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I

(Resolutions, recommendations and opinions)

OPINIONS

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

461ST PLENARY SESSION HELD ON 17 AND 18 MARCH 2010

Opinion of the European Economic and Social Committee on 'The roadmap for equality between women and men (2006-2010) and follow-up strategy'

(2010/C 354/01)

Rapporteur: **Laura GONZÁLEZ DE TXABARRI ETXANIZ**

In a letter dated 25 September 2009, the Vice-President of the European Commission Margot Wallström asked the European Economic and Social Committee to draw up, under Article 262 of the Treaty establishing the European Community, an exploratory opinion on

The roadmap for equality between women and men (2006-2010) and follow-up strategy.

The Section for Employment, Social Affairs and Citizenship, which was responsible for the Committee's work on the subject, adopted its opinion on 23 February 2010.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March), the European Economic and Social Committee adopted the following opinion by 137 votes to three, with five abstentions.

1. Recommendations

1.1 In addition to being an aim in itself, equality between women and men is a prerequisite for meeting the EU's aims for growth, employment and social cohesion.

1.2 The Mid-term assessment of the roadmap for equality is taking place at a time of economic crisis. It is important to note the impact and consequences of this crisis on women and men, given their different positions in society.

1.3 Equality should be mainstreamed into all policies, especially social and employment policies, and efforts should be furthered to remove barriers preventing women and men from participating fully and equally in the labour market.

1.4 To ensure and improve women's financial independence, both the quantity and the quality of female employment should be improved, including support for the self-employed. The risk faced by women of falling into a precarious situation must be

addressed and a fair distribution of family and domestic responsibilities encouraged.

1.5 Unequal pay has structural causes: the undervaluing of skills traditionally viewed as female, occupational and sectoral segregation, precarious employment, breaks in working life, etc. Legislation and collective agreements are effective instruments for tackling the issue of unequal pay, with the need for all economic and social stakeholders to be involved.

1.6 The greater presence of women in business and political activities fosters equality, women's economic independence, victory over gender stereotypes and the promotion of women in the decision-making process.

1.7 Women are particularly vulnerable to social exclusion and poverty. Tailoring social rights to individual needs, a guaranteed minimum income and taking into account periods of inactivity and reduced working hours enabling women to take care of a relative/dependent are measures that improve social protection and lower the risk of people falling into poverty.

1.8 Reconciling family life and work is crucial to achieving equality and improving jobs for women: high-quality public social services and improvements to existing maternity, paternity and parental leave. Progress needs to be made on all social stakeholders accepting responsibility for ensuring that household and caring tasks are fairly divided.

1.9 The EESC considers that the equal representation of women in decision-making must be promoted and that the Member States should, therefore, make a greater commitment, by setting clear goals and implementing effective measures such as positive action, equality plans, etc.

1.10 Given the persistence of gender-based violence and human trafficking, the Committee is of the view that current legislation should be enforced and national action plans should be drawn up, coordinated by a global European strategy, and that specific programmes in the field should be boosted.

1.11 To combat sexist stereotypes the EESC considers it is essential to educate society along non-sexist lines, offering training to both men and women, encouraging more women to study science and technology, attaching greater value to jobs traditionally viewed as 'female' and avoiding sexism in the media.

1.12 Use should be made of the EU's foreign and development policy to promote women's rights on the international stage, improving their skills and empowerment.

1.13 The EESC considers that gender analysis needs to be fully mainstreamed into all of the Commission's spheres of activity and should be recognised in European and national budgets. Staff trained in equality issues will be needed to ensure this, in addition to indicators broken down by gender that help show the situation affecting women and men and assess the degree of compliance with the equality plan.

1.14 In the new equality strategy to be followed from 2010 the objectives cannot become mere recommendations from the Commission to the Member States. Instead, they should be binding directives with quantifiable objectives. Greater political involvement is therefore required at all levels. The EU institutions must lead by example, looking at a proactive review of work done and an impact assessment on implementation.

2. General comments

2.1 The Roadmap for equality between women and men 2006-2010 demonstrates the European Commission's commitment, working together with the Member States, to making progress on equality. At the Commission's request, the EESC is carrying out a review of the roadmap for equality, studying the impact of the measures adopted and the extent to which they have been achieved, and is also making proposals for action for the new strategy in 2010.

2.2 The EESC acknowledges the EU's wide-reaching commitment to equality: the 1957 Treaty of Rome introduces the principle of equal pay, the 1999 Treaty of Amsterdam adopts a dual approach which combines a cross-sectoral method with specific measures and the Treaty of Lisbon gives an explicit commitment to eliminating inequalities and promoting equality.

2.3 At the international level, the EU has signed up to the Beijing Platform for Action, the Millennium Goals, and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), which places women firmly at the centre of human rights concerns.

2.4 Despite this broad regulatory framework, the stated aims have not been achieved and inequality between women and men is still a reality. No significant progress has been made in any of the six priority areas for political action set out in the roadmap for equality between women and men (2006-2010). In light of this, real political will to make change has to be questioned. Incorporating the principle of gender equality, which is a key factor for competitiveness and growth, should be a priority for the EU's new 2020 Action Strategy.

2.5 The evaluation of the roadmap for equality between women and men (2006-2010) is being carried out during an economic downturn, and the implications of the crisis for women need to be studied, given their different position in the labour market and in public social spending policies, especially those concerning social services, which are the policies that most affect women.

2.6 The crisis has affected in the first place sectors traditionally occupied by men, such as construction, transport and industry, and has subsequently spread to other sectors where a larger proportion of women work (banking services and the commercial sector for example). In many families the women's salary thus becomes the only source of income, which is generally lower than men's because women tend mostly to be employed in the service sector, on part-time or temporary contracts, or in the hidden economy. All of these factors in turn have a detrimental effect on the national economy, as they inhibit private consumption and thus slow down recovery.

2.7 The crisis also has an effect on social policies; women receive fewer unemployment benefits in terms of both amount and duration, due to their often weaker position in the labour market. Furthermore, basic public services such as healthcare, education and social services in general provide less coverage just when families, and especially women, need it most. As these are also sectors in which the female workforce is concentrated, this will again have a knock-on effect on women's employment.

2.8 Measures to combat the crisis cannot be gender-neutral and where necessary, the new policies to achieve economic recovery and the current Structural Funds programmes must take account of the different positions that men and women occupy in society.

2.9 Equality should be a priority, not only in order to address the current crisis and the longer-term recovery, but also to deal with the demographic and economic challenges that affect the European social model and that have an impact on women and their financial independence.

3. Specific comments – Part I: Priority Areas of Action for Gender Equality

The 2006-2010 Roadmap for equality outlines the commitments and measures deemed necessary to make progress on equality and to eliminate inequalities.

The first part of the plan sets out six priority areas for political action, with their corresponding indicators:

1. Achieving equal economic independence for women and men
2. Reconciling work with private and family life
3. Promoting equal participation of women and men in decision-making
4. Eradicating all forms of gender-based violence
5. Eliminating sexist stereotypes
6. Promoting gender equality in external and development policies.

The second part focuses on improving governance.

3.1 *Achieving equal economic independence for women and men*

3.1.1 Reaching the Lisbon employment targets

3.1.1.1 Many countries are still failing to meet the Lisbon Strategy's target of having 60 % of women in employment. While 70,9 % of men are employed, only 58,8 % of women are in employment ⁽¹⁾, and in the over-55 age bracket, 36,8 % of women are employed compared with 55 % of men. Women are more likely to be unemployed, but the gap is decreasing as the economic crisis develops (9,8 % in comparison to 9,6 % of men).

⁽¹⁾ Source: Eurostat (LFS), employment as of February 2009 and unemployment as of September 2009.

3.1.1.2 There is a need to improve both the number of jobs available to women and the quality of these jobs, as women are over-represented in low-paid sectors and in jobs that are more likely to be precarious. Part-time work is predominantly feminine (31,5 % women compared with 8,3 % men) and 14,3 % of female employees are employed on a temporary contract. Furthermore, when women are also mothers, their rate of employment falls by more than 10 percentage points which reflects the unequal distribution of family tasks and the insufficient care infrastructure.

3.1.1.3 The EESC recommends making a joint study of women's unemployment rates and the rate of women's inactivity for family reasons ⁽²⁾. Due to their role as carers, women often do not meet the criteria to be considered 'unemployed', with inactivity thus becoming a form of hidden unemployment.

3.1.1.4 A multidisciplinary approach is required, as this would help supplement employment policies with educational and social measures, a form of education that eradicates stereotypes in employment, high-quality public social services that guarantee care for dependent persons and campaigns to raise awareness about the division of domestic work between women and men.

3.1.1.5 The Commission should include and promote equality in all its programmes (as it does with the PROGRESS programme. The Structural Funds provide the ideal framework; they help to provide information on how countries are achieving this goal, carry out an annual assessment of the gender impact of such measures by country and also to establish appropriate measures and penalties for countries which do not ensure the quantity and quality of jobs for women.

3.1.2 Eliminating the gender pay gap

3.1.2.1 Achieving wage parity is crucial to achieving equality but despite the advances made in legislation, the pay gap between women and men has gone up to 17,4 %, and is as high as 30 % for women over 50.

3.1.2.2 The wage gap is structural in origin: segregation into undervalued economic sectors and low-paid professions, a greater presence in the hidden economy and in precarious jobs, and career breaks or working fewer hours for family reasons are factors which all have detrimental effects on women's salaries.

3.1.2.3 The EESC ⁽³⁾ recommends that each Member State scrutinises its legislation on contract conditions and pay in order to avoid direct and indirect discrimination against women.

⁽²⁾ The rate of inactivity on the grounds of providing family care (children or dependents) for women between 25 and 54 stands at 25,1 %, compared with only 2,4 % for men. 19,2 % of women, compared to 2,9 % of men are inactive due to other family responsibilities (Source: LFS, Eurostat, 2008).

⁽³⁾ OJ C 211, 19.8.2008, p. 54.

3.1.2.4 Legislation should incorporate control mechanisms that will detect gender discrimination, promoting transparent job classification systems so that the qualifications, experience and potential of all staff are valued and rewarded equally.

3.1.2.5 Collective bargaining is a useful tool for incorporating non-sexist criteria for rating jobs, training leave for women's career advancement, career breaks and special leave for family reasons, flexible working hours, etc. that reduce differences in salaries.

3.1.3 Women entrepreneurs

3.1.3.1 Despite being highly qualified, women still form the minority in management positions within companies. The Commission has promoted equality in the framework of Corporate Social Responsibility, increased State aid for women's start-ups (Regulation (EC) No 800/2008), and has given its support to the European Network to promote Women's Entrepreneurship. In addition to governments and official bodies, this network should involve relevant civil society organisations with a view to benefiting from the exchange of experiences and good practices.

3.1.3.2 It is suggested that the recommendations of the EU Entrepreneurship Action Plan on increasing women's start-ups be implemented through measures such as providing better access to finance and credit, developing entrepreneurial networks that provide organisational and advisory services, appropriate vocational training and re-training, promote good practices, etc.

3.1.4 Gender equality in social protection and the fight against poverty

3.1.4.1 Women are especially vulnerable to social exclusion and poverty. Women's unequal position in the labour market and their dependency on social protection systems are factors that contribute to this situation.

3.1.4.2 Conditions of access to social protection should be made the same for women and men. Shorter working days for family reasons, the use of maternity and/or parental leave to look after children, part-time or temporary work, segregation and wage discrimination are factors that reduce the amount and duration of the future social benefits received by women, especially as regards unemployment benefits and retirement pensions. To mitigate this situation partially, measures should include recognising time spent carrying out unpaid work, working shorter hours and stopping work for family reasons as fully paid up tax periods.

3.1.4.3 Public social protection should guarantee a decent minimum income that reduces the risk of poverty by focussing in particular on elderly women, widows who are in receipt of a derivative pension, and single-parent families headed by women.

3.1.4.4 Special attention should be paid to the private pension schemes established in some countries, since future pensions are determined by individuals' income and life expectancy, which penalises women in particular.

3.1.4.5 2010 is the European Year for combating poverty and social exclusion, and also marks the end of the Lisbon Strategy and the implementation period for the Open Method of Coordination. The EU's new 2020 Strategy should set specific objectives and measures that are more effective in both the short and long terms, to combat poverty, especially poverty affecting women.

3.1.5 The gender dimension in health

3.1.5.1 The EESC considers that a new health strategy is needed which takes account of the different health requirements of men and women, but points out that no tangible measures have been provided for to achieve this. Further work is therefore needed on researching women's health and the illnesses affecting them.

3.1.5.2 The ageing population coupled with women's participation in the job market will increase the demand for long-term care services in future. The Member States should guarantee high-quality public health and social services: the lack of such coverage has a particularly negative impact on women, as they are primarily responsible for providing care.

3.1.6 Combating multiple discrimination, in particular against immigrant and ethnic minority women

3.1.6.1 The EESC reiterates the need to mainstream the gender perspective into migration and asylum policy. Closer attention should be paid to immigrant women and women from ethnic minorities, as they suffer the greatest inequalities and are in a particularly vulnerable position, especially given the current economic crisis⁽⁴⁾.

3.1.6.2 The increasing number of women migrants is directly linked to the demand for workers in the domestic and care work sectors, due largely to the lack of social infrastructure. Significant numbers of women immigrants are employed in sectors where casual and precarious jobs are typical. There is a need to 'professionalise' and regularise these jobs, and promote professional qualifications to ensure women immigrants are better incorporated into the job market.

3.2 Reconciling work with private and family life

3.2.1 Where women's employment is concerned, the targets set in the Lisbon Strategy have been reached, despite the failure to meet the Barcelona Objectives for childcare facilities (33 % coverage for children under the age of 3 and 90 % for children aged between 3 and 6). A care service infrastructure is essential, with available places and a flexible range of services that guarantees a tailored, high-quality approach: arrangements for

⁽⁴⁾ See the opinions in OJ C 182, 4.8.2009, p. 19 and OJ C 27, 3.2.2009, p. 95.

out-of-hours and holiday periods, canteens and specialist centres to cater for different degrees of dependency. Investment in social services not only has positive effects on the economy and especially employment; it is also of great social benefit.

3.2.2 Caring for children and dependent persons requires flexible working hours and working time thus needs to be reorganised to meet people's family and work requirements and also to be equally accessible to women and men.

3.2.3 Many women use part-time work as a means of reconciling working life and family life, partly due to the lack of care facilities. The increasing proportion of women in part-time work, however, is due not only to family obligations but is also in many cases the only way in which women can access the labour market ⁽⁵⁾.

3.2.4 As regards leave, the individual rights of men and women should be put on an equal footing, regardless of the type of employment contract they have (freelance, temporary or open-ended contract for example). The EESC therefore welcomes the agreement reached between ETUC, Business-europe, CEEP and UEAPME to extend parental leave ⁽⁶⁾, although it deems it crucial to continue working towards full equality. The EESC welcomes the Commission's initiative to improve protection for workers who are pregnant, have recently given birth or are breastfeeding and agrees that paid maternity leave of at least 18 weeks should be guaranteed ⁽⁷⁾.

3.2.5 A clear commitment should be given to ensuring that all social stakeholders share responsibility for domestic work and care, which in the main is carried out by women, and thus ensure that the best use is made of all human capital. A campaign is needed to encourage households to share domestic work and caring (one cause of inequality), as is a re-assessment of this type of work.

3.3 Promoting equal participation of women and men in decision-making

3.3.1 A firmer commitment is required to achieve gender equality in the decision-making process ⁽⁸⁾ in the economic, political, scientific and technological spheres. The situation

⁽⁵⁾ In 2008, in the EU, 31,5 % of women in employment held a part-time job, as opposed to 8,3 % of men. 27,54 % of women in part-time jobs claimed that this was because they were the carers, either for young children or older dependents and 29,2 % because they could not find a full-time job (compared with 3,3 % and 22,7 % of men respectively). Source: EFT, Eurostat.

⁽⁶⁾ Parental leave is extended from three to four months, with one month not transferable for the father, and applies to all workers regardless of the type of contract they have.

⁽⁷⁾ OJ C 277, 17.11.2009, p. 102.

⁽⁸⁾ 10 years ago, at the Conference on Women and men in positions of power, held in Paris in 1999, the European Union signed an agreement to move towards a more representative Europe with men and women taking a more equal role in decision making.

facing women has barely changed in recent years. Clear targets should therefore be set, with deadlines for achieving them, in addition to specific policies and effective measures (such as positive action, equality plans, specific training, participation quotas, awareness-raising campaigns, etc.).

3.3.2 Ensuring men and women are on an equal footing in politics should be a cornerstone for building Europe. In the elections of June 2009, women held 35 % of seats in the European Parliament; 10 Members of the Commission are female, whilst 17 are male. Women hold 24 % of seats in national parliaments and 25 % of ministerial portfolios in national governments ⁽⁹⁾. At the EESC, 23,6 % of current Members are women, whilst 76,4 % are men, and in senior management posts (directors, deputy directors, deputy secretaries-general) women account for only 16,7 %, whilst the figure is 83,3 % for men. Equal representation between men and women should be a top priority for achieving equality at all levels.

3.3.3 Progress has been slow in the field of public sector research (39 % of posts are held by women), and only minor improvements have been seen in the economic and financial sectors (no directors of central banks are women and only 17 % of central bank board members are female) with the figure being barely 3 % for the boards of management of major companies.

3.4 Eradicating gender-based violence and trafficking in human beings

3.4.1 Violence against women and girls remains a serious problem. This is a global and systemic phenomenon, taking many different forms and shapes. Like the Commission, the EESC is extremely concerned at the number of women who suffer violence, the scale of trafficking in women and prostitution, especially among immigrants and the persistence of acts of violence committed under the cloak of traditions and religion ⁽¹⁰⁾.

3.4.2 The appropriate social, economic and legal measures need to be used to reduce and eliminate the various factors that foster violence against women, such as a lack of material resources, financial dependence, low levels of education, persistent gender stereotypes, and difficulties in accessing the job market.

3.4.3 Women immigrants require particular support as they are more vulnerable, either due to their irregular situation or because they are isolated from their social surroundings. The language barrier, social and cultural differences, or simply not knowing about the support structures in place, sometimes prevent them from asking for help when they are victims of domestic violence. The situation is worse still for undocumented immigrant women: specific measures should be put in place so that the obstacles these women face can be removed and their rights guaranteed.

⁽⁹⁾ Figures from October 2009.

⁽¹⁰⁾ OJ C 110, 9.5.2006, p. 89.

3.4.4 Specific programmes are required (as well as continuing with those already in place, such as Daphne) to prevent and combat violence against women. Funding for these programmes should be increased. National action plans should be drawn up as part of a strategy coordinated at European level, containing both practical measures and deadlines to ensure that they will be properly implemented. It must be a priority for Member States to enforce current legal frameworks regarding domestic violence prevention and the protection of victims and those at risk, including children. Additionally, indicators are needed to provide a detailed picture of all aspects of gender-based violence, including sexual harassment and people-trafficking. Statistics harmonised at the EU level are essential to monitor and assess developments in this field.

3.4.5 Given the worrying number of violent acts among young people, including gender-related violence, the Committee welcomes the Commission's timely decision to include the fight against gender violence in the projects forming part of the 'Youth in action' programme. There is also a need however to incorporate a culture of non-violence and respect for the rights of all people into all education and training programmes for children and young people.

3.5 *Eliminating sexist stereotypes in society*

3.5.1 Sexist stereotypes are cultural and social views which assume that there are 'male' or 'female' roles and tasks. These stereotypes have an impact on training and job options and lead to segregation in the job market. Stereotypes make it harder to achieve equality and the full participation of women and men in the decision-making process.

3.5.2 Despite the high educational levels they attain, women are still concentrated in economic sectors (healthcare and social work, teaching, the commercial sector, public administration, business services, hotels and restaurants, etc.) and professions that have traditionally been viewed as 'female' (sales assistants, domestic help, care providers, as administrative staff, etc.), on the lowest rungs of the career ladder, with little potential for moving up to better positions. This segregation has remained almost unchanged over the past few years, because the increase in the number of women in employment has taken place in sectors that are already dominated by women.

3.5.3 In order to combat gender stereotypes, there is a need to:

- Educate children and young people using non-sexist role models, especially by monitoring educational material and teachers that promote these stereotypes. The EESC would welcome the inclusion of gender equality as a specific priority in EU education and training programmes.
- Promote the presence of women in scientific and technological education, where they are under-represented, thereby enabling them to access better jobs, and

improving the balance between men and women in all areas of knowledge;

- Encourage entrepreneurship, innovation and creativity amongst women in all sectors, self-employed, employees and the unemployed. as an important tool to highlight the strengths women bring to society.
- Ensure that women are able to participate in the labour market on an equal footing, especially when they are mothers and have dependent minors.
- Value the work done by women, especially in the field of caring, promoting ongoing training.
- Eradicate sexist stereotypes from the media and the advertising industry, paying particular attention to the portrayal of violence and degrading images of women.
- Increase the number of women in decision-making positions in the media in order to promote non-discriminatory treatment and a realistic vision of women and men in society.

3.6 *Promoting gender equality outside the EU*

3.6.1 The Commission should continue to promote women's rights at the international level through its foreign and development policies. The gender dimension should be included in all aspects of cooperation, with specific measures for women, promoting their involvement in decision-making processes and their sense of initiative, and the capacity of developing countries to take on the task of promoting equality should be boosted.

3.6.2 The gender dimension should form part of the European Security and Defence Policy (ESDP), for action in crisis situations. In the field of humanitarian aid (ECHO), the Commission should pay particular attention to women with children or dependent relatives in the event of natural disasters and to women who have suffered violence at the hands of men in times of upheaval.

4. **Part II: Improving governance to incorporate gender equality**

4.1 Gender analysis should be mainstreamed into all of the Commission's spheres of action, including the budget, and the progress on equality within its own walls should be assessed. This would require staff to be trained in gender equality and robust disaggregated indicators that would give an accurate picture of women's situation.

4.2 The Commission should hold open and ongoing talks with women's organisations, the social partners and other civil society organisations to gain a better understanding of problems relating to inequality.

4.3 The EESC calls on the Commission to urge all of its units to use non-sexist language in all documents, in official texts, in interpreting into all languages and on its web pages.

5. Part III. Follow-up strategies for 2010 onwards

At the Commission's request, the EESC is developing a series of proposals regarding the new Roadmap for equality to be implemented from 2010 onwards.

5.1 A global approach should be used to tackle equality between women and men. EU policies should aim not only to strengthen the involvement of women in all spheres, deal with demographic challenges and improve children's wellbeing for example. Measures should rather focus explicitly on reducing the lack of equality in the distribution of family, care and domestic responsibilities between men and women specifically, and more generally between all social stakeholders.

5.2 The Commission should ensure gender equality is mainstreamed across all sectors as a priority across all its areas, units, measures, policies and directorates. Gender is not an issue of concern only to the Directorate-General for Employment and Social Affairs.

5.3 Specialists in gender issues are needed who can provide the training and materials required to raise awareness and increase the knowledge and skills of European staff about equality. Eurostat must continue to break statistics down by gender, improving existing methodologies and incorporating new indicators that provide better information on the situation facing women and thus give a comprehensive overview of the situation in the EU.

5.4 The gender perspective should be recognised in European and national budgets. Studies are also necessary to assess the impact of public measures relating to gender.

5.5 The Structural Funds offer an ideal framework for the Member States to include gender equality in their operational programmes and in the different stages of the fund's implementation, with the assessment of the gender impact in each priority policy area or sphere of activity of these programmes.

Better coordination and collaboration is required between the Structural Funds and the bodies responsible for equality in each country in order to achieve better results.

5.6 The Commission should ensure the legislation is complied with, providing examples of good practice and sanctioning Member States that fail to respect the principle of equality between women and men. Gender equality must be overseen and assessed in all policies and in all departments. An evaluation method is required that enables the level of compliance with the established objectives to be noted and rated, together with achievements and any backward steps. An evaluation unit should be set up that supervises and assesses the actions of the different Member States in a systematic way using the indicators set out in the roadmap for equality.

5.7 If amendments are made to the future roadmap, the Committee would recommend adapting area 1. This area needs to be subdivided as it covers a variety of different issues (employment, health, immigration), and different methods are therefore required to tackle them. It would also be useful to develop a new area for 'women and the environment', because women play a fundamental role in sustainable development, given their particular concern for ensuring the quality and sustainability of life for current and future generations⁽¹⁾.

5.8 The EESC wishes to emphasise the important role placed by the social partners in promoting equality through social dialogue and collective bargaining. One good example of this is the 2005 framework strategy on gender equality.

5.9 The European Institute for Equality should play a key role in improving governance and revising current legislation on raising awareness and equality. The institute should monitor and guarantee that all policies include and promote equality, and foster the involvement of Europeans in a more responsible and more inclusive gender policy.

5.10 Europe's economic and financial problems and demographic changes should not affect the goal of equality and should not be used as an excuse to relegate it to second place.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

⁽¹⁾ As stated at the Fourth Platform for Action in Beijing, 1995.

Opinion of the European Economic and Social Committee on 'People with disabilities: employment and accessibility by stages for people with disabilities in the EU. Post-2010 Lisbon Strategy' (exploratory opinion)

(2010/C 354/02)

Rapporteur: **Mr CABRA DE LUNA**

In a letter dated 23 July 2009, and in accordance with Article 262 of the Treaty establishing the European Community, Mr Diego López Garrido, State Secretary for the European Union of the Ministry for Foreign Affairs and Cooperation, asked the European Economic and Social Committee, on behalf of the future Spanish Presidency, to draw up an exploratory opinion on

People with disabilities: employment and accessibility by stages for people with disabilities in the EU. Post-2010 Lisbon Strategy.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 23 February 2010.

At its 461st plenary session, held on 17 and 18 March (meeting of 17 March), the European Economic and Social Committee adopted the following opinion by 152 votes to none with three abstentions.

1. Conclusions and recommendations

EU 2020 strategy

1.1 The European Economic and Social Committee (EESC) calls for a specific section on disability to be included when the EU 2020 strategy, the Employment Guidelines and the Social Agenda are adopted, to ensure that this aspect is mainstreamed and better coordinated across all Community policies.

1.2 The EESC recalls that including criteria to strengthen disability policies in the future post Lisbon Strategy would produce an economic spin-off for society as a whole, as well as progress in social inclusion and non-discrimination.

1.3 The EESC believes that a European Disability Pact needs to be adopted, laying the foundations for a new European policy on disability, in keeping with the Commission's future strategy for people with disabilities under the Treaty of Lisbon and the Convention on the Rights of Persons with Disabilities (UNCRPD) and its protocol. The European Union and the Member States should conclude the Convention as soon as possible.

1.4 The EESC calls for policies that foster innovation, are based on statistical data and give visibility to people with disabilities in all relevant European and national statistics.

Employment and people with disabilities

1.5 The EESC supports a market that is inclusive for all, and points out that employment policies for people with disabilities must focus on the entire life process relating to employment ('lifestreaming'), and in particular on education, recruitment, staying in employment, and re-employment. Policies aimed at young people with disabilities, together with policies for those disabled as a result of accident or illness, must be a priority in

the future EU 2020 strategy and the Commission's new strategy for people with disabilities.

1.6 The EESC calls on the Commission to present a report within a year on the implementation of the provisions of Directive 2000/78/EC concerning disability and employment.

1.7 The EESC recalls that recruitment in the ordinary work environment entails the deployment of sufficient social services and of incentives and motivation, while recognising the role of companies that employ a majority of people with disabilities and, more widely, of social economy undertakings and SMEs, which also require the support of sufficient social services and incentives, stressing the importance of the social partners in this area.

1.8 The EESC calls for awareness-raising policies to combat persistent stereotypes regarding workers with disabilities, and highlights the role of the media in ensuring acceptance of diversity.

Accessibility

1.9 The EESC affirms that accessibility is good for society as a whole, not only for people with disabilities, and brings businesses more customers.

1.10 Regarding accessibility, the EESC recommends progressive implementation by means of common short-, medium- and long-term objectives (including clear and final deadlines for new products, services and infrastructures and also for those already in existence).

1.11 The Committee supports the establishment of a European Capital of Universal Accessibility.

1.12 The EESC warns that there is a pressing need for eAccessibility legislation to be presented; restates its commitment to the principle of 'design for all' and the development of accessibility standards; calls for an intensive action plan on this question to be presented before 2011; and backs the development of a 'European disability card' that would facilitate mutual recognition of rights and cross-border travel for people with disabilities.

Gender and disability

1.13 Gender needs to be mainstreamed into the design, implementation, follow-up and evaluation of disability policies, in order to counter the invisibility and multiple discrimination affecting women and girls with disabilities.

Social dialogue and disability

1.14 The EESC recognises the importance of the social partners in ensuring that people with disabilities work on an equal conditions with others, with just and favourable conditions of work conditions.

1.15 The social partners should include the disability dimension in all intersectoral, sectoral and company-level actions and negotiations, especially regarding employment, accessibility and social protection issues.

Participation and civil dialogue

1.16 The EESC expresses its complete support for the principle of 'Nothing about disabled people, without disabled people' and for this principle to be applied within the EU 2020 strategy and programmes for people with disabilities that receive public funding.

1.17 The EU and the Member States must promote the development of civil society and guarantee its funding, ensuring that it is independent and capable of playing a part in preparing policies and/or delivering social services.

2. Introduction

2.1 The EESC welcomes the request from the Spanish Presidency to draw up the opinion on *People with disabilities: employment and accessibility by stages for people with disabilities. Post-2010 Lisbon Strategy*.

2.2 In its opinions, the EESC has built up a permanent, cross-cutting body of knowledge, starting with its first own-

initiative opinion specifically on the *Integration of disabled people in society* adopted in July 2002 ⁽¹⁾, which has helped support equal treatment and non-discrimination for people with disabilities (PWD) and their families ⁽²⁾.

2.3 People with disabilities represent more than 16 % of the population (at least 80 million) ⁽³⁾, and this percentage is rising with an ageing population.

2.4 The EESC recognises that the progress made in both legislation ⁽⁴⁾ and the implementation of European policies ⁽⁵⁾ which, together with the 2002 Madrid Declaration ⁽⁶⁾, has helped to make the EU more inclusive of PWD. However, there is room for improvement, since the progress made has been of a sectoral nature, is fragmented and has suffered from a lack of a unified, structured Community strategy: as confirmed in the Mid-term Evaluation of the European Action Plan 2003-2010 ⁽⁷⁾ published in June 2009, the European Commission's own services dealing with European policies for PWD also need to be strengthened.

2.5 The EESC points to the recent Eurobarometer results ⁽⁸⁾, displaying a strong increase in perceived discrimination on the grounds of disability (8 % in the last year, i.e. 53 % in 2009 compared to 45 % in 2008), with more than 33 % of PWD feeling they had been discriminated against in 2009.

2.6 The EESC recognises that progress on disability policies owes much to the campaigning work and pressure of the European disability movement and its representative bodies, gathered together in the European Disability Forum (EDF), as well as to the support of the social partners.

2.7 The EESC would remind the Council presidency trio of the importance of taking account of the present opinion in carrying out their presidencies.

⁽¹⁾ EESC opinion, OJ C 241, 7.10.2002, p. 89

⁽²⁾ EESC opinions: OJ C 182, 4.8.2009, p. 19 – OJ C 10, 15.1.2008, p. 80 – OJ C 93, 27.4.2007, p. 32 – OJ C 256, 27.10.2007, p. 102 – OJ C 185, 8.8.2006, p. 46 – OJ C 88, 11.4.2006, p. 22 – OJ C 110, 9.5.2006, p. 26 – OJ C 24, 31.1.2006, p. 15 – OJ C 110, 30.4.2004, p. 26 – OJ C 133, 6.6.2003, p. 50 – OJ C 36, 8.2.2002, p. 72.

⁽³⁾ http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc
⁽⁴⁾ Council Directive 2000/78/EC of 27 November 2000 - Council Regulation (EC) No 1083/2006 of 11 July 2006; Regulation (EC) No 1107/2006 of the European Parliament and of the Council of 5 July 2006 [Official Journal L 204 of 26.7.2006] and the Telecommunications package COM(2007) 697 final – COD 2007/0247.

⁽⁵⁾ Communication from the Commission on the Social Agenda COM(2005) 33 final and Communication from the Commission on *Equal opportunities for people with disabilities: A European Action Plan*, COM(2003) 650 final.

⁽⁶⁾ <http://antiguo.cermi.es/graficos/declaracion-madrid.asp>.

⁽⁷⁾ <http://ec.europa.eu/social/BlobServlet?docId=3784&langId=en>

⁽⁸⁾ Eurobarometer: Discrimination in the EU in 2009 (based on fieldwork between 29 May and 14 June 2009)

3. A new Community disability policy in the future EU 2020 strategy

3.1 The EESC agrees with the Commission that 'new policies must demonstrably contribute to social cohesion, tackling unemployment and fostering social inclusion ... [t]his requires rethinking education systems and labour markets, enhancing mobility and boosting Europe's dynamism to unleash our innovative and creative potential' ⁽⁹⁾.

3.2 The EESC believes that in the context of the EU 2020 strategy, there is a need to adopt a **European Disability Pact**, as has already been done regarding gender and youth.

3.3 The Pact must be a common agreement, endorsed by the Council of Ministers, between Member State governments, the Commission and the European Disability Forum, with the involvement of the EP, Economic and Social Committee and, where appropriate, the social partners and representatives of organised civil society. The Pact should be managed by a European Disability Committee, chaired by a representative of the Member States and with an executive secretariat provided by the Commission. The Pact would cover the need for common objectives for the Member States, performance scoreboards and an obligatory report to the Spring European Council ⁽¹⁰⁾. In this way, a variant of the OMC would be applied to disability.

3.4 The Pact should cover equal access in education, equal treatment and access in employment, legislation on minimum income and social protection, freedom of movement, independent living and personal autonomy, equal access to goods and services for PWD, agreement on an accessibility programme for the new technologies, transport and built environment, health and care for all forms of dependency, and tax policies that promote inclusion of PWD and cover the extra costs incurred in most of their every-day activities ⁽¹¹⁾.

3.5 The Pact must take a cross-cutting approach to the needs of women and girls with disabilities, young people with disabilities, ageing and disability, persons who need a high level of support to retain their personal independence, and PWD living in the countryside. The same applies to the promotion of research, development and innovation relating to people with disabilities.

3.6 The Pact must present an agreement to be implemented in the framework of the Lisbon Treaty, the Charter of Fundamental Rights and the UNCRPD, resting on three pillars:

⁽⁹⁾ COM(2009) 647 final.

⁽¹⁰⁾ Council Resolution (2008/C75/01)

⁽¹¹⁾ EESC opinion, OJ C 93, 27.4.2007 (<http://w3.bcn.es/fixers/baccessible/greugecomparatiueconmic.683.pdf>).

http://www.feaps.org/actualidad/23_04_09/ultima_hora/sobreesfuerzo_15_04_09.pdf

3.6.1 (i) A historic moment of Community policy review - Putting people with disabilities and their families at the centre of Community policies

3.6.1.1 The EESC calls for the coordination and limited effect of the current Lisbon Strategy and the Renewed Social Agenda ⁽¹²⁾ to be improved in the adoption of the EU 2020 strategy and the Social Agenda, which must consequently include a specific section on PWD and their families, and must cover *inter alia* employment, education, social inclusion and protection and accessibility, ensuring that disability is reflected in the strategy's three key priorities ⁽¹³⁾.

3.6.1.2 The EESC recalls that including disability policies among EU competences in the EU 2020 strategy would produce an economic spin-off for society as a whole, as well as progress in social inclusion and non-discrimination, as clearly demonstrated in recent cost-benefit analyses ⁽¹⁴⁾.

3.6.1.3 The European Disability Pact must be in keeping with the Commission's future strategy for PWD ⁽¹⁵⁾, which is to replace the current 2003-2010 Action Plan for People with Disabilities.

3.6.1.4 The European Employment Strategy (EES), the Open Method of Coordination (OMC) in social inclusion, social protection, pensions, education, youth and other areas must continue to include and must improve, in their guidelines and common objectives for the Member States, disability so that it is reflected in their national plans, increasing their capacity for analysis and setting out the results in regular reports.

3.6.1.5 European policies should support the eradication of all extreme breaches of the fundamental rights, especially regarding the placement of PWD in large closed institutions, segregated education, deprivation of legal capacity and violence towards PWD, taking account of the additional disadvantage suffered by women and girls with disabilities, together with people requiring a high level of support ⁽¹⁶⁾.

3.6.1.6 We need policies that foster innovation and are based on statistical evidence. The Pact should seek to make PWD more visible in all relevant statistical tools ⁽¹⁷⁾. It must have harmonised, up-to-date and reliable statistical sources, indicators and tools. This could be done, for example, by creating a permanent disability module within the European Labour Force Survey, together with a module on the social participation of PWD, and including questions on disability in the relevant general modules.

