted, on a case-by-case basis, to the requirements of an inter-sectoral partnership and multi-activity practices.

In this connection, much can be learned from the Euroform cross-border project for the definition of an agri-tourism training/back-up programme.

Similarly, initiatives such as the creation of Regional Funds to promote tourism advice and innovation could usefully be expanded.

### 5. Management

5.1. Support for new technology development programmes (particularly in the field of distribution management), avoiding the risks of poorly controlled or insufficiently tested computerized packages.

## 5.2. *Harmonization of rural tourism management frameworks*

The aim is to make local initiatives more effective and, with the help of a territorial approach, to bring together individual sector viewpoints in a real rural policy.

Several types of action can be recommended:

- promoting cooperation between the various operators involved in rural tourism so as to smooth out difficulties linked with ignorance of their reciprocal remits and encourage reflection on their joint needs (e.g. statutory problems, infrastructure or promotion requirements);
- boosting the economic performance of tourist activities through fuller information on potential funding (EU, Member States, regions ....) and development incentives (tax concessions). Development programmes must be considered, differentiating between assisted regions (objectives 1, 2, 5b) and regions which, though not assisted, require support for potential projects. Specific support can undoubtedly be provided by occupational and technical networks but arrangements need to be made for suitable forms of technical back-up (project management) and financial support (tax concessions during the start-up and running-in stages);
- lastly, cataloguing ways of channelling local savings so as to benefit rural economic schemes. A special study should be made of the problem of mobilizing local resources as a potential force in terms both of facilitating project creation or consolidation and 'welding' local support for a project.

## 6. *Ways forward*

A global rural tourism development programme should be worked out with the EC Commission departments to ensure coordinated implementation of the above twelve proposals.

This entire new advance in quality global support for project leaders, which is tantamount to a new economic strategy for spatial exploitation, needs to be fully tested on a life-size scale over a sufficient period for genuine lessons to be learned. In particular, an analysis needs to be made of the difficulties and obstacles encountered in the various European rural areas. In planning and implementing this programme, two factors need to be taken into account.

This initiative programme needs to take two factors into account:

- development, particularly for tourism, can only be considered in spatial terms by considering all the basic functions which make up tourism: reception, board and lodging, services, leisure and activities. The success of rural tourism thus lies in a harmonious use of local potential set against a background of optimal development of the agro-rural space in question;
- bringing the concept of natural balance to sustainable development on a European scale: the environment — in the sense of the area but also the stock of traditional buildings — is a valuable asset at local level, as long as it is dealt with not only in conservationist terms but also in terms of appropriate new uses.

For these two approaches to have concrete results, attention must be paid during the transition from setting up the project planning to implementation, using project management appropriate to each case.

Planning includes:

- the creation of an environment;
- bringing together the willpower and the means;
- defining approaches and goals.

Project management aims to:

- plan individual and collective implementation methods;
- draw up a schedule for action;
- favour local cohesion;
- study the effectiveness of methods taking account of local factors;
- define complementary features required for the organization of reception and services.

The required trials therefore need to be carried out on recognized sites on operations identified locally on the scale of the areas concerned (such as the groups of municipalities or 'pays' in France).

The validity of this process relies on its being carried out in enough sufficiently diverse areas to produce representative results.

## 7. Conclusion

The Committee of the Regions would emphasize that the European Union has no competence in the field of tourism policy and that Community measures to develop rural tourism can only be taken within the framework of other Community policies and the Structural Funds.

The purpose of the above twelve proposals is not to criticize the local initiatives which are the backbone of rural tourism or the national or local organizations from which it derives its strength. On the contrary, what is needed is to:

- recognize the importance of the opportunities offered by sustainable, environment-friendly forms of tourism which make the most of the local natural resources and heritage and are rooted in the initiative of the local population. In many (particularly the most remote) areas, rural tourism can help in balancing the development of the entire European territory;
- harmonize arrangements for the management of tourism: among the most important of the many areas of action are the organization of tourist flows in the Union (set of symbols, timetable of school holidays, use of modern distribution channels such as telematics) and the need to harmonize the rules governing the various operators involved in rural tourism;
- promote the pooling of resources through EU back-up — based on existing and increased powers and financial resources — and thereby give the rural world its rightful place in the EU. This policy presupposes the coordination of financial support and closer consultation between public and private operators.

In the light of these three principles the Committee of the Regions advocates support for:

- a European Observatory centralizing the data collected by a network linking up tourism observatories in the regions of the Union;

- resource centres to back local initiatives (*cf.* CARRURE project);
- ambitious policies seeking to protect and promote the cultural, natural and traditional heritage, focusing particularly on agriculture's contribution in making good use of the relevant space and knowhow (gastronomy, reception, traditions, etc.);
- measures to maintain services essential for tourist visits;
- development of transport infrastructure, especially in the most remote areas of the Union;
- harmonization of symbols so as to facilitate tourist flows;
- awakening of local interest to generate projects genuinely rooted in local initiative;
- approaches grouping all public or private operators on a territorial basis for the purpose of devising a complete tourist product consistent with market requirements;
- development of advice centres to provide support for firms,
- ambitious training programmes providing back-up for projects (from the awakening of interest through to networks of operators);
- adoption of new technologies for market distribution;
- cooperation on rural tourism management infrastructure (entrepreneurs' remits, tax arrangements, available financial and manpower resources, etc.).

The aim of these twelve proposals by the Committee of the Regions is to turn an *ad hoc* economic activity characterized by fragmented individual products into logical, integrated and heritage-conscious exploitation of the tourist assets which can open up new horizons for many of our rural areas.

Done at Brussels, 2 February 1995.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

**Opinion on the surcharges levied in the context of financial control and the clearance of accounts: the case of the EAGGF**

(95/C 210/18)

On 27 September 1994, the Committee of the Regions, acting under Rule 10(1) of its Rules of Procedure and the fourth paragraph of Article 198c of the EU Treaty, decided to draw up an Opinion on the surcharges levied in the context of financial control and the clearance of accounts: the case of the EAGGF.

Commission 2 — Spatial Planning, Agriculture, Hunting, Fisheries, Forestry, Marine Environment and Upland Areas — which was responsible for preparing the Committee's work on the subject, unanimously adopted its Opinion on 18 January 1995 (Rapporteur: Mr Bocklet).

At its 6th plenary session of 1 and 2 February 1995 (meeting of 2 February) the Committee of the Regions unanimously adopted the following Opinion.

1.1. EU surcharges date back to the early 1980s. Since this period the regions have to an ever increasing extent been entrusted with the planning and/or implementation of programmes which are financed in part or in full by the EU.

1.2. The reform of the CAP led to a sharp increase in direct transfer payments in respect of land and livestock premiums. Although responsibility for settling these payments, including eligibility and other checks lies with the national governments of the Member States, in some Member States this responsibility has been devolved, in whole or in part, to regional authorities or administrations.

1.3. With the beginning of the third stage of CAP reform in the coming marketing year, direct EU transfer payments to eligible farmers in the larger regions will total up to 700 million ECU. The possible level of surcharges resulting from the integrated administration and control system and the clearance of accounts will therefore far exceed the scope of any regional budget. The Member States, or in some cases the regions, are in effect required to act as guarantors to the beneficiaries for any shortfall arising from a surcharge based on extrapolation from the results of checks.

1.4. All bodies involved as state co-financing partners in disbursing EU expenditure on the Structural Funds and the Community initiatives can thus expect to be subject to surcharges in the event of complaints by the Commission following checks carried out in connection with the clearance of the accounts of the relevant Fund. The surcharge procedure, which at present is applied exclusively in connection with the clearance of accounts of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF), could then affect all these public-sector co-financing partners.

**2. Decisions of the European Court of Justice as a basis for checks**

2.1. The rulings of the European Court of Justice have always prohibited EU financing of expenditure which is clearly in breach of Community rules. This principle applies independently of any subjective judgement as to the legal contestability of incorrect application of the law by the authorities.

2.2. The Court places a very restrictive interpretation on compliance with the existing rules. Even though an item of expenditure may comply with EU law and thus normally qualify for EU funding, infringements indirectly connected with the expenditure constitute grounds for disallowance.

