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I

(Resolutions, recommendations and opinions)

OPINIONS

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

486TH PLENARY SESSION HELD ON 16 AND 17 JANUARY 2013

Opinion of the European Economic and Social Committee on ‘Unleashing the potential of children and young people with high intellectual abilities in the European Union’ (own-initiative opinion)

(2013/C 76/01)

Rapporteur: **Mr RODRÍGUEZ GARCÍA-CARO**

On 19 January 2012, 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

Unleashing the potential of children and young people with high intellectual abilities in the European Union.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 20 December 2012.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January), the European Economic and Social Committee adopted the following opinion by 131 votes in favour, none against with 13 abstentions.

1. Recommendations

1.1 The European Economic and Social Committee is aware that the issue of children and young people with high intellectual abilities has been fairly well researched, as a result of the studies conducted over the last decades and the extensive corpus of specialist scientific literature⁽¹⁾. However, given the importance of this topic, the EESC recommends that the European Commission and the Member States support further studies and research and adopt suitable measures to cater for diversity among all types of people. These

⁽¹⁾ Examples of studies on high abilities and their educational response include:

Martínez Torres, Mercé and Guirado, Angel (coords.), *Altas capacidades intelectuales. Pautas de actuación, orientación, intervención y evaluación en el período escolar* (High intellectual abilities: Guidelines for action, orientation, intervention and assessment in the school period), Barcelona, Editorial Graó, 2012.

Torrego, Juan Carlos (coord.), *Alumnos con altas capacidades y aprendizaje cooperativo. Un modelo de respuesta educativa* (Students with high abilities and cooperative learning. An educational response model), Madrid, Fundación SM, 2012.

Pfeiffer, Stephen: *Current perspectives on the identification and assessment of gifted students*, in *Journal of Psychoeducational Assessment*, 2011.

Wallace, B. and Erikson, G.: *Diversity in Gifted Education. International perspectives on global issues*, New York, Routledge, 2006.

Sternberg, R.J. and Davidson, J.E.: *Conceptions of giftedness*, Cambridge University Press, 2005.

Sternberg, R.J. (ed.): *Definitions and conceptions of giftedness*, Thousand Oaks, Corwin Press, 2004.

should include programmes that would tap the potential of gifted children and young people in a wide variety of fields. The aims of this action would include facilitating employment and employability within the framework of the EU and, in a context of economic crisis, enhancing specialist knowledge and preventing brain drain to other parts of the world.

1.2 The Committee proposes nurturing the development and potential of children and young people with high abilities throughout the various stages and forms of their education, avoiding premature specialisation and encouraging schools to cater for diversity, and exploiting the possibilities of cooperative and non-formal learning.

1.3 The Committee recommends fostering education and lifelong learning, bearing in mind that each individual's intellectual potential is not static but evolves differently throughout the various stages of his or her life.

1.4 The Committee recommends that, in the future, greater consideration be given to each Member State's existing models for and experience in working with highly gifted children, particularly those which benefit all of society, facilitate cohesion, reduce school failure and encourage better education in accordance with the objectives of the Europe 2020 strategy.

1.5 The Committee highlights the need to detect, in the workplace, those workers (particularly young workers) who are able and willing to develop their intellectual capabilities and contribute to innovation, and to give them the opportunity to further their education in the field that best matches their ambitions and centres of interest.

1.6 The Committee proposes improving educational care for children and young people with high abilities, in terms of the following aspects:

- initial and ongoing training of teaching staff regarding the typical characteristics of highly able students, as well as the detection and educational care they need;
- pooling of procedures for the early detection of high intellectual abilities among students in general and in particular among those from disadvantaged social backgrounds;
- designing and implementing educational measures aimed at students with high intellectual abilities. These measures should include actions inside and outside ordinary educational establishments;
- incorporating into teacher training the values of humanism, the reality of multiculturalism, the educational use of ICT and, lastly, the encouragement of creativity, innovation and initiative.

1.7 Improving the care provided for highly able students should include their emotional education (which is particularly important during adolescence), the acquisition of social skills with a view to facilitating integration and inclusion in society, integration into the labour market, and fostering their teamwork skills.

1.8 Schemes and procedures for student exchanges and visits abroad should be tapped into so that gifted students can take part in them, particularly those from disadvantaged backgrounds.

1.9 Opportunities for exchanging information and good practices on detecting and caring for gifted students should be harnessed across the EU Member States.

1.10 Entrepreneurship should be fostered among children and young people with high abilities, with a view to encouraging responsibility and solidarity towards society overall.

2. General context

2.1 The programme entitled Europe 2020: A European Strategy for smart, green and inclusive growth, adopted by the Commission in 2010, includes as one of its three basic priorities the quest for smart growth through the development of an economy based on knowledge and innovation. From this angle, the education of all citizens can be seen as a key resource through which to guarantee the future of the European Union, and this includes improved detection and educational care for highly able people.

2.2 The current education policies of the EU Member States focus strongly on catering for diversity among students, pledging to provide each student with the educational care they need to realise their full potential. As part of the efforts aimed at all students requiring specific educational support, it is necessary to increase the resources currently devoted to those with high intellectual abilities.

2.3 Looking at the current situation in the Member States, there is much variation when it comes to detecting and providing educational care for particularly gifted students. It is also clear that there is a need to improve educational practices and activities aimed at this type of students – something that is influenced by the scarcity of targeted teacher training in this area.

3. High intellectual abilities

3.1 Concept

3.1.1 International studies and research concur that there are highly gifted people in all social groups ⁽²⁾. This principle can be applied to the population of the EU Member States. In social, political and educational terms, detection and care for people with high abilities is a relatively recent concept that will certainly gain weight over the coming years. The abovementioned studies all agree that improving detection and educational care for highly able students requires the involvement of all sectors of society: politicians, teaching staff, scientists and researchers, families and social partners.

3.1.2 Specialist scientific literature on the topic of high abilities recognises various terms in this regard: precociousness (results above those expected for a specific age), talentedness (particular skills in very specific areas such as maths, music, etc.) and, lastly, giftedness or high ability. This last concept – giftedness or high ability – is currently defined in terms of the following traits:

- above-average intellectual ability, with regard to both general and specific skills. Although the traditional yardstick has been the presence of an intelligence quotient of over 130 (100 being the average), in recent years this criterion has been extended and loosened to include the assessment of other equally important indicators:
- high dedication and commitment to tasks: perseverance, interest, resilience, self-confidence, etc.
- high levels of creativity, flexibility and originality in asking questions, responding to and solving problems and difficulties that arise.

⁽²⁾ Based on the most studied group, i.e. the school-age population, the estimated percentage of highly gifted people ranges from 2 % to 15 % of the population, depending on the indicators used to make this estimate. The most traditional criterion, IQ assessment, has tended to take as a reference the existence of an IQ of 130 or above, which applies to around 2 % of the population. Nowadays it is accepted that this criterion is very restrictive, and assessing intellectual capacity is only one factor to be taken into account when identifying high abilities. The concept of high abilities has therefore been extended to include other factors such as creativity, originality and the ability to relate, deduce and extrapolate. From this more current perspective, it is estimated that the percentage of people with high abilities could be around 10 % or even as high as 15 % of the general population, although the most commonly accepted estimates stand at between 5 and 10 % of the population. For an introduction to the subject, see the already classic studies by Joseph Renzulli or the more recent studies by Borland, J.H. 'Myth 2. The gifted constitute 3 % to 5 % of the population', in *Gifted child quarterly*, No 53, 2009; Miraca, G.: *Exceptionally gifted children*, New York, Routledge, 2004, and Robson, D: *High IQ kids: collected insights, information and personal stories from the experts*, Free spirit publishing, 2007.

Although high ability in the school and academic context tends to go hand in hand with good school results, it is not uncommon to find cases of school failure among students with high abilities. Giftedness should not be seen as a static situation but, rather, as a potential which to be harnessed must be detected, recognised and catered for by society; otherwise, it may be lost.