⁽¹²⁾ COM(2009) 58 final

⁽¹³⁾ COM(2009) 647 final

⁽¹⁴⁾ 'Evaluation of employment policies for persons with disabilities and formulation and economic cost of new proposals for labour integration' by Gregorio RODRÍGUEZ CAMPO, Carlos GARCÍA SERRANO and Luis TOHARIA, Colección Telefónica Accessible no. 9, Ediciones Cinca, April 2009 - ISBN: 978-84-96889-48-4. Madrid, Spain.

⁽¹⁵⁾ Council Resolution (2008/ C 75/01)

⁽¹⁶⁾ <http://cms.horus.be/files/99909/MediaArchive/EDF%20declaration%20on%20girls%20and%20women%20with%20disabilities.doc>.

⁽¹⁷⁾ EESC opinion, OJ C 10, 15.1.2008, p. 80

3.6.1.7 The EESC calls for the *EU Guidelines: Human Rights and International Humanitarian Law*, to be adopted by the EU Council, to include a guideline on the rights of PWD, based on the UNCRPD.

3.6.2 (ii) Giving disability a proper European legal framework

3.6.2.1 The EESC considers that the entry into force of the Lisbon Treaty establishes new legal bases. It also highlights the value of Articles 10, 11 and 19, together with Articles 21 and 26 of the Charter of Fundamental Rights, which have treaty status.

3.6.2.2 The UNCRPD creates new obligations for the EU. The EESC therefore urges:

3.6.2.2.1 that the EU finalise its accession to the UNCRPD and its protocol, pursuant to the Council Decision⁽¹⁸⁾. It recalls the Convention's legal status as an international treaty, and calls on the Member States to undertake to ratify the UNCRPD rapidly;

3.6.2.2.2 that all Community legislation affecting the internal market, transport, taxation, competition, health, consumption, digital and electronic media, employment, education and non-discrimination be analysed on the basis of the UNCRPD;

3.6.2.2.3 that a coordination mechanism⁽¹⁹⁾ within the Commission, involving the relevant Commissioners, be created, together with an independent body, as required by the UNCRPD⁽²⁰⁾.

3.6.2.3 The EESC welcomes the presentation of this proposal for a Directive for non-discrimination beyond employment⁽²¹⁾, but warns that it is not sufficiently in line with the UNCRPD. The directive, still under discussion at the Council, needs to ensure that the concept of discrimination gives preferential treatment of PWD in specific circumstances, its scope in terms of social protection, health and education, indicating that segregated education is discriminatory; accessibility for PWD must be applied across the board; reasonable adjustments must be applicable in all spheres and public incentives should be available for their implementation; accessibility must also extend to all goods and services offered to the public and, lastly; where implementation is concerned, greater specificity must be given to the EU's commitments in this area, to be applied with immediate effect to new buildings and with realistic engagements regarding existing buildings.

⁽¹⁸⁾ Council Decision 15540/09 of 24 November 2009

⁽¹⁹⁾ [http://cms.horus.be/files/99909/MediaArchive/library/EDF_contribution_OHCHR_contribution_national_frameworks_for_implementation_CRPD\(final\).doc](http://cms.horus.be/files/99909/MediaArchive/library/EDF_contribution_OHCHR_contribution_national_frameworks_for_implementation_CRPD(final).doc).

⁽²⁰⁾ <http://www.efc.be/Networking/InterestGroupsAndFora/Disability/Pages/TheEuropeanConsortiumofFoundationsonHumanRightsandDisability.aspx>.

⁽²¹⁾ Proposal for a Council Directive (COM(2008) 426 final, 2 July 2008.

3.6.3 (iii) Adequate funding for the European Disability Pact

3.6.3.1 The Committee recalls that the provisions of the General Regulation on the Structural Funds regarding non-discrimination and accessibility for PWD as criteria for selecting and implementing projects that are co-financed by the EU⁽²²⁾ must be maintained and strengthened in the future Cohesion Policy which should also ensure action for and by PWD as a whole in all the Member States, with adequate financial facilities. These principles should be extended to the European budget and other European programmes concerning research, competitiveness, training, employment, social affairs and development cooperation, including, *inter alia*, the new programmes from 2014 onward.

3.6.3.2 The EESC acknowledges that the involvement of civil society in the direct management of the ESF (in training and employment) and the ERDF has produced very encouraging results, and calls for this model to be introduced into Structural Funds operational programmes from 2013 onwards.

3.6.3.3 The EESC considers that continuing to provide financial support, through the PROGRESS programme supporting European organisations of PWD, including the EDF, as well as bodies working for social integration, strengthens democracy in the EU and a structured civil society.

4. The EU and employment for people with disabilities

4.1 The employment of PWD must be an integral part of the EES. The employment situation of workers in Europe is complicated, but that of disabled workers is even more difficult, and so a market that is inclusive of all must be strengthened.

4.2 The EESC is concerned by the state of unemployment among PWD, since even before the crisis, 78 % of people with serious disabilities did not have access to the jobs market, with a rate of inactivity that was double that of the rest of the population, and with an employment rate that was stuck at a level 20 % below the average for people without disabilities⁽²³⁾.

4.3 The crisis (which has driven unemployment up to 10 %⁽²⁴⁾) is making the situation of people with disabilities on the labour market more difficult in two ways: entry into the market will be more difficult⁽²⁵⁾ and, secondly, governments will tend to adjust their public deficits by cutting all types of assistance and pensions. The EESC warns that PWD must not be the main victims of the crisis, and opposes any cuts in assistance to them⁽²⁶⁾.

⁽²²⁾ http://www.observatoriodeladiscapacidad.es/?q=es/informacion/agenda/18112009/presentaci_n_de_innet16_european_inclusion_network_lanzamiento_del_observ

⁽²³⁾ Statistics in Focus, Theme 3: *Employment of disabled people in Europe* 2002, Eurostat 26/2003.

http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-NK-03-+/EN/KS-NK-03-026-EN.PDF.

⁽²⁴⁾ Statistical Office of the European Communities (Eurostat) – January 2010.

⁽²⁵⁾ Eurobarometer, *Discrimination in the EU in 2009 and EESC opinion*, OJ C 256 de 27.10.2007, p. 102.

⁽²⁶⁾ <http://www.cermi.es/NR/rdonlyres/6487C9F8-F423-493B-83B8-562CB09201B8/30184/EstudioCERMIcrisisyDiscapacidad.doc>
www.cermi.es

4.4 There is a danger that the crisis might increase the risk of poverty among PWD and their families. On the other hand, the crisis could provide an opportunity for more inclusive business activity, with incentives, and boost business productivity, thereby improving the economy as a whole.

4.5 The Committee maintains that fostering the employment of PWD must be one of the main aims of the EES, and calls for the Employment Guidelines to include an objective incorporating Conclusion 34 of the European Council of Spring 2006 ⁽²⁷⁾ 'A key objective is to increase labour market participation, especially of ... persons with disabilities ... To achieve these objectives, work should be conducted in close cooperation with social partners'. A list of measures to be applied by the Member States through their National Plans should be drawn up.

4.6 The social partners play a crucial role in enabling PWD to enter the labour market by means of collective bargaining and to fit into companies. They also help to implement diversity policies and negotiate diversity plans in agreement with employers, who must be offered incentives to move in this direction: corporate social responsibility policies can be used to this end. The EESC consequently welcomes the successful conclusion by the European social partners of the negotiations for a new autonomous agreement on inclusive labour markets.

4.7 The EESC calls for a report on the implementation of the disability and employment provisions of Directive 2000/78 to be presented within a year ⁽²⁸⁾.

4.8 The EESC reaffirms that PWD are as qualified as any other person to have a full working life, and that their skills should not be underestimated. PWD are entitled to work just like anyone else.

4.9 The EESC draws attention to the fact that, according to Eurofound research, the growing incidence of mental health problems is turning this form of disability into the main cause of early departure from the labour market, accounting for some 40 % ⁽²⁹⁾ of early retirements in some countries. A change is needed in the way the general public and the authorities think about the plight of such workers.

4.10 The EESC recalls that in order to recognise these skills, there must be arrangements for certifying the knowledge acquired either by (unregulated) experience or through formal education. The EESC therefore urges the introduction of a 'qualifications passport' ⁽³⁰⁾ that would give occupational mobility to PWD within the EU.

⁽²⁷⁾ Presidency conclusions of the Brussels European Council 23/24 March 2006.

⁽²⁸⁾ Council Directive 2000/78

⁽²⁹⁾ Analysis by the European Foundation for the Improvement of Living and Working Conditions, based on data compiled by German Federal Health Monitoring (2007). http://www.gbe-bund.de/gbe10/pkg_isgbe5.prc_isgbe?p_uid=gastd&p_sprache=E.

⁽³⁰⁾ European Centre of Employers and Enterprises providing Public services (CEEP). <http://www.ceep.eu>

4.11 Employment policies for PWD must cover the entire life process relating to employment ('lifestreaming' ⁽³¹⁾) addressing housing, basic education, training, household indebtedness, financial difficulties, health, an unfavourable environment and the economy, together with recruitment, staying in employment, and re-employment.

4.12 Freedom of movement (a Community principle) has not been fully achieved for PWD, and impacts on their movements to other EU countries to work, also affecting study, retirement and all other activities.

4.13 One of the most prominent barriers to free movement is the impossibility of exporting rights, such as that to personal assistance, which could become a reality with practical measures to coordinate social security systems and Europe-wide awareness-raising and training campaigns.

4.14 The EESC points out that 'active inclusion' must tie in with the labour market and provide an adequate level of income and access to high-quality social services, reflected in improved living conditions, for those not in employment too ⁽³²⁾.

4.15 The EESC recalls that recruitment in the ordinary work environment entails employment services, vocational reskilling facilities, and social and health services, as well as maintaining/managing incomes and providing incentives ⁽³³⁾.

4.16 The EESC urges that social benefits and tax systems be adjusted so that entering the labour market does not entail a loss of purchasing power for PWD and so that they provide motivation to work in fairly-paid, quality jobs; it also urges that financial incentives be introduced to encourage recruitment by companies, and backs supported employment on the ordinary market, self-employment by PWD, and encouragement for their entrepreneurship by means, *inter alia*, of micro-finance ⁽³⁴⁾, as well as for NGOs providing support services for workers with disabilities and their families.

4.17 Measures must be introduced to keep those who acquire a disability as a result of accident or illness in their jobs or to find new placements for them, so that they do not have to leave the labour market prematurely. It calls for work places and their surroundings to be adjusted (reasonable accommodation) for PWD, for vocational training and retraining programmes for PWD to be assured to provide for their career development ⁽³⁵⁾. In those countries where quota arrangements are in place, it must be ensured that recruitment targets are met, using appropriate support mechanisms. The social dimension of public procurement can also boost the employment of PWD.

⁽³¹⁾ European Centre of Employers and Enterprises providing Public services (CEEP). <http://www.ceep.eu>.

⁽³²⁾ European Foundation for the Improvement of Living and Working conditions.

⁽³³⁾ European Foundation for the Improvement of Living and Working conditions.

⁽³⁴⁾ <http://ec.europa.eu/social/main.jsp?langId=es&catId=89&newsId=547>.

⁽³⁵⁾ Guide on *Creating an inclusive society: mainstreaming disability based on the social economy example* http://www.socialeconomy.eu.org/IMG/pdf/Guide_on_Disability_Mainstreaming_and_Social_Economy.pdf.

4.18 The EESC is firmly convinced of the advantages of funding employment rather than unemployment benefit, and of the value of encouraging PWD to want to obtain employment, employers to recruit them, and self-employment among PWD.

4.19 The EESC believes in policies, including early education, aiming to help young people with disabilities move from training to their first job, and in policies that apply in cases of acquired disability, ensuring maintenance of employment or new job placements. These groups must be a priority in the future post EU 2020 strategy, and be included in the review of the Commission's strategy for PWD. In this regard, the EESC would recall its opinion SOC/349 in favour of a strategy to be developed not only FOR youth but also WITH youth⁽³⁶⁾.

4.20 The EESC recognises the role of businesses that employ a majority of PWD and others that are more active in this field as well as, more broadly, social economy enterprises such as cooperatives, mutual societies, associations and foundations that foster social inclusion and the participation of PWD in the labour market with the same labour rights, granting them special arrangements to be decided by the Member States.

4.21 The EESC emphasises support for SMEs so that they can take an inclusive view of work and implement their key role in ensuring the effectiveness of measures for PWD at work.

4.22 The European and Member State institutions and bodies must be aware of the situation and be exemplary in including workers with disabilities in their workforces, by means of a practical action plan to improve on the current rates of employment, which are very low.

4.23 The EESC highlights the importance of the flexicurity concept for PWD, i.e. enhanced flexibility and adjustability of in-company human resources, backed by better-quality working conditions and security in employment. Strategies must ensure a balance between working and private life, life-long training, and steps for moving between the various possible social resources and situations and employment, as part of on-going life for PWD.

4.24 The EESC supports the drive for the creation of new green and social job sectors, and the promotion of accessibility and design for all, which offer job opportunities to PWD.

4.25 The EESC advocates help for those disabled workers who require it, together with the necessary services to enable the members of the families of PWD to continue working.

4.26 Awareness policies counter stereotypes⁽³⁷⁾ about workers with disabilities, and must target the social partners,

middle and senior management and workers, health professionals and public administrations⁽³⁸⁾.

4.27 The relevant instruments of promotion must be easy to use for companies and workers and must be effectively promoted and used by public bodies.

4.28 The role of the media should be highlighted as a key factor for awareness and dissemination in fostering the principles of tolerance, social inclusion and acceptance of diversity in European society.

4.29 The EESC supports the development of innovative initiatives, such as the 'qualifications passport' and 'lifestreaming' mentioned above, and would point to further examples:

4.29.1 The job coaching service as a model for providing continuous support and mentoring in the ordinary work environment;

4.29.2 The creation of a prior accreditation of learning system⁽³⁹⁾ reflecting progressive learning;

4.29.3 Support throughout working life in businesses and public administrations;

4.29.4 Use of new technologies with support systems such as video tutorial systems⁽⁴⁰⁾ and in general provision of support technologies and ensuring that general workplace technologies are accessible;

4.29.5 Development of a Disability Management Model⁽⁴¹⁾ under the aegis of general company diversity policies.

5. Accessibility for people with disabilities

5.1 The EESC recalls the EU Council Resolution of 17 March 2008 '*accessibility represents no less than a cornerstone of an inclusive society based on non-discrimination*'⁽⁴²⁾, with a fundamental role for the social partners in this process, as accessibility is a prerequisite for employment.

5.2 The EESC reaffirms its exploratory opinion⁽⁴³⁾ on *Equal opportunities for people with disabilities* which points to the same rights but different needs and different forms of accessibility to goods and services.

5.3 The EESC recommends progressive implementation by means of common short-, medium- and long-term objectives (with clear and final deadlines for new and existing goods, services and infrastructures), that would be binding upon the Member States, harnessing, among other methods, the potential of public procurement.

⁽³⁶⁾ EESC opinion, OJ C 318, 23.12.2009, p. 113.

⁽³⁷⁾ www.fundaciononce.es

⁽³⁸⁾ European Foundation for the Improvement of Living and Working conditions <http://www.eurofound.europa.eu/>.

⁽³⁹⁾ European Centre of Employers and Enterprises providing Public services (CEEP) <http://www.ceep.eu>.

⁽⁴⁰⁾ European Centre of Employers and Enterprises providing Public services (CEEP) <http://www.ceep.eu>.

⁽⁴¹⁾ European Centre of Employers and Enterprises providing Public services (CEEP) <http://www.ceep.eu>.

⁽⁴²⁾ Council Resolution (2008/C 75/01)

⁽⁴³⁾ EESC opinion, OJ C 93, 27.4.2007, p. 32.

5.4 The EESC recognises that accessibility is crucial if immediately applicable political and civil rights are to be exercised, and this must be reflected in specific accessibility plans, accompanied by standards and penalties which are binding upon all public authorities and with the possibility for disabled citizens to invoke mechanisms to uphold their rights. There should be no more EP elections without a guarantee of accessibility to polling stations and without access to a significant presence of PWD among candidates: the appropriate measures must be taken at national level.

5.5 The EESC hails the efforts of the EU Member States and the Commission to ensure accessibility, the objective of which must be to ensure universal accessibility (public buildings, buildings of public interest; private companies, goods and services, tourism, e-commerce, information, transport, technology and communications).

5.6 The EESC affirms that accessibility is good for society as a whole (ageing, pregnant women, reduced mobility, etc.). Accessible businesses will attract more customers (15 % of consumers). New products generate more markets and are a source of sustainable economic growth.

5.7 The EESC further emphasises that a commitment to accessibility is a commitment to the fundamental rights of European citizenship, as it stated in its opinion on *eAccessibility* ⁽⁴⁴⁾.

5.8 The EESC would remind the European institutions, and especially the Commission, that the number of their buildings and electronic information technology systems (e.g. web pages, the Commission's section on public consultations) that are accessible remains low. An accessibility plan which displays a real commitment to PWD must therefore be drawn up ⁽⁴⁵⁾.

5.9 The EESC calls for state aid ⁽⁴⁶⁾ for private companies and services in order to attain the goal of reasonable accommodation as stipulated in Directive 2000/78 ⁽⁴⁷⁾. The principle of forward-looking accessibility must be implemented in private services.

5.10 The development of accessibility standards to support legislation in public purchasing should continue, taking the successful American legislation as an example. The EESC recalls the importance of dialogue between institutions, industry and civil society in defining such standards ⁽⁴⁸⁾.

5.11 The EESC supports the declaration of a European Capital of Universal Accessibility, based on a system for granting flags, granting European cities and regions recognition for their efforts concerning accessibility to places, goods and services and fostering the sustainable development of local authorities.

5.12 The EESC expects that further regulations on travel by sea, urban and interurban bus, and taxi, to take adequate account of the differing needs of PWD, adjusting means of transport and their setting, modelled on the present Regulations for air and rail travel.

5.13 The EESC welcomed the Communication from the Commission on *eAccessibility* ⁽⁴⁹⁾, and called on the EU to incorporate the actions proposed in the *eAccessibility* communication in the European strategic framework on the information society. There is a pressing need for *eAccessibility* legislation to be presented in fields such as the accessibility of websites, inclusive communication, teleservices, mobile telephones, digital technology and ATMs, for example. These objectives appeared as far back as 2003 in the Crete Ministerial Declaration ⁽⁵⁰⁾ and the Riga Declaration. There are now reasonable grounds to doubt that they will be attained within the deadlines set. Consequently, the EESC calls for an intensive action plan to reach these objectives before 2011.

5.14 The EESC restates its commitment to the principle of 'design for all', and believes that it is crucial for this concept to be built into the curricula of both vocational training and university courses, so that all professionals apply this principle.

5.15 The EESC backs the development of a 'European disability card' ensuring the mutual recognition of the rights PWD embarking on cross-border travel, including the same level of access to transport, culture and leisure, following the example of the European Parking Card.

6. Gender and disability

6.1 The EESC points out that women account for 60 % of PWD in Europe, and they are not treated equally, as they continue to be discriminated against in recognition of rights and access to goods and services (health, education and prevention of gender violence, amongst others).

6.2 The employment levels of women with disabilities have remained unchanged for a decade, with a high percentage of non-employment and unemployment, lower pay and additional problems in entering the labour market.

6.3 Gender needs to be mainstreamed into the design, implementation, follow-up and evaluation of disability policies. Specific measures and actions need to be geared to guaranteeing access to employment, and to foster the recruitment of women.

⁽⁴⁴⁾ EESC opinion, OJ C 110, 9.5.2006, p. 26 and the Council Resolution of 6 February 2003 (OJ C 39, 2003, p. 5)

⁽⁴⁵⁾ COM(2007) 501 final.

⁽⁴⁶⁾ Articles 41 and 42 of Commission Regulation (EC) No 800/2008 of 6 August 2008.

⁽⁴⁷⁾ Council Directive 2000/78 of 27 November 2000.

⁽⁴⁸⁾ http://ec.europa.eu/information_society/activities/einclusion/archive/depoy/pubproc/eso-m376/index_en.htm
<http://cms.horus.be/files/99909/MediaArchive/M420%20Mandate%20Access%20Built%20Environment.pdf>

⁽⁴⁹⁾ COM(2005) 425 final, COM (2008) 804 final.

⁽⁵⁰⁾ Declaration on e-Inclusion: Ministers of Transport and Communication of the European Union. April 2003.

7. Social dialogue and disability

7.1 The EESC calls on the social partners to ensure that PWD work on an equal basis with others, with just and favourable conditions of work, including equal opportunities and equal remuneration for work of equal value, and that they are able to exercise their labour and trade union rights; in particular, it encourages PWD to participate in professional and trade union organisations and urges that subcontracted work be carried out under the same labour conditions ⁽⁵¹⁾ (Article 27 of the UNCRPD).

7.2 Social dialogue is crucial in defending the rights, equal opportunities and non-discrimination of PWD in employment, social security, safety at work, and other contexts, and in labour relations in general. It is essential to implementing positive employment and accessibility measures, as well as in training, promoting and assisting workers with disabilities.

7.3 The social partners must take the disability dimension on board in all intersectoral, sectoral and company-level actions and negotiations, particularly regarding employment, accessibility and social protection issues, in cooperation with organised civil society and PWD.

7.4 The social partners must be involved in the follow-up and application of the UNCRPD concerning labour relations and social protection.

8. Participation and civil dialogue

8.1 The EESC expresses its complete support for the principle of 'Nothing about disabled people, without disabled people' ⁽⁵²⁾ and believes in empowerment and self-advocacy policies.

8.2 The EESC considers that civil dialogue with PWD and their families is the best framework for improving EU governance: introducing binding mechanisms and protocols and creating ad hoc participatory and consultative bodies within the EU.

8.3 Organisations representing PWD should be involved in the regular reports evaluating employment and accessibility policies, the implementation of the UNCRPD and Commission programmes and financial instruments, in order to ensure that the civil society point of view is included, by means, for example, of alternative reports.

8.4 The EU and the Member States must promote and ensure funding to develop civil society, to safeguard its independence and ability to take part in framing policies and/or delivering social services.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

⁽⁵¹⁾ Article 27 of the UNCRPD

⁽⁵²⁾ The European Disability Forum slogan, EDF General Assembly 2009.

Opinion of the European Economic and Social Committee on 'The Integration of immigrant workers' (exploratory opinion)

(2010/C 354/03)

Rapporteur: **Mr PARIZA CASTAÑOS**

In a letter dated 23 July 2009, and in accordance with Article 262 of the Treaty establishing the European Community, Mr Diego López Garrido, State Secretary for the European Union of the Ministry for Foreign Affairs and Cooperation, asked the European Economic and Social Committee, on behalf of the future Spanish Presidency, to draw up an exploratory opinion on the

Integration of immigrant workers.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 23 February 2010.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March), the European Economic and Social Committee adopted the following opinion by 138 votes to five with eight abstentions.

1. Conclusions and proposals

1.1 The EESC emphasises the European added value of employment policies and immigration and integration policies. Purely national policies do not work; it will be necessary to strengthen the European grounding of these policies.

1.2 Immigrant men and women are making a positive contribution to economic development and well-being in Europe. As a result of its demographic circumstances, the EU will need to take in more new immigrants.

1.3 Integration processes need to be improved in the interests of both economic efficiency and social cohesion. Employment is a key aspect of integration.

1.4 Integration is a two-way social process of mutual accommodation that must be facilitated by means of good governance and sound legislation. The EESC calls on the Council to adopt a Directive guaranteeing a common framework of rights for immigrant workers, and to enhance existing anti-discrimination legislation.

1.5 Workplace integration accompanied by equal opportunities and equal treatment represents a challenge for the social partners too, which they must uphold in collective bargaining and the social dialogue, including at European level. Immigrant workers must also be receptive to integration.

1.6 Businesses are operating in an increasingly diverse environment. They must adopt a positive approach to cultural diversity, in order to enhance integration and also to maximise their opportunities.

1.7 The EESC proposes that the Commission request an exploratory opinion on the creation of a European platform for dialogue on managing labour migration, as set out in the Stockholm Programme.

2. Scope of the opinion

2.1 The Spanish Presidency has asked the EESC to draw up an exploratory opinion on how the EU can better integrate immigrant workers. Consequently, in the present opinion the Committee will concentrate on the integration of immigrant workers in employment and on other aspects relating directly or indirectly to the labour market.

2.2 The broader aspects of immigration and integration policy will only be touched upon insofar as they impinge directly on the opinion. The Committee has adopted a number of opinions on integration⁽¹⁾ with a more general focus, and has drawn up an own-initiative opinion aimed at ensuring that integration figures more prominently on the EU's new social policy agenda, in areas such as education and training, gender equality, healthcare, housing, family and youth policy, poverty, social exclusion and so on.

2.3 Europe must sharpen its focus on integration within the common immigration policy. The Committee has set up a permanent study group on immigration and integration to work with the European Integration Forum.

⁽¹⁾ OJ C 27, 3.2.2009 OJ C 128, 18.5.2010, p. 29.

OJ C 80, 30.3.2004

OJ C 318, 23.12.2006

OJ C 125, 27.5.2002

OJ C 208, 3.9.2003 C 208, 3.9.2003 – SOC/141: *European citizenship*.

2.4 The Treaty of Lisbon has a more solid legal foundation⁽²⁾ for the EU to provide 'support for the action of Member States with a view to promoting the integration of third-country nationals residing legally in their territories'.

3. Immigrants contribute to Europe's economic development and well-being

3.1 In recent years, Europe has received many people coming from third countries as emigrants in search of new opportunities. However, the restrictive policies implemented by many European governments constrain the legal recruitment of immigrant workers by companies.

3.2 In its *Employment in Europe 2008 Report*⁽³⁾, the European Commission stated that 'immigrants have made a significant contribution to overall economic and employment growth in the EU since 2000, addressing labour and skill shortages and increasing labour market flexibility'.

3.2.1 In its *Joint Employment Report (2009/2010)*⁽⁴⁾, the Commission points out that although the EU is undergoing a crisis in which jobs are being destroyed, certain Member States and employment categories continue to experience a shortage of labour. The Commission further proposes to step up the integration of those immigrants who have already arrived and who are especially hard hit by the crisis, and also to encourage companies to diversify their workforces and introduce 'diversity charters'.

3.3 Since 2000, in the EU 21 % of GDP growth and 25 % of new jobs have been created due to the contribution of immigrants, to such an extent that growth in certain economic sectors would have stagnated or slowed down if they had not been largely made up of immigrant workers, both men and women.

3.4 It should be borne in mind that restrictions on citizens from the new Member States working in the EU have been removed in several countries (United Kingdom, Ireland, Sweden, etc.).

3.5 The Committee wishes to highlight the significant entrepreneurship displayed by many immigrants, who set up businesses in Europe and therefore help to create jobs and generate wealth, even though immigration laws place almost insurmountable barriers in their path.

3.6 Although the intensity of migration flows has varied between EU Member States, it can be seen that economic and employment growth has been greatest in those countries taking in most immigrants. In some Member States, including Spain, the United Kingdom, Ireland and Italy, the percentage is higher still⁽⁵⁾.

⁽²⁾ Article 79.

⁽³⁾ COM (2008) 758 final.

⁽⁴⁾ COM (2009) 674 final.

⁽⁵⁾ *The Economic and Fiscal Impact of Immigrants*, National Institute of Economic and Social Research, October 2007, and *Coyuntura española – Los efectos de la inmigración sobre el empleo y los salarios*, Informe Mensual de la Caixa, no. 295 ('The current economic situation in Spain – the effects of immigration on employment and pay levels', La Caixa savings bank monthly report), October 2006.

3.7 The growth of immigration in European societies also raises new problems and poses a major challenge for social cohesion. European societies are faced with myriad social problems arising from immigration, which require a comprehensive approach as the EESC has proposed in a number of opinions.

3.8 The Committee considers that these social problems (racism, low-level crime, gender violence, marginalisation, failure at school, etc.) largely illustrate the need to achieve better integration. Government, especially at the local level, is often overwhelmed by the problems.

3.9 The media sometimes take a sensationalist approach to immigration issues, whipping up popular concern. Certain political leaders act opportunistically, irresponsibly turning problems to their advantage.

3.10 The Committee notes with concern that racism and xenophobia are spreading through numerous sectors of society. Extremist parties and movements exploit the problems generated by immigration to spread fear among the population and to promote intolerant, violent policies that run counter to human rights.

3.11 Racism is classified as a criminal offence, but political authorities and leaders of society themselves often display unacceptable levels of tolerance towards it. The police and judicial authorities, opinion-formers, the media and political figures need to adopt a new attitude and combat racism more determinedly and play a leading part in educating society.

4. Immigration into Europe is set to increase in the future

4.1 The demographic picture in the EU suggests that, as a result of an ageing population and a low birth rate, the labour markets are going to need the input of large numbers of immigrant workers. According to Eurostat's most recent demographic forecasts, the working-age population will begin to decline after 2012, even if immigration during the decade is maintained at 1.5 million a year. Unless migration flows increase over the next decade, the population of working age will fall by 14 million.

4.2 In parallel with this, it is clear that international worker mobility is set to increase around the world, as many people in third countries are compelled to emigrate because of the lack of decent work in their countries of origin, and some of them want to come to Europe to seek new employment and personal opportunities.

4.3 The EESC sees the desire of new immigrants to focus their migration projects on Europe as a major opportunity.

4.4 The Committee considers that policies that improve social integration are needed if immigrant workers are to find the opportunities they seek and European societies are to achieve better cohesion: successful migration projects – from the point of view of both immigrant workers and the host societies – depend on how integration processes unfold.

4.5 The economic crisis and rising unemployment are affecting all sectors of society, local workers and immigrants. Labour market data across Europe indicates that low-skilled immigrant workers in the lowest-quality jobs are the first victims of the crisis, and that immigrant women are more affected by unemployment.

4.6 In spite of the current recession and rising unemployment in Europe, demographic forecasts show that once the crisis is over and economic and employment growth levels have recovered, new immigrants will be needed to meet the European labour market requirements, according to the specific circumstances of each Member State.

5. European entry legislation: the forthcoming challenge

5.1 Ever since the EU set out ten years ago on the path which is to lead to a common immigration policy, the greatest difficulty has lain in drafting legislation governing the entry of new immigrants, with each Member State's own legislation having a very different approach.

5.2 Immigration policies and laws, and access to employment, are tied to labour market developments. As a result, the social partners must play an active part, but policies and laws must also be based on compliance with immigrants' human rights.

5.3 The Committee considers that immigration legislation should facilitate integration and view immigrant workers as new citizens, as human beings with rights that must be safeguarded and not purely as a pool of labour from which to meet the needs of the labour markets.

5.4 The social partners must participate at all the different levels. The Committee notes with interest the Commission's proposal to set up a European platform for dialogue on managing labour migration, in which the social partners can be involved.

5.5 The EESC has proposed a common immigration policy and harmonised legislation, so that immigrants arrive by legal means, are treated fairly, their fundamental rights are protected and integration is improved.

5.6 Europe has not however greeted immigrants with appropriate legislation and policies: rather, due to the

restrictive nature of most policies and national laws, many immigrants have entered via irregular channels and are compelled to work in the informal economy. The Committee believes that the EU must take fresh initiatives to turn informal work into legal employment.

5.7 The Committee considers that facilitating procedures for legal immigration will reduce irregular immigration and the risk of some irregular workers falling victim to criminal networks involved in smuggling and people trafficking. The Stockholm Programme contains new EU undertakings to combat these criminal networks.

5.8 The EESC considers that restrictive policies have a very harmful effect on integration processes, since they single out immigrants as people who are unwelcome and unaccepted.

5.9 Such policies have sometimes been accompanied by political and social attitudes casting immigration in criminal terms, generating exclusion and promoting xenophobia and discrimination.

5.10 The European Pact on Immigration and Asylum is now to be implemented over the coming years through the Stockholm Programme. With the Lisbon Treaty, it is likely to be easier for agreements to be adopted at Council, and European Parliament co-decision will facilitate harmonisation of legislation.

5.11 The EESC would have preferred horizontal legislation, but the Council and Commission have opted for sectoral directives. The Blue Card Directive⁽⁶⁾ was recently adopted to facilitate the entry of highly-qualified workers. The Commission plans to draw up fresh proposals for directives over the coming months.

5.12 The Committee considers it crucial for the EU to have proper entry legislation, since integration is closely associated with equal treatment and non-discrimination. For this reason, the EESC supported⁽⁷⁾ (albeit with some proposals for improvements) the framework Directive on the rights of third-country workers proposed by the Commission⁽⁸⁾, which is still under discussion by the Council. The approach taken in the version that the Council is now working on is inadequate and unacceptable to civil society and to the Committee.

5.13 The Council must adopt the framework Directive in order to ensure a proper level of rights for all immigrant workers and prevent discrimination. The Committee proposes that the Spanish Presidency recast the debate in the Council on the framework Directive, leading to its prompt adoption provided that it comprises a proper set of common rights throughout the EU, based on equal treatment in particular with regard to labour and social rights for immigrant workers.

⁽⁶⁾ Directive EC/2009/50.

⁽⁷⁾ OJ C 27, 3.2.2009, p. 114.

⁽⁸⁾ COM (2007) 638 final.

5.14 The EESC recently adopted an own-initiative opinion urging that fundamental rights be respected in immigration legislation⁽⁹⁾. It proposed an advanced framework of rights and obligations. The Directive on family reunification also needs to be reformed.

6. Employment is a key element in the integration process

6.1 Integration is a two-way social process of mutual accommodation involving both immigrants and the host society. This is the first of the common basic principles for integration that were adopted by the Council in 2004.

6.2 Integration requires strong leadership on the part of the authorities, social partners and organisations. Public policies can facilitate these social processes, and the active involvement of civil society is also crucial. In an earlier opinion⁽¹⁰⁾, the EESC highlighted the important role of local and regional authorities.

6.3 Immigrant workers must also be receptive to integration, and make an effort to learn the language, laws and customs of the host society.

6.4 The EESC, together with the Commission, is engaged in the activities of the European Integration Forum, and wishes once again to emphasise the importance of civil society organisations being involved and consulted at the various levels of governance.

6.5 Integrating people of immigrant origin goes beyond the realm of employment covered by the present opinion, as integration is especially important in the family setting, in schools and universities, towns and neighbourhoods, religious institutions, sports and cultural bodies, etc.

6.6 Work represents a fundamental part of the process of social integration, since decent work is vital to immigrants' self-sufficiency, and it facilitates social relations and mutual understanding between the host society and immigrants.

6.7 Social Europe is founded on work, and integration is crucial to developing a social Europe. European businesses are vital social players and are both concerned by, and engaged in, integration.

6.8 The economic crisis and the rise in unemployment are weakening integration processes and exacerbating a number of conflicts within society and the labour market. The EESC considers that under these circumstances, efforts in favour of integration need to be redoubled by all those involved:

immigrants themselves, the public authorities, the social partners and civil society.

6.9 Europe's migrant workers must be treated fairly, because they are protected by international human rights conventions and the principles and laws enshrined in the ILO conventions. In another opinion⁽¹¹⁾, the EESC listed the rights and obligations that European legislation must guarantee to immigrant workers.

6.10 The EESC considers that legislation and public policies must be backed up by cooperation with the social partners, because integration into the labour market is also an issue of society's attitudes, and of commitment on the part of unions and employers.

6.11 Public employment services must boost programmes to help immigrants find work and these programmes might include helping with the recognition of professional qualifications, improving discrimination-free language learning and occupational training, and providing adequate information on employment systems in the host country.

6.12 Trade unions, employers' organisations, immigrant associations and other civil society organisations play a key role in conveying information and in helping immigrants to find employment.

6.13 Most companies in Europe are small- or medium-sized. They provide employment for the bulk of the working population, including immigrants. In consequence, social integration processes unfold largely in SMEs.

7. Equal treatment and non-discrimination as the pillars of integration

7.1 The EESC sees the initial reception and treatment given by the authorities and by businesses to immigrant workers as fundamental; they frequently find themselves at a disadvantage compared to host country workers.

7.2 Although the situation varies between Member States, as do labour laws and social practices, many immigrant workers experience disadvantages and difficulty in finding employment and the non-recognition of vocational qualifications. In addition, they often do not speak the language and are unfamiliar with local laws, customs and social institutions.

7.3 Sound anti-discrimination legislation is the starting point, but legislation that discriminates between host country and immigrant workers still exists at national level, mostly consisting of directly or indirectly discriminatory practices towards workers on account of their national, ethnic or cultural origin.

⁽⁹⁾ OJ C 128, 18.5.2010, p. 29.

⁽¹⁰⁾ OJ C 318, 23.12.2006.

⁽¹¹⁾ OJ C 128, 18.5.2010, p. 29.

7.4 Equal treatment and anti-discrimination policies represent the pillars of integration policies. Reflecting its two-way focus on integration, the Committee believes that businesses, trade unions and the authorities must assure immigrant workers equal treatment and prevent all forms of discrimination.