2.3. Hitherto EU law has in principle left it to the Member States to determine which authorities are responsible for its implementation. Rules on the allocation of competence thus frequently vary from one Member State to another, in line with the provisions of the Member State's constitution.

2.4. However, in its Judgement of 12. 6. 1990 the European Court of Justice felt it necessary to address the following communication to all the authorities of the Member States: 'It is for all the authorities of the Member States, whether it be the central authorities of the State or the authorities of a federated State, or other territorial authorities, to ensure observance of the rules of Community law within the sphere of their competence. However, it is not for the Commission to rule on the division of competences by the institutional rules proper to each Member State, or on the obligations which, in a State having a federal structure, may be imposed on the federal authorities and on the authorities of the federated States respectively. It may only verify whether the supervisory and inspection procedures established according to the arrangements within the national legal system are in their entirety sufficiently effective to enable the Community requirements to be correctly applied.'



2.5. The Committee of the Regions fully subscribes to the principles established in this judgement.

### 3. Financial responsibility

3.1. The Member States and their regional and local authorities have to bear the full financial risk involved in the application of the law and the implementation of the procedures.

3.2. Where they are not themselves responsible for implementation, national governments generally take the view that any shortfall is a matter for the regional or local authority responsible for implementing the measure and spending the funds.

3.3. The regional and local authorities on the other hand argue that legal relations between the EU and the Member States are conducted through national bodies. The EU has no direct institutionalized relations with the regions and local authorities. The participation of the regions and local authorities, as it were at one remove, does not change this fundamental relationship which is enshrined in international law.

### 4. Scrutiny

4.1. When accounts are cleared the European Commission scrutinizes the implementation of measures financed wholly or in part by Brussels. Its reports have repeatedly stressed the application of specific control methods or other aspects of implementation, rather than restricting themselves to an overall assessment of the measures applied in the Member State.

4.2. Any sums which the auditors consider to have been spent in the Member States in infringement of the relevant provisions of EU law are disallowed and have to be met from the national budget. Such disallowed expenditure is deducted from the advances paid to the Member States.

4.3. In the course of this process, extrapolations are made on the basis of implementation errors and malpractices brought to light by spot checks. As it is, however, possible to secure recovery of the sums paid out solely in cases where abuse has been firmly established, the surcharges based on extrapolation currently have to be met by the entities responsible for implementing the measures.

4.4. The decision to levy a surcharge depends to a large extent on a subjective interpretation of the EU Regulations by the auditors. The vagueness of the rules in respect of financial controls, and in particular the older Regulations, has in the past meant the implementing territorial authorities repeatedly being faced with unpredictable interpretations. These interpretations have then

been treated as implementation rules in the Commission's reports and their application enforced by means of surcharges, in some cases without any concrete legal basis.

4.5. In most cases the implementing authorities did their best to carry out the measures properly. It would, however, have required powers of clairvoyance correctly to have carried out detailed administrative and control procedures which were not prescribed at the time.

### 5. The future approach to surcharges

5.1. The Commission intends in future to withhold 5 % of funds in cases of significant failure of the control system, rising as much as 10 % for more serious infringements. The entire sum may even be withheld. Decisions are entirely at the Commission's discretion. Insufficient account is taken of the principle of proportionality. The Commission's view is that the principle of proportionality applies only to the relationship between government and citizen, and not to that between the Community and the Member States and their territorial authorities.

The Commission intends to be just as rigorous over missed payment deadlines.

5.2. After a transitional period, the Commission will withhold funds as follows in the event of the payment deadline being exceeded.

- Once a 4 % reserve (for disputes or additional checks) has been used up, expenditure effected during the first month after the deadline will be accepted at the rate of 90 %.
- Expenditure effected during the second month after the deadline will be accepted at the rate of 75 %.
- Expenditure effected during the third month after the deadline will be accepted at the rate of 55 %.
- Expenditure effected during the fourth month after the deadline will be accepted at the rate of 30 %.
- Expenditure effected during the fifth month or later after the deadline will be refused.

5.3. As part of the reform of accounts-clearance procedure initiated by the Commission, the Commission is to be empowered by a Council Decision to levy surcharges and determine their amount. The arbitration body set up at the same time must maintain strict neutrality. It must be able to work and carry out its assessments in complete independence from the administrative authorities of the EAGGF and other

Community institutions or the Member States and Regions. In its follow-up decisions the Commission should be required to take full account of the arbitration body's rulings.

Detailed rules placing restrictions on main and branch national payments offices, requiring that they be authorized and stipulating internal audits and the issue of inspection certificates, are an unwarranted interference in the administrative autonomy of the territorial authorities, which are perfectly able to establish their own efficient inspection and payments systems.

Application of the subsidiarity principle, as defined in Article 3b of the EU Treaty, would give the Commission no more than a guiding role, leaving the regional and local authorities sufficient organizational scope to establish the administrative procedures best suited to their region, whilst maintaining the traditional structures and taking constitutional considerations into account.

## 6. To sum up

6.1. It is to be hoped that surcharges will be used more and more to ensure that aid measures are implemented in a uniform way and, indirectly, to bring the administrative organizations into line with each other. In the case of the large sums transferred to the regions and the local districts as a result of the new EU agricultural policy and in the course of the second finance period of the Structural Funds, the financial pressure exerted by the possibility of surcharges obliges the regional and local entities concerned to conform. As the European Court of Justice generally supports the Commission in the event of disputes, the national and regional administrations will be largely bound by the instructions of the Commission. As the Commission intends to set up an integrated administration and control system for the Structural Funds too, it must be assumed that surcharges patterned on the EAGGF Guarantee Section model will in future be levied in all areas in which the European Union co-finances programmes, Community initiatives, projects or aid.

6.2. It is in the long run unacceptable to the local districts and regions that the European Commission should be able to interfere in the smallest details of administrative practice and impose surcharges as it alone sees fit. The resulting administrative burden is paralysing the activities of the Member States, and particularly those of the regional and local districts. This type of administrative policy is diametrically opposed to the considerable efforts being made by many local and regional authorities to deregulate, to introduce lean management methods and to make significant staff reductions. The administrative workload arising from systems such as INVEKOS is unreasonably great. Regional estimates suggest that the administrative costs of certain forms of transfer are up to 20% of the funds

disbursed. This is more than five times the usual rate for comparable administrative tasks.

## 7. The Committee of the Regions

7.1. urges the Commission to:

- observe strictly the principle of subsidiarity enshrined in Article 3b of the EU Treaty, when effecting compensation payments and other aid measures;
- pay appropriate attention to the principle of proportionality when levying surcharges, including proportionality in the Community's relationship with the territorial authorities;
- limit surcharges to cases involving infringements of rules which have been clearly established prior to the infringement and which are based on Council Regulations;
- put surcharges into effect only after they have been confirmed by the arbitration body set up by the Commission, which will be wholly independent, as regards both staff and administration, from the Commission's auditing, payment and allocation bodies;

7.2. welcomes the integrated administration and control system which complements the regional policies of the Member States in compliance with institutional rules and the practice pursued in the Member States;

7.3. asks the Commission to take the opportunity presented by implementation of the reform of the accounts-clearing procedure in the Guarantee Section of the EAGGF, to look carefully at measures which infringe the administration and implementation independence of the territorial entities concerned and, if necessary, to dispense with them;

7.4. asks the Commission to consult it in future with regard to all EU legislative instruments affecting regional and local implementing authorities;

7.5. asks the Council, the European Parliament and the Commission to guarantee the independence of the arbitration body by providing it with appropriate resources and its own budget appropriation;

7.6. acknowledges that in the negotiations between the Council and the Commission significant progress was made on securing the administrative autonomy of the Member States and the regions in accordance with their respective constitutional positions;

7.7. in particular acknowledges the Commission's willingness to help put the intentions of Article 3b of the European Community Treaty into effect in administrative legislation;

7.8. asks that administrative regulations not be used as a lever to curtail the autonomous rights of the various regional and local authorities;

7.9. asks the Commission, in the light of the results of the Council negotiations, to keep the rules contained in the forthcoming new version of the implementing

provisions to a minimum and to make them as simple as possible. There should in particular be no ceiling per Member State for the payments offices.