3.1.3 The scientific literature also agrees that giftedness has many dimensions – i.e. it is broad and cross-disciplinary and cannot be limited to an IQ assessment; it should also take into account aspects such as originality and creativity of thought; and it is frequently conditioned and influenced by family and socio-cultural factors. Sometimes, as may occur with certain people on the autistic spectrum or with particular motor disorders, high abilities may coexist with disability.

3.1.4 Students and people with high abilities are present throughout all social groups and levels, regardless of gender or social standing. However, in practice, detection processes usually bring to light the following aspects which should be taken into account so that they can be offset:

- highly able students are more frequently detected among the middle and upper social classes owing to the fact that their families tend to be better informed, and to the influence of family environments that are educationally and academically stimulating. At times, the low expectations that educational establishments have regarding their students' abilities can adversely affect the detection of gifted students in disadvantaged environments;
- notwithstanding a general trend towards discretion and anonymity among highly able students and people, statistically more highly able male students than female are identified due to cultural and psychodevelopmental factors, pointing to a higher likelihood of anonymity among potentially highly able female students ⁽³⁾.

⁽³⁾ For example, between 1999 and 2012, the *Programa de Enriquecimiento Educativo para Alumnos con Altas Capacidades de la Comunidad de Madrid* (Programme for educational enhancement of students with high abilities of the Community of Madrid, Spain) registered an almost unchanging participation ratio of 70 % male students to 30 % female students. In this regard, see Pérez, L. Domínguez P. and Alfaro, E. (coords.), *Actas del Seminario: situación actual de la mujer superdotada en la sociedad* (Report on the seminar on the current situation for gifted women in society), Madrid, Consejería de Educación, 2002.

3.1.5 As with the rest of the school population, when referring to highly able students and young people it is important to remember that they form an extremely varied group.

3.1.6 It is possible to come across students with high intellectual ability who struggle to succeed at school and fall among those students who do badly, owing for example to a lack of specific educational care or to problems fitting in. It is also far from uncommon to find students with high abilities who feel ostracised or rejected by their peer group, which also increases the likelihood of school failure. Proper detection and care for highly able students is a factor that can and should help to reduce school drop-out rates and increase the percentage of the population with a higher education, which is one of the basic goals of *Europe 2020: A European Strategy for smart, green and inclusive growth*.

3.2 Detection and educational monitoring of highly able students

3.2.1 Improving the care provided for highly able students involves various separate aspects: initial detection; psychological, educational and social assessment to confirm or refute the presence of high abilities; and educational care in its true sense, which can be provided through both formal and non-formal education.

3.2.2 It is commonly accepted that a considerable number of highly able people slip through the net during detection processes. The detection process can be carried out as from the end of pre-school or at the start of primary school. Just as for any other student with specific educational support needs, early detection of high abilities makes it easier to provide the right educational response and care, and to prevent potential school failure or drop-out further down the line. Although high abilities can also be detected at later stages of school or life, this places particular importance on the initial detection and psycho-educational assessment of students that may display high abilities.

3.2.3 Highly able students are usually first detected when their parents or teachers observe that they are standing out from classmates of the same age, or may be showing signs of not fitting in. This initial detection, which must then be confirmed or refuted by specialists, may be based on the following indicators:

- language use: wide vocabulary, accuracy of terms used, complexity of sentence structure;
 - strong understanding of complex and abstract ideas; at the same time, may be able to develop or formulate ideas at an unexpected level for their age;
 - quality of questions: may be unusual, original, complicated or full of maturity and purpose;
 - ability to design systematic and multiple strategies to solve problems;
 - ability to learn quickly and easily when interested;
 - highly creative when coming up with ideas, goals and solutions to particular problems.
- 3.2.4 In the early years (up to age 4-5), particular caution must be exercised when identifying highly able students, as the phenomenon of precociousness or the presence of family situations which greatly stimulate academic activity may result in a premature diagnosis which may not be sound or accurate. In such cases it would be useful to carry out reviews at times when high abilities are manifested or to check whether, conversely, the student is approaching levels considered normal.
- 3.2.5 In disadvantaged social settings, giftedness is often masked by socio-economic shortcomings and difficulties or even by the low expectations of educational centres themselves, and manifests itself less easily. It is important to take this fact into account, and to pay special attention to the development of children and young people from disadvantaged backgrounds in order to offer them the educational care they need, including the detection of those that may be highly able.
- 3.2.6 Some issues or expectations relating to highly able students and young people that should be avoided include:
- assuming that gifted children will stand out in all areas of their development, and will be emotionally mature with high self-control, independent, responsible and eager to please their teacher;
 - believing that they will stand out in all areas of the school curriculum: teachers often expect brilliant students to achieve brilliant results in every area;
 - expecting highly able children to be extremely motivated to do well at school and carry out any task set them with enthusiasm and interest.

3.2.7 Once the parents and teachers suspect that a child or young person may have high abilities, initial detection requires specific assessment instruments and should be carried out by specialists in psychoeducational assessment, who may be assisted by teachers from the educational establishment. This assessment should be as varied and thorough as possible, and should include different contexts (school, social, family) and a range of instruments for gathering information, so that it can be applied to any student, regardless of their family and social background. This extensive, varied assessment serves as the basis for the final psychoeducational report which confirms or refutes the presence of high abilities.

3.3 Educational care for highly able students

3.3.1 Once the presence of high abilities has been confirmed, the following factors and circumstances can facilitate an appropriate educational response for these children and young people:

- stimulating environment that fosters potential;
- autonomy and self-control;
- feeling of belonging to group of friends and to peer group;
- acceptance and trust from those around them;
- teaching adapted to suit needs and individual learning rate;
- flexible curriculum with possibility of exploring content in depth;
- access to additional educational resources that complement the basic learning material;
- more flexible teaching with regard to timetables, activities, resources, materials or groups;
- involvement of students in planning their own learning process.

3.3.2 Different teaching and education systems adopt different approaches for meeting the educational needs of students with high abilities. The measures adopted in this regard may fall within two different trends:

- a) separate education: homogenous groups of students based on respective ability and learning level within one educational establishment;
- b) inclusive education: student groups are mixed and the learning centre offers educational approaches adapted to suit the diversity of students in each group.

3.3.3 Currently, education systems in the EU tend to prefer the inclusive model. It aims to offer all students in the first stages of their schooling a common education in a school environment that caters for diversity, rather than establishing homogenous groups too soon. This approach is compatible with the fact that, during non-compulsory stages of education or when students are nearing the end of their secondary education and the start of their university studies, some Member States are trialling systems aimed at enhancing specific talents, or more homogenous group schemes aimed at highly able students and/or high academic achievers. As things stand at present, it seems that the likely trend in the future will be to maintain inclusive education during the first stages of school and open the way for homogenous groups in the more advanced or post-compulsory stages.

3.3.4 For students with high abilities, the specific educational measures that can be adopted within the educational establishment may be as follows (the ordinary measures are applicable to all students in general):

— Ordinary measures:

- Presentation of content with varying degrees of difficulty, flexible groups, variety of activities and extension of basic curriculum.
- Educational enhancement, based on the motivation and interest of the student in certain areas and organised by him/herself.

— **Less common measures:** These involve adapting the curriculum, extending or enhancing it for the student in question: individual curricular adaptation.

— **Exceptional measures:** These involve making the various levels and lessons more flexible by a form of fast-tracking: a student may be in the same class as older students. They are applied in very few cases – around 3 % of students with high abilities

3.3.5 Outside schools, highly able students may participate in activities that are planned but less regulated than school activities, and allow for contact with highly able students from other establishments. Such extracurricular activities are fairly widespread and are very varied in scope. They may be supported by States, public authorities and the EU.

3.3.6 These two forms of educational care – formal and non-formal education – are not mutually exclusive. Better care for highly able students should include both aspects: specific care within their own establishment and within school hours similar to that required by all those children with particular support needs, together with additional, extracurricular care which may be provided inside or outside the educational establishment.