7.5 Employers and immigrant workers must comply with labour standards and the collective agreements in force in each company or sector, in accordance with national laws and practices. The Committee would emphasise that racism and discrimination are forms of criminal behaviour that must also be penalised in companies under labour law.

7.6 In order to facilitate labour integration, immigrant workers must be informed of the labour laws and collective agreements that govern their workplace rights and obligations.

7.7 A political and social environment that is integration-friendly will make it easier for immigrant workers to follow paths towards integration and programmes that the authorities must provide for them, such as learning languages, laws and customs.

7.8 The EU Directives on equal treatment in employment⁽¹²⁾ and equal treatment irrespective of racial or ethnic origin⁽¹³⁾ are essential legal instruments in shaping legislation and practices in the Member States to combat discrimination and foster integration at work.

7.9 The European Parliament recently adopted a resolution on the new Directive against discrimination⁽¹⁴⁾, which complements the directives already in place. The EESC also delivered an opinion endorsing the Commission proposal and recommending that multiple discrimination be taken into account. This new directive, once adopted, will extend the principle of non-discrimination to areas such as education, health, social protection and housing.

7.10 The EESC considers that the anti-discrimination directives have not been adequately transposed into national legislation, and consequently some Member States lack sound anti-discrimination laws. The new Directive, once adopted, will be a very valuable legislative instrument.

7.11 The social partners, who are key players in the operation of the labour markets, and who are cornerstones of Europe's economic and social life, have an important role to play in integration. In the context of collective bargaining, they must accept their share of the responsibility for integrating

immigrants, eliminating any direct or indirect discrimination from collective agreements and from employment laws and practices.

7.12 With regard to collective bargaining, especially within companies, mechanisms must be put in place to ensure that access to employment and recruitment practices comply with the principle of equal opportunities. It is particularly important in this sphere to have instruments that can prevent not only direct, but also indirect discrimination.

7.13 At present, however, equal treatment in pay and working conditions is not guaranteed in practice for many immigrant workers. The social partners and labour authorities must introduce arrangements to prevent discrimination, and they must be proactive in promoting equality.

7.14 Dual-standard labour models are springing up in Europe, with high-quality employment for the majority of European citizens and highly-qualified immigrants, and low-grade jobs for the majority of immigrants. Low-grade employment is therefore also a factor for discrimination when immigrants are used as a pool of 'more vulnerable' labour.

7.15 The EESC has urged in a number of opinions that the Member States should improve arrangements for recognising vocational qualifications⁽¹⁵⁾, and that the EU should have a system for recognising qualifications that can be used by immigrant workers⁽¹⁶⁾. Many immigrants are working in European companies at levels below their qualifications.

7.16 Many immigrants also suffer from disadvantages and discrimination when it comes to career development and promotion. Labour laws, collective agreements and business practice must uphold the principle of equal promotion opportunities for workers. It is up to the social partners to launch new initiatives in this respect.

7.17 Vocational training is an instrument of great importance for improving the employability of immigrant workers, although under some national laws and practices third-country nationals are excluded or limits are imposed on them. The EESC considers that the public authorities and the social partners must facilitate immigrant workers' access to training under equal conditions.

7.18 Some Member States cooperate with businesses to provide training programmes in the countries of origin before a residence permit is granted, to assist the labour integration of third-country nationals once they arrive in Europe.

⁽¹²⁾ Directive EC/2000/78.

⁽¹³⁾ Directive EC/2000/43.

⁽¹⁴⁾ P6_TA (2009) 0211.

⁽¹⁵⁾ See in particular OJ C 162, 25.6.2008, p. 90.

⁽¹⁶⁾ See, among others OJ C 218, 11.9.2009.

7.19 The European Union has still not satisfactorily resolved the question of the portability of pension rights for European workers. Immigrant workers also experience numerous problems arising from national laws that do not properly safeguard pension rights acquired when working in Europe. The reasons for this are very varied, depending on national laws and agreements with third countries.

7.20 The Committee proposes that the European Commission should take legislative steps to make it easier to guarantee the pension rights of immigrant workers in the EU when they change their place of residence within the EU, return to their country of origin or go to live in another country.

7.21 Trade unions must welcome immigrant workers into their ranks and help them to attain representative and management positions. Most trade unions in Europe have implemented best practices to guarantee equal treatment and tackle discrimination.

7.22 The EESC believes that active policies and new commitments on the part of the social partners are needed, in order to foster social attitudes that encourage integration, equal treatment and efforts to combat discrimination in the workplace. European social dialogue can provide an appropriate framework enabling the social partners to take on new commitments.

7.23 The European Union Agency for Fundamental Rights has investigated ⁽¹⁷⁾ labour discrimination on ethnic grounds on the European labour markets, and has conformed that there is a high level of discrimination in spite of legislation.

8. Managing diversity

8.1 European societies are increasingly diverse, and this diversity is going to increase in the future. Immigrants cannot be properly integrated at work unless a positive view is taken of cultural diversity, which increasingly touches upon businesses and workers.

8.2 Large companies have their own in-house business culture which they have built up over time among their workers, the social environment and their links with clients.

8.3 European companies carry out their business in cities that are ever more diverse. The Committee of the Regions and the Dublin Foundation have, by means of the CLIP N network ⁽¹⁸⁾, pooled their experiences with a view to enhancing diversity in municipal employment.

8.4 The cultural diversity arising from immigration poses a new challenge that must be faced if business culture is to be broadened in order to integrate new workers at all levels: senior and middle management and the rest of the workforce.

8.5 Globalisation is also making it easier for companies to operate in new social and cultural environments, and in new markets with clients from different cultures.

8.6 Many companies recognise the value of managing diversity. The shift over recent decades to a service economy has given greater weight to contact between companies and their clients; moreover, globalisation has prompted businesses to seek out new markets around the world. The clients and users approached by companies are increasingly diverse.

8.7 Efficient management of in-company diversity allows the skills of all workers of diverse origins and cultures to be better harnessed, and makes for more effective external company relations in a market which is similarly diverse.

8.8 Companies that handle diversity well are better placed to draw on 'talent' from anywhere in the world, as well as to attract clients on the new markets. Moreover, they can enhance the creativity and capacity for innovation of their employees insofar as all their workers (including immigrant ones) operate in a climate that is conducive to this.

8.9 Small businesses in Europe often do not have dedicated human resources management departments: consequently, they need to be supported by specialist structures provided by the authorities and by employers' organisations.

8.10 Management of diversity is based on the strict application of measures for equal treatment and non-discrimination. In addition, however, it entails introducing reception programmes for immigrant workers; measures to cater for cultural differences; communication systems that reflect linguistic diversity; mediation procedures for conflict resolution, etc.

8.11 Training is needed in order to manage diversity. In-company training can apply to various groups: senior managers, middle managers and the workforce as a whole, as well as trade unions and employers' organisations.

8.12 Companies, trade unions and employers' organisations should all have specialist diversity management services to promote initiatives, evaluate results and foster change.

⁽¹⁷⁾ EU-MIDIS European Union Minorities and Discrimination Survey: Main Results Report, European Union Agency for Fundamental Rights, 9.12.2009.

⁽¹⁸⁾ Cities for Local Integration Policy – a network of more than 30 cities, operated by Eurofound.

8.13 The public authorities will be required to contribute to managing diversity in companies, not least by means of economic and tax incentives in support of businesses that draw up their own diversity plans, and to facilitate sharing of best practice, implementation of training programmes and promotion campaigns.

9. Integration difficulties in the informal economy and irregular immigration

9.1 Irregular immigrant workers 'without papers' are obliged to work in the informal economy and irregular jobs, which increases their relative weight in those Member States that have the largest numbers of irregular immigrants.

9.2 Irregular immigrants are frequently subjected to extreme forms of labour exploitation by certain employers. The EESC has adopted an opinion⁽¹⁹⁾ on the draft directive proposing sanctions against employers who exploit irregular immigrants.

9.3 Undocumented women workers in domestic employment are in a highly vulnerable position, which in some cases amounts to semi-slavery. Some national laws do not fully guarantee labour and social rights for this type of work. These problems are further aggravated for people whose situation is irregular and who work in the hidden economy. The Committee proposes that the European Commission launch new initiatives to assure proper protection for the labour and occupational rights of these women workers.

9.4 In recent years some national laws have criminalised humanitarian associations that help people in an irregular situation to prevent them becoming socially excluded and promote their integration. The Committee warns that such laws run counter to human rights and the moral principle of solidarity. The European Commission and the Vienna Agency must assess these situations and respond with the necessary initiatives.

9.5 Since social integration is more difficult when immigrants are in an irregular situation, the Committee has suggested introducing individualised regularisation procedures

for irregular workers that take account of the degree to which they have settled in social and employment terms. This should be based on the undertaking by the European Council under the European Pact on Immigration and Asylum⁽²⁰⁾, in which it was agreed to use case-by-case regularisations under national law for humanitarian or economic reasons, especially in employment sectors with high concentrations of persons in irregular circumstances.

10. Stockholm Programme initiatives

10.1 The Commission has proposed to set up a European platform for dialogue on managing labour migration, bringing together employers, trade unions, employment agencies and other stakeholders.

10.2 The EESC proposes that the Commission follow the same procedure as for the establishment of the European Integration Forum, and request an exploratory opinion in the course of 2010. The Committee, with input from all the stakeholders, could then propose how to set up the European platform, with which it would wish to cooperate.

10.3 The Commission has also proposed that the EU adopt an immigration code to assure legal immigrants a uniform level of rights that is comparable with that of European citizens. This codified version of existing legislative texts will include any amendments that may be needed to simplify or flesh out existing provisions and improve their implementation.

10.4 The EESC considers that European immigration legislation must go hand in hand with a horizontal common framework of rights (European status) which ensures respect and protection for immigrants' rights and freedoms in Europe, irrespective of the kind of job they do or their legal status. If the framework directive being discussed at the Council were to be adopted and provide a high level of protection, it would represent a powerful legal tool for protecting immigrants' rights.

10.5 The Committee welcomes the Commission's initiative to present a European Immigration Code, provided that it takes the form of a legislative proposal guaranteeing immigrants' fundamental rights and a uniform level of rights comparable with that of Community citizens.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

⁽¹⁹⁾ OJ C 204, 9.8.2008.

⁽²⁰⁾ Council of the European Union, 13440/08, 24 September 2008.

Opinion of the European Economic and Social Committee on the European transport policy in the framework of the post-2010 Lisbon Strategy and the Sustainable Development Strategy (exploratory opinion)

(2010/C 354/04)

Rapporteur: **Mr BUFFETAUT**

On 23 July 2009, the Spanish presidency of the European Union wrote to the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, requesting an exploratory opinion on the:

European transport policy in the framework of the post-2010 Lisbon Strategy and the Sustainable Development Strategy.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 24 February 2010.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March 2010), the European Economic and Social Committee adopted the following opinion by 152 votes to one, with four abstentions.

1. Conclusions and recommendations

1.1 The European Economic and Social Committee emphasises that competitive, reliable, free-flowing and profitable transport is a condition for the economic prosperity of Europe and that the free movement of persons and goods constitutes one of the fundamental freedoms of the European Union. Transport will therefore be called upon to make a major contribution towards achieving the objectives of the strategy for 2020. It would also point out that the transport sector as a whole has been hit hard by the current economic crisis. It is, however, aware that the sector lacks sustainability.

1.2 It supports the action taken to bring about effective modality and optimisation and the inclusion of different modes of transport in one network to establish an integrated transport system and ensure maximum transport fluidity. However, it would stress that the ambition to encourage modal transport must not be abandoned; otherwise, the development of low-carbon modes of transport will stagnate and congestion and emissions will continue to increase.

1.3 The EESC notes the transport sector's dependence on fossil fuels, with the consequences that this has as regards emissions and security and independence of supply, and is well aware that resources, particularly oil, are limited; it therefore considers that future European transport policy, while maintaining the sector's competitiveness as part of the strategy for 2020, must pursue four main objectives: **the promotion of low-carbon modes of transport, energy efficiency, security and independence of supply and the reduction of traffic congestion.**

1.4 The main challenges to be faced and the issues to be integrated into a sustainable transport policy are (i) growing urbanisation and the demand for comfort in daily journeys, (ii) the preservation of public health, which means reducing

emissions of pollutants and greenhouse gases, (iii) maintaining a trading economy that incorporates the need to reduce emissions, (iv) defining homogenous territories so as to build a real integrated transport policy and (v) getting stakeholders in the economy and the general public on board so that they contribute towards implementing new policies and new types of behaviour in the field of mobility. But it is clear that if the European Union goes it alone, its efforts will be in vain. The need for an international agreement on reducing greenhouse gases is obvious, because of global warming and the depletion of traditional energy resources.

1.5 Under these conditions the EESC recommends the implementation of a series of concrete measures by both local authorities and the Member States with support and input from the European Union. The EU can act by passing legislation, channelling money from the cohesion or regional development funds, setting new trans-European transport network guidelines and intervening through the European Investment Bank. Such measures, which form part of the major objectives set out above, could include:

- establishing an ambitious research and development plan for transport and mobility (covering issues such as motoring, fuel, emissions reduction, energy efficiency);
- setting up a forum for exchanging good practices in the field of urban and long-distance transport;
- developing park and ride schemes as well as public transport, particularly dedicated bus lanes and tram and metro lines;
- improving ICT as a tool for providing efficient, reliable and safe public transport;

- putting in place genuine mobility management services covering sufficiently large geographical areas and tasked with ensuring fluidity and good connections between the various modes of transport;
- the creation of local delivery zones and urban distribution centres in city centres;
- maintaining rail facilities in urban areas;
- using taxation measures to promote transport means and technologies that are more energy efficient and emit less CO₂ and other pollutants;
- the creation of safe and comfortable rest areas for professional drivers, improving their working conditions and their training;
- the rapid implementation of rail networks giving priority to freight and the development of a genuine customer service culture in this particular domain;
- the promotion of cars powered by alternative energy and third generation biofuels, where necessary through appropriate taxation measures;
- launching a real European plan for the development of electric vehicles which puts the EU in a position to define or help define international standards in an emerging sector;
- developing the concept of 'green ports' and establishing motorways of the sea;
- improving working conditions and vocational training for seafarers;
- the development of inland waterway and inland-sea motorways and the introduction of new barges, adapted for the transport of semi-trailers and containers;
- taking into account sustainability and environmental protection needs when selecting types of transport infrastructure;
- the internalisation of external transport costs for all transport sectors to ensure that no single mode of transport loses out and to establish the true cost of transport services;
- the adoption by public authorities of realistic targets for cutting emissions of greenhouse gases and other pollutants and of sustainability objectives linked to local transport;

- taking account of such objectives when designing public transport systems and choosing;
- systematically commissioning solid and realistic impact studies before carrying out any policies or measures that are proposed.

1.6 In practice, new transport policy is faced with the challenge of maintaining the sector's dynamism and competitiveness whilst at the same time setting targets to curb emissions of greenhouse gases and other pollutant substances, to facilitate modal shift and reduce distances, to promote 'clean' transport, and to encourage more people to use low emission modes of transport, as expressed in terms of Km/passenger or Km/good.

1.7 This may be achieved through a number of simple steps which have a rapid, direct and tangible effect on costs: selecting the greenest and best renewable fuels, using biogas derived from waste recycling, regenerating existing sites (e.g. abandoned rail or port terminals) and redeveloping them for mobility services, improving interchange facilities where they already exist, harmonising transport tickets for regional and/or urban travel, developing dedicated bus lanes, encouraging car-sharing or facilitating information sharing between rail operators.

1.8 Other solutions also exist which require bold political decisions and involve greater financial outlay: the creation of park and ride facilities served by a reliable transport alternative; the introduction of a central information system monitoring the departures and arrivals of all modes of transport in a given area; establishing the most appropriate form of urban development to curb forced mobility; investment in trams or underground trains; the internalisation of external costs in the cost of transport; the development of ICT to provide actors in the mobility chain with reliable information; gauging the effectiveness of the transport modes chosen; setting up a plan for renewable energy and the recovery of such energy using the best means available (electricity for trams, gas for certain vehicles, etc).

2. Introduction

2.1 The completion of the single market requires an effective and reliable system for the transport of both people and goods. The globalisation of trade itself was made possible by the transport revolution and by price reductions, an increase in the number of carriers, competition and the construction of infrastructure.

2.2 Transport is not only vital for economic and professional life, but for people's personal and private lives, too. It is a necessary condition for trade, while the freedom to come and go represents a fundamental freedom.

2.3 Equally, transport activities are clearly an essential part of the European economy. They represent approximately 7 % of GDP and account for 5 % of all jobs, and help generate 30 % of the GDP of industry and agriculture and 70 % of GDP of services.

2.4 It should be stressed that the significant administrative burdens within the transport sector and the fact that they differ from one Member State are leading to hidden costs and creating barriers to trade within the EU. These costs and administrative burdens hit small and medium-sized businesses particularly hard.

2.5 While the European Union may be proud of the economic efficiency of its transport, and its competitiveness, the sector continues to be marked by a lack of sustainability. A sustainable transport system must therefore not only ensure that transport can fulfil the various economic duties expected of it but also comply with the social and environmental pillars of sustainable development.

2.6 The very concept of sustainable transport entails guaranteeing the right conditions for economic growth while ensuring decent working conditions and skilled jobs for socially responsible activity which is not harmful to the environment.

2.7 Despite the progress made in terms of engine design and fuel quality, and in spite of the voluntary commitments entered into by car manufacturers, the transport sector remains the sector with the highest rate of growth of greenhouse gas emissions.

2.8 The volume of goods transported has continued to rise, and at a faster rate than GDP growth. Meanwhile, although passenger volumes increased by an average rate of 1,7 % per annum between 1995 and 2007, they remained below the level of GDP growth over the same period (2,7 %).

2.9 The shift towards other modes of transport, such as rail and inland waterway transport, has been somewhat limited since 2001. Even worse, there has been a move back towards road transport.

2.10 Lastly, the sector continues to be 97 % dependent on fossil fuels, which is harmful both for the environment and in terms of energy dependence.

2.11 A long-term policy must therefore ensure that our transport is efficient, curb its environmental impact and improve its safety, increase co-modality, encourage modal transfer, improve working conditions and enable the necessary investments to go ahead.

2.12 This would appear to be all the more important given that the Commission's studies for 2020 forecast a significant surge in transport flow unless trends change:

— internal transport within western Europe is set to increase by 33 %;

— internal transport within eastern Europe is expected to rise by 77 %;

— transport from eastern to western Europe is set to grow by 68 %;

— transport from eastern to western Europe is expected to increase by 55 %.

2.13 If these forecasts materialise, we shall have widespread congestion on the major axes of communication. Too much transport may end up being the death of transport. We must therefore carry out extensive research and development in transport technology (motoring, fuel, energy efficiency, combating pollution ...) and take significant action to invest in infrastructure, improve co-modality, redevelop rail freight and develop inland waterway or maritime transport. We need a veritable Marshall Plan for new transport technologies and investments if we are to achieve the Commission's objectives to reduce carbon emissions. Transport professionals, meanwhile, have developed the concept of opti-modality, i.e. optimising the technical, economic and environmental performance of goods transport chains, and created a circle for opti-modality in Europe. The aim is to break the link between economic growth and the negative impact of transport.

2.14 One issue which has been raised concerns the nature of transport and its social and economic purpose. This is a sensitive issue. The freedom to come and go is a fundamental human right and the free movement of individuals, goods and services is one of the founding principles of the European Union which underpins the rules of the World Trade Organisation. Equally, who should establish whether or not transport is useful? Does this mean that this is something of a pointless question? We believe otherwise; today, there is a need to establish the true economic cost of transport, in other words to internalise the external costs generated by each type of transport and paid for today by society at large, especially environmental costs but also public health and safety costs. By establishing a fairer price for transport services, and setting more realistic costs, we will be able to limit certain transport flows in favour of local transport.

3. Land transport

3.1 Co-modality has become the watchword in Europe, in other words the principle of optimising all modes of transport and encouraging greater coherence and the most effective interaction possible between the various modes of transport. Eighty percent of all land transport involves journeys of less than 100 km. It is therefore necessary to come up with an appropriate response to this demand which, apart from road transport, may also be satisfied by local rail transport, as inland waterway or maritime transport seems less practical for very short distances. At any event, vigorous steps should be taken to encourage a modal shift where appropriate, otherwise the EU will not succeed in developing a low-carbon transport economy.

3.2 Urban and regional transport

3.2.1 This mode of transport is governed by a number of specific constraints. Urban traffic is responsible for 40 % of CO₂ emissions and 70 % of emissions of other pollutants arising from road transport. In addition, congestion in cities, apart from its damaging effects on public health and the environment, costs the EU an estimated 2 % of GDP. The development of public transport is clearly a necessity; however, it must meet certain criteria if it is to meet the requirements of providing a genuine service in the public interest and thus present a viable alternative to the passenger car e.g. frequency, rapidity, safety, comfort, accessibility, affordability, size of network, ease of connections etc. It will enable not only environmental challenges to be met but will also help to tackle social cohesion issues, such as how to overcome suburban isolation.

3.2.2 Use of electric transport would be desirable; however, the electricity itself should be produced in a sustainable manner and, where possible, without CO₂ emissions. Car-sharing or car-pooling schemes should also be encouraged.

3.2.3 A veritable sustainable urban mobility policy needs to be put in place. This would involve curbing the use of private transport, by setting up urban tolls for instance. Above all, however, this would mean improving the quality of public transport and making it more user friendly through the development of the infrastructure and services needed to provide effective inter-modality. Given the situation of public finances in many EU Member States, this could be made easier in certain cases if the public authorities develop public/private partnerships to construct new infrastructure such as dedicated bus lanes, tram, trolleybus or metro lines, new regional rail networks or to re-instate disused transport routes, develop specialist transport ICT, modernise or simplify ticketing.

3.2.4 In practice, common sense measures such as the development of park and ride schemes well connected to urban centres, the introduction of dedicated bus lanes or the reinstatement of disused railway lines should all be capable of ensuring real progress at an affordable cost.

3.2.5 Improving information and communication techniques can be an effective means of developing the inter-modality of transport through the implementation of a genuine regional transport management policy. These technologies mean that traffic can be managed more effectively and should make it possible to devise energy optimisation systems for vehicle flow on the road network. They also inform travellers in real time throughout the length of their journey, simplify and optimise ticketing, and make ticket reservation easier. Thanks to these techniques travellers are able to optimise their journeys, search for timetable or service frequency information and even

identify the energy usage of their chosen mode of transport. ITC therefore act as a means of synergising modes of transport, infrastructure use and energy efficiency.

3.2.6 Transport system management problems often extend beyond the confines of a single local authority and can affect a wide area outside an urban centre. Based on the initiative of local authorities, genuine mobility management services may be set up covering a large and well-defined geographical area, e.g. through the delegation of public powers. These mobility management services would have the following missions:

- to analyse passenger flow, geographical and urban constraints and other factors in the regions concerned, taking account of local operators;
- to optimise and tailor mobility services to identified needs;
- to oversee a variety of cross-cutting services to facilitate inter-modality: information, ticketing and tele-ticketing, on request transport services, transport for persons with limited mobility, car sharing;
- to carry out audits of mobility management and its environmental impact.

3.2.7 The organising authority would, naturally, retain its right to select local operators, to set tariffs and to formulate transport, travel and local planning policy. It would help ensure the transparency of contracts, draw up binding target commitments for both the management services and the local authority concerned, and identify service quality targets.

3.2.8 The EESC has already highlighted that local authorities play a decisive role in the organisation of public transport and local and regional planning. The subsidiarity principle certainly has a role to play in this area but nonetheless, the European Union quite rightly wishes to promote the most sustainable urban transport models possible. It has already allocated financing via the structural and cohesion funds as well as through the CIVITAS programme. The EU should not only boost the exchange of urban transport best practices but also finance research efforts on the interaction between transport and urban development under the next framework programme.

3.3 Freight transportation in urban areas

3.3.1 This type of transport generates a significant volume of traffic. In Paris, for example, it accounts for 20 % of all traffic and 26 % of GHG emissions. We therefore need to optimise urban transport logistics and, where possible, encourage a modal shift towards rail or inland waterway transport.

3.3.2 The following may be considered:

- grouping together deliveries, through the creation of local delivery zones, parking spaces and loading bays close to neighbouring organisations and businesses;
- setting up urban distribution centres, to ensure deliveries in the city centre, along with load restrictions, mandatory use of logistics platforms, optimised fuel tanking, use of electric vehicles;
- maintaining rail facilities in urban areas wherever possible, with guaranteed access for all operators;
- developing inland waterway port infrastructures in large urban areas situated alongside rivers.

3.4 Road haulage

3.4.1 The growth of road freight transport has meant that there is a need to address a series of challenges: growing CO₂ emissions, the high dependency of the transport sector on fossil fuels, as well as a need to improve infrastructure, particularly its safety, and to ensure that drivers have a favourable working environment and good working conditions.

3.4.2 Regarding CO₂ emissions, action should be taken to step up research and development to curb emissions, particularly by developing new engines and alternative energy sources. Tax-related measures to promote products and/or measures geared towards alternative propulsion techniques and the reduction of CO₂ emissions will be all the more effective if an ambitious research policy is in place. The internalisation of external costs⁽¹⁾ must therefore apply to all modes of transport in a fair and balanced manner.

3.4.3 It will be vital to develop technological solutions and to introduce ICT technologies tailored to freight road transport if we are to address the challenges facing the sector, limit energy dependence, vehicle emissions and network congestion. A clear framework is needed to introduce new technologies, with the creation of open standards, to ensure interoperability, and to increase R&D spending on technology still requiring further development before its introduction onto the market. Such technologies must also be used to reduce the frequency of trips by empty vehicles through a better application of information to logistics. They may be of great interest in improving transport safety.

3.4.4 Infrastructure should also be improved, especially through the provision of fully equipped, secure and monitored rest areas and facilities to protect drivers against theft and other criminal acts, and ensure their safety.

⁽¹⁾ EESC opinion CESE 1947/2009 on the Proposal for a Directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures – not yet published in the OJ; OJ C 317 of 23.12.2009, p. 80.

3.4.5 We need to ensure that professional driving continues to be an attractive occupation by guaranteeing a favourable working environment and good conditions, such as regulated working time, with harmonised driving hours and rest periods, and to ensure that such measures are not empty legislative promises but that they are actually implemented in practice⁽²⁾.

3.5 Rail transport

3.5.1 While there has been a general increase in the number of rail passengers, particularly over long distances with high speed rail links, rail freight transport remains at a low level, accounting for 8 % of all goods transport. In general, steps should be taken to see that when carrying out modernisation and improving competitiveness on the railways, maximum attention is paid to safety requirements and the need to ensure continuity of service during periods of bad weather.

3.5.2 The EESC supports the Commission's proposal to set up rail networks giving priority to freight. However, there is a need to instil a customer service culture, which is competitive and business-minded. Opening services up to competition should make this transition easier.

3.5.3 The principle behind a priority freight network is to identify time slots and specific locations where freight trains would benefit from priority passage, without disrupting passenger train traffic.

3.5.4 It should be noted that a number of such schemes have already been set up in the European Union, and that some lines are even reserved exclusively for freight transport such as the Betuwe line between the port of Rotterdam and Germany. The New opera and Ferrmed projects should also be mentioned in this context.

3.5.5 The development of rail freight transport is possible, provided that certain conditions are met:

- it offers a genuine logistics service rather than just a transport service;
- it succeeds in lowering costs to become more competitive;
- it provides a more reliable service;
- it is capable of guaranteeing reasonable 'end to end' journey times;
- it offers more flexibility in supply and is more responsive in the event of traffic disruption.

⁽²⁾ OJ C 161, 13.7.2007, p. 89. OJ C 27, 3.2.2009, p. 49. OJ C 228, 22.9.2009, p. 78.

3.5.6 The development of rail freight transport also requires the development of inter-modal road-rail transport platforms. In this context, we can only be delighted by the inauguration of the road-rail transport link between Lyon and Turin, but after a period of uncertain development for road-rail transport the time has now come to promote road-rail highways (such as the alpine highway or the lorry-rail link between Perpignan and Luxembourg) and maritime highways such as the Franco-Spanish Fres Mos project between Nantes Saint Nazaire and Gijon.

3.6 Passenger cars

3.6.1 The climate/energy package has imposed a number of important restrictions on car manufacturers. There is a need to develop new alternative fuel vehicles, especially electric or hybrid motor cars. Equally, it is important to maintain an open debate regarding biofuel. Today, we are witnessing the development of higher performing third generation biofuels, especially algae-based fuel, which can help avoid conflict over the use of arable land earmarked for the cultivation of agricultural produce for human consumption.

3.6.2 Alongside developments in the technologies and vehicles available on the market, there have been other areas of progress, especially with regard to saving energy and space that is currently congested because of cars. This concerns action such as courses on energy and cost saving measures, which have been organised by certain large companies or public sector bodies, the creation of car sharing or car pooling schemes or the decision by certain towns to make small electric vehicles available for hire.

3.7 Walking and cycling

3.7.1 The development of these modes of transport should be encouraged in urban areas, although they are constrained by topographical and climate considerations and the age of the persons involved. However, it is clear that local authorities should develop safe cycle tracks, as one of the obstacles preventing the development of bicycle use is the potential danger from cars.

4. Maritime transport

4.1 Maritime transport forms the backbone of international trade. The sector is suffering the effects of the crisis and is currently facing a problem of overcapacity. We must avoid under-investment and the loss of skills and know-how, the effects of which would be disastrous when the economy begins to recover, especially as European maritime transport is the absolute world leader in the sector and as we need to ensure a level playing field and maintain the competitiveness of the European fleet, which represents a veritable asset for the European Union.

4.2 Fuels

4.2.1 Seagoing vessels use highly polluting oil by-products. Notwithstanding the need for technological development, we should examine together with the profession how best we can

offset this adverse effect on the environment. If the CO₂ quota system is not suitable, we could perhaps consider introducing an eco-tax. This issue should be discussed by international maritime bodies.

4.2.2 In any event, the Committee reaffirms its support for investment in research and development into sea-going vessels, fuel and green ports, and also insists that the motorways of the sea outlined in the TEN programme be fully implemented.

4.3 Safety

4.3.1 One can never truly avoid the perils of the sea or the danger of shipwreck but everything must be done to ensure passenger and crew safety, both in the field of ship design and maintenance. European law on maritime safety is among the most comprehensive and detailed such legislation in the world. Equally, there is a need to step up the fight against illegal degassing through a firm and stringent approach.

4.4 Training

4.4.1 If we are to maintain and develop European maritime transport, young people need to choose maritime careers and show an interest in remaining there. We should improve the quality of training given to seafarers, along with their living and working conditions at sea and strive to boost crew numbers.

5. Inland water transport

5.1 Inland water transport is widely developed in the north of Europe yet could be developed further in other countries. In parallel with the steps taken in the maritime sector, consideration should be given to the concept of inland waterway motorways and inland-sea motorways, all the more so given that the energy consumption and emissions of this type of transport is three to four times lower than that of road transport. This innovative concept can only be developed through the introduction of new types of vessels and by setting up port and logistics platforms.

5.2 Hybrid inland waterway/sea-going vessels and river barges are a key factor in the process of establishing new inland waterway services. They are vital for ensuring that such services are efficient and profitable and must be specially tailored in terms of their capacity and speed, and meet port and navigational requirements. This involves optimising the dimensions of vessels and barges to enable the transportation of semi-trailers and containers in particular.

6. Airborne transport

6.1 Airborne transport is responsible for 3 % of the CO₂ present in the atmosphere. It should be stressed that emissions have increased at less than half the rate of the growth in traffic since 1990. Airborne transport will be covered by the CO₂ emissions trading scheme and, similarly to VAT, the Commission has raised the problem of kerosene taxation for transport within the EU.

6.2 Airborne transport has developed as a result of the liberalisation of the sector and the emergence of low cost airlines. However, the localisation of these companies has often been accompanied by the award of public subsidies which should in turn entail a requirement for the beneficiary companies to implement offset policies.

6.3 The issue of air safety is obviously a key one when considering air transport policy. The EU should be at the forefront in establishing an international air safety system and act accordingly at the ICAO international conference to be held in Montreal in March.

6.4 Finally, the move to the second phase of the 'open sky' project after 2012 should be well prepared and the difficult negotiations between the USA and the EU should be brought to a successful conclusion.

7. Infrastructure

7.1 The EESC has always supported the trans-European transport networks programme. It reaffirms its support for this programme but is concerned about financing difficulties and delays.

7.2 It notes that the needs of the enlarged Europe in the field of transport infrastructure have grown and some thought has to be given to the matter of how to adapt existing financial instruments, or even create new ones. All such thoughts should be focused on finding ways of setting up sustainable infrastructures: combining public and private funding, mobilising new, non-budgetary resources etc. ...

7.3 It must be stressed that transport infrastructure plays a very important role in socio-economic development and in regional cohesion. However, transport infrastructure also represents the cornerstone of a sustainable and environmentally friendly transport system. The type of infrastructure used is

therefore a matter of pivotal importance. We must help develop the accessibility of the regions and integrate them into national and European structures by promoting infrastructure which is sustainable and environmentally friendly.

7.4 The future guidelines for the TEN-T which will be submitted at the beginning of 2011 should clearly reflect the EU's choice of favouring low-carbon transport.

7.5 The EESC reaffirms its unwavering support for the GALILEO programme and stresses the need for it to be brought into operation without further delay.

8. Internalisation of environmental costs

8.1 There is broad agreement regarding the need to internalise the environmental costs of transport. If this internalisation does not take place, it will be the public at large who will have to bear these costs. What is more, this may encourage some rather questionable economic practices since it results in the transport over significant distances of products which could be provided from closer to home.

The EESC believes that a carbon tax would be the most effective way of internalising a major part of the environmental impact. This would give firms a strong incentive to find ways of reducing their carbon dioxide emissions and thus their environmental impact.

8.2 The ecolabel is a procedure which it is impossible to dismiss outright, even if the details of its implementation and its impact need to be studied with care. This principle should be considered for both air and sea transport within the appropriate international bodies (ICAO and IMO). It would be desirable to re-open the debate on the revision of the 'Eurovignette' directive, though it should be borne in mind that the principle of the internalisation of external costs should be comprehensively applied to all modes of transport.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

Opinion of the European Economic and Social Committee on 'Industrial change and prospects for the powered two-wheeler industry in Europe' (own-initiative opinion)

(2010/C 354/05)

Rapporteur: **Mr RANOCCHIARI**

Co-rapporteur: **Mr PESCI**

On 16 July 2009 the European Economic and Social Committee, under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

Industrial change and prospects for the powered two-wheeler industry in Europe.

The Consultative Commission on Industrial Change, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 4 February 2010.

At its 461st plenary session, held on 17-18 March 2010 (meeting of 18 March), the European Economic and Social Committee adopted the following opinion by 140 votes, nem. con. with two abstentions.

1. Conclusions and recommendations

1.1 The powered two-wheeler industry plays an important role in the EU in terms of the economy and jobs. Manufacturers' situations vary widely: some operate globally across all segments, or in very specialised segments, and some operate country-wide or even local businesses, which at times verge on craft trades. That is also true of the related components, distribution and aftersales sectors, in which there are a considerable number of SMEs ⁽¹⁾.

1.2 The industry was struck by the crisis in the last quarter of 2008, and the adverse effects of the fall in demand have been felt throughout the sector, with severe structural and employment consequences (31 % fall in demand resulting in a 35 % fall in turnover and orders, with adverse effects on employment). Provisional data for 2009 confirm the negative market trend, with figures down 21 % on 2008 and 25 % on 2007.

1.3 The EESC fears that if policies to support the sector are not developed without delay there may be further, substantial job losses in 2010.

1.4 The EESC held a public hearing as part of the 67th International Motorcycle Exhibition (Milan, 12 November 2009), where it collected further statements from manufacturers, component suppliers, trade unions and users, NGOs and universities. The hearing substantially confirmed the views expressed in the study group.

1.5 Against this backdrop, the EESC:

a) believes appropriate measures bolstering demand for powered two wheelers in the Member States are necessary,

⁽¹⁾ List of manufacturers and other information on the powered two-wheeler sector available on the CCMI's website: http://www.eesc.europa.eu/sections/ccmi/opinions_reports/total_list/index_en.asp#PTW.

and calls on the Commission and the Member States to encourage implementation or renewal of these measures in the medium term, particularly as regards vehicles with low environmental impact and advanced safety features;

- b) calls on the Commission, when drafting the upcoming proposal for a regulation on powered two wheelers, to set goals which the sector will be able to achieve – phasing in targets which are in sync with design, production and the market, ensuring flexible solutions for industry and thus a smaller increase in costs for the consumer, and taking into account the economic climate and the wide range of diverse products;
- c) believes that, to ensure a level playing field, greater oversight in respect of type approval and markets is needed, and for free trade agreements between the EU and South-East Asia to be reciprocal;
- d) calls on the Commission to develop a similar approach to CARS 21 ⁽²⁾ for the powered two-wheeler industry, to support partnership in the industry, competitiveness and jobs;
- e) considers that FP7 can contribute to achievement of these goals and calls for a dedicated platform to be set up for the powered two-wheeler industry, supporting businesses which produce in Europe and use the European production chain;
- f) calls on the industry to pursue restructuring, mergers and acquisitions and to build further cooperation, including with component suppliers, with the aim of maximising all possible synergies;

⁽²⁾ A competitive automotive regulatory framework for the 21st Century (CARS 21 High Level Group, 2007).