Done at Brussels, 2 February 1995.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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**Opinion on the Commission Communication 'Europe's way to the information society — An action plan'**

(95/C 210/19)

At its meeting on 26 July 1994 the Bureau of the Committee of the Regions instructed Commission 3 to draw up an Opinion on the above-mentioned Communication.

The Commission for Transport and Communications Networks drew up its Opinion on 14 December 1994. The Rapporteur was Mr Leguina Herrin. Commission 7 drew up a Supplementary Opinion on 17 November 1994. The Rapporteur was Mr Dammeyer.

At its 6th plenary session, (meeting of 1 February 1995), the Committee of the Regions adopted the following Opinion, to which the Supplementary Opinion of Commission 7 is appended.

**Background and legal basis**

The aim of the Communication under consideration is to put forward a work programme on the information society, listing the measures which must be adopted at Community level.

This Commission action plan is in response to the invitation issued by the European Council at its meeting in Corfu on 24 and 25 June 1994. The Communication should also be seen against the background of the White Paper on growth, competitiveness and employment and the report 'Europe and the global information society' (Bangemann Report).

The Committee considers that the legal basis for the adoption of most of the measures announced in the action plan is to be found in the first paragraph of Article 129b, and that in any case the plan itself, as a whole, maintains a close relationship with this legal basis. Consequently the Committee trusts that it will be consulted during the adoption procedure for the development measures in the plan, bearing in mind that Article 129d expressly provides for consultation of the Committee of the Regions in the field of trans-European networks. The Committee's active participation in the implementation of the plan will also enable it to provide the political support requested by the Commission.

**Introduction**

Rapid technological advances and their use in telecommunications, information technology and television are leading to the 'information society'. This will entail profound changes in the economy and in public-sector activities, and in life-styles and social organization generally.

On the economic front a huge multi-media industry (information technology, electronics, audiovisual and telecommunications) is emerging in those economic sectors in which information is the raw material. Furthermore, other industrial sectors, operating in increasingly open markets, are being affected by the explosive growth in the 'immaterial' factors in the production process, whether it be intellectual activities or services linked to the use or promotion and sale of products.

The new information society is also going to affect the public authorities as regards procedures for providing more efficient and transparent public services and the relationship between administration and citizen.

The common information area is potentially a factor for social and economic progress, both from the point of view of business productivity and as a means of enriching the living environment of individuals. Nevertheless, the undeniably positive face of the new information society should not make us forget that these changes call for a considerable capacity for adaptation. A lack of the requisite skills could lead to cultural marginalization and hence social polarization. The traumatic imposition of the new technologies brings with it the risk of isolation, intrusion of privacy and higher unemployment. For this reason it is essential that a rigorous study be carried out of the foreseeable impact of these technologies on our society so that proper back-up measures can be taken.

The regional and local bodies of the European Union are called upon to play a fundamental role in preparing for and developing the information society — in terms of both the above-mentioned back-up measures and the implementation of the new applications in firms and among citizens.

The European Union has the very difficult task of overcoming the imbalance and marginalization which may beset those areas not or insufficiently endowed with the new telecommunications infrastructure and services. The immediate consequence of this is that total liberalization of infrastructure must be subordinate to the full guarantee of universal service. Similarly the regions are concerned to ensure that the systems and applications developed in the information society take account of the specific cultural characteristics of the various regions which go to make up the European Union. Both demands — guarantee of universal service and respect for cultural diversity — form part of the joint declaration, to which we subscribe, of the group of 17 border regions of the Benelux countries, France and Germany which met on 26 October last in Brussels to discuss the role of Europe's regions in the information society.

## Content

1. The COR supports the telecommunications initiative of the European Union and in particular the Commission's Communication of 19.7.94 (Doc. COM(94) 347 final) entitled 'Europe's way to the information society. An action plan'. Thus it considers it essential that the EU promote the rapid development of information infrastructure (networks, services and applications) on the basis of a coherent, balanced overall approach.
2. It notes that, as part of this approach, the European Union must tackle telecommunications and audiovisual problems, taking as its guide the principle of subsidiarity.
3. It acknowledges that the information society entails the liberalization of services and infrastructure. But this liberalization must take second place to the definition and guarantee of universal service. The universalization of services and the simultaneous introduction of such services throughout the Union is necessary for social cohesion. In the new situation all

authorized operators will have to shoulder their share of responsibility as managers of a public service (universal service obligation and equal access to networks and services).

4. It also considers that the liberalization of telecommunications in Europe is part of a process of global liberalization. The EU's task in this undertaking is to encourage, through the appropriate channels, suitable changes in the regulatory regime as regards:

- i) interconnection of networks and interoperability of services;
- ii) adjustment of tariffs prior to liberalization;
- iii) intellectual property and legal protection of data bases;
- iv) electronic and legal protection, security of information in defence of personal privacy.

Media ownership must be treated with special caution; the Member States must retain the right to enact specific media-related laws.

5. The COR endorses the principle whereby it should preferably be the responsibility of the private sector to establish the networks, provide some services and develop some applications while the public sector will provide services and develop applications to ensure that universal access to essential information for citizens is freely available.

6. In line with the comments in the preceding point, the COR supports the inclusion in the EU's 4th R&D framework programme of actions for the development of new communications technologies and for their dissemination and use.

It is also very important to pay special attention to those actions relating to the information society in the Community Support Frameworks being developed under the various Structural Fund objectives.

7. The regional and local authorities, being close to the populace, have an essential duty to ensure that the benefits of the information society are shared by all citizens.

8. The COR considers that the generalized use of the new networks and services will trigger profound changes in the lives of individuals, in business organization and public administration. It will call for wide-ranging political action, which will have to be set out clearly.

9. In the wake of the development of the information society (fewer people and products needing to be shifted daily, traffic and environmental improvements, change in the use of available land, etc.), there will be a reassessment of space and time which will radically alter the very concepts of land-use planning and transportation, basic tools of regional and local policy. There will, however, be a need to carefully assess the environmental impact of the provision of infrastructure for an information society, e.g. cables and masts.

10. It is possible that the market will not be able to generate sufficiently rapidly a level of demand commensurate with the investment needed for the new infrastructure.

Hence the COR thinks that the public authorities (central, regional and local) should help, within their respective spheres, to underpin and stimulate demand by participating in pilot projects for applications and in the promotion of teleservices. In this way they will help bring about the cultural change needed to develop the information society.

The COR is interested in the Commission's proposal to set up a network of six 'pilot regions for the information society' and hopes that this network and the lessons to be learnt from it

will be extended to all Member States and regions. The COR is eager that the funding needed for this experiment should be sufficient after 1995 so that the work can be continued and hopefully built upon.

11. In this connection it considers that the regional and local levels are most suitable for carrying out pilot experiments, bearing in mind the concentration in these areas of potential users, guaranteeing the necessary critical mass, as well as providing tangible results. The COR could help promote this and improve its own work and effectiveness through the development of a network designed to improve communication between the Committee and local and regional authorities and their national associations and to facilitate communication with and between members of the Committee.

12. The COR is aware that the information society arouses fear of the unknown as well as hope. For this reason it firmly supports the Commission's idea to evaluate the impact of these new technologies on social, economic and regional cohesion.

13. More specifically it also welcomes the promised report on the social consequences ensuing from the creation of the 'flexible firm', including the consequences of the development of core and peripheral activities, flexible working time arrangements, continuing training, teleworking and networking between firms.

14. Before it can come into existence, the information society must be understood and endorsed by citizens as a *conditio sine qua non* for the viability of the new telecommunications services. In this connection, the COR confirms the need for measures to inform, explain and publicize its effects for the benefit of the EU's citizens in general and certain target groups in particular. Regional and local bodies, being in a privileged position, must play a crucial part in this task of putting over and promoting the new services.