3.3.7 At present, the big issue is the substantial improvement of educational care received by highly able students within their own establishment. This means improving initial and ongoing training of teaching staff when it comes to detecting and providing educational care for highly able students within the general context of catering for student diversity.

3.3.8 Unleashing the potential of all young people in the EU, particularly highly gifted young people, is not a matter solely for the education sector. It is also important to implement a social and economic policy that makes it possible to offer these people jobs and opportunities from an early age so that they may realise their potential. In this case, Europe has a crucial mission: to prevent the brain drain whereby more able people leave for other parts of the world in which to use their talents.

4. Monitoring highly able students in the European context

4.1 Overview

4.1.1 In recent years, various studies have sketched an overview of the situation for high intellectual abilities throughout the EU ⁽⁴⁾. They show the following:

- Overall, the studies identify the need to alter the practices of educational establishments in order to improve the care provided for the diversity of students, including those with high abilities.
- Legislation on education in the various countries takes into account the existence of students with high abilities, but

⁽⁴⁾ For details of the current scope of educational care for students with high abilities in the EU Member States, see: 'La atención a los alumnos con altas capacidades en la Unión Europea' (Care for students with high abilities in the EU), in *De todo un poco*, No 11, annual publication of the Programa de Enriquecimiento Educativo para Alumnos con Altas Capacidades de la Comunidad de Madrid, pp. 21-29, Madrid, 2009
Gifted Learners. A survey of educational policy and provision. European Agency for Development in Special Needs Education, 2009.
 Eurydice (2006), *Specific Educational Measures to promote all Forms of Giftedness at School in Europe* (Working Document). Brussels: Eurydice European Unit.
 Monks, F.J., Pflüger, R, *Gifted Education in 21 European Countries: Inventory and Perspective*, University of Nijmegen, 2005.

there are significant variations when it comes to considering whether or not these students require specific measures for educational care.

- The criteria for diagnosing high abilities are gradually broadening, moving beyond the traditional approach which involves only evaluating intelligence. They now tend to include specific tests to assess creativity and originality, along with school, social and family reports from teachers and families.
- On the whole, care for highly able students tends to be dominated by out-of-school activities in the context of non-formal education, rather than activities within the curriculum or ordinary educational establishment during school hours. Specific competitions or contests for particular talents (science, technology, sports, music, etc.) tend to be more common than initiatives providing care for high abilities in general.
- There is much room for improvement in teacher training, both initial and ongoing, when it comes to detecting and caring for highly able students.

4.2 Legislation and educational response

4.2.1 In every EU country, there are private associations of professionals and/or families that provide extracurricular educational activities to foster the abilities of particularly gifted students. In some countries, activities are also promoted by or in cooperation with the relevant education authorities.

4.2.2 The range of educational responses aimed at students with high abilities in the EU countries is as follows:

- The legislation of almost all Member States includes some educational measures relating to these students. Some countries' legislation provides for general educational measures for all students but without distinguishing highly gifted or talented students from the rest: excellence is sought among all students.
- Most countries establish mixed-ability groups while aiming to provide care for students within each group. A number of countries stream students into groups based on ability and school results, although some of these only do so for sporting or artistic talents.

— With regard to measures for increased flexibility or fast-tracking (i.e. the possibility for a student to move up to a school level above their age group), most countries allow for this in their legislation, but there is no uniform criterion for implementation. Some Member States allow for the early participation of highly able secondary-school students in specific university courses and projects.

4.3 Teacher training

4.3.1 Despite the difficult economic climate (which also affects the education system) and the challenges facing teachers in their daily work, specialised teacher training in this area needs to be improved, in terms of both initial and ongoing training.

4.3.2 Most countries in the EU include specific training for the provision of care for students with high abilities in the official syllabus for future teachers, either as a specific subject or as part of the general training on catering for student diversity.

4.3.3 When it comes to publicly provided ongoing training for teachers, only half of countries offer this within their ongoing teacher training plans. This official ongoing training coexists with that offered by certain private bodies.

4.3.4 In short, it is clear that the situation in the EU displays considerable room for improvement in the following areas:

- initial and ongoing training of teaching staff to improve teachers' perception of students with high abilities and facilitate their understanding of these student profiles, along with the methods to be used for their detection and targeted educational care;
- incorporating into teacher training the values of humanism, the reality of multiculturalism, the educational use of ICT and, finally, the encouragement of creativity, innovation and initiative;
- pooling of psychoeducational assessment procedures, along with those to assess social and family-related factors, which are used when detecting students with high intellectual abilities. This detection should be carried out at an early age, but it should also be possible to carry it out at later educational stages, including in the workplace of those who have already got a job;
- designing and implementing measures for educational care of students with high intellectual abilities or other exceptional characteristics, both inside and outside ordinary educational establishments in the context of non-formal education: educational enhancement programmes;
- designing and implementing mechanisms and procedures to facilitate lifelong learning for people with high intellectual abilities, particularly when it comes to accessing and attending university.

Brussels, 16 January 2013.

The President
of the European Economic and Social Committee
Staffan NILSSON

Opinion of the European Economic and Social Committee on 'The gender dimension in the Europe 2020 Strategy' (own-initiative opinion)

(2013/C 76/02)

Rapporteur: **Ms AGUDO I BATALLER**

Co-rapporteur: **Ms ATTARD**

On 12 July 2012, 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 gender dimension in the Europe 2020 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 20 December 2012.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 17 January), the European Economic and Social Committee adopted the following opinion by 200 votes to 6, with 4 abstentions.

1. Conclusions and recommendations

The EESC:

1.1 endorses and welcomes the principle that *Europe 2020 – A strategy for smart, sustainable and inclusive growth*⁽¹⁾ and the *Strategy for equality between women and men*⁽²⁾ should be mutually reinforcing. To this end, it is essential to mainstream the gender dimension and insert specific measures into the objectives, implementation, monitoring and evaluation of policies developed under the umbrella of Europe 2020;

1.2 deems it essential to overcome the fact that the gender dimension is not specifically addressed in any of Europe 2020's seven flagship initiatives. The gender dimension should therefore be systematically incorporated into the National Reform Plans (NRP) and the European semester, especially at a time when Europe's economic situation requires more effective policy implementation and the more efficient use of resources, recognising the detrimental effect of gender inequality on economic growth;

1.3 supports the country-specific recommendations in which the Commission calls on the Member States to adjust their NRP budgets to ensure that policy measures take the principle of gender equality into account. It is important that the ministerial meetings held for the purpose of reviewing and monitoring implementation ensure that these recommendations are put into practice and followed through, and make visible the progress made on equality policy. This will require consistent use of Community Funds, especially the European Social Fund;

1.4 recommends that the next Multiannual Financial Framework (2014-2020) make available specific funding to

advance women's rights and gender equality. In the EESC's view, funding should be adequate and visible as a guarantee of its implementation and transparency in order to foster support for equality policies, activities and projects in all areas falling within the EU's remit;

1.5 considers that, taking into account the different situations on the ground in the various countries, regions and sectors, steps should be taken to improve the social situation and increase women's participation in the labour market, including support for business start-ups. Support should also be given to their quantitative and qualitative potential in the different areas addressed by Europe 2020: innovation, research, education and training, the digital society, climate and the green economy, energy, mobility, competitiveness, employment, qualifications, social exclusion and poverty;

1.6 highlights the importance of the commitment and involvement of the social partners at the European, national, regional and sectoral levels, and at all stages of implementation of the various policies, to ensure that the changes needed in gender equality take place in all European Union countries. Social dialogue and collective bargaining agreements are key instruments for complementing national reform plans with the gender dimension. The framework for gender equality measures adopted by the European social partners is an important example in this regard, which should be reflected in Europe 2020;

1.7 stresses the importance of mainstreaming the gender dimension into the implementation of each of the seven flagship initiatives. This will require an understanding of the specific and different situations facing men and women with respect to: the labour market and lifelong learning; access to all levels of education and employment; poverty and the risks of exclusion; accessibility and use of the new technologies in the digital sector; and participation at all levels of training, research and production, especially in the new emerging sectors. The

⁽¹⁾ COM(2010) 2020 final, hereinafter referred to as 'Europe 2020'.