- g) believes it necessary to develop 'social dialogue' in order to boost employment in the sector, establishing European standards for lifelong learning and worker specialisation while, at the same time, helping to reduce insecure employment;
- h) calls on the Commission to focus extensively on powered two wheelers in the measures provided for by the Action Plan on Urban Mobility, as powered two-wheelers can undoubtedly contribute to more sustainable mobility.

2. The powered two-wheeler industry in Europe

2.1 The powered two-wheeler industry plays an important role in the EU in terms of the economy and jobs. When compared with the automotive industry ⁽³⁾, there are some similarities but, most significantly, the powered two-wheeler industry has some distinctive characteristics owing to the fact that it is smaller, its structure is more fragmented and its production more diversified.

2.2 This industry has changed considerably in recent decades, as longstanding European brands have been faced with growing Japanese competition. Japanese manufacturers, which are now among the leaders in the industry, have developed production activities directly in the EU. Over time, the European industry has been reorganised with restructuring, mergers and acquisitions and the birth of medium-large industrial groups, operating alongside niche producers and a substantial number of SMEs.

'Traditional' European manufacturers, Japanese and Americans currently share leadership of the European market, but since the 1990s they have been facing growing competition from emerging economies. In terms of vehicles produced, EU production is relatively low (1.4 million) compared with that of China in particular (over 20 million), India (over 8 million) and Taiwan (1.5 million), although it is characterised by greater added value, innovation, quality and safety.

2.3 Eurostat places the powered two-wheeler industry under NACE code 35.41. The most recent data, from 2006, present the EU 27 powered two-wheeler manufacturing sector as being made up of 870 businesses, 80 % of which are located in six Member States (Italy, United Kingdom, Germany, France, Spain and Austria). The average turnover of EUR 8 million reflects the substantial number of SMEs, estimated at 650, which make up 75 % of the total.

2.4 90 % of European production is carried out by a hundred or so medium-large and medium-small manufacturers operating in various EU countries (in addition to those mentioned above, the Czech Republic, the Netherlands, Portugal, Slovenia and Sweden) as well as Norway and Swit-

zerland. The remaining 10 % of European production is shared between small and very small manufacturers.

2.5 Manufacturers' situations vary widely: some global operators are active across all segments (motorcycles for various uses with various cylinder capacities, scooters with various cylinder capacities, mopeds, three- and four-wheeled motorcycles) or in very specialised segments, while others operate country-wide or even local businesses which at times verge on craft trades in terms of size and production processes.

2.6 Technical regulations (European type approval) establish various categories of powered two-wheeler, with different characteristics (cylinder capacity, intended use). For its part, the European Driving Licence Directive establishes different conditions for access to powered two-wheelers (AM mopeds; A1 motorcycles; A2 motorcycles; A motorcycles). These complex divisions encourage fragmentation of production and reduce economies of scale.

2.7 The origins of the fragmentation of the powered two-wheeler industry are in part historical, but derive mainly from the nature of the powered two-wheeler market. While segments more closely geared to utilitarian mobility (in particular urban mobility) such as scooters allow greater production synergies, particularly as regards engines, motorcycle-related segments lend themselves less easily to synergies such as using the same components and engines on different brand models. In particular, dynamic properties differ greatly according to the size of vehicles, and then there are differences arising from specialist vehicle use, and, lastly, the different expectations of users. In many cases different brands are strongly identified with particular cycle or engine configurations (such as the BMW boxer engine, Ducati desmodromic distribution, the Moto Guzzi v-twin engine and the three-cylinder Triumph engine), reflecting demand from European and export markets which are to a large extent made up of groups of devoted fans.

2.8 The vehicles are produced in smaller series and limited numbers, which means less yield on capital invested than in the automotive sector. This is also reflected in part in the component and distribution sectors.

2.9 Supported by an EU market which had been expanding since 2002 (+22 % between 2002 and 2007), turnover from EU powered two-wheeler production amounted to EUR 7 billion in 2006 as against total turnover of EUR 34 billion for the powered two-wheeler sector in the European Union. It is interesting to note that, in the period 2004-2006, the EU powered two-wheeler sector saw a rise of 12 %, which is greater in percentage terms than the figure for the manufacturing sector in general and that for the automotive sector (both +8 %), with a positive impact on jobs.

⁽³⁾ See the CCMI information report on *The Automotive sector in Europe: current situation and prospects*, adopted by the CCMI on 13 November 2007.

3. The role of the powered two-wheeler component, distribution and after-sales assistance sectors

3.1 The components and distribution sectors are also characterised by a high degree of fragmentation.

3.2 Components come partly from automotive suppliers, which have a small sideline in the powered two-wheeler industry (fuel-feed systems), but mainly from specific suppliers (wheels, exhausts, clutches etc.) because of the level of specialisation required. The number of suppliers to the industry is estimated at around 500. These suppliers have traditionally been European (concentrated in Italy, Spain, France, the United Kingdom, Germany and the Netherlands). In recent years competition from Asian suppliers has increased. In response to this competition some European suppliers have in turn relocated part of their activities to Asia. However, European component suppliers rely exclusively on orders from European producers.

3.3 The distribution and assistance network meets a need for proximity which is specific to powered two-wheelers (especially as regards mopeds and scooters): in the EU there are around 37 000 active points of sale and after-sales assistance, often run by family businesses. Italy, France, the UK, Germany, Spain, the Netherlands, Greece and Sweden account for 91 % of turnover in the distribution and assistance sector; this figure rose by 5 % between 2004 and 2006.

4. Jobs and social aspects

4.1 Between 2002 and 2007 employment rose steadily in the powered two-wheeler industry, to 150 000 jobs in the EU in 2007. It is interesting to note that, between 2004 and 2006, employment in the industry rose by 4 % in the EU, as against a fall of 3 % in manufacturing industry in general and a fall of 5 % in the automotive sector. This is evidence of the sector's dynamic nature and innovation, buoyed up in difficult circumstances by rising demand for vehicles for either urban mobility or leisure.

4.2 25 000 of these jobs are directly related to powered two-wheeler production, located principally in Italy, Spain, France, the United Kingdom, Germany, Austria and the Netherlands. The seasonal nature of the powered two-wheeler market (concentrated in spring and summer) causes production peaks at certain times of year, during which manufacturers also take on seasonal workers. There is a demand in that respect for greater flexibility to meet temporary demand from the market.

4.3 20 000 of these jobs are in the components sector, located mainly in Italy, Spain, France, the UK, Germany, the Netherlands and Hungary.

4.4 105 000 of these jobs are in the sales and after-sales assistance sectors. By their very nature they are located throughout the EU, although Italy, Germany, France, the UK, Spain, the Netherlands, Greece, Belgium and Sweden employ 92 % of the workforce.

5. The current economic situation and international trends

5.1 The above data is evidence that the powered two-wheeler industry has been very dynamic in recent years, with an expanding European market which amounted to over 2.7 million vehicles in 2007. (The number of vehicles in circulation in the EU is estimated at around 34 million.) However, the crisis which has struck the EU in the last two years caused the 2008 market to shrink by 7.4 % compared to 2007. In particular, sales were down a hefty 34 % during the first quarter of 2008 on the same period in 2007. This negative trend was confirmed in the first quarter of 2009, when powered two-wheeler sales were down 37 % on the same period in 2008. Provisional data for 2009 confirm the negative market trend, with overall figures down 21 % on 2008 and 25 % on 2007.

5.2 The effects of the crisis can be seen throughout the sector. For manufacturers, the fall in sales, in addition to impacting heavily on revenue, has caused a fall in production in order to manage overstocks. This fall has, in turn, resulted in cuts in working hours, halts in production and less use of seasonal labour, causing short- and medium-term industrial plans to be revised. In some cases up to 25 % of staff have had to be permanently laid off. The courts have had to take over administration of some small-medium manufacturers' businesses, which are currently being sold; others have even closed down their activities. These developments herald other restructuring, although it is difficult to predict effects on the socio-economic fabric in terms of possible relocation to outside Europe.

5.3 Component suppliers, faced with falling demand from manufacturers, are also having to cut production, with an impact on jobs. Some have had to terminate their business activities and it is estimated that, at present, around 10 % of the industry's suppliers are in danger of bankruptcy. This situation is generating additional costs for manufacturers as well, who have to make unforeseen investments to support component suppliers or find others, even developing new presses for aluminium or plastic parts where supplies are no longer available. As things stand, orders, and sales revenue, have fallen by about 40 %. Not infrequently, many manufacturers turn to suppliers from South-East Asia in order to remain competitive.

5.4 The distribution and after-sales assistance sector, owing partly to the fact that businesses (SMEs and family businesses) are smaller, is heavily affected by the crisis and the fall in activity. For instance, in Spain the number of sales outlets fell by 25 % in 2008, leading to more than 6 000 job losses. If this trend continues, it is estimated that around 25 % of businesses and dealers and 60 % of agents will close down in Spain over 2009 and 2010. The effects of the crisis on the distribution network are generating additional costs for manufacturers as well, which have to sustain the network in order to keep product outlets open and to be in a position to benefit from economic recovery, whenever that may be.

5.5 The EESC fears that if policies to support the sector are not developed without delay, there may be further, substantial job losses over the course of 2010. Moreover, to help maintain employment levels in the sector, 'social dialogue' needs to be developed, encouraging lifelong learning and worker specialisation, including at university level, while, at the same time, helping to reduce insecure employment.

5.6 Medium-term measures to bolster demand for powered two-wheelers have thus far been isolated and inadequate. Unlike the situation in the automotive sector, only Italy lost no time in providing a scrappage incentive, the effects of which were positive for the Italian, and therefore European market as well, encouraging the most heavily polluting vehicles to be taken out of circulation. Italy moved from an initial situation, in the first two months of 2009, of market decline of around 35 % to a positive situation for scooters with low cylinder capacity, which benefited from a EUR 500 contribution for scrappage of obsolete vehicles, while motorcycles and mopeds are still in a negative situation with an overall decline of over 20 %. Despite adopting a powered two-wheeler scrappage incentive scheme in July, which had been promised for months, Spain has yet to implement it, in actual fact giving consumers further reason to wait and therefore further slowing down purchases. (Between January and August 2009 moped sales were down by 52 % and motorcycle sales were down by 43 % on the same period in 2008.) This example shows the clear importance of a European regulatory framework which encourages stability on national markets, helping to increase consumer confidence.

5.7 Measures to bolster demand certainly benefit users but they do not necessarily resolve the issue of component suppliers or the European powered two-wheeler industry. In Italy, for example, the flat-rate EUR 500 contribution dramatically improved the situation of small 125 and 150 cc scooters imported from Taiwan and priced at between EUR 1 500 and 2 000, and, to a lesser extent, higher-priced European products, but it did not serve to sustain demand for medium-sized powered two-wheelers priced at between EUR 6 000 and EUR 8 000. European component suppliers did not benefit at all as they do not supply Asian producers. In order to benefit the industry as a whole, measures are needed to support demand,

ensuring a contribution which grows at the same rate as the prices of the vehicles in question, in particular for those incorporating advanced solutions reducing environmental impact and advanced safety systems.

5.8 There is an urgent need to make access to funding easier for EU businesses operating in the sector so that they can bear the additional costs generated by the crisis and continue to invest in research, development and innovation (manufacturers and component suppliers together), to remain competitive, focusing on quality and innovation to produce increasingly environmentally-friendly, safe vehicles.

6. The industry's future prospects: challenges and opportunities

6.1 Should the negative results of the first half of the year be confirmed for the whole of 2009, the entire sector will see its credit capacity reduced by banks in 2010. Even if recovery is just round the corner, the industry's capacity for investment and research and development will be diminished, with adverse medium-term effects making businesses more insecure, with potential further implications in terms of jobs.

6.2 In the last decade, from the introduction of the Euro 1 standard in 1999 to the standards applied now, the industry has achieved a major reduction in pollutant emissions of around 90 % for CO and HC and over 50 % for NO_x. Encouraging results have been achieved in the area of sound pollution; the industry as a whole (including consumer associations) is still working on further improvements, which can be achieved on road by using only type-approved exhausts and more environmentally-friendly driving styles. The industry has made innovations in the area of safety, with a series of advance braking systems which are gradually being fitted on the different types of powered two-wheelers, as well as on new structures such as three- and four-wheeled motorcycles.

6.3 The Commission is drafting a proposal for a regulation on powered two-wheelers, due to be issued in early 2010. Although progress must continue on environmental and safety issues, in the current economic climate it is essential to avoid disruptive change and take into account the real capacities of the sector and the size of its operators. As regards the new Euro standards, it is necessary to propose goals which the industry will be able to achieve, phasing in targets in a way which respects the timeframes imposed by design, production and the market. The regulation should favour an approach which enables the industry to capitalise on its capacity for innovation, giving it a degree of flexibility which takes into account the economic climate and the wide range of products (in terms of the market and technical properties), in particular as regards fitting advanced braking systems. The industry has already put proposals on environmental and safety aspects to the Commission, to this end.

6.4 'Traditional' manufacturers are exposed, and will increasingly be so, especially in the current economic climate, to low-cost-low-quality competition principally from South-East Asia, particularly when it comes to powered two-wheelers with low or medium cylinder capacity, for which margins are smaller. Inquiries have revealed that these imported products often fail to comply with European type approval requirements, jeopardising consumer safety and placing the environment at risk. Tests performed on samples of Chinese powered two-wheelers imported into the EU recorded non-compliances leading to braking distances of up to 35 % longer than, and polluting emissions up to 20 times above EU type approval requirements. There are also issues related to forgery of European vehicles or vehicle parts by manufacturers from emerging economies, as well as falsification of certificates of conformity by commercial companies importing non-compliant vehicles into the EU. In a segment of the EU market which is very price-sensitive, to ensure a level playing field greater oversight is needed in respect of type approval and the markets, with 'conformity of production' inspections by the competent authorities and/or technical control services of vehicles being sold, to verify their type conformity and respect for intellectual property.

6.5 'Traditional' manufacturers are, on the other hand, rewarded by the consumer for product quality, design and degree of innovation and safety. This is true of top-of-the-range vehicles with small or medium cylinder capacity and, in particular, of vehicles with high cylinder capacity, which have high added value and stand out because of the technical solutions adopted and where brand is important. These products are worst affected in the current economic situation. Any increase in production of technologically-advanced vehicles – such as hybrid or electric vehicles, which are starting to appear on the market – will depend to a large extent on support from the public sector and therefore on capacity to find a way out of the current crisis.

6.6 Free trade agreements warrant particular attention, to ensure that liberalisation of customs duty between the EU and the countries of South-East Asia benefits both parties, with the removal as well of non-tariff barriers (such as the ban on circulation in China of powered two-wheelers with cylinder capacity over 250 cc), which cause European exporters serious problems.

6.7 To address current challenges, as in the past European manufacturers must pursue restructuring, mergers and acquisitions and build further cooperation which will maximise the possible synergies.

6.8 The survival of European component suppliers is essential to preserve the specific nature of distinctive European production, recognised by users as exclusive. In other words, repetition of what has happened in the cycling industry, for example, must be avoided – there, suppliers of key components such as frames have disappeared, with the result that Europe is now dependent on China to be able to assemble bicycles.

6.9 European component suppliers cannot cope with price competition and have of necessity to focus on innovation, developing joint design between manufacturers to achieve economies of scale – where possible – in a genuine partnership which keeps orders flowing between manufacturers and suppliers of top-of-the-range products.

6.10 A similar approach to CARS 21 is needed, specific to the powered two wheeler industry as a whole, to respond to these challenges as effectively as possible and to bolster the industry's competitiveness and jobs.

6.11 FP7 research funds can contribute to the achievement of these goals, favouring businesses which produce in Europe and use the European production chain. To this end, a dedicated research platform for the powered two-wheeler industry could make a key contribution – particularly where SMEs are concerned – through participation in consortia to establish research priorities, as is the case in the automotive industry.

6.12 The Commission has recently presented an Action Plan on Urban Mobility, the various goals of which include improving traffic flow, which is something powered two-wheelers do by their very nature. The powered two-wheeler industry has been made vulnerable by the crisis but it will benefit in the long term from the growing needs for alternative, low-emission vehicles ensuring more sustainable mobility, in particular in towns, provided that the current economic problems can be surmounted in the medium term before it is too late to repair the damage.

Brussels, 18 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

Opinion of the European Economic and Social Committee on the 'Reform of the common agricultural policy in 2013' (own-initiative opinion)

(2010/C 354/06)

Rapporteur: **Mr RIBBE**

On 16 July 2009 the European Economic and Social Committee, acting under Rule 29(2) of the Rules of Procedure, decided to draw up an own-initiative opinion on the

Reform of the common agricultural policy in 2013.

The Section for Agriculture, Rural Development and the Environment, which was responsible for the Committee's work on the subject, adopted its opinion on 25 February 2010.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 18 March), the European Economic and Social Committee adopted the following opinion by 163 votes to five, with five abstentions:

1. Conclusions and recommendations

1.1 The Committee is very concerned about the ongoing and ever-growing gulf between the lip-service paid to the European agricultural model and a multifunctional approach on the one hand, and the reality of day-to-day farm life on the other. The European agricultural model, which is now more than ever under threat from current developments must therefore be supported and promoted in an even more determined and targeted way by a strong Common Agricultural Policy

1.2 Farmers are under great pressure from markets – often through low or strongly fluctuating prices – to adapt by specialising and rationalising their businesses. These processes could lead to a problematic regional concentration and to the abandoning of farming in disadvantaged regions. Given this pressure to adapt, the EESC considers it absolutely crucial that CAP funds be used in the future to maintain and develop everywhere a multifunctional agriculture geared towards sustainability objectives.

1.3 The Committee is clear on one thing: it is not enough to focus solely on boosting competitiveness to serve the global market. The post-2013 CAP must be driven not by lowest-price, specialised production concentrated on specific regions and geared exclusively towards optimum economic output, but by the European agricultural model, which must be based on the principles of food sovereignty, sustainability and the real needs of farmers and consumers.

1.4 This in turn requires different parameters for agricultural policy, as the multifunctionality that is desired here cannot be achieved under world market conditions or at world market prices.

1.5 The Committee urges the Commission, the Council and the European Parliament to start by setting out in unequivocal terms the precise aim of the CAP, followed by an indication of the tools needed to achieve it and the requisite cost involved. Only once that is done should the financing issue be addressed. The Committee feels it is wrong to assign a specific sum to a specific field of activity first and only then to divide it up

between individual measures and among individual Member States.

1.6 Under the treaty, one of the CAP's aims is to stabilise markets. Stable markets are important. For this reason, the EESC thinks it important to continue using market instruments in the future to secure stable prices and avoid strong price fluctuations. However, measures designed to regulate markets or safeguard producer prices have been reduced to a minimum, and the EU agricultural markets are some of the most open vis-à-vis third countries. This is the root of many of the difficulties, which, in the long run, cannot be offset by transfer payments alone.

1.7 Agriculture policy is, therefore, about more than allocating money. Farmers rightly expect to secure a fair income from the sale of their products on the market and as remuneration for the services they provide to society under the European agricultural model.

1.8 The production and marketing of high-quality products that reflect the region and the diversity of rural areas in the EU should thus also be promoted and supported, encouraging short distribution routes and giving farmers or amalgamated producers more direct access to consumers, in order to make farms more competitive and contend with wholesalers' superior bargaining position. The diversity and distinctiveness of European products should also be preserved through the provision of useful consumer information.

1.9 A key task of the reform will be to transform the EU's current diverse agricultural support arrangements into a uniform system, underpinned by objective criteria and accepted by society.

1.10 Payments to farmers can no longer be based on past decisions or entitlements, but, instead, are to be deemed compensation for specific services that are provided to society in order to maintain the European agricultural model and that are not reflected in market prices. They must therefore be target-based.

1.11 There is no justification for a European flat-rate per-hectare payment, not least given the major structural and agro-climatic variations, the major differences in national and regional average earnings, the stark discrepancies in input and production costs and the disparate nature of the services provided by different farms and farm types in order to maintain the European agricultural model. Instead, appropriate solutions must be found that reflect the regional conditions and farm types involved.

1.12 The rural development programmes need to be further developed and made as effective as possible. We firmly reject any transfer of tasks of this kind to general structural or regional policy. That said, the Committee does believe that measures under the current EAFRD should bear a clear relation to agriculture. That does not include road building or broadband cabling.

2. Task at hand

2.1 In 2010, the European Commission will be submitting a communication on the future shape of their political priorities and the future financial framework from 2014 on. The communication will also contain details of the direction of Community policies such as the CAP and the Structural Funds.

2.2 The purpose of this own-initiative opinion is to set out some **basic considerations** from organised civil society on the future shape and direction of the CAP. The aim is to give the Commission appropriate arguments and recommendations on which to draw when drafting the communication.

3. Point of departure: the European agricultural model – Europe’s paradigm for agricultural policy – is under threat

3.1 What society expects of agriculture has changed tremendously. For some time now, it has been about more than simply meeting the objectives of Article 33 of the EC treaty (which have been incorporated unchanged into the new Lisbon treaty), such as increasing productivity to ensure adequate food supplies at ‘reasonable’ prices.

3.2 New challenges have emerged, such as biodiversity protection, broad-based cultural landscape preservation, rural development including the creation and safeguarding of jobs, and the notion of regional products as cultural assets. Moreover, the farming sector is also having to come to terms with the impact of climate change, and make due contributions to the storage of carbon dioxide.

3.3 As a result of the global hunger crisis and the difficulties on the energy markets, other key remits of a locally based (i.e. regionally anchored) agricultural sector are increasingly coming to the fore, including food security and food sovereignty, and energy supply.

3.4 Food security must be a basic and universal human right. While complete self-sufficiency is not essential, the aim should be to attain the maximum possible level (i.e. food sovereignty).

3.5 Agricultural production frequently reflects an element of culture and regional identity, and foodstuffs may symbolise the distinctive traits and historical realities of the countries and regions concerned. While food could in theory be imported, cultivated landscapes, biodiversity and the cultural dimension can only be maintained through a pro-active approach to agriculture run along traditional lines. These assets cannot be imported. Foodstuffs therefore must be viewed in a completely different light from, say, industrial goods, where costs largely determine where those goods are produced.

3.6 The ‘sustainable economy’ debate has thus now reached the farming sector. Policymakers use the term ‘European agricultural model’ to denote a kind of farming that is consistently geared towards sustainability objectives.

3.7 The EESC feels that the maintenance and ongoing development of the European agricultural model, in other words multifunctional agriculture run along ‘traditional’ lines⁽¹⁾ across the EU, in which farmers’ incomes are comparable to national and/or regional average earnings, is the key to maintaining – everywhere and on a sufficient scale – high-quality, regionally varied, ecologically sound food production that keeps Europe protected and properly tended, safeguards the diversity and distinctiveness of the products concerned and fosters Europe’s diverse, species-rich cultural landscapes and rural areas.

3.8 The Committee would stress that major differences already exist – even in Europe – between multifunctional agriculture and a form of farming that has to (or is supposed to) gear itself primarily to globalised and liberalised markets.

3.9 The Committee is very concerned about the ongoing and ever-growing gulf between the lip-service paid to the European agricultural model and a multifunctional approach on the one hand, and the reality of day-to-day farm life on the other.

3.10 One reason for this is that European farmers, whose remit is not merely to produce, but also to play a multifunctional role in rural areas, face tasks that in the first place cost them money without actually earning them any, since market prices for agricultural products simply do not include services performed by the farming sector as part of its multifunctional remit.

3.11 Hence, for their very financial survival, farms today are forced to engage in all manner of activities to boost their productivity. In this way, almost by stealth, the EU is gradually moving away from the European agricultural model, with an observable trend towards more industrialised farming. Production patterns are emerging that signal a growing ‘Americanisation’ of European agriculture, while many farms that could have played an important role in helping maintain the multifunctionality of agriculture are having to shut up shop completely.

⁽¹⁾ The term used by the rapporteur (*bäuerlich*) does not refer to farm size, but describes how the farmer works and thinks: organised in interconnected, complementary cycles as close as possible to the farm, geared to maintaining skilled and varied jobs, linked to the municipality and region, with a sense of responsibility towards nature and animals, and thinking on a time-scale of generations.

3.12 The extent of such developments varies widely within the different branches of farming and also from region to region. Huge momentum has been building up over the past few years, with some places experiencing nothing short of structural upheavals: in 2008 alone, for instance, the German *Land* of Lower Saxony saw the closure of 20 % of its pig farms – despite no change at all in the actual number of pigs being fattened.

3.13 There is no knowing where this development will end. It has been clear for some time now that, as has already happened in industry, entire sectors of European production may conceivably be lost. The first to be affected might well be the poultry sector, which is already highly industrialised – more so than virtually any other area. One of Europe's biggest businesses, the French poultry group Doux has relocated a number of its sites from France to Brazil, where production costs are lower.

3.14 This shows that, ultimately, even sustained productivity growth is no guarantee that European agriculture will survive in unregulated globalised markets – just as it has never been able to guarantee the practice of farming Europe-wide.

3.15 The Committee would stress that highly concentrated production makes the European farming sector more vulnerable to crises.

3.16 One hallmark of the European agricultural model is a conscious decision to accept lower productivity – which naturally puts farmers at a competitive disadvantage. Yet, that is precisely what is wanted both at a political level and by society at large. The reason for that is that the European public has a different perception from that espoused by some non-Europeans of the use of GMOs, hormones and growth stimulants and of moves to tackle salmonella or keep the countryside intact. However, such internationally high expectations of the production side clearly involve costs that cannot simply be shunted onto farmers alone.

3.16.1 It is, therefore, of the utmost importance that border control mechanisms be strengthened through health guarantee protocols that help determine traceability and safety and ensure that products banned in the EU are not used, imposing the same requirements on both Community and imported products.

3.17 Europe's policymakers thus face the task of sustaining a farming sector that cannot join every move to boost productivity, yet still has to provide a sufficient income for farm owners.

3.18 The European agricultural model cannot be bought under world market conditions and at world market prices. It is illusory to seek an agricultural sector that:

- is able to produce under (often distorted) world market conditions in all European regions;
- at the same time meets all the production expectations (in terms of quality, safety, protection of natural resources, animal welfare, etc.) while coping with European costs;

— and also secures a modern and attractively remunerated labour market that is marked by high standards of employment, safety, and basic and further training.

3.19 The European agricultural model is, therefore, now more than ever under threat from current developments and for that reason needs to be supported and promoted by a strong CAP.

4. Agricultural policy after 2014: a strategic decision on the future direction of the CAP

4.1 Although the Common Agricultural Policy has partially undergone fundamental changes and reforms on a number of occasions in the course of its history, a new reform debate – post 2000, 2003 and 2008 – is again taking place. This is an indication that, thus far, not all societal questions relating to the CAP have been answered in a satisfactory way. This is why the Common Agricultural Policy is repeatedly lambasted and even its very existence to some extent questioned. In the EESC's view, a radical market orientation of agriculture is evidently to be ruled out if we take the European agricultural model seriously.

4.2 Stakeholders should not only address this social debate (as indeed they must), but should also tackle it head-on. This is the opportunity to drive home to society just why agriculture occupies such a special position. Sustainably managed farming and livestock breeding in line with the European agricultural model form the backbone of food supply in European society and are a sector of strategic importance for sound land-use management and planning, the conservation of the countryside, care for the environment and the fight against climate change.

4.3 In the first instance, the Committee feels it is absolutely vital to secure agreement within society about the future shape of Europe's farming sector, in other words the basic yardstick that is to underpin agricultural policy. To put it somewhat bluntly: is it the aim of the CAP to defend and develop the European agricultural model or to focus on getting ever fewer, ever more specialised, regionally concentrated, state-of-the-art farms in shape for ever sharper global competition to secure the cheapest prices?

4.4 The Committee is clear on one thing: it is not enough to focus solely on boosting competitiveness to serve the global market. The post-2013 CAP must be driven not by lowest-price, specialised production concentrated on specific regions and geared exclusively towards optimum economic output, but by the European agricultural model, which must be based on the principles of food sovereignty, sustainability and the real needs of farmers and consumers.

4.5 The European agricultural model can only remain viable if multifunctional farming is made more competitive vis-à-vis agricultural production geared towards optimum economic output alone. This must become a key task for the CAP and the leitmotif of farming policy tools – as a result of which the support structure is set for substantial change. Any further dismantling of control instruments would run counter to this requirement.

4.6 The Committee urges the Commission, the Council and the European Parliament to start by setting out in unequivocal terms the precise aim of the CAP, followed by an indication of the tools needed to achieve it and the requisite cost involved. Only once that is done should the financing issue be addressed. The Committee feels it is wrong to assign a specific sum to a specific field of activity first and only then to divide it up between individual measures and among individual Member States.

4.7 The EESC notes that discussions on the focus of the post-2013 CAP must take account of the fact that a sixth of all jobs in Europe are related directly or indirectly to agricultural production. The CAP therefore has an important role to play in guaranteeing employment in the EU, especially in rural areas. If agricultural production as such disappears, then the related jobs in the upstream and downstream sectors – including the food industry – will disappear too. Furthermore, farming manages around 80 % of the EU's territory and plays a major role in the sustainable use of resources, the conservation of natural habitats, biodiversity, etc. It has an increasingly important role to play in combating climate change.

5. A wide-ranging package of farming measures

5.1 The market is familiar with prices, but is virtually devoid of values. The prices secured by farmers are increasingly skewed towards the most favourable global production conditions and costs. The European agricultural model, on the other hand, is very much predicated on values that are not reflected in world market prices.

5.2 Under the treaty, one of the CAP's aims is to stabilise markets. Stable markets are important. For this reason, the EESC thinks it important to continue using market instruments in the future to secure stable prices and avoid strong price fluctuations. However, measures designed to regulate markets or safeguard producer prices have been reduced to a minimum, and the EU agricultural markets are some of the most open vis-à-vis third countries. This is the root of many of the difficulties, which, in the long run, cannot be offset by transfer payments alone.

5.3 Agriculture policy is, therefore, about more than allocating money. Farmers rightly expect to secure a fair income from the sale of their products on the market and as remuneration for the services they provide to society under the European agricultural model.

5.4 If society wants to defend the European agricultural model, then it must give it support through agricultural policy. For its part, the farming sector will have to accept that, in providing that support, society is also looking for delivery on what it expects multifunctional agriculture to achieve.

5.5 Trade/markets and market organisation

Volatile/stable markets

5.5.1 As regards markets and pricing, at least three different types of problem should be considered and solved:

- increasingly volatile markets and a trend towards falling producer prices;
- the ever-growing market clout of the processing and marketing sector vis-à-vis producers; and
- clear problems in the marketing of local, regional and premium products. Specific legislation is therefore needed for farming geared towards local and regional markets.

5.5.2 The absence (to a large extent) of any effective market stabilisation tools has been conducive to speculation and market volatility. That however runs counter to the EU's current and former treaties.

5.5.3 Major price fluctuations tend to reduce the producer's share of the value chain and increase the marketing margins.

5.5.4 Consumers too draw little benefit from such developments, as the past few years have shown: the 40 % fall in sugar beet prices has had virtually no impact on consumer prices, and it is a similar story for the big drops in the price of milk and grain.

5.5.5 Past experience shows that regulatory interventions – involving the right measures at the right time – are, from an economic perspective, more cost-effective than rectifying damage at a later stage.

5.5.6 As the milk crisis makes clear, it is impossible to cut regulation of the market and of production levels to a minimum without jeopardising the high production standards and multifunctionality the public expects.

5.5.7 The risk attendant on the expiry of the milk quota system is that many milk producers, particularly in less favoured regions, will simply quit – which in many cases is tantamount to the complete abandonment of farming activities in the area concerned. It is doubtless true that milk for consumption in, say, Estonia can be supplied more cheaply by other, more productive regions of Europe than by local operators. But shifting production in this way to save on costs is the exact opposite of what the European agricultural model is supposed to achieve. The Committee advocates an agricultural policy that makes farming based on the principles of food sovereignty possible everywhere. To reiterate: this cannot be achieved by financial transfers alone and the markets and production therefore need to be regulated.

5.5.8 Market stabilisation, including putting in place a 'safety net', must therefore be one of the key tasks of CAP reform.

5.5.9 The Committee is therefore keen:

- not only that that small number of market stabilisation measures that remain should be retained and brought into play when required by the market, but also that new approaches to market stabilisation that are consistent with WTO rules should be developed and introduced;
- that, given the growing number of imponderables on the international agricultural markets, appropriate strategic steps be taken to store agricultural products in readiness for future crises;
- that consideration should also be given using producer organisations and/or sectoral agreements to help stabilise markets.

Problems in the food chain

5.5.10 Pricing negotiations are out of kilter, with farmers facing what they see as unfair contractual practices as a result of food wholesalers' superior bargaining position.

5.5.11 In line with free-market thinking, the market alone currently determines the key issue of who gets what share of the value chain. This works to the detriment particularly of those farmers who, even though unit costs are in many cases on the increase, often still face ever-decreasing producer prices and are often forced to respond with measures that run counter to the aims of the European agricultural model.

5.5.12 Since 77 % of the EU-27 food market is already controlled by just fifteen commercial chains, the Committee feels that, as is currently happening in the USA, consideration should be given to whether competition law is enough to prevent the emergence of market dominance and questionable contractual practices. It is important that all stakeholder groups be involved in this exercise. This study should lead to changes in Community competition laws governing the agri-food sector to ensure that account is taken of its specific characteristics, adapting these laws to those in the countries with which the EU's competes on the global markets, as concluded by the High-Level Group on Milk.

5.5.13 The Committee expects the Commission to act to make pricing more transparent and to put forward solutions to avoid the phenomenon known as 'asymmetrical pricing' ⁽²⁾.

Marketing local, regional, speciality and premium products

5.5.14 The large food retail chains and major processors demand ever more uniform, virtually standardised, cheap primary products. This leaves little room for regional and product diversity.

5.5.15 In fact, however, the production and marketing of premium products to reflect the specific traits of a particular

region and the diversity of rural areas in the EU is a key task in maintaining the European agricultural model. This aspect therefore needs to be given much more solid support. Shortening distribution routes and giving farmers or amalgamated producers more direct access to consumers can help boost the competitiveness of smaller, more labour-intensive farms in particular.

5.5.16 Much greater attention needs to be paid to geographic indications and differences in production techniques than has been the case in the past. These must be seen as an 'intellectual property right' and protected accordingly. Such information can tie specific agricultural products to specific regions, so that, in other words, the products concerned not only have a 'definite' place of origin, but also specific 'quality' features that have become apparent over time. It is important to have a clear definition of what is meant by regional products.

5.5.17 Product labelling is at present exposed to many misleading and dubious practices. For instance, in future, it should no longer be allowed

- for milk packaging to show pictures of grazing cows when the milk it contains comes from non-grazing animals; instead, a more nuanced approach to the market must be fostered (ranging from schemes to support milk from grass-fed or pastureland cows to regional marketing strategies by producers or small cooperatives); or
- to advertise using regional indicators although the goods in question were produced elsewhere.

5.5.18 Market transparency and consumer information (such as origin labelling) need to be improved and monitored. To raise awareness of the rules under which European farmers must operate, consumer information campaigns must be launched on European production systems. Particular importance should also be accorded to the labelling system. In this context, the Committee thinks that account should be taken of the recommendations made in its opinion on the provision of food information to consumers (NAT/398) ⁽³⁾.

5.5.19 In future, tax revenue should be invested primarily in strengthening regional products and markets.

5.6 CAP financial tools

The current position

5.6.1 As things stand, there is no uniform system of agricultural support in the EU: in the EU-15, there are single payments which are either based on past entitlements or are moving in the direction of a uniform flat-rate per-hectare payment. In the EU-12, a direct per-hectare system was put in place, albeit payment levels are below those of the EU-15.

⁽²⁾ When producer prices increase, consumer prices shoot up rapidly. When producer prices fall, consumer prices come down only slowly.

⁽³⁾ OJ C 77, 31.3.2009, p. 81.

5.6.2 Individual farmers thus benefit to very differing degrees from the current payment practice. For one thing, this is often felt to be unjust and, for another, it is virtually impossible to make the system readily understandable to taxpayers.

5.6.3 A key task of the upcoming reform must be to develop a uniform system based on objective criteria and accepted by society.

5.6.4 First-pillar direct payments were initially warranted by the 1992 cuts in guaranteed prices. They continued until 2003 as coupled price compensation payments until the introduction of 'decoupling' under the Luxembourg decisions. However, as most Member States have opted for the historic single payment scheme, the extent to which individual farmers benefit from the current system still varies extremely widely. Decoupling means that they no longer have any direct influence on the manner of production.