15. The COR endorses the ten applications proposed by the Bangemann Group and undertakes to participate in those of most immediate relevance to the public interest; to this end it calls for close and permanent cooperation to be established between regional and local bodies and the proposed 'Information Society Project Office'.

16. The COR asks to be consulted by, and offers in advance its support to, the Commission and the Council with regard to any discussion documents, guidelines and regulations connected with the information society.

### Conclusions

In conclusion the COR expresses its support for the Commission Communication 'Europe's way to the information society. An action plan' (Doc. COM(94) 347 final) and would make the following comments:

- a) The COR endorses the liberalization of telecommunications infrastructure and services for its potential to improve the quality of life of citizens.
- b) It would point out that the relevant powers of the Member States, particularly their powers to regulate the media and broadcasting, must be preserved.
- c) It would make such liberalization dependent on the prior and effective guarantee of universal service in strict compliance with the principle of economic and social cohesion.
- d) It considers that a rigorous study should be made of the impact of applications in the social, economic and cultural spheres so that suitable measures can be adopted to ensure that the transition to the new information society is socially acceptable.

- e) It considers that the principle of ensuring universal provision of essential public information regardless of the citizen's ability to pay should be embraced by local and regional bodies in preparing for and consolidating the information society. The COR must be represented on the working groups studying the implementation of the information society, and must be consulted on all decisions and measures provided for in the action plan.
- f) The COR offers itself as a potential basis for the development of an information network connecting the local and regional authorities of Europe and thus promoting the understanding of information systems.

Done at Brussels, 1 February 1995.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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#### APPENDIX

##### Supplementary Opinion of the Committee of the Regions

On 15 November 1994, the Committee of the Regions, acting under Article 198c of the Treaty establishing the European Community and Rule 9(1) of its Rules of Procedure, decided to draw up a Supplementary Opinion on the above-mentioned proposal.

Commission 7 — Citizen's Europe — Research — Culture — Youth and Consumers of the Committee of the Regions, which was responsible for preparing the Committee's work on the subject, adopted its Supplementary Opinion unanimously on 17 November 1994. The Rapporteur was Prof. Manfred Dammeyer (D).

#### THE COMMITTEE OF THE REGIONS:

##### I. Whereas:

- The transition to the 'information society' in the coming years will be of crucial importance for the future of Europe's regions and their citizens. Within a few years, the new information and communications technologies, together with their interactive applications, will radically alter daily life in the regions, changing the ways in which people live, work, learn, consume and communicate. At the same time, the divisions between the hitherto independent telecommunications, audiovisual, data-processing, office communication and consumer electronics sectors will virtually disappear. A 'multi-media' world is coming into existence. The 'digital revolution' is bringing about a structural economic and social change that is comparable in scale to the industrial revolution of the nineteenth century.
- The development of the information society can create major opportunities for all the EU regions; the new information and communications technologies can make a significant contribution to job creation and to the solving of pressing transport, environmental and health problems. Such technological development may, potentially, lead to social progress. Providing careful thought is given to how such tendencies could be encouraged, the effects could include easier access by the citizen to information and, as a result, greater freedom. Similarly, by paying the same degree of attention, interactive applications should, as a priority, help to increase participation in democratic processes and improve the social profitability and public acceptability of administrations. However,

widespread use of the new technologies could also jeopardize social conditions, data privacy, consumer protection, education, culture and the audiovisual media. Similarly, the transition to the information society may adversely affect employment in certain sectors. There is also the danger of a new division in society between a highly-qualified and privileged class of 'initiated' and a marginalized class of 'uninitiated'. The new applications could threaten the protection of privacy and private oligopolies could endanger competition in the new markets.

- Transition to the information society is an economic and political necessity, if the major challenges facing Europe and its regions are to be mastered. In a world economy characterized by globalization and ever-fiercer competition, the management, quality and speed of transmission of information will be one of the decisive factors in determining the competitiveness of businesses — and particularly SMEs. With approximately 380 million consumers, the EU accounts for more than a third of the world market. Notwithstanding some 17 million permanently unemployed, however, fewer new jobs in information and communications technologies have been created in Europe than in the USA, its principal rival.
- A crucial issue for the economic development of Europe and its regions will be whether its firms can withstand international competition on the European and world markets or whether the major US concerns can also achieve dominance in Europe. The main features of the present situation in Europe are a lack of focus on the part of both private and public initiatives and a lower level of telecom infrastructure development than in the USA. In this context the commercial and industrial stakes are incalculable and justify the EU's wish to chart a passage for this emerging sector. The economic and social situation of many citizens, and particularly the future structure of employment, depend on this sector's capacity to respond to these challenges.

## **II. Having regard to the following action of the European Union:**

- At the initiative of the European Commission, the European Union has reacted aggressively to the international challenge. The White Paper on Growth, Competitiveness, Employment and the report of the group of leading experts chaired by Commissioner Bangemann represent Europe's response to the Clinton/Gore initiative on a National Information Infrastructure Project and a Global Information Infrastructure Project.
- At its Corfu meeting on 24-25 June 1994, the European Council welcomed the Bangemann group's report and called on the Commission to draw up a programme covering all necessary Community measures as soon as possible. The Council will assess progress at its meeting in Essen on 9-10 December.
- Against this background, the Commission is proposing a comprehensive work programme as the basis for all its activities relating to the information society. This 'Action Plan' is quite specific with regard to the following objectives: rapid removal of existing barriers (liberalization of the telecommunications infrastructure and services); definition of a precise regulatory framework (protection of intellectual property rights and privacy, control of media concentration, free movement of TV programmes); promotion of new applications. On the other hand, the 'social, societal and cultural aspects', i.e. measures to counter undesirable secondary effects, are mainly seen as problems, with no indication of possible solutions.

## **III. Has adopted the following Opinion on the Commission Action Plan entitled Europe's Way to the Information Society:**

### **1. General comments**

1.1. The Committee of the Regions welcomes the Commission's speedy adoption of the initiatives which will enable the European Union to make an appropriate response to the international challenge. It fully supports the Commission's attempt to press ahead resolutely with the launch of the information society and to create the conditions required for the development of an efficient, low-cost information infrastructure and of markets for the new services. However, the COR considers that the speed, nature and scope of this programme must be based on the lessons to be learnt from the two parts of the Green Paper on the liberalization of infrastructure.

1.2. It is important for the information society to develop within the framework of the European social model in which economic progress is linked to social and cultural progress. The proposed liberalization process must also be based on a study of the social impact, in particular the impact on employment and the working environment, on education, culture and the audiovisual media. Equally, the proposed liberalization cannot be allowed to harm universal services, which are still protected by



national monopolies. The Committee of the Regions welcomes the fact that the Commission regards the full involvement of the social partners as an essential means of ensuring an adequate response to the challenges of structural change. In view of the considerable impact of this structural change at regional level, the regions should also be involved from the outset.

1.3. It will be essential, in connection with the necessary development of the regulatory framework for a European-wide market, to avoid any unnecessary centralization and observe the principle of subsidiarity. The Commission Action Plan does not, as yet, pay sufficient attention to this. The responsibilities and powers of regional and local authorities, particularly with regard to education, culture and the audiovisual media, must be fully respected in the interests of diversity and bringing the Community closer to its citizens.

1.4. The media sector, which will be as equally affected as telecommunications by the launch of the information society, must retain its cultural identity in the face of the new products and multimedia services. However, the Commission's comprehensive action plan pays far too little attention to the audiovisual sector and its distinctive features. Media policy is in danger of becoming a mere appendage to a telecommunications policy for which the 'rules of the game' are being defined more and more by the Commission.

Even if technologies and markets are becoming more global, the media will continue to be a vehicle for information, culture and entertainment in the Member States and their regions and local areas, which have their own linguistic, social and political identities. In view of this fact, the Commission should take greater account of the primary responsibility of the Member States and their regions for media policy.

The Committee of the Regions would ask the Council to pay particular attention to this in its further discussions. To enable greater account to be taken of the special features of the audiovisual sector in future, it would also ask the Council to convene a special Council of Ministers with responsibility for the media to deal with all matters affecting this field.