⁽²⁾ COM(2010) 491 final, hereinafter referred to as the 'Strategy for equality'.

EESC recommends focusing on digital education for women, who are under-represented in IT production jobs. The EESC considers it essential that the Commission and the Member States make use of existing gender indicators and establish new indicators in areas where none currently exist;

1.8 is of the view that, given the dismal state of youth unemployment and early school-leaving in most Member States, which affect young men and women differently, the gender dimension really needs to be more closely integrated into the development of youth policies;

1.9 calls on the Member States to take account of the Commission's specific recommendations and take steps to improve the quantity and quality of women's employment in all countries. This will require improving access to and the quality of affordable public services to children and the elderly, eliminating the pay gap and implementing measures to reconcile family and personal life and work (making it easier to offer paternity leave and paid leave);

1.10 reiterates that Europe 2020 should foster and support, in cooperation with the social partners, specific and effective agreements and measures to ensure the health and safety in the workplace of pregnant women and those who have recently given birth. The EESC welcomed the Commission's proposal to adopt measures for an adequate period of maternity leave of no less than 18 weeks⁽³⁾;

1.11 albeit to varying degrees across countries, regions and areas of work, the crisis has affected people's lives and heightened a number of problems relating to health and social harmony; therefore believes that particular attention needs to be paid to implementing measures to help offset the negative effects (such as stress, violence and harassment at work and within the family⁽⁴⁾). This calls for common efforts to promote gender equality in society, eliminate structural inequalities and change gender roles and stereotypes;

1.12 considers that the progress of women in decision-making should be a priority, especially in those sectors and businesses deemed by Europe 2020 to be of strategic importance for the future. The EESC will soon adopt an opinion on the proposal of the Commission to adopt binding measures at EU level to boost women's participation in this area;

1.13 is concerned to note the cuts in social services and protection for the most disadvantaged and those most at risk

of social exclusion and poverty. The measures to be implemented under Europe 2020 should therefore specifically target the growing proportion of women in poverty and seek to integrate women in the short term, through incentives to join the labour market and, in the long term, through access to basic education and new skills, the use of new technologies and new forms of work organisation, reconciling work and family life. The EESC believes that sixty years down the road of European integration, it is unacceptable to allow permanent wage gap between men and women to serve as an adjustment variable or to allow the erosion of women's job security. It believes that the Member States must include, as a matter of urgency, measures to secure stable employment for women, with decent salaries and pensions, in their NRPs;

1.14 considers it a priority, if Europe 2020 and the Strategy for equality are to achieve their goals, to send the parties concerned and society at large a clear message regarding the need to step up measures to continue moving towards equality. This requires, firstly, greater and closer coordination and cooperation within and among all the European institutions, the European Parliament, the Commission and the Council, the European Central Bank, the EESC and the Committee of the Regions. Secondly, these equality-related aspects must be incorporated at all levels into the membership⁽⁵⁾ and daily work of the sections, groups and committees of such institutions.

2. Introduction

2.1 Europe 2020, which was adopted in 2010, set the path for the European Union's growth in a difficult economic climate, which was already showing signs of the financial and political problems now afflicting the EU. Europe 2020 puts forward a set of measures that will enable the Member States, in an efficient and unified way, to meet the challenges posed by the crisis and, in turn, relaunch a growth model that is smarter, more sustainable and more inclusive.

2.2 A new process of economic governance, called the European Semester, was also established in order both to synchronise the assessment of Member States' budgetary and structural policies and also to ensure that the strategy's implementation can be monitored.

2.3 At the same time, the *Strategy for equality* establishes the Commission's work programme for gender equality. This policy proposal follows on from the *Working Plan for equality between women and men* (2006-2010)⁽⁶⁾, and represents the best attempt yet to define a set of strategic objectives and indicators for gender-related issues.

⁽³⁾ OJ C 277, 17.11.2009, pp. 102-108.

⁽⁴⁾ OJ C 351, 15.11.2012, pp. 21-26.

⁽⁵⁾ EESC membership: 343 members, of whom 81 (23,6 %) are women. By group: Group I: 112 members, of whom 22 (22,1 %) are women, Group II: 120, of whom 32 (26,8 %) are women, Group III: 111 members, of whom 27 (24,3 %) are women.

⁽⁶⁾ COM(2006) 92 final and OJ C 354, 28.12.2010, pp. 1-7.

2.4 Since 1996, the EU has adopted a two-fold approach to gender equality: firstly by implementing specific measures to overcome existing discrimination against women and secondly through gender mainstreaming in policy decisions ⁽⁷⁾.

2.5 The Committee endorses the principle that the proper application of Europe 2020 Strategy must be consistent with the Strategy for equality, to meet the challenges arising from the crisis effectively, since these two strategies are mutually reinforcing, and therefore agrees with the EP, which has expressed this view. The European Pact for Gender Equality (2011-2020), adopted by the Council in March 2011 ⁽⁸⁾, highlights the close link between the two strategies and calls for instruments to be combined in order to overcome the crisis.

3. Europe 2020 – an analysis of the gender aspect

3.1 Gender equality is not specifically addressed in the text, in any of the flagship initiatives and is not mentioned in the five quantifiable targets, except as regards the employment rate, with a call for the greater involvement of women in the work force. This stands in stark contradiction with the principles set out in the first part of Europe 2020 Strategy, which states that respect for equality is a key factor for overcoming the economic crisis, alongside economic, social and territorial solidarity, respect for the environment and cultural diversity.

3.2 Different European institutions, organisations representing civil society and the social partners have repeatedly emphasised the need for gender equality to be a priority under the new strategy for action and to be considered a key factor for competitiveness and growth. According to the EP, the text should include the full involvement of women in the labour market and in vocational training and a programme aimed at eliminating the wage gap between men and women.

3.3 The wording of the Europe 2020 Strategy did not meet with unanimous support and was criticised on a number of grounds: for its overly-general content, its unnecessarily complex structure and an excessively economic approach, which overlooks the social aspects. Much less emphasis is placed on gender equality than in previous employment strategies. The only visible and explicit aspect, the employment rate

for women, clearly ignores the qualitative aspects of work and the different starting positions that exist on the labour market. Even the quantitative gender-specific targets contained in the Lisbon Strategy have disappeared.

3.4 The EESC considers that neither Europe 2020 nor the Strategy for equality will achieve their aims unless practical steps are taken to improve the situation in society and in women's work. Women's quantitative and qualitative potential should be supported as a prerequisite in the different areas of Europe 2020. Practical steps linked to the seven flagship initiatives are essential if progress is to be made on the priorities of Europe 2020: smart, sustainable and socially inclusive growth cannot become a reality without an equality policy.

3.5 The reform plans of the different Member States must recognise the economic added value of women's work, which would be gained, for instance, through the professionalisation of personal care work ⁽⁹⁾ and the specific shortcomings women encounter on the labour market (access at all levels and in all age groups, career progression, continuity, etc.), but also in society, with regard to all those social aspects that the Strategy for equality highlights as being crucial. To overcome the crisis and meet the new challenges, Europe 2020 must be implemented by establishing specific programmes, plans and measures that help improve equality. This cannot be done without an understanding of the different impact that the anti-crisis measures might have, given men and women's different starting positions.

3.6 The EESC is concerned to note the absence of practical measures and gender-specific indicators. This prevents any monitoring or evaluation of whether or not progress is being made on Europe 2020 and also means that the European Semester is left without the necessary instruments to combat inequality, given the different starting points, in line with the different gender realities among countries, sectors and spheres.