5.6.5 Second-pillar direct payments (i.e. per-hectare payments) are disbursed to farmers to cover certain additional, socially relevant services that go beyond the baseline standards and are not reflected in the market price and/or, in less-favoured areas, to encourage farmers to keep production going for the good of society.

5.6.6 First-pillar direct payments are currently wholly funded by the EU, while, under the second pillar, payments must be co-financed by the Member States. In many Member States, these differing funding methods have a bearing on how 'attractive' the programmes are. The Committee would ask the Commission that, in future programme planning, care should be taken to ensure that different co-financing rates do not result in Member States attaching greater or lesser importance to particular aspects of the programmes in question.

5.6.7 In addition to direct payments, resources are available to encourage rural development under the third axis of the second pillar, to provide investment support to farms under the first axis of the second pillar, and for the LEADER programme.

5.6.8 Because, among other things, of market instability and volatility, direct financial transfers are in some cases extremely important factors in farm income. Without financial transfers, agricultural structural change would be much more dramatic, albeit individual farms benefit to very differing degrees from the most important tool currently available – direct first-pillar payments.

Future payment schemes

5.6.9 The Committee stands by its current position on first-pillar direct pillar. It has consistently stressed that direct payments linked to specific tasks, while important, 'can play only a supporting role.'⁽⁴⁾ Farmers' incomes are meant to

derive from sales revenue and from services provided to society and not remunerated by the market.

5.6.10 Payment for such services – which has so far been lacking but is necessary nonetheless – presupposes agreement on just which services farmers are to provide both individually and collectively. This will be an important factor in setting out clear principles for how direct payments should be granted in the future. These must be based on objective criteria and must be 'linked' to a specific task in order to secure acceptance by society.

5.6.11 Basically, the following premises should apply:

- first- or second-pillar direct payments should only be given to farmers actively farming, to associations for the protection of the landscape or to other bodies involved in maintaining the cultural landscape;
- first- or second-pillar direct payments should take account of the jobs in place and created on each farm;
- first- or second-pillar direct payments should compensate for the services that are provided to society by the farming sector to maintain the European agricultural model. Farmers' incomes should come mainly from prices in a regulated market in which production costs are recognised by the market;
- in view of the extreme agro-climatic variations in the EU, first- or second-pillar direct payments should include provisions to balance out, across the EU, the costs incurred by farmers due to agro-climatic conditions⁽⁵⁾;

5.6.12 Decisions therefore need to be taken as to the specific services eligible for direct payments (and the amounts involved). Farms or production sites that fail to – or have no desire to – provide services such as these and thus play no part in making the European agricultural model a reality, should receive no direct payments.

5.6.13 The need for direct payments to compensate for public-interest services that have no market price (for instance specific, well-defined environmental services) should be beyond dispute. The Committee feels that schemes of this kind must not only be further developed, but also made more attractive and flexible. It is vital therefore to reinstate the 'incentive components.' A capacity to react more flexibly to farmers' individual activities would also be an important element here. The schemes should be shaped less by measures and more by results.

5.6.14 Many new measures will in future fall into this category, including farming methods designed to mitigate climate change or encourage soil carbon sequestration. Grassland farming is undoubtedly also another element here.

⁽⁴⁾ OJ C 368, 20.12.1999, p. 76, see point 7.6.1.

⁽⁵⁾ OJ C 318, 23.12.2009, p. 35.

5.6.15 There is also ample justification for direct payments to compensate for ongoing and immutable natural handicaps and for payments to offset limits on usage imposed, for instance, as a result of nature conservation requirements. For many protected areas, a certain kind of agricultural use is important to maintain their character. The Committee feels it is unrealistic to deny payments on the basis that farmers operate within a specific framework set by the protected areas regulation.

5.6.16 Future farm-support policy must be predicated on task-specific and thus modulated direct payments linked to the performance of a tangible service that can be presented to society in a readily understandable way. This clearly includes compensatory payments.

5.7 *A flat-rate per-hectare premium to compensate for competitive disadvantages?*

5.7.1 One option being discussed is to change current first-pillar direct payments into a pan-European flat-rate per-hectare premium, justified by the fact the European farming sector has higher production standards than its non-European rivals and is thus at a competitive disadvantage.

5.7.2 The Committee does feel that consideration must be given to appropriate compensation for competitive disadvantages. After all, trade agreements consider the social and environmental standards that are crucial elements of the European agricultural model to be non-trade barriers. That is wholly untenable. The WTO system is in urgent need of reform as it is unacceptable to have a global trade system that fails to take due account of social and environmental standards.

5.7.3 To offset competitive disadvantages, it is important to make clear which are the specific production sectors in which European standards differ from those of key competitors and what verifiable cost disadvantage this involves for individual farms/farm types/types of production.

5.7.4 European farmers' production parameters – and therefore production costs – vary very widely: there are major structural and (agro)climatic differences and also stark discrepancies in input and living costs in the various regions. Economies of scale in the individual Member States, regions and farm types also result in significant differences in cost disadvantages.

5.7.5 It is not hard to understand that, for instance, demonstrable production drawbacks in livestock farms cannot be resolved by paying a per-hectare flat-rate that would also benefit non-livestock farms.

5.7.6 It follows, therefore, that competitive disadvantages cannot be offset by a Europe-wide flat-rate per-hectare payment, but must be addressed in a way that reflects the specific conditions extant in the particular region concerned,

taking due account of the agro-climatic conditions and farm types involved.

5.8 *A flat-rate per-hectare payment as income transfer?*

5.8.1 There is no question that, as things stand, many farms rely for their very existence on the EUR 50 billion or so pumped from the EU agricultural budget into the European farming sector every year.

5.8.2 The farm prices currently being paid are thus not only too low to keep the European agricultural model afloat, but are also jeopardising the entire European farming sector.

5.8.3 Hence, the question has been raised as to whether a 'basic' and 'livelihood-securing' Europe-wide flat-rate per-hectare premium should be paid to all farmers.

5.8.4 Incomes vary extremely widely in different farms and different regions. Here too, the differences set out in point 5.7.4 above play a key role. As a result, the income issue requires a very nuanced approach. Nor can this issue be resolved by a Europe-wide flat-rate per-hectare premium that would, for instance, disproportionately benefit large-area and low-staff farms.

5.8.5 Instead of a uniform flat-rate per-hectare payment, consideration might be given to a capped per-capita or per-worker payment. In this approach, too, the level of the premium would have to allow for the differences set out in point 5.7.4. In addition, such a payment system would also have to take into account the fact that farm incomes are largely determined by producer prices and production costs and that these are subject to ever greater fluctuations. An incomes-based system must be able to respond with sufficient flexibility to ever increasing price fluctuations.

Transitional periods

5.9 A uniform European payment scheme – which must not be confused with a uniform European flat-rate per-hectare payment – that is no longer based on past entitlements but on specific services to be provided now, will result in significant changes to the cash flows between the Member States and also in respect of the individual farms. From a funding viewpoint, therefore, there will be both winners and losers. The Committee feels that a sensitive approach should be adopted here and provision made for possible transitional periods. However, these should be such that the new system is fully operational by the middle – or at the latest by the end – of the new funding period.

5.10 The future of the second pillar

5.10.1 Many people feel that some elements of the CAP's second pillar are designed to offset damage caused by policymakers setting the wrong parameters in the first place.

5.10.2 It must be made clear to the public that the future measures offered under the second CAP pillar will complement task-related direct payments and will be used in an even more targeted way to retain, safeguard and apply the European agricultural model. This means that the range of available measures must be made as effective as possible.

5.10.3 This applies not only to the current second axis of the second pillar. Investment support for farms must also be predicated to an even greater extent on sustainability. Moreover, the EESC sees an undoubted and significant need for investment in Europe, both to enable farms to operate as effectively as possible along sustainable lines, and also, to a certain extent,

to reshape our cultural landscape, which, in the past, was in some cases altered purely to meet production requirements (cf. water management, for instance, and the water framework directive).

5.10.4 The Committee also advocates expanding the range of tasks currently proposed under the third axis of the second pillar, and making them as effective as possible. We firmly reject any transfer of tasks of this kind to general structural or regional policy. That said, the Committee does believe that measures under the current EAFRD should bear a clear relation to agriculture. That does not include road building or broadband cabling.

Brussels, 18 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

Opinion of the European Economic and Social Committee on 'For a new Governance of International Organisations'

(2010/C 354/07)

Rapporteur: Ms VAN WEZEL

Co-rapporteur: Mr CAPPELLINI

At its plenary session of 25 February 2009 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

For a new Governance of International Organisations.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 4 March 2010.

At its 461st plenary session, held on 17-18 March 2010 (meeting of 17 March), the European Economic and Social Committee adopted the following opinion by 132 votes to 0 with 4 abstentions.

1. Conclusions and recommendations

1.1 The world economy became more integrated than ever before. With major global crises in a multipolar world there is a need for a new governance and greater legitimacy for international organisations. This legitimacy needs to be based on common values, standards and objectives, on coherence and effectiveness and on inclusiveness towards all countries and their citizens. **The EESC supports the EU in taking actively part in developing such a new governance of international organisations.**

1.2 Even before the current crisis it was acknowledged that reform of international organisations, UN organisations and the Bretton Woods Institutions was necessary, but since the outbreak of the financial and economic crisis the process of reform gained further momentum. As soon as it became clear that the impact of the financial crisis was irreversible **the G20 took the lead in responding.** Despite the well received results of the G20 process, the legitimacy of its decisions is being questioned. **The EESC request the EU to develop effective linkages between the G20 process and the representative UN institutions and to strengthen ECOSOC.**

1.3 Emerging and developing countries need a more prominent role in the governance of international organisation. **The EESC supports the further restructuring of the World Bank and IMF to increase the representation of these countries.**

1.4 The governance of international organisations should be based on the UN Charter and the UN Universal Declaration of Human Rights. The EU has been a strong promoter of multi-lateral cooperation and the EESC fully endorses this policy. **However the EESC notes that the environment for**

promoting the multilateral values has changed and therefore the EESC considers the need to revisit the EC Communications on the EU's policies towards multilateralism ⁽¹⁾.

1.5 Even though international organisations may have clear objectives, they are lacking effectiveness due to inadequate monitoring of the follow-up of their decisions and assessing their impact. The EU developed monitoring systems that are good practice and could be adopted on an international scale to monitor complex multi-level interventions. **The EESC encourages the EU to introduce these monitoring systems to international organisations.**

1.6 **The EESC supports the increase of the authority of international organisations to regulate financial markets at the international level in order to prevent a new financial crisis.** The EESC supports greater regulation at European and international level in the following areas: increasing reserves, regulating hedge funds, opening up tax havens, discouraging excessive and perverse remuneration, reduction of leverage risk, and supra-national consolidation of supervisory authorities.

1.7 **The EESC supports any initiative by the EU to encourage cooperation and coherence between international organisations.** The EESC urges the EU to take an initiative to follow-up on the initiative of Ms Merkel and facilitate a formal dialogue between international organisations to promote cooperation based on the ILO Decent Work Agenda.

⁽¹⁾ COM(2001) 231: *Building an effective partnership with the United Nations in the field of development and humanitarian affairs*; and COM(2003) 526: *The European Union and the United Nations: The choice for multilateralism.*

1.8 The EESC welcomes the Resolution of the European Parliament calling for ratification by the EU Member States of up-to-date ILO Conventions and supports the call of the European Parliament to the Commission to prepare a Recommendation to the Member States to ratify the up-to-date ILO Conventions and to actively contribute to their implementation. **The EESC wishes to be actively engaged in preparing this Recommendation.**

1.9 The EESC acknowledges the 'soft power' used by the EU in the governance structures of international organisations, but the Committee is nevertheless of the view that for each of the international organisations the EU should develop a strategy to increase its power and strengthen its position. **The EESC should be heard in consultative meetings while preparing these strategies.**

1.10 The EESC hopes that the new Lisbon Treaty, the new High Representative for Foreign Affairs and the reinforced diplomatic cooperation will result in a more unified voice and a better position of the EU in international organisations. **The EESC encourages the EU to be coherent in its external policies and consistent with its objectives.**

1.11 The process of shaping the new governance structure is not very transparent. Social partners and representative civil society organisations should be included and **the EESC expects the EU to make information on this process easily available.**

1.12 International organisations gain effectiveness by being open to consult representative civil society organisations as well as trade unions and employers' organisations. They must be part of their transparent consultative structures and part of their monitoring system. **The EESC expects the EU (EC and Member States) to promote and facilitate an improved consultation of civil society organisations and social partners in the future governance structures of international organisations.**

2. Introduction

2.1 The discussion on the system of governance of international organisations is not new, but the rapid spread and deep impact of the global financial crisis revealed the weakness of global governance in the globalised economy. It showed the increased **interdependence** of all countries. Not only is the crisis affecting all economies, but it has turned into a major employment crisis affecting millions of already vulnerable workers and enterprises. In order to limit the negative impact of this crisis as much as possible and to avoid a future crisis, it will be necessary to better regulate the financial sector, where this crisis began. But not just that. In order to create a sustainable and value-based economy, new and more effective, more accountable and more transparent governance of the world economy must be created.

2.2 This opinion will focus on the international organisations that govern social, economic and financial policies, considering the ongoing process of reform of these organ-

isations and the context of the financial crisis: the UN, WTO, ILO, World Bank, International Monetary Fund, OECD, the G20 and the Financial Stability Board.

2.3 The world faces **major global crises** that can only be addressed effectively at the global level. This not only applies to the challenge of the current financial and economic crisis, but also to the crisis in food, water and energy, increased poverty, environmental problems including the effects of climate change, security and increased migration.

2.4 Globalisation has changed economic relations and this must be reflected in the global economic governance structure. Power relations are changing, with the BRIC countries becoming more important economically, politically and strategically. We are moving from a bipolar (Cold War) via a unipolar (US supremacy) to a **multipolar world**. Emerging economies and developing countries must play their part in the institutions that compose the new global governance model.

2.5 These challenges can only be addressed by institutions that have **legitimacy**. The new governance structure will only have this legitimacy when they are **coherent** in their policies, **effective** in implementing them and **inclusive** to all nations and their peoples.

2.6 Several initiatives to review the global governance system of international organisations and to reform the UN have been taken in the past years. Progress has been made in the One UN Delivery approach at national level, with the UN Resident Coordinator in the driving seat. In 2009, the UN System Chief Executive Board of Coordination announced 9 initiatives to be jointly taken by UN organisations and the Bretton Woods Institutions. While looking for a new architecture for the governance of the world economy, it is suggested that the role and competence of ECOSOC should be strengthened. Since the outbreak of the financial and economic crisis the process of reform gained momentum, with the G20 taking the lead.

2.7 In Pittsburgh, USA, on 24 and 25 September 2009, the leaders of the G20 countries took decisions that will change the governance of international organisations substantially. They decided that the G20 will be their premier forum for international economic cooperation. They have decided that they will continue their efforts to regulate the financial markets and to put quality jobs at the heart of the economic recovery. They agreed to set up a Framework for Strong, Sustainable, and Balanced Economic Growth, by which they committed to formulate common-mid-term-objectives for their macro-economic, fiscal and trade policies to be consistent with a sustainable and balanced growth of the global economy. They gave IMF the authority to assist them in assessing their policies in order to facilitate their dialogue. By doing so they largely

increased the IMF role, which was already boosted by a USD 500 billion extra funding. The World Bank has its authority for poverty reduction reconfirmed with extra lending (USD 100 billion) and with a special focus on food and energy security for the poor. The G20 leaders will meet again in June 2010 in Canada, in November 2010 in Korea and in 2011 in France.

2.8 The G20 leaders agreed to modernise the architecture for economic cooperation. Voting rights in IMF for emerging countries will increase by 5 % at the cost of overrepresented, smaller economies. The World Bank too is requested to look at the representation of the emerging countries in its decision-making structure.

2.9 However, despite relatively well-received results of the G20 meetings, the **legitimacy** of its leadership is being questioned. The world's poorest countries are excluded from the debate. The G20 agenda is not based on an agreed policy and not all of the relevant international organisations are actively involved. Within the UN there is great concern that the role of the UN is being eroded in particular on social economic issues. A new balance has to be found between the new role of the G20, the UN and its agencies and the Bretton Woods Institutions. It is to be expected that new initiatives and ideas will come up, with economic and political relations changing permanently and swiftly.

2.10 The G20 countries must develop effective linkages with representative processes of the United Nations so that the interests of all countries worldwide are taken into account in a new and inclusive global architecture, accompanied by the establishment of a 'UN Economic and Social Security Council', a strongly reformed ECOSOC with reinforced decision-making powers or a 'Global Economic Council' ⁽²⁾ Within all of these changes, the EU has to position itself and some observers fear that the changing balance of power will be at the cost of European influence on the international stage.

2.11 Not enough attention is given to the role of civil society and social partners in this process. The EESC recommends that formal space is given by the G20 to civil society and social partners, and encourages the G20 Labour Ministers to involve in their work institutions representing social partners at international level. Though some international organisations do give consultative status to social partners and civil society organisations, the process overall lacks transparency and representative organisations like the EESC and the Social Economic Councils should be more actively involved.

3. New governance: principles

3.1 Any new governance of international organisations should be based on the **UN principles and values**. While all international organisations may have their own governance

⁽²⁾ As was recommended by the Commission of Experts chaired by Prof Joseph Stiglitz advising the UN Conference on the World Financial and Economic Crisis and its Impact on Development, June 2009. The Stiglitz Commission also advised to establish a Panel of Experts advising the Council.

structure, all of their functioning should be based on the Charter of the United Nations, on the fundamental human rights, human dignity and equal rights for men and women. It should be based on justice and respect for international treaties and standards. It should promote social progress, better standards of living in larger freedom. A new governance structure of international organisations must promote sustainable development and social inclusion, and it must address the major global problems effectively.

3.2 The values of the UN Charter and the UN Universal Declaration of Human Rights are also the values of the European Union. The EU is based on the principles of freedom and dignity, dialogue and stability and respect for international agreements. The EU has been a strong promoter of multilateralism and of the UN and its treaties. The EESC supports this. **However the EESC notes that the environment for promoting the multilateral values has changed and therefore the EESC considers the need to revisit the EC Communications on EU's policies towards multilateralism.** (COM(2001) 231: *Building an effective partnership with the United Nations in the field of development and humanitarian affairs*. And COM(2003) 526: *The European Union and the United Nations: The choice for multilateralism*.)

3.3 A new governance structure of the global economy should be based on the International Covenant on Economic, Social and Cultural Rights and focused on addressing urgent social issues like unemployment, poverty, food security and the increasing inequality. It should contribute to social justice and a fairer world. It should play a greater role in promoting a green economy and protect public goods like clean water and air, biodiversity and the reduction of CO₂ emissions.

4. New governance: Increased cooperation, greater coherence and effectiveness

4.1 The EESC calls upon the European Commission as well as other European institutions to actively promote a new governance of international organisations, aimed at enhancing their **coherence** and at making them more **effective** in contributing to sustainable development, as well as delivering decent work and sustainable enterprises.

4.2 International organisations, and the UN and its agencies in particular, do have clear objectives, but they are often lacking in **effectiveness**. Even if the objectives have been formalised in international treaties and standards, the implementation is often inadequate and an effective system of assessing the impact is missing. New governance of international organisations should put more emphasis on the enforcement and follow-up of its decisions.

4.3 Monitoring is becoming an important tool to guarantee coherence of policy implementation and to provide indications to managers and policy makers how to focus on the areas of greatest concern to them. It also provides 'early warnings' that allow timely and appropriate intervention. The EESC suggests that such approach be used and developed, along the needs of international organisations on a larger and more coordinated international scale, since the successful European experience in monitoring complex multi-level interventions has stimulated the common management capacity of public authorities, professionals, and the private sector.

4.4 International organisations can be more effective if they reinforce each others objectives. Some international organisations have complaints and binding arbitration mechanisms (WTO), others have well developed supervisory mechanisms, however without enforcement competence (ILO). Policies of international organisations should not contradict each other and only if the UN organisations, the International Financial Institutions and the EU work together to promote each others standards, like gender equality, sustainability, decent work and liberalisation of trade, can the objectives of any of them be achieved.

4.5 The governance of financial institutions, the **IMF, the World Bank and the Financial Stability Board**, has been at the centre of the debate for international governance of the global economy. The need to regulate financial markets and to make them more transparent is more urgent than ever, as it is no longer possible to take adequate measures at national level alone. In order for international organisations to be able to be more effective in preventing future crises, the EESC supports an even-handed increase of their authority to regulate financial markets at the international level, without becoming over restrictive, stifling and bureaucratic. The EESC supports greater regulation at European and international level in the following areas: increasing reserves, regulating hedge funds, opening up tax havens, discouraging excessive and perverse remuneration, reduction of leverage risk, and supra-national consolidation of supervisory authorities, amongst other concerns.

4.6 More international cooperation is needed to address the impact of the financial crisis on the real economy. A safe global economy needs more regulation on a more value based foundation. An important initiative was taken by German Chancellor Ms Merkel. At a meeting of the WTO, World Bank (WB), IMF, ILO and OECD early in 2009 she proposed a Charter for Sustainable Economic Governance⁽³⁾ which would lay the groundwork **for coherent policies to achieve joint objectives**, with each organisation working from its own mandate. Based on this Charter the G20 leaders in Pittsburgh formulated 'Core values for Sustainable Economic Activity', in

which they formulate their responsibility to the different stakeholders – consumers, workers, investors and entrepreneurs – to increase the prosperity of the people through coherent economic, social and environmental strategies. The OECD has prepared a 'Global Standard for the 21st Century' based on its existing standards for corporate governance, multinational enterprises, fighting corruption and fiscal cooperation⁽⁴⁾. The Stiglitz Commission recommends strong measures for countering falling demand, creating jobs and attaining the Millennium Development Goals. **The EESC recommends that the EU and its Member States support these initiatives.**

4.7 A special role in the new governance structure is to be played by **the ILO**. Its core labour standards and the concept of decent work and sustainable enterprises give guidance in addressing the employment crisis. At its 98th Conference in June 2009, the three constituent parties of the ILO, agreed on a Global Jobs Pact, a package of measures to reverse the downward employment and growth trends. The EESC urges the EU to press for a formal dialogue between international organisations based on the ILO Decent Work Agenda on employment, enterprise development, social protection, humane working conditions, sound labour relations and rights at work.

4.8 To obtain greater coherence, the Committee advises the EU to promote internally as well as externally the ratification of up-to-date ILO Conventions and the implementation of the decent work agenda. The Committee urges in particular the ratification and implementation of the conventions most relevant to the decent work agenda, including the Conventions on OHS, the Conventions on Social Security and Convention 94 on labour clauses in public contracts. EU rules do not absolve Member States of their obligations under ratified ILO Conventions. The EESC supports the call of the European Parliament to the Commission in its Resolution of 26 November 2009 to prepare a Recommendation to the Member States to ratify the up-to-date ILO Conventions and to actively contribute to their implementation. Following the EESC opinion on The Social Dimension of Globalisation⁽⁵⁾ and Promoting Decent Work for All⁽⁶⁾, **the EESC wishes to be actively engaged in preparing this Recommendation.**

4.9 In addition to this the EESC supports any initiative by the EU to encourage cooperation on specific topics between international organisations. Good examples are the cooperation between the WTO and the ILO on employment, cooperation on the issues of social security between the World Bank and the ILO, cooperation on the implementation of Core Labour standards between WB and IMF. Youth employment, micro finance and social security are the issues of most importance.

⁽³⁾ Joint press release by Chancellor Merkel, 5 February 2009, Berlin.

⁽⁴⁾ Angel Gurría, OECD General Secretary, Rome 12 May 2009.

⁽⁵⁾ OJ C 234, 22.9.2005, p. 41.

⁽⁶⁾ OJ C 93, 27.4.2007, p. 38.

5. New governance: More consideration for the interests of developing countries

5.1 Developing and emerging countries must play a stronger role in new global governance structures to be adopted by international organisations. However their integration must be based on the UN rules and on respect for human rights. The goal of securing decent work and the implementation of ILO core labour standards in emerging and developing countries should guide the policies of the international organisations. The World Bank and the IMF must restructure further in order to increase the representation and strength of the poorer countries in their institutions and processes.

5.2 It is necessary to assist developing countries in order to facilitate their effective participation in the decision making process of WTO. They must be equipped to participate more readily in trade negotiations and be encouraged in improving their depth of knowledge of trading matters as well as their technical capacities and competences in the field of market integration. Developing countries must be allowed some legitimate policy space in trade relations.

5.3 In March 2009 the IMF made an analysis of the vulnerability of low income countries to the adverse effects of the global financial crisis and the ensuing recession (7). According to ILO estimates, over 200 million people could be pushed into extreme poverty, most of them living in developing and emerging economies. The number of working poor, those who earn less than USD 2 per day, may rise to 1.4 billion, undoing the progress made on global poverty reduction during the past decade. Increasing poverty will affect women the most, considering that 60 % of the world's poor are women. Under these circumstances additional efforts must be made to meet the MDGs. **The EESC urges the EU to enact forcefully its commitment to achieve the MDGs.**

6. What role could the EU play in promoting a new governance of the different international organisations?

6.1 The EU has a special role to play on this international stage. The European Union is the most important exporter in the world, the foremost donor of aid to developing countries and the market of reference worldwide. Despite this, some research indicates that the EU is losing its position in the UN (8). The EU is gaining less support for its human rights resolutions in the General Assembly than a decade ago due to the increased influence of countries that resist interference in 'internal affairs' like China and Russia (9).

(7) IMF, The Implications of the Global Financial Crisis for Low-Income Countries, March 2009.

(8) Richard Gowan, Franziska Brantner: A Global Force for Human Rights? An audit of European Power at the UN European Council on Foreign Relations, September 2008. www.ecfr.eu

(9) OJ C 182, 4.8.2009, p. 13.

6.2 The EU has much at stake in the system of global governance. The EU's social market model is unique and has proven to be particularly adept at addressing the complex problems of the current economic crisis. The EU and its institutions need to take active steps to safeguard their interests and to promote their values.

6.3 The EU is represented in all international organisations dealing with the governance of the global economy, be it by the presence of member countries in the Board of these organisations, by coordinating the members' policies in these organisations, by being represented by the member that holds the presidency of directly with a representative status for the EC. In most international organisations the EU has only observer status (the exceptions are the WTO and the FAO) and it relies on 'soft power' to exert influence. Though this 'soft power' and the EU's network of goodwill may be effective, the EU should actively strive for formal positions where possible. **For each of the international organisations the EU should develop a strategy to increase its power and strengthen its position in order to promote a more effective and just governance of these organisations.**

6.4 In the IMF the EU is represented by different Spokesmen (the EURIMF President, the ECB, the Eurogroup President, the Minister of Finance of the EU's Presidency). and divergences among Member States on financial and development issues prevent Europe to speak with one voice. Whereas on trade issues the EC has the authority to speak on behalf of the EU, on other financial or economic issues even the 16 EU Member States that have a common currency and delegated some of their competences to the ECB, do not necessarily take a unified position. Given the increased importance of the Bretton Woods Institutions, the IMF in particular, the EESC urges the EU and its institutions to improve their coordination in the governance of these institutions. EU countries together hold 32 % of the voting rights in IMF, as compared to US 17 %. A loss of influence by smaller EU members to make space for emerging economies, can be compensated by a better coordinated EU policy.

6.5 The EESC calls on the EU to encourage IMF to promote policies that **provide access to credit** and financing, for SMEs and farmers in particular, as in all national economies, these sectors act as the backbone and largest providers of employment. The EESC also requests that the EU urges the international financial institutions to make funds available for developing countries to implement counter-cyclical measures and in so doing to **abstain from pro-cyclical conditional ties.**

6.6 Since 2000 the EU has significantly increased its financial contributions to the World Bank (EUR 241 M in 2008). The EESC acknowledges the importance of the World Bank for poverty eradication and recommends that the EU encourages the World Bank to adopt economic development policies that include decent work as well as access to health care, education and other public goods. **The EESC urges the EU to support the World Bank to finance recovery plans** for countries affected by the current financial and economic crisis, that focus on supporting sustainable enterprise development, job creation, public investment, active labour market policies, the extension of basic social security to all, additional safety nets for the most vulnerable and investment in the 'green economy'.

6.7 Under the new Lisbon Treaty the European Parliament has co-decision competences in trade policy areas. For the EESC this poses new opportunities to reinforce its cooperation with Parliament and the Commission on trade issues. The EESC prepared several relevant opinions on trade issues and on the need to make trade policies coherent with the EU's social and environmental policies ⁽¹⁰⁾.

6.8 The EU is spending much time on coordination of its views and positions in international organisations and less time and effort is therefore available to gain support for these positions among other members of international organisations. The UN Convention of the Rights of People with Disabilities is one of the recent positive exceptions. Civil society organisations can support a joint position. The EESC notes that the voting of the EU member countries shows convergence and encourages the EU to prepare to speak with one voice to prevent influence being lost because the members disagree. The Lisbon Treaty will hopefully contribute to the improvement of this. The acceptance of the new Treaty, the new position of High Representative and the reinforced diplomatic cooperation represents an opportunity to increase the EU's international position.

6.9 A better governance of international organisation, with more coherence and therefore more effectiveness, starts at home. EU policies in the UN and in UN agencies, in the G20 and in the Bretton Woods Institutions should be subject to the same principles and promote the same objectives, within the mandate and structure of the different organisations. Much more effort is needed to develop coherent policies in international organisations. The EU policy on Coherence for Development is a positive example. The EESC also refers to the coherence between the internal and external policies in the Lisbon Strategy ⁽¹¹⁾.

7. Better consultation and involvement of social partners and civil society organisations

7.1 Participation of social partners and civil society organisations is a precondition for protecting and promoting the values that are fundamental to international organisations. Civil society has a lot at stake in the governance of international organisations. The recent crisis showed that civil society, as tax payers, workers, consumers, savers, house owners and entrepreneurs pay a high price for insufficient and ineffective global governance.

7.2 The new governance structure is getting shape in high-level diplomatic summit meetings. This process is not very transparent. Civil society organisations and social partners have very little access to information about the process, let alone access to the decision making. Civil Society organisations and trade unions try to mobilise public opinion and lobby their governments to communicate their ideas on the future governance structure of the global economy. Some parts of the business community are consulted, others are excluded. The voice of civil society organisations and social partners should be better heard within the EU policy process towards the international organisations.

7.3 Several examples of good practice at national, regional and international level of involvement of civil society in the governance of international organisations are available. At international level the example of the ILO stands out. Employers' and workers' representatives participate on an equal footing with governments in all ILO institutions, be it in governance, decision-making, standard-setting or monitoring. The OECD's Advisory Councils for Business (BIAC) and Trade Unions (TUAC) also stand as good examples of institutionalised consultation of the social partners. All other international organisations have more distanced consultations of social partners and other civil society organisations, like the consultative status for NGOs at the UN, or none at all as in the G20. The effective governance of international organisations will be strengthened by institutionalising the involvement of representative organisations of civil society and social partners in a transparent way. International organisations can also become more effective when civil society organisations and social partners are included in their follow-up and monitoring mechanisms and early warning systems.

7.4 The EESC expects the EU to include civil society organisations and social partners in the development of its policies and positions towards the new governance of international organisations. The Committee also expects the EU to promote within the international organisations an openness to consult civil society and social partners when discussing their

⁽¹⁰⁾ OJ C 211, 19.8.2008, p. 82.

⁽¹¹⁾ OJ C 128, 18.5.2010, p. 41.

governance structures. **A meaningful consultation assumes transparency and easy access to documents within a timeframe that enables stakeholders' views to be considered and incorporated.**

7.5 The EESC expects the EU (EC and Member States) to promote and facilitate an improved consultation of civil society organisations and social partners in the future governance of international organisations.

Brussels, 17 March 2010

The President
of the European Economic and Social Committee
Mario SEPI

Opinion of the European Economic and Social Committee on 'Transport policy in the Western Balkans'

(2010/C 354/08)

Rapporteur: **Mr ZOLTVÁNY**

At its plenary session on 16 July 2009 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

Transport policy in the Western Balkans.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 4 March 2010. The rapporteur was Mr Zoltvány.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March), the European Economic and Social Committee adopted the following opinion by 132 votes to 2, with 4 abstentions.

1. Recommendations

1.1 Recommendations to the European Union (European Commission)

- continue the enlargement process;
- speed up the process of visa liberalisation with Albania and Bosnia and Herzegovina in order to allow visa-free travel for their citizens to Schengen countries. Also start negotiations with Kosovo ⁽¹⁾ on this issue;
- mobilise all available sources of financing in order to maximise investment in infrastructure projects and use the newly created Western Balkans Investment Framework for this purpose;
- maintain the social dimension as a priority when implementing the treaty establishing a Transport Community. The Social Forum should be supported in order to become an effective instrument for enhanced sectoral social dialogue at regional level;
- support moves towards greener modes of transport such as inland waterways and railways in the Western Balkans;
- take into account assessments of the socio-economic impact of transport networks while developing a common transport policy;
- support the updating of the Core Regional Transport Network in line with needs;
- to take into account the South East Europe Core Regional Transport Network as future part of TEN-T in the process of TEN-T Policy Revision in order to support the further integration of Western Balkans into EU;
- initiate a study on employment in the Western Balkan Contracting Parties of the Transport Community. Also, give due attention to the development of training

programmes for both employers and employees in order to enable them to better respond to changes in the labour market; and

- allocate sufficient human resources to social affairs and social dialogue in the Transport Community secretariat.

1.2 Recommendations to the EESC

- through the work of the Joint Consultative Committees encourage the social partners in the Western Balkan countries to play an active part in social dialogue both at country and regional levels;
- organise a conference on transport policy in the Western Balkans with the participation of representatives of civil society organisations from the Western Balkan countries, the European Commission and the EESC; and
- identify mechanisms for creating and institutionalising future cooperation with the regional Social Forum, which is due to be set up under the treaty establishing a Transport Community.

1.3 Recommendations to the governments of the Western Balkan countries

- strengthen regional cooperation in the field of transport policy and transport infrastructure;
- ensure efficient planning of public investment of regional interest in the transport sector and increase capacity-building in the transport sector;
- implement the necessary reforms and speed up the process of adopting the *acquis communautaire*;
- exploit opportunities for private funding/co-financing of priority projects as well as complementary projects (public-private partnerships) and create a suitable environment for this type of project;

⁽¹⁾ Under UN Security Council Resolution 1244/1999.

- improve transparency in public procurement;
- improve border management and increase the capacity of border crossings in order to speed up and improve the quality of transport at regional level;
- develop coherent policies at regional level that would encourage inter-modal transport and the deployment of intelligent transport systems (ITS);
- continue improving relations with neighbouring countries and resolve open issues in bilateral relations;
- play an active role in the development of the Danube Strategy, which is currently being prepared, in order to take advantage of joint infrastructure projects with EU members and neighbouring countries; and
- involve the social partners, as well as representatives of other relevant civil society organisations in the process of developing regional transport policy and achieve convergence between employment policies and reforms.

2. Background to the opinion

2.1 The role of transport and infrastructure in regional cooperation in the Western Balkans is considered to be a key factor in the overall economic, social and environmental development of the Western Balkan region. The development of the South East Europe Core Regional Transport Network (Core Network) represents an excellent opportunity for the Western Balkan countries to merge their interests and pursue economically and socially advantageous – as well as environmentally friendly – solutions, which benefit the region as a whole. In terms of economic development, the implementation of regional infrastructure projects has a positive impact on regional economies, contributes to the opening of their markets to new business initiatives, and makes trade exchanges between the countries of the region more efficient. The development of the Regional Transport Network in particular helps the governments of the Western Balkan countries tackle high unemployment thus boosting the overall economic development of the region. Better job opportunities and higher labour mobility also contribute to social development. The Regional Transport Network also helps to improve cross-border cooperation and people-to-people contacts. Since transport has a significant impact on the environment, it is essential that environmental issues are taken on board in the development of the Core Regional Transport Network.

The development of the Regional Transport Network has a strong political dimension as well. By developing infrastructure projects, the governments of the Western Balkan countries, together with all other players involved, can prove their willingness to overcome bilateral tensions and problems from the recent past. The development of the Regional Transport

Network therefore contributes to the regional integration of the Western Balkan countries.

2.2 *The role of the European Union in developing transport policy in the Western Balkans*

2.2.1 The EU has a direct interest in the Western Balkans since the region lies at the heart of Europe. All Western Balkan countries are either candidates or potential candidates for EU membership. To reach this goal, they have to fulfil all the criteria and conditions required for membership. Regional co-operation is one of the preconditions for their successful integration into the European Union and is therefore also an essential component of the Stabilisation and Association Process (SAP). For this reason, the EU is keen to support the development of regional projects, including the Core Regional Transport Network, which plays a crucial role.