1.5. The Committee of the Regions would ask the Council and the Commission to involve it in all their discussions of the Action Plan's implementing measures, particularly where these relate to the cultural sector, the audiovisual media, language issues, the protection of privacy, employment, the working environment and consumer protection.

The Committee would ask the Commission to bear the regions in mind when it appoints the high-level group of experts which is to advise the Commission on support measures in the social and cultural sectors.

To enable regional and local authorities to play an active part in the shaping of the information society, the Committee of the Regions would ask the Commission to allow its members access to the preparatory studies which it has commissioned or intends to commission in connection with the measures proposed in the Action Plan. This applies, in particular, to the projected studies on the impact on employment policy, on the effects on regional, social and economic cohesion and on linguistic issues. The Committee would also reaffirm the request made in its Opinion of 27-28 September 1994 on the Green Paper on audiovisual policy, that its members be given access to the existing studies on pluralism and media concentration.

## 2. Specific comments (regarding points in the reference document)

### *Section I. Regulatory and legal framework*

The Committee of the Regions endorses the conclusion of the Corfu Summit concerning the need to back up the efforts of the private sector by the rapid establishment of a clear and stable regulatory framework. At the same time, it considers it essential for the large-scale introduction of the new information and communications technologies to be accompanied by an extension of Union citizens' rights. This applies not only to the protection of privacy, which the Commission rightly stresses (see Section I.6) and which calls for new solutions in the light of the new interactive services, but also to the need to ensure non-discriminatory and inexpensive access to the new interactive services for all citizens.

*Section I.1. Establishment of an authority at European level*

The Committee of the Regions sees no *a priori* need for the creation of a European authority which might be entrusted with activities at present exercised by the Commission and the Member States. It considers decentralized control to be appropriate insofar as matters must be dealt with as closely as possible to the grass-roots' level. It thinks that increased cooperation between the national authorities will be quite sufficient to ensure greater regard for the European dimension. The Committee of the Regions trusts that the Commission will present it with the 'in-depth studies' of this question in good time; it intends to deliver an Opinion on the planned Commission proposals.

*Sections I.8. Media ownership and I.10 Audiovisual*

The Committee of the Regions reaffirms its Opinion of 27-28 September 1994 on the Green Paper on Audiovisual Policy (Doc. COM(94) 96 final). It repeats its urgent request to the Commission concerning the involvement of the regions in new discussions of further action on 'Pluralism and Media Concentration' from the outset. It regrets the Commission's failure to consult the COR on its Communication on Follow-up to the consultation process relating to the Green Paper on Pluralism and Media Concentration in the Internal Market, and intends to deliver an Own-initiative Opinion in accordance with Article 198c of the EC Treaty.

The Committee of the Regions trusts that, in submitting proposals for the amendment of the Television Directive, the Commission will take strict account of the responsibility of the Member States and their regions for media policy and confine itself to the absolute minimum necessary to guarantee the freedom to provide cross-frontier radio broadcasting services whilst remembering to set up arrangements to prevent the dangerous phenomenon of media concentration.

*Section II.3. Applications*

The Committee of the Regions welcomes the Commission's intention to establish an Information Society Project Office as a user-friendly interface between the Commission and the parties concerned. It sees this as an important means of bringing the Community's activities closer to its citizens. It also considers it desirable for such project offices to be set up in the Member States to cooperate closely with the Commission's office.

The Committee of the Regions welcomes the fact that the private sector will be mainly responsible for financing the networks and the introduction of applications to the market and that the Community will concentrate on providing the information society with funds from existing financial instruments. This is particularly true in the case of the 4th Framework Programme on research, technological development and demonstration and its specific programmes on advanced communication and telecommunication services and information technology. With regard to the concentration of efforts in connection with the Structural Funds, the Committee of the Regions asks that these Funds take account of the new telecommunication systems in future. It also asks that they are administered as clearly as the above 4th Framework Programme.

The Committee of the Regions emphatically welcomes the Commission's initiative to stimulate new forms of partnership between the private and public sectors for the execution of demonstration pilot projects designed to speed up the development of markets whilst ensuring that this is wholly compatible with social concerns. Here, aspects that could affect the handicapped should also be considered. Regional and local authorities are called on to launch such projects in their respective areas, but implementation and financing must essentially be undertaken by the companies concerned. Demonstration projects included in the action plan, involving regions from different Member States, are regarded by the Committee of the Regions as particularly important.

*Section III. Linguistic aspects*

The Committee of the Regions does not underestimate the potential impact of the global information society on the development of individual national languages and particularly the languages of ethnic minorities.

It would stress that linguistic issues are the exclusive responsibility of the Member States and, where appropriate, their regions and that, to this extent, the Community has no competence in this field.

The Committee of the Regions warns against Community interference in the linguistic responsibilities of the Member States and their regions in the context of the 'language-based industry'. It would point out that the Council of Europe's European Charter for Regional or Minority Languages is currently awaiting signature.

An unsatisfactory energy infrastructure would inhibit economic growth in the weak Member States and regions — and, in the final analysis, damage economic and social cohesion.

The Commission proposes an energy policy strategy designed to bolster the objective of greater cohesion between the EU's weak and strong Member States and regions.

This is to be done by:

- systematically taking account of the cohesion aspect when the EU is formulating its energy policy;
- integrating energy with the other EU policies, e.g. regional policy (including the Community initiatives), agriculture, environment, transport, research and social conditions;
- introducing a number of back-up measures to improve the weaker countries' and regions' infrastructure, their energy efficiency and their scope for tapping their own energy potential.

The Communication indicates that the Commission has set four main aims for energy policy:

- to achieve security of supply;
- to promote energy efficiency;
- to limit environmental damage;
- to establish the internal energy market.

These main objectives are to be achieved (a) by linking them to the aforementioned relevant EU policy fields, and (b) with the help of a range of back-up measures, namely:

- Trans-European energy networks: extension of linked gas and electricity networks, expanding rural electrification schemes, ensuring better electrical supply quality, providing support for network management.
- Energy efficiency: energy audits to ascertain the scope for energy saving, local/regional projects to improve energy management in urban areas, promotion of EU energy programmes, refurbishment of heating systems, assistance with the purchase of efficient equipment and support for information and training schemes.
- Renewable energy sources: investment projects to promote electricity generation from renewable energy sources, and promotion of electricity and heat generation from waste, biomass and solar energy.

#### GENERAL COMMENTS

1. The Committee of the Regions welcomes the Commission Communication on Energy and Economic and Social Cohesion, which sets out an energy policy strategy designed to strengthen the economic and social base of the EU's less-favoured regions.

The Committee regards it as vital for the Community to set parameters which give local and regional authorities maximum flexibility for the practical formulation of initiatives, in accordance with the subsidiarity principle; the Committee therefore supports the Commission's wish to confine its action to recommendations, applications and support arrangements. In the Committee's view, this would ensure consistency between local/regional self-government and central policy-making.

2. The Committee of the Regions can support the main principles of:

- improvement of energy supply security and quality;
- improved utilization of energy raw materials;

— improved exploitation of local energy sources, especially biomass energy and waste;

— improvement of air quality in Europe;

— the Committee of the Regions considers it essential to promote energy saving and environmental conservation incentives, for instance through charge and subsidy arrangements.

3. The Committee of the Regions supports the Commission's strategy of integrating economic and social cohesion into energy policy, and of using energy to contribute actively to strengthening this link. This strategy involves:

— establishing an overall approach, or investigating the links between energy and cohesion with a view to highlighting how energy can help to strengthen cohesion, in connection with both energy policy and other policies (regional development, agriculture, environment, transport, research, social conditions). Here it is important to incorporate an energy policy dimension in these spheres;

— introducing a range of back-up measures covering energy infrastructure, energy efficiency and use of the region's own potential.

4. The Committee of the Regions also supports the Commission's strategy based on the following two pillars:

- Energy policy/cohesion, with the cohesion aspect taken into account in energy policy.
- Other policies, which will take account of energy's potential contribution to cohesion. This applies particularly to the Community's cooperation with non-member countries.