3.7 Europe 2020 should provide effective instruments for assessing the role of women in the EU's growth and the added value that this represents in social terms, as emphasised by the EESC opinion ⁽¹⁰⁾, which shares the views expressed in a study carried out under the Swedish presidency ⁽¹¹⁾. This study highlights, among other things, that equality on the labour market could increase Member States' gross domestic product (GDP) by an average of 27 %.

⁽⁷⁾ Gender mainstreaming: to make gender equality part of this dominant (mainstream) trend in society so that women and men benefit equally. It means looking at every step of policy – design, implementation, monitoring and evaluation – with the aim of promoting equality between women and men, European Commission, EQUAL Guide.

⁽⁸⁾ OJ C 155, 25.5.2011, p. 10-13.

⁽⁹⁾ OJ C 21, 21.1.2011, pp. 39-43.

⁽¹⁰⁾ OJ C 318, 23.12.2009, pp. 15-21.

⁽¹¹⁾ *Gender equality, economic growth and employment*, Åsa Löfström (<http://ec.europa.eu/social/BlobServlet?docId=3988&langId=en>).

4. The priorities of the Strategy for equality between men and women (2010-2015)

4.1 Adopted in 2010, the Strategy for equality proclaims a close link to Europe 2020, in all aspects and flagship initiatives, especially with regard to designing and implementing the appropriate national measures, by means of technical assistance, structural funds or the main financial instruments, such as the 7th Framework Research Programme. Against the backdrop of the guidelines for employment and the evaluation of national policies, the Commission will monitor matters closely, in order to reduce inequalities and promote the social inclusion of women.

4.2 The strategy also refers to men's role in promoting gender equality and emphasises the importance of men's involvement in achieving the changes needed in the different roles that men and women play in society, in both the family and professional arenas.

4.3 The Strategy for equality details measures in five priority areas identified in the Women's Charter, as well as a chapter on horizontal issues: a) Equal economic independence; b) Equal pay for equal work and work of equal value; c) Equality in decision-making; d) Dignity, integrity and an end to gender-based violence; e) Gender equality in external actions; f) Horizontal issues (gender roles, legislation, and the governance and tools of gender equality).

4.4 The EESC agrees with the Commission's assertion that EU instruments such as the single market, financial aid and foreign policy instruments should be fully harnessed in order to address problems and achieve the Europe 2020 targets, but considers that follow-up must be provided to ensure consistency between implementation of the principles of the Strategy for equality and the main instruments of Europe 2020, especially the seven flagship initiatives and the guidelines, since these will be carried out at the EU level as well as in the Member States.

5. The gender dimension in the seven flagship initiatives ⁽¹²⁾

5.1 *An agenda for new skills and jobs*

5.1.1 In its opinion on the *Annual Growth Survey* ⁽¹³⁾, the EESC emphasised, among other things, that the aspect of quality in job creation needs to be boosted. In light of the crisis and its economic and social impact, the EU institutions and Member States should now make every effort to ensure further progress in this direction.

5.1.2 The Committee believes that to implement this initiative, account needs to be taken of the current situation of women in the world of work, as while they currently account for 44 % of Europe's working population, their situation remains different and vulnerable in a number of areas: a

lower employment rate, the pay gap, the concentration or absence of women in particular sectors, limited involvement in business start-ups, part-time work (75 % of the total); temporary contracts, the lack of adequate childcare facilities; poor career advancement; the under-representation of women in the most senior positions, in both the business and political spheres, and imbalanced access to the various disciplines in education, vocational training and university studies.

5.1.3 The employment rate rose from 51 % in 1997 to 62 % in 2011, with the main increase being in jobs in sectors primarily employing women and which have been hard hit by adjustment measures. The economic crisis currently being experienced by the European Union, while affecting each country in a different way, is also worsening the situation of women and threatening the fragile progress achieved in equality between men and women. The EESC believes that the necessary support measures should be adopted to ensure that inequality in the workplace has not increased by the time the crisis is over.

5.1.4 The European Social Fund in particular must programme, monitor and evaluate all measures taken by the Member States, in order to ensure that the Strategy for equality is carried forward.

5.2 *Youth on the move*

5.2.1 This initiative primarily covers two areas: employment and training. Its content is therefore closely linked to the previous initiative: to improve mobility in learning, modernise higher education, promote and validate both formal and informal learning and ensure effective and sustainable investment in education and vocational training.

5.2.2 The EESC considers the youth unemployment rate, currently standing at 20 %, to be one of the most worrying issues facing Europe today. The rate of unemployed young women, especially those with poor qualifications, is even higher.

5.2.3 The impact of maternity on the labour market is very different to that of paternity. Only 64,7 % of women with children under the age of 12 work, compared with 89,7 % of men. These figures and differences increase as the number of children rises. The lack of preschool places and the imbalanced distribution of family tasks make reconciling work and home life problematic and hamper women's career advancement.

5.2.4 The targets adopted by the Barcelona Council (2002) on the availability of preschool education places have been met by few States and the current situation, with cuts in these public services, is likely to make matters worse.

5.2.5 Another alarming figure is the rate of young women not in education, employment or training ('NEETs'). According to EUROSTAT, 20 % of women are NEETs, compared with 13 % of men. Reducing the school dropout rate is one of the Europe 2020 targets covered by this initiative.

⁽¹²⁾ The EESC has adopted opinions on each of these.

⁽¹³⁾ OJ C 132, 3.5.2011, p. 26-28

5.2.6 The EESC believes that to implement this flagship initiative, account should be taken of the current situation of vulnerable young women in different areas, in addition to those already mentioned above: poor basic training, less access to the type of vocational training required by the new knowledge society, insufficient validation of skills and lack of career guidance and specific financial problems when starting up a new business or an activity of their own. Measures specifically targeting young women are consequently needed.

5.3 *European platform against poverty*

5.3.1 This initiative aims to: draw up and implement programmes to promote social innovation for the most vulnerable, in particular by providing innovative education, training and job opportunities for the most disadvantaged communities, to combat discrimination (for example, against the disabled) and develop a new agenda for the integration of immigrants in order fully to harness their potential. It also proposes to assess the adequacy and sustainability of social protection and pensions systems and explore ways of ensuring better access to health care. The EESC has reservations regarding the concept of social innovation, an area where experience is, by nature, fragmentary and difficult to replicate. It is based both on the legislative principle of subsidiarity and on a sociological concept such as 'equity'. A local response to a small group's need may be useful but it could never replace the equality and justice ensured by large collective social protection schemes ⁽¹⁴⁾.

5.3.2 Europe 2020 states that Member States will need to: define and implement measures tailored to the specific circumstances of particular risk groups and fully deploy their social security and pensions systems to ensure adequate income support and access to health care, in order to guarantee social cohesion. The increasing rates of unemployment and inactivity, economic insecurity, low wages, austerity measures, cuts in social benefits and family allowances particularly affect women. Firstly, as workers, since job cuts in the public sector and services directly affects them because these are sectors employing a high proportion of women. Women are also affected doubly, however, as both citizens and users, given that the cuts in the provision of services of general interest affect women, because they are the primary users of these services.

5.3.3 In Europe, over 70 % of low-wage workers are women. In most Member States, 17 % of women live in poverty, as do 15 % of men, which is also a worrying figure. Poverty and social marginalisation go hand in hand with labour market exclusion. Therefore, breaks in periods of work and precarious jobs, which are so common for women, especially women with low levels of qualification, have an immediate negative effect, which can continue into the medium and long term.

5.3.4 Single-parent families, widows, women with disabilities, victims of gender-based violence, elderly women and

migrant women are particularly hard hit by budget cuts and the crisis and are at greater risk of social exclusion, given the lack of protection or specific aid measures.

5.4 *A Digital Agenda for Europe*

5.4.1 The aim of the Digital Agenda is to promote access to information technologies, specifically the internet and its use by all European citizens, especially through programmes that boost digital literacy and accessibility.