2.2.2 The EU considers transport to be an obvious and suitable policy area for efficient regional cooperation and therefore believes that transport policy in the Western Balkans can be far-reaching and push the region forward towards alignment with the acquis. The importance of transport policy is further strengthened by the fact that four out of ten Pan-European Corridors pass through the Western Balkans. EU transport policy in the region has three main goals. The first is to improve and modernise the South East European Transport Network for the sake of social and economic development. The second is to improve traffic on the network by implementing soft/horizontal measures. The third is to help bring the region in line with the transport acquis. To develop these priorities, the EU is currently negotiating a treaty establishing a Transport Community with the countries of the Western Balkans (see point 4.3 below).

3. Description of the Core Regional Transport Network

The Core Network has been defined in the Memorandum of Understanding on the development of the South East Europe Core Regional Transport Network as a multimodal network which includes road, rail and inland waterway links in the seven Western Balkan participant countries – Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo⁽²⁾, together with a number of designated seaports, river ports and airports.

The Core Road and Rail Network consists of corridors and routes. Corridors are defined as the established Pan-European Corridors (PEC) V, VII, VIII and X, which provide international links to the EU. Routes, of which seven are road and six rail, complete the Core Network with the aim of interconnecting capitals inside the region and capitals of neighbouring countries. The goal is also to connect major regional cities, to provide access to Core Network ports (and airports) and to ensure that remote areas of the region are adequately served. The Core Inland Waterways Network consists of Corridor VII (the Danube) and the Sava river.

⁽²⁾ Under UN Security Council Resolution 1244/1999.

3.1 Core road network

The total length of the Core road network is 5 975 km, consisting of 3 019 km of corridors and 2 956 km of routes. According to the data submitted to the South East European (SEE) Transport Observatory, 13.2 % of the Core road network is classified as poor or very poor, while almost 87 % of roads have been classified as being in medium to very good condition ⁽³⁾.

The road sector is the dominant one which also means that the largest amount of funding is allocated to it. There is a need to improve the quality of the roads in order to reduce delays, congestion and pollution and to improve safety. Despite the efforts of the relevant countries in passing new, more stringent legislation, road safety remains one of the major problems ⁽⁴⁾. According to road safety data, the situation in the SEE region is worrying with a continuous increase in casualties, as a result of accumulated under-investment and a lack of adequate maintenance and enforcement.

3.2 Core railway network

3.2.1 The total length of the Core rail network is 4 615 km, including 3 083 km of corridors and 1 532 km of routes. Only 15 % of the Core rail network is classified as being in good condition, while 19 % is in poor or very poor condition ⁽⁵⁾.

3.2.2 Railways are the weakest link among all the transport modes. Accessibility analysis shows that railways have travel times up to 200 % longer than the respective roads along the same origin-destination pairs. The railway infrastructure is underdeveloped in all the Western Balkan countries. Therefore, there is a need for extensive rail investment in all countries of the region. Another challenge ahead is the restructuring of railway companies, which are often considered to be over-staffed.

3.3 Other transport modes (inland waterways, inland ports, seaports)

3.3.1 The total length of the River Danube (Corridor VII) ⁽⁶⁾ within Croatia and Serbia is 588 km and the navigable length of the River Sava is 593 km. The Core Network also includes seven seaports and two river ports ⁽⁷⁾. With the exception of

about 30 km, the Danube is mostly in good condition, while the condition of the Sava is far poorer ⁽⁸⁾.

3.3.2 Inland waterways present the greenest and cheapest mode of transport. Its disadvantage, however, is the slowness of the transport.

3.3.3 Inter-modal transport is limited and currently comprises mostly land transport of maritime containers to and from the ports. In addition, existing inter-modal terminals are still underutilised. However, there is potential for inter-modal transport of around 10 % with an envisaged increase of 15 % by 2015 in the Core Network.

3.3.4 It can be argued that countries throughout the region are continuously making progress in reforming the transport sector by pursuing their National transport strategies and by introducing new legislation and regulations in compliance with the EU transport acquis and policy. They generally recognise that the reforms should be in accordance with the regional interest, which means that they should not create disparities that may counter the development and effective management of the Core Network. As in the integration process to the EU, some countries are more advanced than others.

4. Framework documents and institutional arrangements

4.1 A common transport policy for the Western Balkans dates back to the Stability Pact for South-Eastern Europe established in 1999. As already stated above, the EU considers regional cooperation as a prerequisite to future EU membership for the Western Balkan countries and a precondition for the development of regional transport policy. The EU has therefore encouraged the Western Balkan countries to develop intra-regional cooperation and enhance coordination in the field of common transport policy. In order to stimulate the development of transport infrastructure in South-Eastern Europe, the Memorandum of Understanding (MoU) for the development of the Core Regional Transport Network was signed between the European Commission and participants from the region in 2004. As a result, the diverse forums involved in regional transport infrastructure activities were replaced by three main coordinated bodies. The strategic decisions are taken by the Annual Meeting of Ministers; implementation of the MoU is coordinated by a Steering Committee; while the South East Europe Transport Observatory (SEETO) serves as a permanent secretariat ⁽⁹⁾. The Memorandum (MoU) commits the participants to jointly develop and implement a multi-annual rolling action plan covering a period of 5 years. Another important role of the MoU is that it provides a framework for a coordinated process leading to the drafting of the treaty establishing a Transport Community with the Western Balkans.

⁽³⁾ South-East Europe Core Regional Transport Network Development Plan, SEETO, December 2008, www.seetoint.org/index.php?option=com_rubberdoc

⁽⁴⁾ European Road Federation and Chamber of Commerce Belgium/Luxembourg/South-East Europe Report: *Networks for Peace and Development* (2006), http://www.erf.be/index.php?option=com_content&view=article&id=157%3AAnetworks-for-peace-and-development&catid=18&Itemid=31

⁽⁵⁾ South-East Europe Core Regional Transport Network Development Plan, SEETO, December 2008, www.seetoint.org/

⁽⁶⁾ The importance of the River Danube is recognised in a strategy for the Danube area (Danube Strategy), which is currently being prepared at EU level.

⁽⁷⁾ The following seven seaports are included in the Core Network: Rijeka, Split, Ploce, Dubrovnik (Croatia), Bar (Montenegro), and Durres, Vlora (Albania). Both river ports are located in Serbia, in Belgrade and Novi Sad.

⁽⁸⁾ South-East Europe Core Regional Transport Network Development Plan, SEETO, December 2009, www.seetoint.org/

⁽⁹⁾ The aim of the SEETO is also to promote cooperation on the development of the main and ancillary infrastructure on the multimodal South East Europe Core Regional Transport Network and to promote and enhance local capacity for the implementation of investment programmes, management and data collection and analysis on the Core Regional Transport Network. www.seetoint.org

4.2 The treaty establishing a Transport Community with the Western Balkans, for which negotiations are under way, will replace the existing Memorandum of Understanding. The objective of the treaty is to establish an integrated market for infrastructure, and land, inland waterways and maritime transport systems and services closely linked to the relevant internal transport market of the European Union. The establishment of the Transport Community would accelerate the integration of the transport systems within the region as well as with those of the EU. Apart from speeding up alignment of the relevant legislation, including the relevant social acquis, the Transport Community would allow transport users and citizens to benefit from the accession process more rapidly. The Transport Community would also provide operators and investors in the transport sector with legal certainty, thereby stimulating and speeding up the necessary investments and economic development ⁽¹⁰⁾.

4.3 Other objectives are to create a stable regulatory and market framework capable of attracting investment in all transport modes and in traffic management systems, to increase efficiency in the transport modes and contribute to a more sustainable modal split, as well as to accompany the development of transport with social progress and respect for the environment. It is necessary to underline the fact that the treaty will not become valid in particular Western Balkan countries unless they implement all the necessary acquis.

5. Main challenges facing transport policy in the Western Balkans

The integration of infrastructure represents a big challenge for the Western Balkan countries. While transport infrastructure and facilitation are crucial for economic development, social cohesion and integration, it can be argued that the Western Balkans region is characterised by an extremely fragmented transport system, a depleted transport infrastructure and ineffective transport services. In order to change the status quo, adequate efforts are required in planning, legislation and financing. While responding to these challenges, it should, however, be taken into account that the Western Balkan region has strong specific features – historical, political, economic, social and geographical – and therefore the experience from the extension of the EU transport policy to the twelve new Member States is transferable only to a limited extent.

5.1 Planning

5.1.1 The main driver of integration in the transport sector is regulatory harmonisation and coordination between authorities. The number of actors included in the process of developing regional transport policy requires adequate planning and coordination of activities.

⁽¹⁰⁾ Commission proposes a Transport Community with the Western Balkans and takes further steps in strengthening cooperation with neighbouring countries in the transport sector, Brussels, 5 March 2008, <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/382&guiLanguage=en>

5.1.2 At national level, the implementation of the acquis commits the governments of the Western Balkan countries to plan and implement important reforms in the transport sectors, as well as in other related sectors. An accurate impact assessment should be a complementary part of the process.

5.1.3 Effective planning of public spending and cooperation with other stakeholders, including the social partners and international financial institutions, should be mentioned as one of the important aspects for the effective development of transport policy.

5.1.4 Another related challenge is the need for harmonisation of National transport strategies with regional interests and coordination of the implementation of the Core Network project, in order to support effective management and development of the Core Network.

5.1.5 Last but not least, the development of the SEETO multi-annual rolling action plans for the development of the Core Regional Transport Network requires effective planning and coordination of activities at regional level. Such coordination will also be needed in the regional Social Forum, in which the representatives of the social partners and other relevant stakeholders, including non-governmental organisations from the Western Balkan countries will participate.

5.2 Legislation

5.2.1 The need to adapt national legislation to the acquis communautaire and EU standards in the transport sector is a priority. The transport acquis is particularly extensive, covering market access and social, technical, fiscal, safety and environmental requirements. The Western Balkan countries therefore face the challenge of implementing and enforcing a large body of transport acquis comprising a large number of regulations, directives and decisions. Another challenge is related to the selective transposition and implementation of the Community acquis.

5.2.2 Due to high fragmentation border crossings issues are very important for the SEE region. Currently border crossing waiting times affect significantly efficiency and competitiveness of the Core Network. Additional effort should be made by Western Balkan Participants in order to improve border management and procedures and reduce waiting times.

5.2.3 Environmental aspects should also be highlighted. The application of environmental standards is becoming increasingly important when developing infrastructure projects. Since environmental legislation forms an important part of the acquis, the issue of whether it shall or shall not be applied is not relevant. It can be argued, however, that the Western Balkan countries have been experiencing serious problems in the enforcement of environmental laws.

5.3 Financing

5.3.1 The development and maintenance of the transport networks require funding that is not available from the public sector. The coordination of donors therefore plays an important role here. Apart from the EU, international financial institutions (IFIs) such as the European Bank for Reconstruction and Development (EBRD), the World Bank (WB), the European Investment Bank (EIB), the Council of Europe Development Bank (CEB) and bilateral donors should coordinate their activities and allocate the necessary funding. For the governments of the Western Balkan countries, another opportunity to finance the transport networks is through the use of public-private partnerships (PPP).

5.3.2 The importance of the latter was stressed at the ministerial conference held in Sarajevo in September 2009. In the Ministerial Statement, the participants not only recognised and welcomed the important role that the private sector plays in infrastructure development, but accepted the need to develop an institutional and legislative environment that would enable private sector participation in infrastructure projects through the instrument of public-private partnerships. In addition, they declared their commitment to draw up infrastructure projects at regional level and supported the establishment of a Southeast European Public Private Partnership Network⁽¹¹⁾. The declaration provides a good framework for enhancing the development of PPP infrastructure development projects in the region. Its implementation, however, requires reforms, including the reform of legislative and regulatory regimes, as well as the active support of international partners – the European Commission, IFIs and bilateral donors – by means of technical and financial assistance.

5.3.3 Another important measure that is intended to ensure closer cooperation among IFIs, bilateral donors and the European Union is the Western Balkans Investment Framework (WBIF). The WBIF was launched in December 2009 and consists of a joint grant facility and a joint lending facility to finance priority projects in the Western Balkans, among which infrastructure projects play a pivotal role⁽¹²⁾.

6. Economic and social consequences/the role of civil society

The development of regional transport networks represents both an opportunity and a challenge for employers and employees equally. The participation of both groups is essential for the successful implementation of any infrastructure project. It can be argued, however, that neither the employers' organisations nor the trade unions make effective use of their role as social partners vis-à-vis the EU institutions, international donors and financial institutions. On the other hand, the success

of infrastructure restructuring and accompanying reforms is greatly dependent on comprehensive support and general acceptance. This would not be possible without the active involvement of civil society organisations. Dialogue with the social partners and civil society actors should therefore play a vital role in developing any kind of policy in the Western Balkans, transport policy included. The Western Balkan countries, however, are characterised by a weak tradition of social and civil dialogue, underdeveloped consultation mechanisms and a deficient concept of partnership. Therefore, the governments of the Western Balkan countries should be encouraged to enable representatives of the social partners and other relevant civil society organisations to participate actively in the process of developing regional transport policy and drafting reform strategies.

6.1 Employers' organisations

6.1.1 Transport has been one of the most dominant sectors of employment in the region. Therefore, employers should play a role in shaping policies and pursuing reforms beneficial to their companies but also to the employees and citizens of their countries. Sectoral transport organisations and individual employers also have a role in negotiating the priorities for national and regional transport networks and analysing their impact on the promotion of mobility, job creation and preservation, and general benefits to national economies.

6.1.2 The visibility and influence of employers' organisations varies from country to country across the region. Generally speaking, their position is rather weak mainly due to a lack of internal mobilisation capabilities and difficulties in providing effective representation and in pursuing their interests in relations with government and other stakeholders.

6.1.3 There is a need to develop the representation and analytical skills among the members of employers' organisations, which could be of benefit not only to individual countries but also to the EU.

6.2 Trade unions

6.2.1 Transport has been one of the biggest job providers in the region. Social/labour market conditions in most countries are precarious with persisting high unemployment, high rates of poverty and migration in the active population, as well as overburdened social security systems. In the railway sector, on average, 50 % of the labour force has left their jobs within a decade⁽¹³⁾. The railway reform to be implemented by each country involves staff reductions, privatisation of the freight operators and closing of unprofitable local lines⁽¹⁴⁾. The plans to liberalise rail transport will thus impact employment and work conditions.

⁽¹¹⁾ Ministerial Statement on Public-Private Partnerships for Infrastructure Development in Southeast Europe, 25 September 2009.

⁽¹²⁾ Introducing the Western Balkans Investment Framework, http://ec.europa.eu/enlargement/pdf/western-balkans-conference/wbif-a4-def_en.pdf; Western Balkans Investment Framework launched, <http://europa.eu/rapid/pressReleasesAction.do?reference=BEI/09/246&format=HTML&aged=0&language=EN&guiLanguage=en>

⁽¹³⁾ ETF – European Transport Federation, The social impact of EU transport infrastructure policy, 2005. Public consultation contribution.

⁽¹⁴⁾ World Bank, Railway Reform in the Western Balkans. Unpublished paper. World Bank, Washington, D. C., 2005.

6.2.2 Job losses are also affecting the port industry, as well as dependent communities and domestic economies. Similar job losses have occurred in the inland waterways sector.

6.2.3 Trade unions play an important role in assessing the impact of the development of the core regional transport network on employment with the other social partners. Transport unions from the region under the coordination of the European Transport Workers' Federation, have campaigned – both at EU and national levels – for social impact assessments to be mainstreamed throughout the strategic planning and implementation of the treaty establishing a Transport Community⁽¹⁵⁾. Another trade union focus is to achieve convergence between employment policies and reform.

6.3 Other interest groups

The development of infrastructure has a significant impact on the environment. Therefore, environmental protection plays an important role in this process and should be taken into account when planning and developing the infrastructure network. In this regard, environmental organisations have an important role to play. Among them, the Regional Environmental Centre for Central and Eastern Europe (REC) occupies a unique position. Its mission is to assist in solving environmental problems in the region. Its main goal is to promote cooperation among non-governmental organisations, governments, businesses and other environmental stakeholders, as well as to support the exchange of information and public participation in environmental decision-making. The REC has reached agreement with another important regional initiative – the Regional Coop-

eration Council (RCC) – to implement the framework programme *Roadmap for Environmental Cooperation in South-Eastern Europe*, which includes a quarterly series of high-level thematic conferences.

Apart from environmental organisations, the development of infrastructure is of particular concern to consumer organisations throughout the region, as well as a wide variety of non-governmental organisations focusing on local development or associations promoting the use of automobiles, such as the automotive associations.

7. The role of the EESC in developing transport policy in the Western Balkans

The Western Balkan countries are characterised by a weak tradition of social dialogue and underdeveloped consultation mechanisms among the social partners. The involvement of the social partners in the reform processes is therefore a vital prerequisite for a sustainable regional transport policy in the Western Balkans. The EESC can therefore play an important advisory role in strengthening social dialogue in the region, including on the occasion of the Western Balkans Civil Society Forum. The EESC can assist in the identification of partners among civil society organisations in individual countries of the Western Balkans and also assist in the capacity building of these organisations and their members. In addition, the experience of the EESC can be of added value when establishing the regional Social Forum, which should be part of the treaty establishing a Transport Community.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

⁽¹⁵⁾ The European Transport Workers' Federation has coordinated trade union action with its affiliated members from South-Eastern Europe since January 2003. The ETF covers the following sectors: road, rail, maritime, inland waterways and aviation. There is no European sectoral social dialogue in the ports sector.

Opinion of the European Economic and Social Committee on 'Civil society organisations and the EU Council presidency' (own-initiative opinion)

(2010/C 354/09)

Rapporteur: **Mr BARABÁS**

On 25 March 2009, the European Economic and Social Committee decided to draw up an own-initiative opinion, under Rule 29(2) of its Rules of Procedure, on

Civil society organisations and the EU Council presidency.

The sub-committee, which was responsible for preparing the Committee's work on this subject, adopted its opinion on 12 January 2010.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March 2010), the European Economic and Social Committee adopted the following opinion by 156 votes to 2, with 5 abstentions.

1. Introduction

1.1 The Lisbon Treaty, which entered into force on 1 December 2009, has brought significant changes to the institutional set-up of the European Union, including the new permanent post of European Council president. At the same time, the Lisbon Treaty created a legal basis for the 'trio' presidency⁽¹⁾, in which three Member States assume the presidency of the EU Council over 18 months on the basis of a programme agreed on in advance.

1.2 From the perspective of civil society, Article 11 of the Lisbon Treaty is particularly relevant, since it is essentially concerned with strengthening participatory democracy, stepping up and structuring dialogue with citizens, carrying out in-depth consultation on the framing of EU policies and making provision for citizens' initiatives. All of this should help to strengthen civil dialogue.

1.3 This document has set itself the task of discussing the issues mentioned in the above paragraphs. To this end, it highlights the special role played by the EESC as the institutional representative of organised civil society at European level, sets out proposals to strengthen that role and, at the same time, expresses support for the provisions of the Lisbon Treaty intended to enable the EU to work more effectively, in greater transparency and with enhanced legitimacy.

2. Towards the new 'trio' presidency

2.1 The presidency-in-office, i.e. the presidency of the Council of the European Union, is not a recent innovation; an essential feature is that it rotates every half-year between

the Member States. During each presidency, the country holding the presidency acts as the EU's face and voice, defines strategies and plays an organisational and representative role.

2.2 Presidency tasks involve a great deal of responsibility and effort for the whole government. It may not use the presidency to represent its national interests.

2.3 Rules on the presidency were amended on 15 September 2006 by a Council Decision adopting the Council's rules of procedure (2006/683/EC), which laid the foundation for the 'trio' system. Essentially, this provides that for each period of eighteen months the three presidencies-in-office during that time work in close cooperation and consultation with the European Commission to prepare a draft programme for Council activities during the relevant period.

2.4 What is the advantage of this new presidency structure? The new system preserves scope for manoeuvre for the country holding the presidency, as under the six-month presidency; at the same time, the programme worked out jointly by the 'trio' helps Member States to work together more closely and ensure greater continuity and consistency in EU policies, and thus in the life of the Community.

2.5 The first such group of three presidencies working together ('trio'), which began on 1 January 2007, comprised Germany, Portugal and Slovenia and was followed by the French-Czech-Swedish group from 1 July 2008 to 31 December 2009. However, it is generally felt that for various reasons, and above all in the absence of the requisite legal basis, that the work of these 'trios' was dominated by national considerations and aspirations rather than those common to the three partners in the 'trio'.

⁽¹⁾ 'The Presidency of the Council ... shall be held by pre-established groups of three Member States for a period of 18 months.' (In OJ C 115 of 9 May 2008, page 341; Declaration on Article 16(9) of the Treaty on the European Union concerning the European Council Decision on the exercise of the Presidency of the Council, Article 1, point 1) is commonly referred to as the 'trio' presidency.

2.6 Following the entry into force of the Lisbon Treaty, from 1 January 2010 Spain, Belgium and Hungary will form a presidency 'trio'. This presidency will be based on the work programme adopted by the European Council meeting on 17 December 2009. It is a very ambitious programme covering many areas. To ensure effective presidencies, a key factor is the composition of the 'trio', which should include one large and/or founding Member State – i.e. a country with a certain amount of experience, together with a country which joined more recently and a new Member State.

2.7 Experience has shown that whereas countries with greater political weight also have more bargaining power, the smaller countries can often compensate for their apparent handicaps and possible inexperience thanks to well-chosen priorities, a good negotiating strategy and a significant willingness to compromise.

2.8 Following the entry into force of the Lisbon Treaty, the 'trio' practice amounts to a precedent with regard to the division of tasks between the European Council president elected for two-and-a-half years (renewable once) and the 'trio' working on a rotating basis, and not all aspects of this can clearly be foreseen at this stage. Close cooperation will be needed for the system to succeed. At the same time, given that the current system will continue to apply in many areas, one may rightly expect that national governments will quite naturally continue to make their own points of view heard and have an impact during their six-month presidency. This new situation also has important implications for civil society organisations.

3. Civil society organisations and current practices: a few typical characteristics

3.1 To start with, we should point out that the performance of rotating Council presidency tasks is basically a government responsibility. The decisive role in these tasks is played by civil servants (diplomats), experts and politicians. Documents regulating the performance of presidency tasks, including the Lisbon Treaty, do not mention the organised, institutionalised involvement of civil society.

3.2 However, there is a growing awareness by both the EU institutions and the countries holding Council presidencies that bringing society on board by involving civil society organisations and citizens can significantly contribute to effective work. This reflects an awareness of the value of participatory democracy and civil dialogue.

3.3 However, this does not mean that a consensus exists at EU level on policies and practices with regard to involving civil society organisations in implementing the Council presidency programmes. At national level the situation varies considerably and largely depends on the extent to which civil society in the country holding the presidency is organised and active, and on its relations with its government. In this respect, the relationship is not typically one between equal partners.

3.4 It follows from the above comments that civil society organisations are not generally involved in drawing up the

priorities proposed by the country carrying out Council presidency tasks; this in turn inevitably means that civil society has little or no feeling of ownership with regard to these priorities.

3.5 Given that the 'trio' presidency is a relatively new development, it is hardly surprising that there are only isolated cases of civil society in the three countries getting together in advance to act jointly. The first encouraging signs of this are likely to appear during the Spanish-Belgian-Hungarian Council presidency, for example during the preparation and organisation of high-visibility civil society events (Malaga in 2010 and Budapest in 2011).

3.6 Over the past few years, the practice has been – as in the case of a major European Civic Forum held in September 2008 under the French presidency in La Rochelle – for the country holding the Council presidency to host a meeting for the representatives of civil society, with the support of the European Commission. At such meetings, the issues of direct concern to civil society organisations are discussed, and should ideally be incorporated into the priorities identified by the host country.

3.7 The EU thematic years (such as the European Year for Combating Poverty and Social Exclusion in 2010) offer good possibilities for involving civil society organisations in Council presidency programmes and activities.

4. The European Economic and Social Committee and Council presidencies: the current situation

Over the years, the EESC has developed various activities in connection with Council presidencies. These include the following:

- inviting high-level representatives from the country holding the Council presidency to EESC plenary sessions and meetings of other bodies (section and group meetings, etc.);
- identifying EESC priorities and developing specific activities with reference to the programmes of the six-month Council presidencies;
- adopting EESC positions on various subjects at the request and initiative of the country holding the Council presidency;
- participating in various Council presidency programmes; presenting EESC opinions on issues which are under discussion;
- visiting the country holding the Council presidency; participating in specialised programmes and strengthening links with various civil society organisations;
- participating in major European-level civil society events in the country holding the Council presidency;

- holding conferences, presentations, cultural events, exhibitions, etc. at the EESC's headquarters, providing publicity for the country holding the presidency and its civil society;
- receiving group visits at the EESC (by representatives of civil society organisations) from the country holding the Council presidency;
- focusing the EESC's communication policy on the country holding the Council presidency and its civil society.

5. The next step: the Lisbon Treaty, the Council presidency and organised civil society – Recommendations

5.1 Our starting point is the Lisbon Treaty and its entry into force on 1 December 2009, thus creating the requisite conditions for the European Union to provide forward-looking responses to the diverse challenges which it faces.

5.2 Our objective is to develop participatory democracy, step up dialogue with citizens and strengthen civil dialogue, thus also helping to strengthen the democratic legitimacy of the European institutions.

5.3 Article 11 of the Lisbon Treaty provides a good basis for doing this; the new possibilities offered by this article are fully consistent with the EESC's earlier recommendations, for example in its opinion on 'The Commission and non-governmental organisations: building a stronger partnership' (adopted on 13 July 2000) ⁽²⁾ and 'The representativeness of European civil society organisations in civil dialogue' (adopted on 14 February 2006) ⁽³⁾. All of this means that it is not only possible but indeed necessary for the EESC as the institutional representative of organised civil society at European level to play a proactive role in ensuring that the possibilities provided for in the Lisbon Treaty, and in particular Article 11 thereof, are implemented as fully as possible, as the Committee has stated in its opinion on *The implementation of the Lisbon Treaty: participatory democracy and the citizens' initiative (Article 11)* which it also adopted on 17 March 2010 ⁽⁴⁾.

5.4 In this connection, Council presidencies are well-equipped to achieve the following:

- strengthening commitment to the European ideal and helping to ensure that active European citizenship is a greater part of our daily lives;
- ensuring that civil society organisations and European citizens are directly involved in and shape the political processes at various levels which determine the future of the European Union;
- strengthening civil dialogue;
- guaranteeing that the EESC continues, constantly renews and enriches its activities relating to Council presidencies; with regard to the latter point and in addition to the list under point 4, the EESC should:
 - a) encourage civil society initiatives and joint action, including the holding of high-visibility civil society events in the country holding the presidency;
 - b) act to ensure that major civil society initiatives resulting from dialogue between civil society and governments – as equal partners – are integrated into presidency programmes, thus strengthening acceptance by society and support for the programmes;
 - c) through the EESC Liaison Group with European civil society organisations and networks, regularly put forward for discussion issues linked to the current Council presidency and of relevance to civil society;
 - d) encourage Economic and Social Councils (or similar institutions) in the country holding the Council presidency to become actively involved in related activities and programmes;
 - e) ensure that EESC members from the country holding the Council presidency receive all the support they need in performing presidency-related tasks effectively;
 - f) help enable civil society organisations to effectively support the work of the country holding the Council presidency by disseminating best practices.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

⁽²⁾ OJ C 268 of 19 September 2000.

⁽³⁾ OJ C 88 of 11 April 2006.

⁽⁴⁾ See page 59 of the current Official Journal.

Opinion of the European Economic and Social Committee on ‘The implementation of the Lisbon Treaty: participatory democracy and the citizens’ initiative (Article 11)’ (own-initiative opinion)

(2010/C 354/10)

Rapporteur: **Anne-Marie SIGMUND**

On 16 July 2009, the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on:

The implementation of the Lisbon Treaty: participatory democracy and the citizens’ initiative (Article 11 TEU).

The Subcommittee on *The implementation of the Lisbon Treaty: participatory democracy and the citizens’ initiative*, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 11 February 2010.

At its 461st plenary session held on 17 and 18 March 2010 (meeting of 17 March), the European Economic and Social Committee adopted the following opinion by 163 votes to one with three abstentions.

1. Conclusions and Recommendations

1.1 The Committee considers that the provisions of the Treaty on European Union (TEU) on the democratic principles of the Union, in particular Article 11, are a milestone on the road to a people’s Europe that is real and feasible, where the public has genuine influence. However, the individual democratic processes need to be defined in such a way as to make them more binding and ensure they are backed up by the necessary structures.

1.2 With regard to horizontal civil dialogue (TEU Article 11(1)) and vertical civil dialogue (TEU Article 11(2)), the Committee calls for a clear definition of this instrument and rules governing its procedures and participants. It encourages the Commission – by analogy with the approach set out in TEU Article 11(4) – to begin a consultation process on civil dialogue by publishing a Green Paper and to put in place the necessary arrangements on the basis of the outcome.

1.3 The Committee underscores its willingness, expressed several times in the past, to contribute to the development of civil dialogue as a partner and intermediary and to build on its role as a forum for debate. The Committee is placing its network and infrastructure at the disposal of all EU bodies with a view to supporting civil dialogue with civil society organisations.

1.4 Article 11(3) of the TEU puts the Commission’s practice of consultation, already employed extensively to date, in the context of the newly-strengthened participatory pillar of the European democratic model. For this instrument, too, the Committee calls for clearer rules of procedure based on the principles of transparency, openness and representativeness.

1.5 The European Citizens’ Initiative introduced by TEU Article 11(4) enshrines, for the first time in history, a direct cross-border, transnational democratic procedure. The Committee warmly welcomes this new possibility and would like to make a tangible contribution to this historic first. It clarifies its point of view in respect of the specific implementing provisions that need to be put in place during 2010. These must ensure that:

- the public does not face any unnecessary obstacles when exercising opportunities to participate, as the Citizens’ Initiative is only an ‘agenda initiative’;
- clear rules and provisions make it easy for initiators to organise initiatives across 27 Member States, without coming up against unexpected national obstacles;
- where appropriate, initiators are given financial support once a given threshold has been reached.

1.6 The Committee is keen to play a pivotal role in a transnational democratic infrastructure in Europe and will play its part, as laid down in TEU Article 11, in a targeted, efficient manner. It also offers to act as an information helpdesk, support citizens’ initiatives where appropriate through an accompanying opinion, organise hearings on a successful initiative and, where applicable, back up the Commission’s evaluation by issuing an opinion.

2. Background

2.1 In December 2001, the heads of state or government, meeting in Laeken, agreed on a new method of drafting European treaties and decided to convene a 'Convention on the Future of Europe', whose composition⁽¹⁾ meant that it developed a considerable democratic dynamic. Subsequently, in June 2003, the Convention produced a text that made innovative proposals for greater transparency and participation.

2.2 After the 'Treaty establishing a Constitution for Europe', drawn up by the Convention, failed to be ratified following the no-votes in the French and Dutch referendums, a revised EU Treaty was signed on 13 December 2007; it entered into force on 1 December 2009.

3. Introduction

3.1 The entry into force of the Lisbon Treaty streamlines numerous procedures and makes them more transparent, defines competences more clearly, expands the rights of the European Parliament and raises the European Union's profile internally and externally.

3.2 As well as parliamentary (indirect) democracy⁽²⁾, the European democratic model is expanded and strengthened, but certainly not replaced, by participatory (direct) democracy being enshrined in the TEU.

3.3 Specifically, the provisions on participatory democracy relate to:

- horizontal civil dialogue;
- vertical civil dialogue;
- the Commission's existing consultation practices; and
- the new European Citizens' Initiative.

3.4 The nature of the EU Treaty means that the provisions of TEU Article 11 merely created a framework, and this now needs to be defined, fleshed out and put into practice with appropriate legal arrangements and it is up to the parties involved to bring it to life.

⁽¹⁾ Alongside its president, Valéry Giscard d'Estaing, and his two deputies, Giuliano Amato and Jean-Luc Dehaene, the Convention was made up of the following members:

- 15 representatives of the Heads of State or Government of the Member States;
- 13 representatives of the Heads of State or Government of the candidate countries;
- 30 members of Member States' national Parliaments;
- 26 members of candidate countries' national Parliaments;
- 16 members of the European Parliament;
- Two representatives of the European Commission.

There were also 13 observers from the EESC, the CoR, the social partners and the European ombudsman. The EESC observers were Göke Frerichs, Roger Briesch and Anne-Marie Sigmund.

⁽²⁾ Article 10 of the TEU stipulates that the 'functioning of the Union' is based on 'representative democracy'.

3.5 With regard to the European Citizens' Initiative, the Commission has already taken a sensible step and published a Green Paper⁽³⁾; following the consultation procedure, it will publish a proposal for a regulation implementing TEU Article 11(4). In doing so it is sending out a clear signal in favour of dialogue to prepare for implementation of the new instruments, taking particular account of those organised civil society stakeholders and members of the public from throughout the EU who will later be the initiators of the European Citizens' Initiative.

4. Lisbon Treaty – Article 11 of the TEU

4.1 Horizontal Civil Dialogue

Article 11(1) of the TEU: 'The institutions shall, by appropriate means, give citizens and representative associations the opportunity to make known and publicly exchange their views in all areas of Union action.'

4.1.1 This provision provides a legal basis for horizontal 'civil dialogue', but does not define it more precisely. The Committee has already issued a number of opinions⁽⁴⁾ ⁽⁵⁾ ⁽⁶⁾ on civil dialogue and has stated that it is a key aspect of participation in the European democratic model. It has also repeatedly stated that it is willing to work as a platform and multiplier for this dialogue and to ensure the debate is public across Europe. In this context, the Committee has also on several occasions stated that it wishes and intends to contribute to the development of civil dialogue as a partner and intermediary. In this context, it is prepared to build on its role as a forum for debate and to provide practical support, for example by making its facilities available. The Committee attaches great importance to helping civil dialogue get the (European) audience it needs and develop into a truly interactive discussion.

4.1.2 The Committee once again stresses that this instrument of participatory democracy needs a clear definition and that the specific arrangements for its operation need to be laid down. For example, the representativeness criteria which the associations mentioned in this paragraph of the Treaty have to meet in order to take part in dialogue do require clarification. With respect to the issue of representativeness of civil society actors, too, the Committee has already pointed out⁽⁷⁾ how important it is to distinguish between quantitative (legitimate representation of the majority of those affected) and qualitative (proof of relevant expertise) representativeness. The Committee takes the view that the associations to be involved in dialogue must be representative in both quantitative and qualitative terms.

⁽³⁾ COM(2009) 622 final, 11.11.2009.

⁽⁴⁾ Opinion of 25.4.2001 on *Organised civil society and European governance: the Committee's contribution to the drafting of the White Paper* - OJ C 193, 10.7.2001.

⁽⁵⁾ Opinion of 14.2.2006 on *The representativeness of European civil society organisations in civil dialogue* - OJ C 88, 11.4.2006.

⁽⁶⁾ Exploratory opinion of 9.7.2008 on *A new European Social Action Programme* - OJ C 27, 3.2.2009 (points 7.6 and 7.7).

⁽⁷⁾ See footnote 5.

4.1.3 The legislator will also need to be more precise about what specific measures it deems necessary to meet the requirement of 'appropriate means' (see TEU Article 11(1)).

4.1.4 In this context, the Committee considers it important to point out the distinction between European civil dialogue and European social dialogue and warns against any confusion between these two concepts. Of course, European social dialogue is a pillar of qualified participation, but it is subject to specific rules concerning content, participation, procedures and impact. Its enshrinement in the Treaty reflects its importance.

4.2 Vertical civil dialogue

Article 11(2) of the TEU: 'The institutions shall maintain an open, transparent and regular dialogue with representative associations and civil society.'

4.2.1 This paragraph takes account of vertical civil dialogue and obliges the EU's bodies to practise it regularly. The Committee has already expressed its views on this type of civil dialogue, too⁽⁸⁾, and calls on the Commission to set out the arrangements in more detail, both in terms of content and procedure.

4.2.2 Some time ago – in anticipation of this treaty provision – the European Parliament founded the 'Agora', thus creating an instrument for vertical civil dialogue.

4.2.3 As TEU Article 11(2) requires all the institutions and bodies to engage in dialogue with civil society, the Committee calls on all the European institutions, especially the Council, to make a statement as soon as possible on how they intend to implement this treaty article.

4.2.4 The Committee places its network and infrastructure at the disposal of all EU bodies, with a view to helping launch and/or supporting civil dialogue with civil society organisations.

4.3 Consultations by the European Commission

Article 11(3) of the TEU: 'The European Commission shall carry out broad consultations with parties concerned in order to ensure that the Union's actions are coherent and transparent.'

4.3.1 This provision puts the Commission's practice of consultation, already employed extensively to date, in the context of the newly-strengthened participatory pillar of the

European democratic model. The Committee recalls⁽⁹⁾ (10) that this practice of consultation is fundamentally a key element of the 'European governance'⁽¹¹⁾ concept launched by the Commission in 2001. As a top-down measure, it only indirectly facilitates civil society action. The Committee also points out that 'consultation', a top-down measure, should be distinguished from 'participation', a civic right. The aspect of actively involving civil society organisations in a bottom-up process remains untouched by this measure.