5. Moreover, the Committee of the Regions can endorse the idea of integrating the energy systems in Europe as closely as possible, while taking account of regional and structural differences; this would help to reduce disparities in terms of energy efficiency and access to energy. The cohesion objective must therefore be integrated with energy policy and given an active role to play.

6. The Committee considers that efforts should be made in the less developed regions to build up technological knowhow, training and information, and to adapt the institutional and legal frameworks in order to promote energy efficiency and development of renewable energy sources.

7. The Committee of the Regions endorses the basic idea of trans-European energy networks which would enable certain regions to attain the objectives set out in the Communication and which would ensure:

- greater resilience in coping with crises on the global energy market;
- potential for closer cooperation with eastern Europe and the former Soviet Union.

8. The Committee of the Regions endorses the Commission's intention to create more favourable conditions for extending the networks, partly by simplifying national approval procedures. However, the landscape conservation aspect looms large, and the major problem in many countries is that the approval procedures for new networks are very protracted. Thought must therefore be given to including in the EU plan, as a prime objective, measures enabling the Member States to simplify the approval procedures for the extension of new networks, while duly respecting national and regional policies on landscape conservation. A specific EU objective can exert considerable influence and promote the establishment of trans-European networks.

9. The Committee of the Regions supports an internal energy market which seeks a certain harmonization of market conditions in order to ensure equal terms of

competition for suppliers in all countries, provided that each Member State retains the option of formulating its own energy and environmental policy, so as to take account of its historical development and its energy, environmental and social policy priorities.

However, the Committee feels that the need for EU-directed management of the network should be considered separately from plans to establish an internal energy market under fair competitive conditions.

## SPECIFIC COMMENTS

### Energy programmes

10. The Committee of the Regions takes the view that the more detailed rules for implementing the Thermie programme should be adjusted to allow for conditions in the less developed regions. Bodies in or near these regions which are concerned with promoting energy technology could carry out detailed work to establish which innovative technology is best suited to their energy requirements, and take steps to support the economic decision-makers who are interested in applying such technology and those in a position to introduce it.

The Committee also welcomes the programme's emphasis on training.

11. The Committee of the Regions endorses the projects in the Joule programme concerning the least-developed regions, first and foremost for renewable energy sources.

At the same time the Committee endorses the Commission's proposal to allow research bodies in the least-developed regions to cooperate with institutions outside these regions on projects covered by the Joule programme. This is intended to improve the qualifications of teaching staff throughout the EU.

12. The Committee considers that a special approach must be adopted for regions which have less scope for taking some of the measures proposed in the SAVE programme, such as certification of buildings, development of bodies concerned with third-party financing and energy audits.

13. The Committee thinks that attention should be given to the institutional and financial aspects in the less-favoured regions involved in the Alterner programmes. It is important to remove legal obstacles and provide investors in renewable energy sources financing terms at least on a par with those enjoyed by

the large energy companies. External factors should also be taken into account.

#### Other EU programmes

14. The Committee of the Regions supports the Commission's proposal to provide Interreg support for establishing bodies responsible for drawing up and implementing various measures for the common utilization of the regions' own potential, and thus to promote the transfer of knowhow among the regions. These measures should however include specific training initiatives.

15. The Committee feels that specific reference should be made to the important contribution made by Adapt. This scheme comes under the European Social Fund's new Objective 4 (workers' adaptation to industrial changes), which subsidizes training in the rational use of energy. The main aims of Adapt are to help workers adjust to changes, to improve firms' competitiveness through training, to reduce unemployment by improving workers' skills, and to create new jobs and new activities. These cover, *inter alia*, the energy sector, and help to boost cohesion within it.

#### Energy planning and management

16. The Committee of the Regions considers that a thorough understanding of the contribution of regional energy programmes to regional economic development is contingent on such programmes being carefully assessed, *inter alia* by applying objective criteria and developing a suitable methodology.

17. The Committee stresses the need for the integration of energy management with environmental, land use, and transport planning and emphasizes the important role that local and regional authorities play in such integration.

In addition the Committee notes that there is a need to clarify the projects which can be implemented in connection with energy planning in regions and urban areas. Special attention should be given to efficient use of energy for heating and air conditioning for transportation, to air quality and prevention of health problems. Regional and local authorities must lead the way in energy efficiency by ensuring proper management of the buildings for which they are responsible.

18. The Committee agrees that the Commission should attach importance to energy management measures as well as catering for network extensions

where appropriate in rural, island and remote areas. Here the coordinated use of decentralized power/heating production (e.g. in Denmark) is of interest.

19. The Committee feels that emphasis should be placed on management of gas, electricity and heating networks and energy management in urban properties, on high quality energy services, including information to the population in order to improve energy efficiency, and as a rule on projects to improve energy efficiency in urban areas (urban environment).

20. The Committee welcomes the measures to create cross-border links, and the idea of involving representative bodies, harmonizing legislation and encouraging people with differing experience and background to work together, *inter alia* in connection with the exchange of experience and knowhow transfer networks, such as FEDARENE for the Regions, ENERGIE-CITÉS for the Municipalities and ISLENET for the islands.

21. The Committee also endorses the Commission's efforts to limit CO<sub>2</sub> emissions, as well as the Community's and Member States' commitments in relation to the framework convention on climatic changes.

Air quality should enjoy high priority in the EU's energy policy. Environmental requirements should be harmonized at a high level, if necessary by introducing a common CO<sub>2</sub> and energy tax and by harmonizing taxes with a view to securing energy savings and a cleaner environment.

#### Training and education

22. The Committee of the Regions maintains that increased attention for the development of human resources and training measures would ensure effective transfer and use of knowhow, dissemination of technology and better management of the resources in the energy sector, thereby strengthening cohesion between the Member States.

23. However, training measures in the energy field must be compatible with the energy needs and potential of the region concerned. A number of EU research activities in the energy sector, such as the Joule and Thermie programmes, have had difficulties in disseminating technology to less developed regions. They cannot simply be lumped together: a flexible approach, taking

account of differing local conditions and needs, must be adopted.

24. The Committee supports the Commission's proposal to set up organizations for the promotion of energy technology (OPET) under the Thermie programme, to research the specific conditions in the less developed regions and to take steps to support the economic decision-makers who are interested in, or in a position to use, the technology, and those who could be trained to use it.

25. The Committee adds that support should be given to local groups concerned with identifying how their special needs can be catered for. The training programmes must take account not only of local bodies' capacity to assist seconded experts, but also of their ability to provide on-going support for the project when the expert has left. Networks which support 'cascade operations' in connection with knowhow transfer should be promoted with assistance from, or by employing, suitable experts.

#### Research and Development

26. The Committee of the Regions underlines that reference should be made to the proposed special RTD programme for the training and mobility of research staff under the fourth framework programme (1994-1998). This will play an important role in strengthening cohesion in the energy sector, since it provides training and research outlets for scientific institutions and researchers in the EU's less favoured regions. The programme provides for distance learning in the less

favoured regions and supports measures which promote their involvement in the programme. Telecommunications are very important for remote areas.

27. The Committee points out that it is essential to initiate cooperation between instructors, researchers and information specialists in order to coordinate activities and to avoid unnecessary duplication and waste of resources. Comprehensible reports on energy policy and projects, as well as conferences and seminars, should be promoted as part of that effort. In addition, a central database should be set up, to be used both reactively for answering queries and proactively for disseminating available information as widely as possible. The database should include information obtained from government and non-government bodies, universities and research institutions throughout the EU. The local and regional authorities have an important role to play in promoting closer cooperation at grass roots level.

28. The Committee agrees that the economic and social dimensions, together with the development of training measures, are key aspects of energy policy.

#### Funding

29. The Committee of the Regions also endorses the idea that, before any funding arrangements are drawn up, the Commission's basic energy strategy must be implemented (see point 4 above). To qualify for support, projects must undergo an environmental impact assessment and be eligible for support from regional and local authorities.

Done at Brussels, 2 February 1995.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

## APPENDIX I

**Supplementary opinion of the Committee of the Regions**

On 26 July 1994 the Committee of the Regions, acting under Article 9(1) of the Rules of Procedure, decided to draw up a Supplementary opinion to be annexed to the main Opinion on the communication from the Commission on Energy and Economic and Social Cohesion.