5.4.2 To this end, the Member States should develop strategies for a high-speed internet and channel public funding, including through structural funds, towards areas not fully covered by private investment and should promote the roll-out and use of up-to-date online services (e.g. e-government, online health, smart homes, digital skills and security) ⁽¹⁵⁾.

5.4.3 The EESC is concerned at the lack of statistics broken down by gender, since this prevents a clear understanding of the situation of women in the professional sectors linked to the new technologies or the levels of use of such technology. The relevant studies would need to be carried out to assess women's situation in this area, also as service users, so that the information and training proposed in Europe 2020 can be more accurately targeted.

5.5 *Innovation Union*

5.5.1 Among other measures, the ultimate aim of this initiative is to promote and strengthen links between education, business, research and innovation and will foster entrepreneurship. Member States will have to reform their national and regional R&D systems to encourage excellence and smart specialisation, prioritise knowledge expenditure, enhance cooperation between universities, research and business, ensure a sufficient number of graduates in mathematics and engineering and place fostering creativity, innovation and entrepreneurship at the heart of curricula.

5.5.2 Women can and must play an essential role in this process. In 2010, around 60 % of university graduates were women and yet this is not reflected in the posts held by women on the labour market. Furthermore, women are currently responsible for one in three business start-ups, make up 13,7 % of the managing boards of large listed companies and only 3 % chair such boards.

⁽¹⁴⁾ OJ C 143, 22.5.2012, pp. 88-93.

⁽¹⁵⁾ OJ C 318, 29.10.2011, pp. 9-18.

5.5.3 In most countries, horizontal gender segregation remains, according to the specialised area of training: as science, engineering, mathematics, technology. These disciplines are also a prime area of cooperation among future leaders of the business and research worlds, especially among masters and doctoral programmes, which are harder for women to access. The EESC therefore believes that measures to eliminate these barriers are essential.

5.5.4 Women are still under-represented in decision-making circles in science, business and the service sector. Only 18 % of the most senior university positions are occupied by women. Employment opportunities and the allocation of research funds must ensure women's progress in this field and serve to increase European society's potential for sustainable development.

5.6 *Resource-efficient Europe*

5.6.1 This initiative proposes to adopt and implement a revised Action Plan for Energy Efficiency and promote a comprehensive programme for the effective use of resources, support for SMEs and households, making use of the Structural Funds and other sources to harness new financing through existing and successful systems of innovative investment models, which will stimulate changes in consumption and production patterns.

5.6.2 Energy and the environment are not neutral topics: energy use, access to clean water, recycling, heat sources for heating and powering homes and respect for the environment and its conservation, are some examples of areas in which women play a key role. Changes in consumption patterns are unthinkable without drawing up specific measures based on a real understanding of the situation and which target different groups, primarily women, in different ways.

5.6.3 This was also recognised by the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) in its conclusions of June 2012, highlighting the essential role played by women in sustainable development. The EESC agrees with the view expressed in the Council's conclusions that women can have a key influence on decision-making concerning the environment, particularly with regard to climate change policy. This is a new opportunity for women, who can play a key role and improve their personal and financial situation by getting involved with the new and emerging green economy, which is a crucial sector for development and job creation.

5.6.4 At the corporate level, vertical discrimination in this sector remains high. Although 33 % of executive positions are now occupied by women, compared to 31 % in 2001; these are mostly in the trade and services sectors, with far fewer in manufacturing, construction and energy.

5.6.5 Very little research and information is available on gender-related matters and on the steps needed to increase the proportion of women in this process of sustainable development. The EESC believes that while investment is important, so is a focus on transcending stereotypes, providing solutions and promoting measures for positive action, since this is a growing sector and, if the starting point is discriminatory, there is a danger of heightening differences in social terms and of widening the social divide.

5.6.6 One of the priorities of the Strategy for equality is action within the EU's external relations, involving both cooperation programmes with neighbouring regions – as part of European neighbourhood policies – especially the Euromed region, and EU action in global forums. Immigrant women from non-EU countries, women migrating within the European Union and migrant women from neighbouring countries need to be given specific attention. The failure of Rio+20 in terms of sustainable development and women's rights is worrying. No progress at all has been made on critical issues such as the link between health and sexual and reproductive rights, women's rights to own property and inherit land, climate change and green jobs.

5.7 *An industrial policy for the globalisation era*

5.7.1 This flagship initiative has a key role to play in mainstreaming gender-related aspects in the Strategy for equality: pay transparency, equal pay initiatives and measures to encourage women to enter non-traditional professions are some of the key measures proposed in the strategy and which demonstrate appropriate synergies with this initiative.

5.7.2 In Europe, the pay gap between men and women stands on average at 17 %, ranging from 5 % to 31 % among the Member States. Underpinning this situation are a number of interlinked factors, such as: the lower value attached to work in sectors employing a high proportion of women, marked occupational segregation and career breaks taken for a variety of reasons, among others. The current crisis is simply worsening the situation.

5.7.3 The gap between the employment rate and pay has narrowed in some cases, but unfortunately this is not due to an increase in women's employment and wages, but to falling demand in sectors predominantly employing men (e.g. construction, manufacturing, finance), as a direct result of the crisis. The EESC notes that, under the Treaty on the Functioning of the European Union, one of the objectives of the European venture is 'improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained' ⁽¹⁶⁾ and that this applies to everyone.

⁽¹⁶⁾ Article 151, Treaty on the Functioning of the European Union

5.7.4 The Committee considers that measures to kick-start growth in these struggling sectors are necessary, in conjunction with measures to combat occupational segregation, especially to improve women's participation in science, technology, engineering and mathematics, and also measures to improve the recognition of sectors employing a high proportion of women, such as domestic work, health services and care provision.

6. The gender dimension in national reform plans and the European Semester

6.1 The European semester of policy coordination is the new instrument agreed on by the Member States to monitor implementation of Europe 2020. The European Pact for Gender Equality recommends applying a gender equality perspective and promoting gender equality policies when developing and implementing national reform programmes. It also urges the Commission and the Council to apply the gender perspective to the Annual Growth Survey, the Council conclusions and in the country-specific recommendations (CSR).

6.2 In April 2012, twelve Member States received country-specific recommendations incorporating a gender dimension in

national action plans. The Commission suggested and the EESC supports specific reforms in the following areas: boosting the participation of women in the labour market; improving the availability and quality of childcare and schools open all day and care for the elderly, including caring for other dependents.

6.3 Most of the recommendations are intended to increase women's employment, but do not take into account the barriers to ensuring high-quality work in terms of pay and working conditions and bringing men's family responsibilities into line. Only one country, Austria, was given the recommendation to address the gender pay gap, despite the fact that this is still a reality in all Member States.

6.4 The EESC considers that some of the recommendations give cause for concern, as they could have an adverse effect on gender equality: those concerning pension reform; the proposals to revise pay and pensions review mechanisms; the rise in the retirement age without taking account of the years of healthy life and the proposal to introduce tax incentives for couples' second incomes.

Brussels, 17 January 2013.

*The President
of the European Economic and Social Committee*
Staffan NILSSON

Opinion of the European Economic and Social Committee on 'Maritime piracy: strengthening the EU response' (own-initiative opinion)

(2013/C 76/03)

Rapporteur: **Dr BREDIMA**

On 12 July 2012, 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

Maritime piracy: Strengthening the EU response

(own-initiative opinion).

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 26 November 2012.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January), the European Economic and Social Committee adopted the following opinion by 147 votes to 1 with 8 abstentions.

1. Conclusions

1.1 The seriousness of the maritime piracy plague has not come to the full awareness of European civil society. The EESC wishes to increase the sensitivity of civil society and European public opinion in order to mobilise Member States and the EU institutions for concrete action aiming at eradicating it. In 2011 the World Maritime Day was dedicated to the fight against piracy. Its multifaceted nature will require a holistic action and not an ad hoc piecemeal one. Piracy is not a remote issue taking place somewhere in the Indian Ocean affecting only vessels attacked and their seafarers. It is affecting European consumers and taxpayers in many respects and is not 'a symptom that we can live with'.