4.3.2 The Committee is prepared, in line with its mandate, to support the European Commission whenever it wishes to carry out consultations beyond the usual online system, for example by organising joint hearings on specific topics or holding open consultations through stakeholder forums under the open space method.

4.3.3 However, consultation alone does not amount to genuine dialogue with civil society organisations. The Committee therefore calls on the Commission to overhaul and structure the way it has carried out consultations hitherto: Firstly, the time frame for consultations must be appropriate so that civil society organisations and the public really do have time to develop their answers and the consultation is not mere window-dressing. Secondly, the assessment process must be made more transparent. The Commission should be required to respond to submissions and explain its position as to why this or that suggestion was accepted or rejected, thus truly entering into dialogue. The Commission, for its part, should intensively consult with civil society organisations on these and other improvements.

4.4 The European Citizens' Initiative

Article 11(4) of the TEU: 'Not less than one million citizens who are nationals of a significant number of Member States may take the initiative of inviting the European Commission, within the framework of its powers, to submit any appropriate proposal on matters where citizens consider that a legal act of the Union is required for the purpose of implementing the Treaties.'

4.4.1 The Committee shares the view that this new European citizens' initiative has significance for European integration that goes way beyond the legal dimension and should be considered to be the first element of direct transnational democracy, although the wording of the provisions means that it is limited to EU citizens. The Committee would like to see third-country nationals permanently resident in the Union to be included when the Treaty is revised.

⁽⁸⁾ Opinion of 13.7.2000 on the Commission discussion paper The Commission and non-governmental organisations: building a stronger partnership, OJ C 268, 19.9.2000, and Opinion of 24.9.1999 on The role and contribution of civil society organisations in the building of Europe, OJ C 329, 17.11.1999.

⁽⁹⁾ Opinion of 25.4.2001 on Organised civil society and European governance: the Committee's contribution to the drafting of the White Paper - OJ C 193, 10.7.2001.

⁽¹⁰⁾ Opinion of 20.4.2002 on European Governance - a White Paper - OJ C 125, 27.5.2002.

⁽¹¹⁾ COM(2001) 428 final, 25.7.2001.

4.4.2 It should be stressed that the new European citizens' initiative is not a direct initiative such as those provided for in a number of Member States, which give rise to a binding referendum, but rather an 'agenda initiative' calling on the Commission to draw up legislation. It is a minority instrument that simply creates an opportunity to influence the political agenda. The right of legislative initiative remains with the Commission, and any legislative process that may follow will do so in accordance with the appropriate procedures.

4.4.3 Of course, this instrument needs certain rules and standards. However, as instruments for direct democracy at European level have yet to be created, the European citizens' initiative should be given a framework to develop progressively. The regulation implementing TEU Article 11(4) should set the lowest possible minimum standards and admission criteria for initiatives and leave room for discretion and interpretation in areas where there are no experiential data at EU level, as all the European Citizens' Initiative can do is to ensure that a particular topic is taken up in the Commission's action plan.

4.4.4 However, the Committee certainly does not share the view of the European Parliament⁽¹²⁾ that 'it is the political task of the Parliament to monitor the process of a citizens' initiative' and is opposed to the monitoring of a process in the pre-legislative area by the legislator. Such 'monitoring' would violate the principle of separation of powers; the Committee therefore calls for an independent 'advisory body' or a 'helpdesk' to be set up to support initiators when preparing and launching a European Citizens' Initiative so that obvious conflicts with the rules on admissibility and implementation can be avoided in most cases, even if they cannot be ruled out altogether.

4.4.5 In the same report, the Parliament quite rightly refers to the need to distinguish between petitions, which should be addressed to the Parliament, and citizens' initiatives, which are to be addressed to the Commission as a request. With this in mind, a clear distinction should be drawn between these two bottom-up participatory instruments' procedures and requirements.

4.4.6 The European Citizens' Initiative as an instrument of direct democracy is also an effective means of starting transnational deliberative processes. The public, which is currently rather disengaged from 'political Europe', can now get involved with specific initiatives and goals. The more they are invited and encouraged to participate in the initiative without having to face unnecessary bureaucratic hurdles, the sooner people will stop thinking of themselves as spectators of incomprehensible decisions and move from being on the sidelines of the European polity to being at its centre. Such a process, set in motion step by step, which fosters debate on issues of European magnitude, will automatically lead to the formation of a European consciousness and a sense of European public awareness.

4.4.7 It must be pointed out that the substance of a European citizens' initiative self-evidently must not violate the Treaty or the European Charter of Fundamental Rights. However, just as extremist groups (ab)use the available channels of opinion-forming in the indirect/parliamentary process for their own purposes, the same could happen in the direct/civic process. This is a serious, fundamental challenge for any democracy, but is also its greatest advantage over undemocratic systems. A modern representative democracy built on both indirect and direct pillars must be capable of discussing uncomfortable and even extremist views in an open, transparent manner.

4.5 *European Commission Green Paper on a European Citizens' Initiative*

4.5.1 Although the Committee has not been directly involved in the now-completed consultation procedure, it would like - in anticipation of the proposed regulations being discussed in Parliament and the Council - to make an informed contribution to the opinion-forming process and has set out its views below on the issues addressed in the Green Paper.

4.6 *Minimum number of Member States of which signatories must be nationals*

4.6.1 The Committee shares the Commission's opinion that the threshold should be determined on the basis of objective criteria. It does not agree with the Commission that a minimum of one third of Member States, i.e. nine states, are needed in order to ensure that the Union's interest is adequately represented; neither does it share, however, the opinion held by some organisations that as few as four Member States would be sufficient.

4.6.2 Rather, the Committee agrees with the European Parliament that one quarter of Member States - currently seven states - would be an appropriate threshold. This figure was reached with reference to Article 76 of the TFEU, which provides for acts relating to administrative cooperation on police and judicial cooperation and on cooperation in criminal matters undertaken on the initiative of a quarter of the Member States. The Committee considers this to be the appropriate reference for ensuring that citizens' initiatives have a truly European dimension.

4.7 *Minimum number of signatures per Member State*

4.7.1 As the Lisbon Treaty refers only to a 'significant number of Member States', it would also be an option not to specify a minimum number of participants per country. However, given the Treaty's repeated references to the double majority, the Committee shares the Commission's view that it would be contrary to the spirit of the Treaty not to require a minimum number of participants per Member State.

⁽¹²⁾ European Parliament resolution of 7.5.2009, rapporteur: Sylvia-Yvonne Kaufmann (T6-0389/2009).

4.7.2 Instead of laying down a rigid figure of 0.2 % per Member State, the Committee recommends using a sliding scale, which could provide a useful balance between the states. For example, a fixed lower limit of 0.08 % ⁽¹³⁾ could be required in order for the signatures from a Member State to be counted, and a citizens' initiative must, of course, have 1 million signatures in total. These two criteria in combination will automatically strike a balance that also does justice to the Treaty's focus on representativeness and a genuine European interest.

4.7.3 The Committee feels that a flexible system such as this, which would facilitate implementation, is likewise justified given that, in the end, the European Citizens' Initiative does not result in a binding decision, but is simply a 'request' to the Commission.

4.8 Eligibility to sign a citizens' initiative

4.8.1 The Committee shares the Commission's view that, in order to avoid unnecessary administrative burdens, eligibility to participate in a citizens' initiative should be based on participants' eligibility to vote in the European Parliament elections in their countries of residence. Despite being sympathetic to the idea of involving young people (for example by reducing the minimum age to 16), this departure from the rules used to determine eligibility for voting in European parliamentary elections would make it disproportionately difficult to check the signatures, as almost all countries would have to set up duplicate electoral registers.

4.9 Form and wording of a citizens' initiative

4.9.1 Here, too, the Committee thinks that very rigid requirements in terms of form would be inappropriate; the formal requirements necessary for official petitions should apply and certain minimum requirements should be set (see also 4.13). The content of the initiative and the requested decision should be presented clearly and unambiguously. It must always be clear what someone is supporting when they sign a European Citizens' Initiative.

4.10 Requirements for the collection, verification and authentication of signatures

4.10.1 There is no reason not to establish common procedural rules or standards for collection, verification and authentication at EU level that differ from national law, as the European Citizens' Initiative is a (new) transnational participatory instrument.

4.10.2 All methods of signature collection that allow for identity checks should be authorised. It should be possible to collect signatures both via an online portal and in public. In the Committee's view, conditions such as requiring national authorities or a notary to confirm the authenticity of signatures

present an unreasonable obstacle. However, alongside identity checks, it must also be ensured that the initiative's supporters have signed freely and independently. With this in mind, procedures need to be put in place for electronic signature collection in particular.

4.10.3 Name, address and date of birth, together with a verification email in the case of online collection, are adequate data for security and authentication purposes. The aim must be to guarantee that no initiative complying with the minimum requirements for signature collection laid down in the regulation is unexpectedly confronted with other, additional obstacles in any EU country. The signatures of Europeans living abroad should be assigned to their country of residence.

4.10.4 Signatures should be verified by the Member States; this could perfectly well be achieved as part of the sample checks customary in some EU Member States.

4.11 Time limit for signature collection

4.11.1 Experience with citizens' initiatives in the run-up to the Lisbon Treaty has shown that launching an initiative can be a time-consuming process; the Committee therefore considers the one-year time limit proposed by the Commission to be too short, and would recommend 18 months. In view of the aforementioned fact that initiatives do after all set in motion a process towards the creation of a genuine sense of European public awareness, going beyond their specific aim, it would, in the Committee's opinion, be regrettable were such a process to be prevented from reaching a positive outcome - with all the associated social and legal implications - due to a relatively short time limit of one year.

4.12 Registration of proposed initiatives

4.12.1 The Committee agrees with the Commission that it is up to initiators themselves to check in advance that their initiatives are lawful and admissible. It should be possible to register initiatives using a website run by the Commission, which would also gather information on their content so that the public could keep up to date on ongoing initiatives.

4.12.2 In this context, the Committee calls on the Commission to provide an online signature collection tool on the European Citizens' Initiative website that is to be set up. In addition, that website could also be used as a discussion forum about the various initiatives and thus help secure public access to the debate.

4.12.3 Nonetheless, the Committee feels that initiators of citizens' initiatives should also have access to a contact point providing advice not only on procedural questions but also on substantive issues. The Committee is willing to act as a 'helpdesk' here.

⁽¹³⁾ This percentage is based on the minimum requirement of 0.08% for a citizens' initiative in Italy.

4.12.4 Consideration might be given to a system of yellow and red cards that would indicate at an early stage to initiators of a citizens' initiative that their initiative might not be admissible, either due to formal criteria, such as the matter being outside the Commission's competence, or due to a clear violation of fundamental rights.

4.13 Requirements for organisers – transparency and funding

4.13.1 In the Committee's opinion, the initiators of an initiative should provide the following information:

- initiative committee and its external representatives,
- any supporters,
- financing plan,
- overview of human resources and structures.

4.13.2 The Committee finds the Commission's statement that no provision is made for public support or funding for citizens' initiatives to be completely unacceptable, particularly the claim that this is the only way of guaranteeing the independence of such initiatives. The European Commission funds the structures and the work of many effective non-governmental organisations, and it would be quite unwarranted to assume that these civil society players were therefore dependent on the Commission because they were partly funded by it. Moreover, the logical consequence of the Commission's approach would be that only large organisations with financially strong supporters would even be in a position to consider a European citizens' initiative.

4.13.3 The Committee therefore suggests that the EU provide funding assistance once an initial milestone, for example 50 000 signatures from three Member States, has been reached, in order to exclude hopeless or frivolous campaigns. Here, too, the proposed system of yellow and red cards could play a role.

4.14 Examination of successful citizens' initiatives by the Commission

4.14.1 The Committee considers the six-month time frame proposed by the Commission to be an absolute upper limit, and supports the two-stage approach proposed in the European Parliament's resolution (two months to assess the formal criteria and three months to reach a decision on the content)⁽¹⁴⁾. The Commission should make this internal decision-making process as transparent as possible.

4.14.2 Once a successful citizens' initiative has been submitted, its legal admissibility should be definitively checked.

4.14.3 During the Commission's political evaluation phase, the Committee will organise hearings - possibly involving the

Parliament and the Council Presidency - at which organisers could present their initiatives to the Commission. The EESC could, if appropriate, also complement this process by issuing an exploratory or own-initiative opinion.

4.14.4 The acceptance, partial acceptance or rejection of the initiative by the Commission should be explained to the initiators publicly and in detail. In the event of rejection, the Commission should publish a formal decision, which should be subject to appeal before the ECJ.

4.15 Initiatives on the same issue

4.15.1 The Committee considers that it will then be up to initiators to launch an initiative on a similar topic if they wish. It is worth reiterating that the new European citizens' initiative is an 'agenda initiative'. The Committee therefore sees no reason to incorporate bans or obstacles.

4.16 Additional remarks

4.16.1 The Committee takes the view that the Commission should have the text translated into all the official languages for the organisers of a citizens' initiative that has already found 50 000 supporters from three Member States.

5. Concluding remarks

5.1 The Committee considers that the provisions on the democratic principles of the Union, in particular TEU Article 11, are a milestone on the road to a people's Europe that is real and feasible, where the public has genuine influence. However, the individual democratic processes need to be defined in such a way as to make them more binding and ensure they are backed up by the necessary structures.

5.2 The Committee therefore calls on the Commission to publish, following the Green Paper on the European Citizens' Initiative, a Green Paper on civil dialogue, which would cover the practical implementation of Articles 11(1) and 11(2), consider existing practice, define procedures and principles more precisely, evaluate them and, together with civil society organisations, make improvements, in particular by creating clearly defined structures. In this context, too, the Committee reiterates its willingness to get involved under the terms of its mandate.

5.3 It also calls on the other institutions to explain how they intend to implement the new treaty provisions in practice.

5.4 Article 11(4) takes us into uncharted democratic territory, even in worldwide terms. For the first time in the history of democracy, citizens of several countries have a transnational right of participation.

⁽¹⁴⁾ This should be done in a similar way to the procedure for European Parliament initiatives referred to in Article 225 TFEU; see European Parliament resolution of 9 February 2010 on a revised Framework Agreement between the European Parliament and the Commission for the next legislative term (P7-TA-2010-0009).

5.5 This new democratic right has huge potential. Its purpose is to strengthen representative democracy in Europe. It directly consolidates the participatory element of the European democratic model. Indirectly, however, it could contribute to a stronger, more integrated EU and public access to EU-wide debate, as well as helping the public identify with the EU more strongly. Precisely because Europe is so big and so diverse, it is important to ensure that every citizen, including those with limited means or who do not belong to large, established organisations, is able to make use of all democratic instruments available. In other words, exercising the tools of democracy should not be conditional on having hefty financial resources.

5.6 The Committee, which the Lisbon Treaty has confirmed in its role as a consultative body supporting the European Parliament, the Council and the Commission, will continue to carry out its principal tasks and issue opinions within the framework of the responsibilities assigned to it in the Treaty. It will play its role as a bridge by becoming an even more pivotal part of a comprehensive democratic infrastructure at European level.

5.7 In the interests of ensuring that its activities support the aforementioned EU institutions as effectively as possible and of optimising its working methods, it also proposes, in the context of the European Citizens' Initiative:

- to draft an opinion on citizens' initiatives formally accepted by the Commission within the assessment deadline;
- where appropriate, to draft an opinion in support of an ongoing citizens' initiative;
- to arrange hearings on successful initiatives (with organisers, the Commission, Parliament and the Council);
- to set up an information helpdesk (as a contact point for the public on procedural questions and such like); and
- to provide back-up information (publication of a handbook on participatory democracy, conferences on practical implementation, etc.).

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

III

(Preparatory acts)

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

461ST PLENARY SESSION HELD ON 17 AND 18 MARCH 2010

Opinion of the European Economic and Social Committee on the ‘Proposal for a Council Regulation establishing a long-term plan for the northern stock of hake and the fisheries exploiting that stock’

COM(2009) 122 final — 2009/0039 (CNS) (*)

(2010/C 354/11)

The Council and the European Parliament decided on 18 January 2010 and 5 March 2010, respectively, to consult the European Economic and Social Committee, under Article 43 of the Treaty on the Functioning of the European Union (ex Article 37 of the Treaty establishing the European Community), on the

Proposal for a Council Regulation establishing a long-term plan for the northern stock of hake and the fisheries exploiting that stock

COM(2009) 122 final — 2009/0039 (CNS) (*).

Since the Committee endorses the contents of the proposal and feels that it requires no comment on its part, it decided, at its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March 2010), unanimously to issue an opinion endorsing the proposed text.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

(*) The acronym should read COD.

Opinion of the European Economic and Social Committee on the ‘Proposal for a Council Regulation laying down a Scheme of control and enforcement applicable in the area covered by the Convention on future multilateral cooperation in the North-East Atlantic fisheries’

COM(2009) 151 final — 2009/0051 (CNS) (*)

(2010/C 354/12)

The Council and the European Parliament decided on 18 January 2010 and 5 March 2010, respectively, to consult the European Economic and Social Committee, under Article 43 of the Treaty on the Functioning of the European Union (ex Article 37 of the Treaty establishing the European Community), on the

Proposal for a Council Regulation laying down a Scheme of control and enforcement applicable in the area covered by the Convention on future multilateral cooperation in the North-East Atlantic fisheries

COM(2009) 151 final — 2009/0051 (CNS) (*).

Since the Committee endorses the contents of the proposal and feels that it requires no comment on its part, it decided, at its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March 2010), unanimously to issue an opinion endorsing the proposed text.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

(*) The acronym should read COD.

Opinion of the European Economic and Social Committee on the ‘Proposal for a Council Regulation establishing a multi-annual plan for the western stock of Atlantic horse mackerel and the fisheries exploiting that stock’

COM(2009) 189 final — 2009/0057 (CNS) (*)
(2010/C 354/13)

The Council and the European Parliament decided on 18 January 2010 and 5 March 2010 respectively, to consult the European Economic and Social Committee, under Article 43 of the Treaty on the Functioning of the European Union (ex Article 37 of the Treaty establishing the European Community), on the

Proposal for a Council Regulation establishing a multi-annual plan for the western stock of Atlantic horse mackerel and the fisheries exploiting that stock

COM(2009) 189 final — 2009/0057 (CNS) (*).

Since the Committee endorses the contents of the proposal and feels that it requires no comment on its part, it decided, at its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March 2010), unanimously to issue an opinion endorsing the proposed text.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

(*) The acronym should read COD.

Opinion of the European Economic and Social Committee on the Proposal for a Council Regulation establishing a long-term plan for the anchovy stock in the Bay of Biscay and the fisheries exploiting that stock

COM(2009) 399 final — 2009/0112 (CNS) (*)
(2010/C 354/14)

The Council and the European Parliament decided on 19 January 2010 and 5 March 2010, respectively, to consult the European Economic and Social Committee, under Article 43 of the Treaty on the Functioning of the European Union (ex Article 37 of the Treaty establishing the European Community), on the

Proposal for a Council Regulation establishing a long-term plan for the anchovy stock in the Bay of Biscay and the fisheries exploiting that stock

COM(2009) 399 final — 2009/0112 (CNS) (*).

Since the Committee endorses the contents of the proposal and feels that it requires no comment on its part, it decided, at its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March 2010), unanimously to issue an opinion endorsing the proposed text.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

(*) The acronym should read COD.

Opinion of the European Economic and Social Committee on the ‘Proposal for a Council Regulation establishing a catch documentation programme for bluefin tuna *Thunnus thynnus* and amending Regulation (EC) No 1984/2003’

COM(2009) 406 final — 2009/0116 (CNS) (*)
(2010/C 354/15)

The Council and the European Parliament decided on 19 January 2010 and 5 March 2010, respectively, to consult the European Economic and Social Committee, under Article 43 of the Treaty on the Functioning of the European Union (ex Article 37 of the Treaty establishing the European Community), on the

*Proposal for a Council establishing a catch documentation programme for bluefin tuna *Thunnus thynnus* and amending Regulation (EC) No 1984/2003*

COM(2009) 406 final — 2009/0116 (CNS) (*).

Since the Committee endorses the contents of the proposal and feels that it requires no comment on its part, it decided, at its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March 2010), unanimously to issue an opinion endorsing the proposed text.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

(*) The acronym should read COD.

Opinion of the European Economic and Social Committee on the ‘Proposal for a Council Regulation on certain provisions for fishing in the GFCM (General Fisheries Commission for the Mediterranean) Agreement Area’

COM(2009) 477 final — 2009/0129 (CNS) (*)

(2010/C 354/16)

The Council and the European Parliament decided on 19 January 2010 and 5 March 2010, respectively, to consult the European Economic and Social Committee, under Article 43 of the Treaty on the Functioning of the European Union (ex Article 37 of the Treaty establishing the European Community), on the

‘Proposal for a Council Regulation on certain provisions for fishing in the GFCM (General Fisheries Commission for the Mediterranean) Agreement Area’

COM(2009) 477 final — 2009/0129 (CNS) (*).

Since the Committee endorses the contents of the proposal and feels that it requires no comment on its part, it decided, at its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March 2010), unanimously to issue an opinion endorsing the proposed text.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

(*) The acronym should read COD.

Opinion of the European Economic and Social Committee on the ‘Proposal for a Council Regulation amending Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union’

COM(2009) 510 final — 2009/0138 (CNS) (*)
(2010/C 354/17)

The Council and the European Parliament decided on 19 February 2010 and 18 February 2010, respectively, to consult the European Economic and Social Committee, under Article 43 of the Treaty on the Functioning of the European Union (ex Article 37 of the Treaty establishing the European Community), on the

‘Proposal for a Council Regulation amending Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union’

COM(2009) 510 final — 2009/0138 (CNS) (*).

Since the Committee unreservedly endorses the contents of the proposal and has already set out its views on the subject in its earlier opinion(s) CESE 771/2008 and CESE 255/2010, adopted on 22 April 2008 (**) and 17 February 2010 (***), it decided, at its 461st plenary session of 17 and 18 March 2010 (meeting of 17 March), unanimously, to issue an opinion endorsing the proposed text and to refer to the position it had taken in the above-mentioned documents.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

(*) (The acronym should read COD.

(**) EESC *Opinion on Strategy for the outermost regions: achievements and future prospects* - OJ C 211, 19.8.2008, p. 72.

(***) EESC *Opinion on The impact of the Economic Partnership Agreements on the outermost regions (Caribbean region)* – OJ C, p.

Opinion of the European Economic and Social Committee on the 'Communication from the Commission: the Future Competition Law Framework applicable to the motor vehicle sector'

COM(2009) 388 final

(2010/C 354/18)

Rapporteur: **Mr HERNÁNDEZ BATALLER**

On 22 July 2009 the European Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

Communication from the Commission: The Future Competition Law Framework applicable to the motor vehicle sector

COM(2009) 388 final.

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 2 March 2010.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 18 March), the European Economic and Social Committee adopted the following opinion by 84 votes to five with seven abstentions.

1. Conclusions

1.1 The EESC agrees with the Commission's analysis of the sector and of those areas which are in need of more competition. Considering the options put forward by the Commission, the EESC prefers the adoption of sector-specific provisions in the form of guidelines accompanying the general block exemption. The EESC therefore greets the proposals for a regulation and for supplementary guidelines with satisfaction. However, it emphasises that they must be read in conjunction with and as a supplement to the General Vertical Guidelines, which have not yet been presented, making independent interpretation difficult.

1.2 The EESC shares the Commission's views on the need to establish a legal framework that should lead to a positive overall impact on consumer welfare and should strengthen their protection. It would restate the approach already set out in previous opinions on competition ⁽¹⁾.

1.3 However, it is necessary to introduce a two-year transitional period for dealers, the overwhelming majority of whom are small- and medium-sized enterprises. For reasons of legal certainty and by virtue of the principle of legitimate expectations and proportionality, they need a reasonable period of time to recoup the investment made, to adjust better to technological developments on the market and to contribute to improved road safety.

1.4 The EESC also trusts that the new legal framework will provide all operators with legal certainty, and will not lay new obstacles for businesses, drawing on the principles of the Small

Business Act and the same competition objectives as those currently set out in Regulation 1400/2002.

1.5 The EESC considers that the Supplementary guidelines should not place any limits on single branding agreements. This would be more in keeping with the new Block Exemption Regulation.

1.6 Agreements concerning commercial vehicles (CV) could be governed by the General Regulation on categories of vertical agreements with regard to the aftermarket.

2. Introduction

2.1 Commission Regulation (EC) No 1400/2002 of 31 June 2002 on the application of Article 81(3) of the Treaty to categories of vertical agreements and concerted practices in the motor vehicle sector ⁽²⁾ laid down stricter rules than Commission Regulation (EC) No 2790/1999 of 22 December 1999 on the application of Article 81(3) of the Treaty to categories of vertical agreements and concerted practices in the motor vehicle sector ⁽³⁾.

2.2 Commission Regulation (EC) No 1400/2002 concentrates mainly on practices and behaviour that entail serious restrictions of competition, and lays down a list of restrictions which have the effect that the Regulation cannot be applied to any part of an agreement ('hardcore restrictions') and another of restrictions that are prohibited but do not prevent the exemption established by the Regulation from applying to the rest of an agreement ('specific conditions').

⁽¹⁾ OJ C 228, 22.9.2009, p. 47; OJ C 175, 28.7.2009, p. 20.

⁽²⁾ OJ L 203, 1.8.2002, p. 30.

⁽³⁾ OJ L 336, 29.12.1999, p. 21.

2.3 The main features of Commission Regulation No 1400/2002 are as follows:

- it does not apply only to passenger cars, but also other types such as buses and lorries;
- it obliges each manufacturer to opt between a selective or an exclusive distribution system, while considering mainly two distinct types of distribution system to be exempt:
 - the *exclusive* system, provided the manufacturer assigns an exclusive territory to each distributor or repairer (or exclusive customer group). Within the assigned territory, he may not designate any other distributor. Minimum levels of quality may also be imposed on the distributors. Competition is strengthened by encouraging passive sales within the exclusive territory and, in particular, sales to resellers outside the network;
 - the *selective* system, provided the supplier undertakes to sell contractual goods or services, either directly or indirectly, only to distributors or repairers selected in accordance with specific criteria. A selective distribution system may be based on quantitative or qualitative criteria, or a combination of both;
- a single contract may not combine selective and exclusive distribution clauses. In practical terms, the so-called 'location clause' is not permitted within a selective distribution system, while it was possible to impose this clause on exclusive distributors;
- Article 8(1) of the Regulation distinguishes between three different product markets:
 - distribution of new motor vehicles: the market share is calculated on the basis of the volume of the contract goods and services sold by the supplier, together with any other goods sold by the supplier which are regarded as interchangeable or substitutable by the buyer, by reason of the products' characteristics, prices and intended use;
 - distribution of spare parts: the market share is calculated on the basis of the value of the contract goods and other goods sold by the supplier, together with any other goods sold by the supplier which are regarded as interchangeable or substitutable by the buyer, by reason of the products' characteristics, prices and intended use;
 - repair and maintenance services: the market share is calculated on the basis of the value of the contract services sold by the members of the supplier's

distribution network together with any other services sold by these members which are regarded as interchangeable or substitutable by the buyer, by reason of the products' characteristics, prices and intended use;

- in addition to the market share ceilings, Article 6(1)(c) of the Regulation considered 'prices or conditions of supply for contract goods or for corresponding goods [that] differ substantially between geographic markets' to be incompatible. In such cases, the Commission could withdraw the exemption provided by the Regulation;
- the Commission has sought to tackle obstacles to parallel trade, and Regulation 1400/2002 considers that limits placed by suppliers on sales to end users in other Member States (for example, by making the purchase price or distributor remuneration dependent on the destination of the vehicles or the place of residence of the end users) would be tantamount to an indirect restriction on sales. In addition, sales targets, product allocation or bonus systems based on a territory smaller than that of the Common Market are not allowed.

2.4 The legal framework for motor vehicles has changed in recent years, especially as a result of the adoption of Regulation (EC) of the European Parliament and of the Council of 20 June 2007 on type approval of motor vehicles with respect to emissions from light passenger and commercial vehicles and on access to vehicle repair and maintenance information⁽⁴⁾, the provisions of which were voluntary but became mandatory in September 2009⁽⁵⁾. However, for a number of years the vehicle fleet will include a large number of vehicles not covered by this Regulation, constituting a significant market for independent repairers.

2.4.1 Regarding competition on the vehicle spare parts market, based on the industrial property rights held by the manufacturer and the widespread use of subcontracting agreements with suppliers of original equipment ('tooling arrangements'), it has been indicated that some spare parts remain captive in vehicle manufacturer networks.

2.4.2 For this reason, the Commission proposed, in its revised proposal for a directive on designs, the introduction of a 'repair clause'; the EESC welcomed the proposal, reaffirming⁽⁶⁾ that 'the monopoly conferred on the owner of the design applies only to the external form of the product, not the product itself, and that 'to subject the spare parts covered by the repair clause to the design protection regime would be to establish a product monopoly on the secondary market, contrary to the fundamental nature of legal protection of designs'.

⁽⁴⁾ OJ L 171, 29.6.2007, p. 1.

⁽⁵⁾ OJ C 318, 23.12.2006, p. 62.

⁽⁶⁾ See EESC opinions: OJ C 388, 31.12.1994, p. 9, OJ C 286, 17.11.2005, p. 8.

2.5 With regard to the automotive sector, the EESC has adopted an opinion on the components and downstream markets of the automotive sector (7), in which it points out that the players in the downstream market include vehicle manufacturers, their suppliers and independent or authorised market operators in services, spare parts and accessories, as well as in manufacturing, distribution and retailing, involving a network of 834 700 companies, predominantly SMEs, with a total turnover of EUR 1 107 billion and around 4,6 million workers.

3. Recent developments concerning Commission documents

3.1 On 21 December 2009, the Commission adopted a

- *Draft Commission Regulation on the application of Article 101(3) of the Treaty to categories of vertical agreements and concerted practices in the motor vehicle sector*, and a
- *Draft Commission Notice: Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles*.

The Commission launched a public consultation on these documents.

3.2 On 15 January 2010, the member of the Commission responsible for competition decided to forward the two documents mentioned in the point above to the European Economic and Social Committee, expressing her interest in seeking the Committee's point of view on these legislative proposals.

3.3 In consequence, in the present opinion on document COM(2009) 388 final, the rapporteur will simultaneously analyse the draft legislation indicated in point 3.1.

4. Summary of the Commission documents

4.1 The **Communication from the Commission** on the future competition law framework applicable to the motor vehicle sector proposes the following:

- a) As regards agreements for the sale of new motor vehicles, with effect from 31 May 2013:
- to apply the general rules of the proposed new block exemption for vertical agreements;
 - to adopt sector-specific guidelines in order to prevent the foreclosure of competing vehicle manufacturers and safeguard their access to the vehicle retailing and repair markets, to protect intra-brand competition, and to preserve the deterrent effect of Article 81;

— to keep the provisions of the Regulation that apply to agreements for motor vehicle distribution in force until 31 May 2013.

- b) As regards agreements for repair and maintenance services and/or for the supply and distribution of spare parts, with effect from 31 May 2010:

— to apply the general rules of the proposed new block exemption for vertical agreements;

— to adopt sector-specific guidelines complementing a focused block exemption regulation or a combination of the two instruments, with a view to reinforcing competition authorities' ability to respond to competition concerns in a wider and more comprehensive manner, in particular as regards (i) access to technical information (ii) access to spare parts (iii) misuse of warranties, and (iv) access to networks of authorised repairers.

4.2 The draft block exemption regulation

4.2.1 These vertical agreements can improve economic efficiency within a chain of production or distribution by facilitating better coordination between the participating undertakings, although this depends on the degree of market power of the parties to the agreement.

4.2.2 Moreover, vertical agreements containing restrictions which are likely to restrict competition and harm consumers, or which are not indispensable to the attainment of the positive effects mentioned above, should be excluded from the benefit of the block exemption.

4.2.3 The draft makes a distinction between agreements for new motor vehicle distribution ('primary market') and agreements for repair and maintenance services and spare parts distribution ('secondary market').

4.2.4 The rules of the General Regulation on vertical agreements will be applied to the 'primary market': in particular the market-share limitation, the non-exemption of certain vertical agreements and the conditions provided for in that Regulation, under which these vertical agreements may benefit from the exemption granted by the General Regulation, subject to all the conditions provided therein. This seems reasonable, since this is a market where competition exists.

4.2.5 Regarding the 'secondary market', certain specific characteristics of the motor vehicle aftermarket, linked to technological evolution and to the increasing complexity and reliability of automotive components that the vehicle manufacturers purchase from original equipment suppliers, should be taken into account.

(7) OJ C 317, 23.12.2009, p. 29.

4.2.6 The EESC agrees with the Commission that competitive conditions in the motor vehicle aftermarket have also a direct bearing on public safety, in that vehicles may be driven in an unsafe manner if they have been repaired incorrectly, as well as on public health and the environment, due to emissions of carbon dioxide and other pollutants that require regular vehicle maintenance.

4.2.7 Vertical agreements for the distribution of spare parts and for repair and maintenance services should benefit from block exemption only if, in addition to the conditions for exemption set out in the General Regulation for such agreements, they comply with stricter requirements concerning certain types of severe restrictions of competition that may limit the supply of spare parts in the automotive aftermarket, and more specifically:

- agreements that restrict the sale of spare parts by members of the selective distribution system of a vehicle manufacturer to independent repairers, which use them for the provision of repair or maintenance services;
- agreements which, although they comply with the General Regulation, nonetheless restrict the ability of a producer of spare parts to sell such parts to authorised repairers within the distribution system of a vehicle manufacturer, independent distributors of spare parts, independent repairers or end users: none of this affects the application of the rules of private law liability, the ability to require the use of 'spare parts that match the quality of the components', and even agreements containing obligations on authorised repairers to use only spare parts supplied by the vehicle manufacturer for these repairs, during the warranty period;
- agreements that limit the ability of a manufacturer of components or original spare parts to place its trademark or logo on these parts effectively and in a visible manner.

4.3 *The Draft Supplementary Guidelines*

4.3.1 The Guidelines set out principles for assessing under Article 101 of the TFEU issues arising in the context of vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts. These Guidelines are applied without prejudice to the applicability of the General Guidelines on vertical agreements, to which they are supplementary.

4.3.2 In interpreting these Guidelines, the Commission will also take into account the Code of Conduct put forward by the car manufacturers' associations ACEA and JAMA relating to certain good business practices that motor vehicle manufacturers are committed to apply so as to act in good faith in

the execution of their contractual obligations towards their authorised distributors and repairers.

4.3.3 The Guidelines are structured as follows:

- scope of the motor vehicle block exemption and relationship with the general vertical block exemption;
- application of the additional provisions in the motor vehicle block exemption;
- treatment of specific restraints: single branding and selective distribution.

4.3.4 An innovation is introduced concerning single branding: the beginning point of the five-year period is the start of the contractual relationship between the parties, rather than the replacement of one contractual document by another that covers the same subject matter. However, this emerges in footnote 9, and not the text, of the Guidelines. Given the importance of this change, it would be advisable to include it in the main text.

4.3.5 The Guidelines set out non-compete obligations and both their negative effects (barriers to entry or expansion by competing suppliers) and positive effects (helping to overcome the 'free-rider' problem, enhancing the brand image and reputation of the distribution network).

4.3.6 Access to technical information by independent repairers and misuse of warranties are important with regard to selective distribution.

5. **Comments**

5.1 The automotive sector – passenger cars and commercial vehicles – has benefited for more than two decades, with regard to competition, from specific block exemption regulations.

5.2 In the Evaluation Report that it drew up on 31 May 2008, the Commission evaluated the impact of the block exemption on automotive sector practices. The Report was widely commented on by stakeholders, in turn giving rise to the Commission staff Impact Assessment (SEC(2009) 1052, SEC(2009) 1053): it is recommended that these documents be read in conjunction with Communication COM(2009) 388 final.

5.3 At the same time, a new general block exemption is in the process of being revised and adopted to replace, with effect from May 2010, the current Regulation (EC) No 2790/1999 of 22 December 1999. On the basis of the assumption that this Regulation will be revised, the Commission proposes:

— initially, for the motor vehicle sector, the three sub-options: (ii) application purely of the block exemption to vertical agreements (iii) adoption of sector-specific guidelines alongside the general block exemption, and (iv) adoption of a block exemption regulation, focusing on restrictions to competition in aftermarket services;

— subsequently, with the draft Regulation and Guidelines, to adopt a Regulation with sector-specific provisions accompanied by guidelines.

5.4 The purchase of a motor vehicle is, along with buying a house, the largest item in the household budget of European consumers, and also represents the clearest illustration of the significance and scale of completion of the single market. It is reckoned according to sector estimates, that of the total cost over a vehicle's lifetime, 40 % goes on the initial purchase, 40 % on maintenance and 20 % on insurance.