The Commission on Education and Training, which was responsible for preparing the Committee's work on the subject, adopted its Supplementary opinion on 5 September 1994. The Rapporteur was Dr John Evans.

This Supplementary opinion is enclosed with the Opinion of the Committee of the Regions (CdR 22/95) adopted at its sixth plenary session (meeting of 2 February 1995).

**1. Introduction**

The Committee positively supports the Commission's objective of integrating economic and social cohesion into the Community's energy policies and the overall approach proposed in the Communication to achieve this.

It stresses the importance of attitudinal change in the development of energy policy in particularly with regard to the elimination of waste which necessarily involves education and training policy.

1.1. The disparities that exist between the regions in the efficient use of and access to energy can be attributed to an inequity in the matters of efficient resource management, of adaptation to renewable energy resources, new technologies and new working methods in the energy field.

1.2. The Committee of the Regions maintains that only through increased emphasis on the development of human resources and training measures can there be effective transfer and application of know-how, technology diffusion and better management of resources in the energy sector which in turn strengthen cohesion between the Member States.

**2. Specific comments**

2.1. The Committee considers that there should be a specific reference to the important contribution of the Adapt initiative which comes under the new Objective 4: 'Adaptation of workers to industrial change' of the ESF, where training measures in the rational use of energy are given support. Moreover, the main aims of the Adapt initiative are to adapt workers to changes, to improve the competitiveness of firms through training, to prevent unemployment by improving qualifications and to create new jobs and fresh activity. These cover the energy sector amongst others, thereby contributing towards greater cohesion in the energy sector.

2.2. The Committee supports the strong emphasis given to training within the Thermie programme concerned with the promotion of new energy technologies in particular the transfer of know-how and technology to SMEs and information and training in the less favoured areas through local associations' cooperation.

2.3. Increased focus on training measures should, however, be given in all other community actions concerning the energy sector.

2.4. The Committee endorses the Commission's call for regional development programmes to include the proposed supporting measures, in particular to enable training programmes to be set up and to support local and regional bodies responsible for preparing and carrying out the proposed supporting measures, since they play a vital role in human resource development.

2.5. Training measures in the field of energy should, however, be compatible with the energy needs and endogenous potential of the region in question. Difficulties in disseminating technologies to less developed regions have been experienced in a number of Community research activities in the field of energy such as Joule and also in the Thermie programme. Good practice therefore cannot be applied



unquestioningly. There has to be a flexibility of response which takes into account different local circumstances and local needs.

2.6. The Committee supports the Commission's proposal for Organizations for the Promotion of Energy Technology, (OPETs) within the Thermie programme to carry out research on the specific characteristics of the less developed regions and to identify and support the economic operators interested in and capable of using the technology as well as those who could be trained to do so.

2.7. The Committee adds that support should be given to local groups engaged in identifying ways of addressing their particular needs. It stresses that training programmes must take into account not only the ability of local agencies to provide the back-up for visiting experts but also their ability to provide follow-up support to the project once the expert has left. Networks supporting cascading operations in the transfer of knowledge should be encouraged with secondment or employment of appropriate experts.

2.8. It endorses the Commission's proposal to strengthen the association of research bodies from the less developed regions in partnership with those situated outside their regions in projects covered by the Joule programme since this improves training potential of trainers throughout the EC.

2.9. The Committee maintains that reference should be made to the proposed specific research and technological development programme in the field of the training and mobility of researchers within the 4th Framework programme (1994-1998) which should play a vital role in strengthening cohesion in the energy sector, enabling scientific institutions and researchers in the less favoured regions of the Community to gain training and research opportunities. The programme introduces the possibility of training through distance learning for the less favoured regions and supports measures encouraging their participation in the programme. It adds that the Committee of the Regions' Opinion on Socrates<sup>(1)</sup> also emphasized the importance of electronic communications for remote areas.

2.10. The Committee stresses that there is a vital need to draw together trainers and researchers as well as information disseminators in order to coordinate action and to avoid unnecessary duplication of work and a waste of resources. User-friendly reports on energy policy and projects, conferences and seminars should be promoted to support these efforts. Moreover, a central database should be set up which should be both re-active by responding to enquiries and pro-active in seeking to disseminate and publicize the information available as widely as possible. The database would include information from governmental and non-governmental agencies, universities and research institutions across the EU. Local and regional authorities have a key role to play here in promoting greater cooperation at grass roots level.

2.11. The Committee also supports the Commission's call for special treatment for less-developed regions within the SAVE programme who have a lower capacity for implementing certain recommended measures such as building certification, due to lack of trained technicians. Technicians as well as technician trainers should be given opportunities to train or to retrain in order to meet approved and accepted standards within the EU.

2.12. Moreover, it agrees with the Commission that the results of regional and urban energy planning schemes should be taken into account, especially within regional development programmes since they contribute towards a better appreciation of the training requirements and better coordination of measures with regional and national authorities.

2.13. The possibility to grant aid within regional and urban energy planning for setting up local or regional teams to advise users on the rational management of energy should be stepped up. Moreover, a more coherent training component should be incorporated into this measure.

2.14. The Committee supports the Commission's proposal to implement actions concerning the setting up of bodies responsible for organizing and implementing various schemes for the joint exploitation of endogenous potential, within the framework of Interreg, thus promoting the transfer of know-how between different regions, yet calls for specific training measures to be included in these

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<sup>(1)</sup> OJ No C 217, 6. 8. 1994, p. 18.

actions. It recalls the Committee of the Regions' Opinion on the future of Community initiatives under the Structural Funds<sup>(1)</sup> which supported the promotion of cross-border measures in the field of education and training within the Interreg initiative.

### 3. Conclusions

3.1. The Committee maintains that the challenge of developing human resources should not be solely faced by targeted programmes. A horizontal approach is necessary so that all Community actions in the energy sector contain specific training provisions, enabling not only a transfer, but effective application of the know-how and technology introduced, thereby improving the employment opportunities and growth potential of the region in question. It calls for better coordination and cooperation across all energy related programmes, drawing out the training implication elements of each, together with the budgetary allocations, in order to allow a more effective response, as opposed to piece-meal approaches. It emphasizes that more effective training provisions will necessarily contribute towards the development of research and new technology.

3.2. The development of human resources and training measures should therefore be an important component in the strategy proposed by the Commission for integrating the objective of Economic and Social Cohesion into energy policy.

Brussels, 5 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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## APPENDIX II

### Supplementary opinion of the Committee of the Regions

On 26 July 1994 the Committee of the Regions, acting under Rule 9(1) of its Rules of Procedure, decided to draw up a Supplementary opinion on the communication from the Commission on Energy and Economic and Social Cohesion.

Commission 8 — Economic and Social Cohesion, Social Policy and Public Health, which was responsible for preparing the Committee's work on the subject, adopted the following Supplementary opinion on 7 September 1994. The Rapporteur was Mrs Bolger.

This Supplementary opinion is appended to the Opinion adopted by the Committee of the Regions (CdR 22/95) at its 6th plenary session (meeting of 2 February 1995).

### THE COMMITTEE OF THE REGIONS

- having regard to Article 2 of the Treaty establishing the European Community which includes the task of promoting economic and social cohesion and solidarity between Member States as objectives essential to the Community's development and success and having regard to Article 3 which refers to the strengthening of economic and social cohesion as one of the activities of the Community for the purposes set out in Article 2;
- having regard to article 130a of the Treaty which stipulates that, in order to promote its overall harmonious development, the Community is to develop and pursue its actions leading to the

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<sup>(2)</sup> OJ No C 217, 6. 8. 1994, p. 5.

strengthening of its economic and social cohesion, and in particular is to aim at reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions, including rural areas;

- having regard to article 129b of the Treaty which refers to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures and to Article 129d which refers to the consultation of the Committee of the Regions;
- having regard to the Communication from the Commission to the Council, the European Parliament and the Economic and Social Committee 'Energy and Economic and Social Cohesion' (Doc. COM(93) 645 final);
- having regard to the discussions which arose from the conferences organized in Lisbon in June 1992 on the subject of 'Energy and Economic and Social Cohesion in the Community and in Milan in July 1993 on the subject 'Energy and the Regions'.