The EESC advocates a concrete political will from the EU institutions and Member States to work out a permanent solution for piracy.

1.2 The EU has a unique toolbox with solutions ranging from trade and development aid to military presence, state-building and reconstruction.

1.3 The EESC welcomes the decisions of the UN Security Council and the EU to prolong the EU/NAVFOR-ATALANTA operation until December 2014, and to extend the area of operations to East and South in the Indian Ocean and in the Somali shoreline. It believes that EU NAVFOR should be given a more robust mandate with stronger engagement rules. The EESC urges to keep a strong commitment regarding the number of vessels deployed by EU Member States to this operation.

1.4 The recent linking of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against

Ships in Asia (ReCAAP) with the Djibouti Code of Conduct and the conclusion of bilateral agreements for the prosecution of pirates of the EU with Kenya, Seychelles, Mauritius and other countries is very important.

1.5 The EESC supports the establishment of a Regional Maritime Capacity Building mission by the European External Action Service (EEAS). The 'EUCAP NESTOR' will assist the Horn of Africa countries in creating a master plan to combat piracy, in drafting relevant legislation and supporting coast guard capacity.

1.6 The EESC requests EU Member States and states in accession process or having association agreements with the EU, to enforce legal actions against piracy and prosecution of pirates on the high seas according to Article 105 of the United Nations Convention on the Law of the Sea of 10 December 1982.

1.7 The EESC encourages shipping to apply the revised industry Best Management Practices (BMP 4) regarding self protection measures on board ships. The EESC calls on Member States considering allowing the use of qualified private armed guards for the protection of vulnerable ships to comply with the relevant guidance of the International Maritime Organization (IMO) and to draw up a strict legal framework that establishes, inter alia, the terms of the master of the ship's responsibility, particularly in the event of shots being fired. The use of private armed guards does not constitute a stand alone solution or should not become the norm and is complementary to the BMP. Member States are encouraged to organise convoys with military escorts and provide land-based military units (Vessel Protection Detachments - VPDs) under the auspices of the UN able to board a ship during the transiting from high risk areas.

1.8 The EESC is opposed to restricting the payment of ransoms which would have counter-productive effects and would put hostages to even greater risk. For the time being ransoms remain an instrument to ensure a safe return of seafarers, who are used as human shields. The EESC condemns the practice of pirates executing or torturing seafarers as a means of exerting pressure for the payment of ransoms.

1.9 The EESC believes that the key to solving the piracy problem lies in tracing and clamping down the involved financial flows. It welcomes targeting financiers and coordinating databases to increase the understanding of the pirate business model. A blacklist of financial institutions involved in piracy money laundering should be established in the EU. The work of Europol and Eurojust is commended in this respect.

1.10 The EESC urges the EU institutions to address escalation of armed robbery at sea (ARAS) and oil theft in West Africa and the Gulf of Guinea. As the modus operandi for ARAS is very different than that of Somali pirates, specific measures should be supported for this region. In the Indian Ocean, three million barrels of oil and 50 % of the world container trade are moving daily from piracy infested areas.

1.11 The EESC underlines the urgency to liberate the 218 seafarers currently held hostage and encourages anti-piracy vocational training of seafarers to protect themselves and healthcare clinics of seafarers held hostage. Three International Conventions (the Standards of Training, Certification and Watchkeeping for Seafarers Convention, 2010; the International Ship and Port Facility Security Code, 2004; and the Maritime Labour Convention, 2006) provide a legal basis for pre-embarkation training, onboard drills and exercises, repatriation, compensation, establishment of family liaisons, and post-release care of seafarers. The EESC prompts the EU to strengthen these Conventions and formulate a new comprehensive guidance for the welfare of seafarers who have or may become victims of piracy and of their families. The EU should have a leading role in amending these International Conventions in order to take account of measures for seafarers held hostage.

1.12 The elections of 20 August 2012 were a crucial event in the history of the failed state of Somalia. The EESC commits itself to cooperate in future EU action assisting the process of building up its civil society along the lines of similar action vis-à-vis other African countries.

1.13 The EESC asks for EU coordinated action to channel part of the development aid or other resources for training programmes of youngsters in the fisherman's profession, for promotion of sustainable agriculture and entrepreneurship. Decent living conditions for young Somalis could make piracy careers less appealing.

2. The multifaceted problem of piracy

2.1 *The complexity of piracy*

2.1.1 After five years of escalating pirate attacks on merchant ships in the Gulf of Aden, the Somali Basin, the Arabian Sea and the Indian Ocean, statistical figures may be misleading as to the piracy problem being contained. Such an assumption would be erroneously ignoring the imitation effect and the escalation of piracy in West Africa. The piracy problem is regrettably a worldwide issue occurring also in Indonesia, the Malacca/Singapore Straits, South China Seas and South America. Current figures (as of 24 September 2012) point to 50 incidents in Somalia, 34 in the Gulf of Guinea, and 51 in Indonesia.

2.1.2 Use of motherships has allowed pirates to operate more successfully. Ever-changing tactics and equipment facilitating identification of targets and tools to break into citadels onboard ships has rendered them more aggressive, sophisticated and violent occasionally resulting in deaths of seafarers.

2.1.3 Piracy starts as a maritime problem, evolving into a humanitarian, trade and global economic problem, affecting world consumers. Its cost could be exacerbated in case of disruption of the supply chain of goods and energy, should the world community not address effectively piracy activities or seafarers unions refuse to sail in the infested areas. Eighteen thousand vessels annually transit from these areas. Piracy in the Gulf of Aden/Horn of Africa represents a strategic threat to the EU since it affects the traffic in the main Europe-Asia corridor. Companies are increasingly using the Cape of Good Hope sea route in order to avoid the Suez Canal. Piracy has become a very lucrative criminal business and an appealing career for youngsters in the area. Its cost is disproportionate to the number of pirates involved (in Somalia around 1 500). Piracy is hampering the delivery of EU food aid when most needed to African drought victims. The naval presence in the Indian Ocean is likened to 'patrolling the area of Europe with 20 police cars'.

2.1.4 Impunity of acts of piracy and undermining of international law and order (UNCLOS Convention 1982) are intolerable and the EU is required to show strong political will to eradicate it. The UN Contact Group on piracy off Somalia stimulated establishing a global strategy, including preventive and dissuasive measures, operational guidance for better cooperation of the naval forces, prosecuting pirates and tracking down their financial resources.

2.1.5 The EU controlling 40 % of world shipping cannot afford an uncontrollable escalation of piracy. As transport Commissioner Kallas stated: 'Piracy at sea is a genuine threat to the EU transport policy'. Furthermore, the EU external trade, the energy supply and security, the seafarers' wellbeing and the humanitarian aid channelling are threatened.

2.2 The human cost of piracy

2.2.1 During 2011 more than seven seamen were murdered and 39 injured by pirates. In 2012 (as of 24 September), six seamen were murdered and 448 held hostage after 225 attacks and 24 hijackings. On 30 June 2012 pirates captured 11 vessels with 218 seamen hostages in Somalia. Over 43 seafarers have been killed and 2 653 have been held hostages since 2007 in piracy incidents off the Somali coast.

2.2.2 International shipowners' and seafarers' associations (e.g. International Chamber of Shipping [ICS], European Community Shipowners' Associations [ECSA], European Transport Workers Federation [ETF], Asian Shipowners Forum [ASF], the SOS 'Save Our Seafarers' grouping of 31 international maritime industry organisations) joined to raise awareness of the human and economic cost of piracy via the media and by approaching politicians and industry at the highest level. The ASF (24 May 2012) revealed that in the last seven years 62 seamen died as a result of pirate actions and 4 000 have been held hostage on some 200 ships hijacked by Somalis. Whilst piracy attacks in the Indian Ocean have fallen for the first time in five years (2007-2012), the number of seafarers killed has tripled in the last two years (Sultan AHMED BIN SULAYEM/DP World Chairman 30.6.2012). Hence, there is no room for complacency.