5.5 The essential aim of European consumers with regard to competition in the motor vehicle sector could be summed up as: choosing where to buy or where to have repairs done when needed at the best price, and enjoying greater road safety.

5.6 While it is crucial to ensure a lively, competitive market keeping abreast of technological developments and encompassing all the economic players in the automotive sector, and especially small and medium-sized enterprises, it is no less important to send reassuring signals to consumers.

5.7 The current Regulation (EC) No 1400/2002 introduced a number of such positive signals: for example, by virtue of the Regulation, warranties issued in a Member State by a manufacturer become valid, under the same conditions, in all the Member States; a consumer with a warranty booklet filled in by a dealer in another Member State no longer had to wait for the warranty to be honoured in his country of origin; and the dealer or repairer to whom a consumer gave their car could no longer levy any charge or demand additional documents.

5.8 However, difficulties have persisted concerning the resale of new vehicles to intermediaries, suppliers imposing demands on their dealers in particular in order to meet 'brand identity' requirements, the freedom to be supplied by other authorised dealers or national importers, and indirect restrictions on cross-supplies of vehicles between authorised dealers.

5.9 The Commission monitored the application of Regulation (EC) No 1400/2002 very closely, reflected in exemplary decisions such as the four adopted in 2007 that gave the sector valuable guidance in the area of access to technical information

(Case Comp/39.140-39.143, involving DaimlerChrysler, Fiat, Toyota and Opel ⁽⁸⁾).

5.10 Eight years on from the adoption of Regulation (EC) No 1400/2002, the economic indicators confirm that the degree of competition on the relevant markets, which had determined the Commission's choice for a stricter, sector-specific block exemption, has improved appreciably.

5.11 This dynamic, complex environment for competition is marked in particular by a fall in real prices for new motor vehicles, the entry of new brands on the market, fluctuating market shares for competing brands, moderate and decreasing concentration, and more options for consumers in various comparable market segments. However, the diverse nature of national markets persists within the internal market framework, especially in the new Member States where there is a more developed second-hand and independent repairers market.

5.12 Barriers to greater competition, with clear disadvantages for consumers, principally concern access to spare parts and technical information by independent repairers. Counterfeiting and piracy of spare parts continues to cause concern in the sector, on account of low product quality in some cases, and the road safety hazard posed by such parts in others.

5.13 The Commission's proposals for the future competition law framework applicable to the motor vehicle sector are compatible with this enforcement approach and policy. The EESC therefore recalls its earlier opinions in which it expressed its support for the Commission's work regarding collective actions, either generally or on account of infringements of competition rules in particular.

6. Specific comments

6.1 The EESC considers that the Commission's option to propose a specific regulation and guidelines is a balanced one since it takes into account the possible economic repercussions, the impact on small- and medium-sized enterprises that account for a large part of the repair, maintenance and spare parts distribution market, as well as the possible environmental and social impact and the implications for road safety.

The EESC would emphasise the following aspects of the proposal:

6.2 Special regime for the motor vehicle sector as a supplement to the general BER - The EESC notes that the Supplementary Guidelines proposed by the Commission for the motor vehicle sector are to read in conjunction with and as a supplement to the General Vertical Guidelines (see point I.1.(1) of the Guidelines) which have not yet been presented, which of course jeopardises independent and individual evaluation of the former.

⁽⁸⁾ OJ C 66, 22.3.2007, p. 18.

6.3 Entry into force of the new regime – the Draft Regulation provides for two arrangements for entry into force, according to the market in question. One is for immediate entry into force on 1 June 2010 for the spare parts, repairs and maintenance market, the other being to extend Regulation 1400/2002 until 31 May 2013 for the sale and resale of new vehicles.

6.3.1 Although the EESC recognises that there is currently a lower level of competition on the first of these markets, and that this should be stimulated, the existence of two separate regimes may give rise to problems since contracts between dealers and distributors often contain both elements.

6.3.2 While upholding consumer interests in the rapidly changing state of development of competition on the spare parts/repairs/maintenance market, the EESC accepts that a transitional rule could be adopted to prevent creating additional obstacles to the renegotiation of contracts between distributors and dealers in the light of the new rules.

6.3.3 The EESC urges the European Commission to enforce the new motor vehicle BER in its entirety as of 1 June 2010, while providing a phase-in period of two years for the primary market in order to adapt the existing distribution agreements to the new rules.

6.3.4 It should be remembered that manufacturers can terminate agreements with a two-year period of notice. This means that dealers who have made certain choices and corresponding investments on the basis of the current BER would be obliged to wait until June 2013 before signing a new distribution agreement, unless permission is granted for manufacturers and dealers to adjust their contracts sooner, if they deem it necessary in the light of the new rules and the possible changes in market conditions.

6.3.5 Applying the new BER to the primary market from 1 June 2010 would have the additional advantage of coinciding with the entry into force of the new BER and guidelines regarding the aftermarket.

6.3.6 Considering that the overwhelming majority of the dealers are also involved in after-sales service, it may be readily understood why the EESC is in favour of applying the new BER to the primary and secondary markets at the same time. This option will ensure simplification, flexibility and, last but not least, lower transitional costs.

6.4 *Single branding*

According to the Guidelines (paragraph (25) and footnote 9), the manufacturers are prevented from including single branding obligations in new agreements with their existing dealers once the new BER enters into force. Considering that the overwhelming majority of the manufacturers will continue with the same distribution network in the coming years, this decision would practically abolish single branding. This restriction is not only contrary to the EESC suggestion (see point 1 above) but also in contradiction with the new general BER (28 July 2009) where no limits are foreseen to the single branding agreement.

6.5 *Consumer and commercial vehicles*

As in the present Regulation, the Commission is putting cars and commercial vehicles (CV) on the same level even though the former are consumer goods and the latter are capital goods handled in a B-to-B environment, where the customer buys not only the vehicle but a package in which service is a fundamental aspect of the choice for maximising the use of the CV, as it is for agricultural tractors and construction equipment. Such a market difference implies that even the competition aspects are not the same for the two types of products.

6.5.1 As a matter of fact the CV sector, in both the primary and secondary markets, has not experienced any competition problems or been subject to criticism by the end users, as it is a very competitive market with a historically high market share of independent suppliers.

6.5.2 Therefore the EESC believes that the agreements concerning CVs should be governed by the general BER with respect to the aftermarket as well, as is the case for tractors and construction equipment.

6.6 *Supply of spare parts*

6.6.1 According to Article 5(b) of the Draft Regulation ‘the exemption (...) shall not apply to (...) the restriction, agreed between a supplier of spare parts, repair tools or diagnostic and other equipment and a manufacturer of motor vehicles, of the supplier’s ability to sell these goods or services to authorised or independent distributors or to authorised or independent repairers or end users’.

6.6.2 The wording of this restriction does not appear to be in keeping with the Commission’s objective.

6.6.3 The spare parts purchasing clause in the current BER in practice prevents manufacturers from compelling purchasers to buy more than 30 % of supplies from them. As a result, the diversification of supply to networks brings about lower prices. Although manufacturers still hold more than a 30 % share

of supplies, this can be explained by the targets, bonus and reduction schemes run by the manufacturers. This situation is evidence of the competitive pressure exerted by parts producers on vehicle manufacturers.

6.6.4 However, there is no mention in the proposed Article 5(b) of any percentage beyond which distributors or repairers are not obliged to seek supplies from the manufacturer (as in the present 30 % clause).

6.6.5 What is more, it is stated that spare parts producers must be able to supply authorised repairers. However, this possibility will remain purely theoretical if manufacturers are able to impose exclusive or quasi-exclusive supply from their spare parts networks.

6.7 Warranties

Lastly, the EESC highlights the Commission's position regarding motor vehicle warranties. Given the direct responsibility of the manufacturer for proper functioning and repair of defects, the Commission provides that the obligation upon repairers to make exclusive use of spare parts provided by the manufacturer during the legal warranty period constitutes an exemption. The EESC considers this position to be acceptable, but it must not lead to consumers being unable to make use of independent repairers for aspects relating to regular vehicle maintenance, as this would be likely to constitute a restriction of consumer rights to quality goods and the corresponding warranties.

Brussels, 18 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: reviewing Community innovation policy in a changing world’

COM(2009) 442 final

(2010/C 354/19)

Rapporteur: **Mr MALOSSE**

On 2 September 2009 the Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Reviewing Community innovation policy in a changing world

COM(2009) 442 final.

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 2 March 2010.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March 2010), the European Economic and Social Committee adopted the following opinion by 108 votes to one with two abstentions.

1. What is innovation?

1.1 According to the definition quoted in the Communication, ‘Innovation is the ability to take new ideas and translate them into commercial outcomes by using new processes, products or services in a way that is better and faster than the competition ⁽¹⁾.’

1.1.1 More than ability, innovation is an action or process that transforms new or existing ideas into results.

1.1.2 Innovation is often the fruit of a joint venture (association of companies, social partners, researchers); it may also apply to the internal operation of a company, particularly as a result of ideas put forward by the employees. Faced with global competition, European companies will have to find better ways of involving employees in shaping their company’s results and encouraging employee creativity.

1.1.3 Innovation may also involve areas that do not have a direct effect on the market, such as human development, health, social issues, the environment, services of general interest, citizenship and development aid.

1.2 In fact, innovation is really more of a goal for society, making the most of human creativity to promote economically sustainable and more harmonious development.

1.2.1 Innovation must produce solutions to this century’s challenges: sustainable energy and climate change, demographic

change, globalisation, making regions attractive, job creation, and social cohesion and justice.

1.3 Innovation is not an end in itself; it helps to meet society’s goals – which we can sum up in the terms ‘progress’ and ‘sustainability’ – but then we have to agree on how to define and measure these terms.

The EESC believes it would be a good idea for the Union to be a pioneer in this field by defining and using new economic and societal indicators able to measure growth and its development over time ⁽²⁾.

2. What has the European Union done in this domain?

The communication naturally paints a very flattering picture of the actions undertaken by the Union as regards improving framework conditions, supporting a broader adoption of innovative products and services on the market, creating synergies and the financial aspect. It should be stressed that it bases its case mainly on technological innovations.

Use of the term ‘Community policy’ with reference to innovation is somewhat grandiose, since – as demonstrated in the communication’s review of the situation – it is more of a coordinated collection of measures and actions. Indeed, the EU does not have any legal competence in this field (complementary competence).

⁽¹⁾ ‘Creating a National Innovation Framework’, *Science Progress*, Richard Nedis & Ethan Byler, April 2009.

⁽²⁾ In line with the recommendations of the Commission’s report on measuring economic performance and social progress (www.stiglitz-sen-fitoussi.fr), these indicators should go beyond simply measuring GDP and take account of intricate and differentiated measurements of disposable income, education, the environment and wealth distribution.

2.1 Improving framework conditions

2.1.1 Some measures adopted by the EU, such as the revision of the rules on State aid encouraging eco-investments and investment in R&D, and the merging of the Euro Info Centres and the Innovation Relay Centres in the context of the Enterprise Europe Network, have had a real, positive impact. The launch of the European Small Business Act raised a great many hopes that have so far not been translated into enough practical and visible achievements for SMEs⁽³⁾. We could also mention the communication on 'New skills for new jobs', which is a step in the right direction, but to date merely a communication with no means of implementation.

2.1.2 By contrast, the absence of a decision on the Community patent is a blatant acknowledgement of the European Council's inability to adopt the appropriate measures that would have a direct effect on innovation, as witnessed by the continuing decrease in the number of patents registered in Europe compared with the rest of the world and also the significantly higher costs for Europeans. As a result, the EU does not provide adequate protection and this penalises companies, particularly SMEs.

2.1.3 The Commission's policies and instruments have hitherto been mainly focused on the essential stages upstream of innovation and on the major public or private research bodies. This should be complemented through additional measures and instruments, for example, standardisation processes which should focus systematically and more strongly on innovation processes.

2.1.4 Generally speaking, administrations – particularly at local level – can be sources of innovation in all areas.

2.1.4.1 As regards public procurement, buyers too frequently give preference to the lowest bids, to the detriment of the quality of the offers. However, innovation can be encouraged by steering public contracts in a certain direction, thus improving the quality of services for the public⁽⁴⁾.

2.2 Implementing innovation policies

2.2.1 The Communication stresses the increase in funding options from the European budget under the 2007-2013 financial perspectives.

2.2.1.1 But for those who deplore the slowness and complexity of the procedures, this increase is difficult to see, especially as regards the 7th Research and Development Framework Programme (RDFP7). The same is true of the European Structural Funds where, in addition to a cumbersome bureaucracy, the lack of visibility resulting from aid being

spread too thinly and the additionality principle prevent them from being used as real levers for innovation.

2.2.1.2 The forthcoming revision of the financial regulation must simplify, focus and rationalise the rules on participation, eligibility and reporting.

2.2.2 The same can be said of the financial instruments used by the European Investment Bank (EIB) which generally acts through intermediaries who apply their own conditions. The EIB and the Commission have made tremendous efforts to promote funding for innovative SMEs, but the effects are not visible. The European finance market is still fragmented and not supportive of non-technological innovative SMEs. It is necessary to encourage the banking sector at national level to take more risks in financing SMEs.

2.2.3 The new Competitiveness and Innovation Framework Programme (CIP) was intended to bring together existing but disparate measures and programmes. In fact, the activities remain compartmentalised within sub-programmes and the link-up between them has not been demonstrated. Moreover, the CIP has been given a budget of EUR 3.6 billion over seven years, which is relatively little, given what is at stake for the EU.

2.2.4 The European programmes are finding it hard to meet their own objectives, particularly in terms of private sector participation and SMEs in particular. Most of the funds available are allocated to public institutions, to the detriment of the private sector. Good management of public funds granted for research and innovation and the real impact of these investments on the European economy are overarching concerns for the EESC.

2.2.5 Coordination between Community and national programmes is not effective. For example, there is no joint Member State/EU programming which would make it possible to avoid confusion between additionality and complementarity.

2.3 Creating synergies

2.3.1 The national reform programmes conducted under the Lisbon strategy provide a reference framework for Member States as regards innovation. Nevertheless, the very broad range of approaches and the extremely limited involvement of the social partners and other civil society players in their design and implementation reduce their impact and effectiveness.

2.3.2 'The European Research Area' has been set up to encourage coherence within the system and synergies with the Member States. The EESC believes that it is really worth making this a priority in the future, with much greater commitment.

⁽³⁾ OJ C 182, 4.8.2009, p. 30.

⁽⁴⁾ A preliminary step was taken as part of the lead market initiative (bringing buyers together to encourage the award of public procurement contracts to innovative companies), but the results will need to be examined in detail (scheme just launched in September 2009).

2.3.2.1 For example, the European Institute of Innovation and Technology (EIT) in its current form cannot fulfil its original role of getting the research sector, companies and academics to talk to one another. With its relatively low budget (EUR 2.8 billion for 2008 to 2013 ⁽⁵⁾), the EIT is still a virtual instrument difficult to access for companies not familiar with European programmes.

2.3.3 According to the latest innovation scoreboard ⁽⁶⁾, the countries topping the list in this field in Europe have the following points in common: major expenditure on education, life-long learning, major expenditure on R&D and instruments for supporting innovation. To this we could add best practice in social and civil dialogue.

We still need to secure better synergies so that these best practices spread across Europe and we can more openly encourage greater convergence between the EU and Member States on common, coordinated policy decisions to promote these key factors for success.

2.3.4 This synergy must also be extended to civil society players and public/private partnerships.

By way of an example, 'clusters' nowadays make it possible for universities and research institutes to work together with companies effectively within structures supported by public and private investment. This experience with 'clusters' has been positive at national level but, without a Community support policy, the EU cannot take advantage of the benefits. The EU should be taking initiatives to develop clusters across Europe, placing them on an international footing and ensuring they are more professionally governed, thereby optimising their operation and funding.

2.3.5 Synergies between the priorities set by the various European programmes supporting innovation should be encouraged in terms of the challenges for society. In fact, the same priorities can be seen in various community programmes, but there are no linkages between them.

3. What the EESC is advocating

The EESC supports the creation of an ambitious European strategy for innovation which proposes a broader, more integrated approach.

3.1 Basic principles

- Innovation must be understood in a broad sense, for products and services brought to the market, for the non-

commercial sector and for innovation of a societal and social nature.

- The Lisbon Treaty broadens the scope of Community policies in areas that favour innovation: trade policy, energy, space, tourism, culture, health, etc.
- Innovation is in essence interdisciplinary and cross-cutting, and the strategy and means for implementing it should be too.
- Innovation must be compatible with the Union's principles and values. An innovation may, in fact, be technologically 'good' but undesirable for the environment or for cohesion within society.
- People need to be familiarised with new technologies by making them a subject of public debate (GMOs, nuclear energy, etc.).
- The development of key technologies ⁽⁷⁾ (nanotechnologies, micro- and nano-electronics, photonics, advanced materials, biotechnologies, information technology, simulation sciences) must be targeted and implemented in a way that takes its interdisciplinary nature into account. However, European research programmes should contain a component for promoting an interdisciplinary approach and it should be possible for the application of key technologies to be put to good use in traditional sectors.
- Priorities should be defined in terms of society's goals (health, environment, energy, etc.)
- European innovation strategy should be based on synergies and partnerships with private sector and civil society players.
- SMEs must be at the heart of the future European innovation plan. All framework measures, programmes and provisions promoting innovation in SMEs must be encouraged.

3.2 Proposals

3.2.1 As part of the work of its study group, the EESC held a public hearing at the Institute for Prospective Technological Studies in Seville on 14 January 2009. A number of practical proposals emerged from this hearing which brought together representatives from the institute and local players supporting innovation.

⁽⁵⁾ By way of comparison, MIT's annual operating budget is USD 2,4 billion.

⁽⁶⁾ European Innovation Scoreboard – Pro Inno Europe.

⁽⁷⁾ See Commission Communication entitled *Preparing for our future: Developing a common strategy for key enabling technologies in the EU*, COM(2009) 512 final.

3.2.2 Good analysis tools and indicators are needed to provide the basis for every policy. The EU currently has several analysis tools available: the 'European innovation scoreboard', 'Inno policy trendchart', 'European Cluster Observatory', 'Innobaromètre', 'Sectoral Innovation watch' and 'EU industrial R&D investments scoreboard'. For the sake of consistency the EESC recommends setting up a single 'European Innovation Observatory' which would incorporate all the existing tools, but render them more consistent and raise their profile further. Moreover, an assessment is only meaningful if the results are measured against the objectives: the future European plan should have clear targets with quantitative indicators. This observatory should be able to work transparently and independently with clear targets and indicators to produce objective policy assessments.

3.2.3 Basic research is the essential seedbed for future innovation. The EESC therefore supports an increase in relevant European research budgets, particularly for the next EU Research and Development Framework Programme (RDFP), provided its priorities are targeted (in line with the challenges facing society) and it generates leverage effects with national programmes and the private sector.

3.2.3.1 Moreover, the EESC suggests looking at new approaches to boosting SME participation in Community programmes, such as the concept of responsible partnership. It would be based on a joint charter that would simplify administrative procedures (audits, reporting, etc.).

3.2.4 Developing partnerships between research and educational establishments, especially universities and economic and social players, is also a good way to develop positive synergies to boost innovation not only within companies, but also in the world of education ⁽⁸⁾.

3.2.4.1 The EIT should serve as a 'head' of the network for existing structures in order to encourage the spread of new technologies to all sectors. In the long term, the EIT should make it possible to finance investments in infrastructures on a European scale within which research, education and innovation policies would come together.

3.2.4.2 Furthermore, programmes facilitating researchers' mobility between Member States and also between the private and public sectors should be encouraged; the example of the Danish industrial doctorate which allows a company's engineers to prepare for a university doctorate, inter alia by taking courses in another Member State ⁽⁹⁾, is an instance of good practice worth testing at European level.

3.2.5 The EESC believes that instruments to decompartmentalise activities which support innovation between the EU

and the Member States should become priority features of the future programme. In this respect it would be essential to strengthen the local networks that form a bridge between the European and local levels by exchanging ideas and experience with projects. The EESC advocates setting up European partnership platforms open to civil society players. The 'Enterprise Europe Network', a grassroots operator for companies, could provide a base for this platform.

3.2.6 Improved access to funding is essential, particularly for developing innovative SMEs and start-ups. The role of the EIB should be strengthened, mainly by extending the mechanism for funding with risk sharing, and a European risk capital market should be set up.

3.2.6.1 Moreover, the EESC recommends specific measures under the Small Business Act (SBA) such as promoting a 'second stock market' in Europe and tax breaks for individuals investing in innovation, as well as encouraging profit-sharing for employees.

3.2.7 In a number of countries it has been noticed that young people no longer have such a feeling for business or innovation as in the past. Creativity and initiative should be encouraged at school and university.

3.2.7.1 Along the same lines as the 'ambassadors for entrepreneurship amongst women' initiative, the EESC proposes creating a network of 'ambassadors for young entrepreneurs' with the support of the European institutions.

3.2.8 A better use of the Structural Funds is necessary if we are to encourage innovation in those countries affected by cohesion policy. This would essentially involve targeting measures more precisely, and avoiding the mandatory additionality principle which creates delays and lacks visibility. The EESC emphasises the potential for societal innovation through civil society players, which has been completely overlooked to date by structural and education programmes.

3.2.9 EU competition policy (State aid, cooperation between companies) should also be adapted to provide greater support to turn innovation to better advantage and encourage technology transfer. Special attention should be focused on specific sectors, such as house-building and transport infrastructures because of their role in climate change.

3.2.10 Under the Treaty of Lisbon, the EU is increasing its powers in external trade and cooperation matters. It should seize the opportunity to devise a European policy for scientific and technical trade that is coordinated with national policies. Particular attention should be given to trade and cooperation with the EU's neighbouring countries.

⁽⁸⁾ OJ C 228, 22.9.2009, p. 9.

⁽⁹⁾ Funded by Marie Curie European grants.

4. Conclusions

4.1 The success of this strategy will depend more on the Commission's and Member States' real political will to ensure its implementation, on the quality of partnerships, particularly with civil society, and on the establishment of dialogue with the people, rather than the funding earmarked for it. The EESC therefore calls on the European Council and the Commission to put forward an action plan for growth and employment in Europe (EU 2020).

4.2 The future European innovation plan should be backed by a proper action plan with a schedule for implementation and progress monitoring. In this respect, the legal form of the plan (recommendations, 'act' or any other form) is less important. It is the content and the precise, quantified commitments – complete with dates for its implementation – that will determine its effectiveness.

4.3 The goal of this 'strategy' must be to put into practice a proper 'Community' policy for relaunching the European economy.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

Opinion of the European Economic and Social Committee on the ‘Proposal for a Directive of the European Parliament and of the Council amending Directives 1998/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC and 2009/65/EC in respect of the powers of the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority’

COM(2009) 576 final — 2009/0161 (COD)

(2010/C 354/20)

Rapporteur working alone: **Mr ROBYNS DE SCHNEIDAUER**

On 25 November 2009, the Council decided, under Article 262 of the Treaty establishing the European Community, to consult the European Economic and Social Committee on the

Proposal for a Directive of the European Parliament and of the Council amending Directives 1998/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC and 2009/65/EC in respect of the powers of the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority

COM(2009) 576 final — 2009/0161 (COD).

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 3 March 2010.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 18 March 2010), the European Economic and Social Committee adopted the following opinion by 115 votes to none, with one abstention.

1. Conclusions and recommendations

1.1 The EESC considers that the crisis provides an urgent opportunity to put into effect a major reform of the supervisory system. The objectives of such a reform must be to prevent both isolated incidents and wider-ranging crises, and to strengthen resistance to such shocks. Its bases should be defined at Community level, and even by an interaction between a Community scheme and its equivalents in other countries.

1.2 The EESC deplores the fact that because the conditions governing market access and prudential requirements have not been properly harmonised, cases of regulatory arbitrage may result that lead to distortions of competition. Aligning such requirements on the basis of robustness, controlling the risks taken by financial actors and providing quality information for the public is essential to the founding of a community of interests within the European Economic Area. This movement must be accompanied by constant supervision of controllers’ qualifications on the basis, in particular, of mutual collaboration.

1.3 For these reasons the EESC supports the Commission in its work designed to provide supervisory authorities in the sector with powers enabling them to define common technical standards and resolve differences between national

authorities. It approves of the way in which relations between supervisory authorities are moving towards a consensual method of resolving any differences regarding practices in areas where provision has been made for joint decision-making processes. Like the Commission, it feels that a clear distinction should be made between, on the one hand, those issues which are technical and, on the other, those which are political and a matter for Community institutions that have a political mandate.

1.4 The EESC calls on the Commission to be ambitious when undertaking the work in its programme to put the finishing touches to the changes that are underway and when considering the technical standards to be applied in the securities sector and the expected directives on insurance and occupational pensions.

2. Context

2.1 On 26 October 2009, the European Commission presented a first proposal for an omnibus directive aimed at amending a series of directives dealing with activities in the financial services sector. These directives covered own funds requirements, financial conglomerates, occupational pensions, market abuses, markets in financial instruments, prospectuses, the definitive nature of settlement, transparency, money laundering and investment funds.

2.2 The Commission's aims are to protect the public, achieve financial stability and improve the single market, something which national supervisory schemes cannot achieve even if they are partially harmonised.

2.3 To achieve these objectives, the scope of the powers provided for in the regulations has to be defined in order to set up the authorities resulting from the transformation of existing European supervisory committees. The amending proposal for a directive will enable the existing texts to be changed so that the required uniformity can be achieved.

2.4 This proposal is fully consistent with the policy developed by the Commission following analysis of the conclusions of the report of the group of high-level experts chaired by Mr Jacques de Larosière aimed at establishing a more efficient, integrated and sustainable European system of supervision. According to the Commission communication of May 2009, this system should consist of a European Systemic Risk Board (ESRB), responsible for macro-economic supervision and for monitoring risks affecting financial stability, and a European System of Financial Supervisors (ESFS) consisting of a network of national financial supervisors working in tandem with new European supervisory authorities.

2.5 These authorities should be drawn from three supervisory committees occupying 'level 3' in the architecture resulting from the decision-making process bearing the name of Professor Lamfalussy and responsible for (i) banking activities, (ii) insurance and occupational pensions and (iii) financial markets.

2.6 In order to equip Europe with a more harmonised set of financial rules, the Commission communication of May 2009 entitled 'European financial supervision' ⁽¹⁾ aimed at enabling authorities to develop draft technical standards and to facilitate the sharing of micro-prudential information.

2.7 The current proposal follows up the communication in three main areas: it defines the scope of standards which are genuinely technical (tools, methods, statistics, forms, ...) and aimed at ensuring a convergence of supervision towards greater uniformity, which are to be subsequently adopted by the Commission.

2.8 It enables the authorities to settle disagreements between national authorities involving situations where cooperation is required in a spirit where the national interest is tempered by the common interest and where conciliation precedes any binding decision.

2.9 Finally, it sets up channels for sharing information required to arrive at a common doctrine without legal obstacles, particularly in relations between national authorities and the new European authorities.

2.10 These new European authorities would be empowered to have dealings with their counterparts in non-EU countries, to publish opinions on such matters as the prudential aspects of cross-border mergers and acquisitions and to draw up Community lists of approved financial actors.

3. General comments

3.1 The EESC's current opinion follows the line taken in the opinions adopted following the financial crisis of, particularly the opinion on the report of the Larosière group ⁽²⁾ and on macro- and micro-prudential supervision. Although the immediate main causes of this crisis may be attributed to weaknesses in the US financial system, it has also shown up both shortcomings in European supervisory systems and major differences between them. The EESC regrets that neither crises nor previous incidents such as the Equitable Life case have led to the necessary reforms being undertaken.

3.2 The problems experienced by the customers of institutions that have developed cross-border activities are such as to undermine the confidence of consumers in the single market.

3.3 The new authorities should be equipped with structures for consulting the occupational interests concerned, the trade unions, the consumers of financial services and for maintaining a dialogue with the EESC as the representative of civil society.

3.4 The EESC would stress the technical nature of the three new authorities. Their status as autonomous bodies must remain subordinate to the political powers of the Commission and the European Parliament.

3.5 The EESC notes that financial institutions whose activities cover several Member States should benefit from the existence of greater uniformity in supervisory practices. It is particularly aware that the proposed scheme does not in itself create any new constraints for financial actors, whose costs are passed on to users, except in cases where states which have benefited from regulatory arbitrage and distortions of competition have to bring their practices into line.

3.6 The EESC approves the inclusion of the principles of 'better lawmaking' in the proposed scheme by means of public consultations and impact studies right from the

⁽¹⁾ COM (2009) 252 final.

⁽²⁾ OJ C 318 of 23 December 2009, p. 57.

conception stage. Similarly, it welcomes the concern for flexibility and necessity that the Commission intends to promote.

3.7 As regards the collegial nature of the three new authorities, the EESC is in favour of there being a balance

between the different national authorities in the event of any differences. In its view, collegiality means that national authorities adopt joint decisions without showing any preference based on market size or the presence of operators outside their country of origin.

Brussels, 18 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

Opinion of the European Economic and Social Committee on the 'Proposal for a Council Regulation amending Regulation (EC) No 708/2007 concerning use of alien and locally absent species in aquaculture'

COM(2009) 541 final — 2009/0153 (CNS)

(2010/C 354/21)

Rapporteur: **Valerio SALVATORE**

On 11 November 2009 the Council, acting under Article 37 of the Treaty establishing the European Community, and on 5 March 2010 the European Parliament, acting under Article 43(2) of the Treaty on the Functioning of the European Union, decided to consult the European Economic and Social Committee on the

'Proposal for a Council Regulation amending Regulation (EC) No 708/2007 concerning use of alien and locally absent species in aquaculture'

COM (2009) 541 final — 2009/0153 (CNS).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 25 February 2010.

At its 461st plenary session, held on 17 and 18 March 2010 (meeting of 17 March), the European Economic and Social Committee adopted the following opinion by 130 votes with 3 abstentions.

1. Conclusions and recommendations

1.1 The Committee endorses the changes made to Regulation (EC) No 708/2007 concerning use of alien and locally absent species in aquaculture in the light of new scientific knowledge, including the results of concerted action under the IMPASSE project funded by the Sixth Framework Programme.

1.2 It concurs with the declared intention to pursue the twofold goal of: a) minimising the risks involved in rearing alien and locally absent species, and b) cutting red tape for operators in the sector (the red tape in this instance being the national permits required by aquaculture facilities rearing alien and locally absent species).

1.3 The most important thing in order to achieve this is to make sure these facilities are biosecure. For this, the right measures need to be adopted: a) measures during transport, b) the application of well-defined protocols at the receiving facility, and c) the observance of appropriate procedures up to the release of fish products for consumption.

1.4 Where these matters are concerned, the new definition of closed aquaculture facilities appears well drafted and consistent with the results of the IMPASSE project, although some

erroneous interpretations could occur as a result of the very technical language used. To forestall possible uncertainties in the implementation phase, the regulation should include a clear statement that closed aquaculture facilities are to be deemed such if they are land-based.

1.5 The new regulation establishes *inter alia* that closed aquaculture facilities must prevent the dispersal of non-native reared species or biological material in open waters as a result of flooding. To this end, a safety distance should be established between these facilities and open waters, depending on the type, location and lay-out of the facility site.

1.6 By the same token, since it has been established that the risk of escape lies not only in water, all systems should be put in place to ensure that closed facilities are protected from predators that could disperse the species reared.

1.7 Finally, the Committee agrees that movements from a closed to an open aquaculture facility should not be considered routine. It would therefore also suggest that closed aquaculture facilities should be managed and administered separately from open systems, when the production cycle so allows, in order to minimise any risk of contamination of aquatic ecosystems.

2. Introduction

2.1 With catches falling due to overfishing of seas and inland waters, aquaculture could play a role in helping to meet the growing demand for proteins from fish. Worldwide aquaculture production has, in fact, increased by 11 % annually over the last thirty years (Naylor and Burke, 2005) ⁽¹⁾.

2.2 Against this backdrop, the introduction and rearing of alien and locally absent species in Europe is vigorously championed by economic and commercial players. These players must, however, embrace the goals of safeguarding ecosystems that could be vulnerable if such activities are not exercised correctly.

2.3 The introduction of alien species is, after all, one of the principal ways in which human intervention upsets aquatic ecosystems. It is also the second cause, immediately behind the destruction of habitats, of loss of biodiversity around the world. A delicate balance exists in all ecosystems – the fruit of a slow process of evolution thanks to which every organism interacts with its own environment, establishing a serious of relations with the space it occupies and with the other organisms present. In this situation, every organism plays a very precise role and occupies a well-defined ecological niche. The effects of climate change on the migration of fish species in the various aquatic environments also merit attention.

2.4 When an alien species enters and becomes part of a new community, it interacts with the species already there and in so doing can alter the balances previously achieved in a way that cannot be predicted. The new inhabitants may prey on and compete with indigenous species for food and space; they may carry new parasites and other pathogens from their countries of origin or they may hybridise with indigenous species.

2.5 This is why the key elements of ‘closed aquaculture facilities’ need to be stipulated – i.e. a physical barrier between wild and farmed organisms, treatment of solid waste, appropriate disposal of dead organisms, and the monitoring and treatment of incoming and outgoing water.

3. General comments

3.1 The fewer control systems in place, the greater the risk of alien and locally absent species escaping from rearing facilities. This risk is minimised in closed systems, where aquaculture is confined within secure structures protected by physical and chemical barriers; extensive open systems, on the other hand, offer the lowest level of security, sometimes faci-

tating the – sometimes inadvertent – dispersal of the imported species into natural environments.

3.2 Estimates indicate that around 20 % of non-native cultured species are farmed in open systems, while less than 10 % are farmed in intensive closed systems. However, in some cases (bivalves), live products are temporarily sent – sometimes substantial distances – for the depuration phase to both closed and open facilities, with high risks of dispersal (IMPASSE) ⁽²⁾.

3.3 Closed systems use various technologies for the depuration of incoming and outgoing water. All of them, however, involve a physical separation between the facility and natural aquatic ecosystems. Nevertheless, the rapid development of these rearing technologies and the evolution of various aquaculture systems have prompted the Council to issue the regulation being discussed in this opinion.

3.4 Council Regulation (EC) No 708/2007 establishes a framework governing aquaculture practices in relation to alien and locally absent species in order to assess and minimise the possible impact of those species on aquatic habitats. The regulation provides for a permit system to be established at national level.

3.5 These permits are not required where closed aquaculture facilities guarantee biosecurity. In order to reduce the risk, appropriate measures need to be adopted during transport, with well-defined protocols being followed at the receiving facility and appropriate procedures being observed up to the release of fish products for consumption.

3.6 The new definition of closed aquaculture facilities satisfactorily incorporates the results of the IMPASSE project; however, it should be expanded to include a clear reference to the fact that closed aquaculture facilities are to be regarded as such if they are land-based.

3.7 The Committee fully endorses the goal of preventing solid waste or reared specimens or parts of these from passing into open waters, as provided for in the new regulation. However, the waste water filtration and depuration sector is a rapidly evolving one and there is a range of systems – physical, chemical, biological, or indeed a combination of these – which can be used to achieve the priority that must always be centre stage, namely biosecurity.

⁽¹⁾ Naylor, R. and Burke, M. (2005). Aquaculture and Ocean Resources: Raising Tigers of the Sea. *Annual Review of Environment and Resources*. 30:185-218.

⁽²⁾ IMPASSE project No 44142. D1.3. Deliverable 3.1. Review of risk assessment protocols associated with aquaculture, including the environmental, disease, genetic and economic issues of operations concerned with the introduction and translocation of species. (Gordon H. Copp, Esther Areikin, Abdellah Benabdelmouna, J. Robert Britton, Ian G. Cowx, Stephan Gollasch, Rodolphe E. Gozlan, Glyn Jones, Sylvie Lapègue, Paul J. Midtlyng, L. Miossec, Andy D. Nunn, Anna Occhipinti Ambrogi, S. Olenin, Edmund Peeler, Ian C. Russell, Dario Savini). 2008 – (page 14).

4. Specific comments

4.1 Appropriate monitoring and control measures must be specified for the introduction and transfer of alien or locally absent aquatic species in order to avoid any risk of aquatic ecosystems being contaminated. This can only be done by establishing, adopting and implementing international codes of practice and appropriate procedures.

4.2 Since it has been established that the risk of escape lies not only in water, all systems should be put in place to ensure that closed facilities are protected from predators, especially birds, that could disperse reared specimens into the wild.

4.3 It is also desirable for closed aquaculture facilities to be managed and administered separately from open systems in order to minimise any possible risk of contamination of aquatic ecosystems.

4.4 The Committee agrees with the decision to entrust Member States with the responsibility for regularly updating on a website the list of closed aquaculture facilities in their territory so as to ensure that these are as well publicised as possible in order to make operators and the various local stakeholders more responsible regarding the correct management of facilities.

Brussels, 17 March 2010.

The President
of the European Economic and Social Committee
Mario SEPI

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