## INTRODUCTION

In the Communication, the Commission is proposing a strategy for integrating the objective of economic and social cohesion into energy policy and, at the same time, for using energy to help strengthen such cohesion; to this end it puts forward the following aspects:

- the 'Energy Policy and Cohesion' aspect, in which energy policy takes account of cohesion via
  - programmes for energy management;
  - programmes for the development of energy technology;
  - the completion of the internal energy market;
  - the development of trans-European energy networks;
- the aspect relating to 'Other Policies, Energy and Cohesion', in which other policies take account of the ways in which energy can contribute to cohesion via
  - consistent implementation of energy-related supporting measures;
  - the encouragement of regional and local authorities to take account of energy projects in their development programmes;
  - including energy-related elements in new Community initiatives. These elements would relate in particular to:
    - 'Cross-border energy'
    - 'Energy and the Countryside, Islands and the Outermost Regions'
    - 'Energy and the Urban Environment'.

Energy is obtainable from either non-renewable (e.g. fossil fuels such as coal or oil, or nuclear fuels) or renewable (e.g. solar, tides, wind, etc.) sources. Generally, the use of non-renewable forms of energy is also more destructive, environmentally, than obtaining energy from renewable sources. Supplies of non-renewables are also, by definition, finite and their price will increase as supplies steadily become scarcer.

## GENERAL COMMENTS

### THE COMMITTEE OF THE REGIONS

1. stresses that economic development and social progress are closely linked to the availability of energy resources. Energy and development are intimately bound up with one another;
2. points out that the least favoured regions of the Community are in the worst situation as regards energy, which is both one of the causes and one of the consequences of their economic backwardness;
  - 2.1. regrets that the countries in which they are found are the most heavily dependent on imported sources of energy consumption;

- 2.2. underlines that they have the lowest levels of energy consumption per capita;
- 2.3. stresses that they are inefficient in their use of energy, chiefly because they are technologically backward and their sources of energy supply are less diversified;
- 2.4. points out that they have little or no access to the major inter-connected energy networks;
- 2.5. supports in many cases where the possibility exists, with current technology, to develop the small-scale supply of locally-produced renewable energy (e.g. solar, wind, tides, small-scale hydro) in such areas;
3. reminds that the achievement of the main objectives of Community energy policy can often have widely differing impacts on economic and social cohesion;
- 3.1. shares the view expressed in the Communication that the security of supply means the constitution of strategic stocks with considerable expenditure and costs with a heavier burden on the less developed countries and least developed regions;
- 3.2. stresses that the extension and improvement of networks and their interconnections helps improve standards of living and stimulates economic activity, but also requires major capital expenditure;
- 3.2.1. is disappointed that such projects are generally economically viable only in the medium to long term and consequently have little attraction for private operators;
- 3.2.2. underlines that excessive subsidies for the networks can prove a serious disincentive to the exploitation of regional or local energy resources;
- 3.2.3. stresses that the extension of energy networks will have to take account of possible synergies with other networks of transport and telecommunications, thus limiting environmental impact;
- 3.3. shares the view that the promotion of energy efficiency and the development of renewable energy resources help strengthen economic and social cohesion;
- 3.3.1. recognizes that both these approaches generate economic activity, thereby creating added value and employment and that they both improve the quality of the environment and standards of living;
- 3.3.2. would point out however that energy efficiency and the development of renewable energy resources require technology and know-how which are not always readily available;
- 3.3.3. regrets that local resources are less competitive than 'centralized' energy resources. This can be related to the regional and local operators' lack of know-how;
- 3.3.4. considers that inappropriate institutional and legal frameworks mean that the potential of these regions cannot always be fully exploited;
- 3.3.5. is convinced that interregional cooperation can be a way to combine different regional, cultural, historical and economical situations in order to achieve common objectives of energy efficiency. (FEDARENNE is a good example of inter-regional cooperation);
- 3.3.6. is certain that interregional cooperation can contribute to the transfer of 'know-how' from the more-developed regions in the field of energy efficiency, to the less-developed ones;
- 3.4. hopes that the completion of the internal energy market will make it possible to take greater advantage of the complementarity between energy systems;
- 3.4.1. points out, however, that prices will not fall equally in all countries and regions of the Community. In some less developed regions and areas the low level of consumption and the remoteness of these regions makes it uneconomical, even with subsidies, to extend the infrastructure to those areas;
- 3.4.2. is displeased to note that intensive consumers in the less developed regions, given their remote geographical location, will benefit only slightly from the relative decrease in gas and electricity prices;
- 3.4.3. would point out that the liberalization of the market in oil products will intensify competition and lead distributors to undertake increasingly severe rationalization. There may be a reduction in the number of sales outlets in areas which have a low population density, and are not within easy reach of the major road networks;

3.4.4. underlines that in the least developed regions of the Community, and especially in certain rural areas and in the outermost and island regions, the internal energy market will initially not necessarily mean easier access to energy;

3.4.5. is displeased to note the monopolistic or oligopolistic structure of the energy market and that this market is reserved for state enterprises in most of the Member States, which consequently makes the completion of the internal energy market more difficult;

3.4.6. notes that current practices, including competition between different utilities, can lead to an encouragement of energy consumption rather than its conservation;

4. gives its express approval to the proposal to introduce the proposed supporting measures to help strengthen cohesion not only via energy policy but also through their impact on other Community policies: environmental policy, common agricultural policy, transport policy, research policy, policies of town and country planning and regional development, policies for employment and industrial change;

5. calls for the Commission to assist local and regional authorities in the field of training and education in energy awareness and energy management.

### SPECIFIC COMMENTS

#### THE COMMITTEE OF THE REGIONS

##### 6. THERMIE

stresses that the programme should be implemented differently in the less-developed regions. The OPETS located in or near the regions could carry out detailed research in order to identify the innovative technologies which are best suited to the energy requirements of these regions and to discover and support the economic operators who would be interested in using such technology and those capable of installing it;

##### 7. JOULE

welcomes the projects in the less well-developed regions, mainly in the area of renewable energies;

##### 8. SAVE

emphasizes the special treatment that should be given to regions who have a lower capacity for implementing certain recommended measures such as building certification, development of bodies which practice third-party financing, energy auditing;

##### 9. ALTERNER

shares the view that emphasis must be placed on the institutional and financial aspects as they affect the less-favoured regions. It is important to remove legal obstacles to provide investors in renewable energy with financial conditions at least as favourable as those available to the major energy producers and to take proper account of externalities;

10. points out that a deep understanding of the contribution that regional energy programmes make to regional economic development will only be achieved if such programmes are properly evaluated, including the use of objective measures and the development of a suitable methodology;

**11. Regional and Urban Energy planning scheme**

stresses the need of having a precise identification of projects which might be carried out under the abovementioned programmes. Special attention should be given to the efficient use of energy in heating and ventilation, to the quality of the air and to the prevention of health problems;

believes that regional and local authorities must lead the way in energy efficiency by correct management of buildings under their control;

**12. Energy and the Countryside, Islands and the Outermost Regions**

agrees with the Commission that priority should be given to energy-saving schemes, leaving room for network extensions where these make sense;

**13. Energy and the Urban Environment**

urges that the emphasis should be on the management of gas, electricity and heating networks, on urban energy management and on schemes to improve energy efficiency in urban areas;

**14. Energy and Cross-border Areas**

welcomes these schemes set up between frontier regions, bringing together heterogeneous institutions, harmonizing regulations and getting people with different experience and know-how to work together.

**15. As a conclusion, the Committee of the Regions**

is convinced that when the overall strategy for integrating the objective of economic and social cohesion into energy policy has concluded and decisions on policies and programmes are formulated, the Committee of the Regions must ensure that quality of life is protected and that the health and welfare of all European citizens are improved.

Brussels, 7 September 1994.

*The Chairman*  
*of the Committee of the Regions*  
Jacques BLANC

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