2.2.3 Curbing piracy lies in preventing the crime in the first place, not in preventing the payments that secure freedom for

victims of that crime. Seafarer deaths should not be accepted as 'collateral damage' in the war against piracy (Nautilus International).

2.3 The economic cost of piracy

2.3.1 Two reports on the economics of piracy are worth noting:

2.3.2 'The Economic Cost of Maritime Piracy', (December 2010) analyses the direct costs: ransoms, insurance premiums, re-routing around the Cape of Good Hope, deterrent security measures, armed guards, deployment of three naval missions, prosecutions, funding of anti-piracy organisations, humanitarian cost. It estimates the overall annual cost from USD 7 to 12 billion. In addition, the One Earth Foundation estimated the cost of ransoms for 2009-2010 as USD 830 million, and the annual cost of deterrent equipment/private armed annually between USD 360 million-2.5 billion.

2.3.3 'The Economics of Piracy' (May 2011), analyses the pirate 'value chain' between pirates, financiers, accountants, arms suppliers. It demonstrates how piracy can be a much more rewarding choice compared to the GDP/capita in Somalia (pirate incomes can be 67-157 times than the average Somali income). It focuses on the need to track the Hawala informal money transfer system and estimates the annual cost from USD 4.9 to USD 8.3 billion.

3. EU action

3.1 European institutions

3.1.1 In their Joint Declaration on a partnership to counter maritime piracy and armed robbery in the Western Indian Ocean (London, 15 May 2012), the European Union and the International Maritime Organization (IMO) reiterated their determination to increase their capacity of countering maritime piracy and armed robbery and to improve maritime governance in the Western Indian Ocean. The 'Djibouti Code of Conduct' has become a key vehicle allowing 18 States in East Africa to formulate a regional answer to the problem. Moreover, the EU supported financially the International Maritime Bureau (IMB) for a period of three years regarding the activities of the IMB Piracy Reporting Centre, which is dedicated to the suppression of piracy and armed robbery against ships.

3.1.2 The International Piracy Contact Working Group explores methods of clamping down on beneficiaries as ransoms of EUR 300-500 million go to Somali network leaders who deposit it - possibly even in EU banks. The EESC urges that such ransoms should be traced and confiscated so that piracy is no longer an attractive business.

3.1.3 Following the adoption of the Strategic Framework for the Horn of Africa the appointment of a Special Representative coordinating EU action in the region is a step in the right direction.

3.1.4 The EESC welcomes the European Parliament Resolution on Maritime Piracy (10 May 2012) aiming at better coordination of the EU institutions to step up efforts in fighting pirates and in rebuilding Somalia as a sovereign state.

3.1.5 In a spate of past opinions since 2008 the EESC expressed concern regarding the proliferation of armed robbery and piracy in South East Asia and Africa ⁽¹⁾. It urged the Commission to promote the establishment of appropriate jurisdictions to face the current impunity of pirates and categorically opposed the arming of seafarers. The EESC urged the Commission to examine the anti-piracy training of seafarers with the Member States.

3.1.6 In its conference on the 'Attractiveness of Maritime Professions' (7 March 2010) the EESC identified piracy as one of the disincentives in pursuing the seafarers' profession and negating the campaigns for their attraction.

3.2 European social partners (ECSA/ETF)

3.2.1 The European Community Shipowners' Associations (ECSA) and the European Transport Workers' Federation (ETF) (31 July 2012) express concern in a Joint Declaration about continuing attacks despite successful international and European efforts. They placed eradication of piracy high on the agenda of the Sectoral Social Dialogue Committee for Maritime Transport (SSDC).

⁽¹⁾ EESC opinion on *An Integrated Maritime Policy for the European Union*, OJ C 211, 19.8.2008, p. 31.
EESC opinion on *Strategic goals and recommendations for the EU's maritime transport policy until 2018*, OJ C 255, 22.9.2010, p. 103.
EESC opinion on *Towards the integration of maritime surveillance: a common information sharing environment for the EU maritime domain*, OJ C 44, 11.2.2011, p. 173.
EESC opinion on *Partnership between the European Union and Africa — Connecting Africa and Europe: working towards strengthening transport cooperation*, OJ C 18, 19.1.2011, p. 69.
EESC opinion on a *Minimum level of training of seafarers*, OJ C 43, 15.2.2012, p. 69.
EESC opinion on the *Maritime Labour Convention/Flag and port State responsibilities*, OJ C 299, 4.10.2012, p. 153.

4. A more coordinated EU response

4.1 Piracy as a complex, multifaceted problem, can only be resolved with a holistic coordinated approach ashore and at sea. The EU is uniquely placed to provide such an approach: it is a well respected stakeholder in the region in diplomatic, trade, transport, military and humanitarian terms.

4.2 Seafarers continue to pay a heavy price. All efforts should lead to avert endangering their physical, mental and psychological integrity. The International Chamber of Shipping (ICS) compiled good practice guidelines for shipping companies to assist affected seafarers and their families.

4.3 Since the root causes of piracy require a long-term solution ashore, capacity building in Somalia is vital to terminate impunity and restore the rule of law. More commitment is required from EU flag states to ensure better coordination of naval forces and the prosecution of pirates.

4.4 Since piracy resurgence in 2007, what is now required is the political will to place it at the top of the EU political agenda and increase resources for more military aircrafts and vessels. The European External Action Service (EEAS) and the European Commission should collaborate with the European Council to identify the sectors of competence for action in combating piracy and capacity building in Somalia. The World Bank, Interpol and Europol can assist in the fight to chase ransoms.

4.5 EU Member States' anti-piracy legislation needs updating:

- Since piracy has disappeared as a criminal offence in some countries, a clearer legal framework should be created regarding jurisdictions responsible for prosecuting pirates.
- Regarding proposals to outlaw ransoms, such a ban may have unintended effects and endanger lives even further. On balance, the payment of ransoms should be allowed in the EU.

- The employment of duly accredited private armed guards should be allowed in Member States, subject to a strict legal framework which makes the training of guards, inter alia, the responsibility of the Member State of their establishment and sets up the terms of the master's responsibility, particularly in the event of shots being fired.
- The EU should explore with coastal states of the region the problems created by the transit of ships with armed guards on board.

Brussels, 16 January 2013.

The President
of the European Economic and Social Committee
Staffan NILSSON

**Opinion of the European Economic and Social Committee on 'Establishing a European Social Mark'
(exploratory opinion)**

(2013/C 76/04)

Rapporteur: **Ariane RODERT**

On 3 July 2012, in accordance with Article 304 TFEU, the European Parliament decided to ask the European Economic and Social Committee to draw up an exploratory opinion on

Establishing a European Social Mark.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 20 December 2012.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January 2013), the European Economic and Social Committee adopted the following opinion by 128 votes to 1 with 9 abstentions.

1. Conclusions and recommendations

1.1 The EESC welcomes the opportunity to give its opinion on the proposal from the European Parliament's Employment and Social Affairs Committee for a pilot project on a European social mark in 2013. However, the situation has changed since the opinion was requested, as the European Parliament's Budgets Committee text from 4 October 2012 was adopted without any reference to this pilot project.

1.2 In principle, the EESC supports the idea of boosting the social dimension in Europe and agrees that corporate social responsibility (CSR) should be recognised and encouraged. It is important, however, to stress that CSR must not under any circumstances be used as a substitute for social rights guaranteed in legal or international instruments, in which social dialogue has a central role.

1.3 It is therefore necessary, as a first step, to further clarify the added value, timing and focus of this proposal in relation to its policy goals. Those goals are important, but in the current circumstances they would be more effectively achieved above all by means of tougher and better-implemented social legislation.

1.4 The EESC would also point out that although the initiative is important, the proposal might be too complicated at a time when the EU is undergoing a crisis, with high unemployment and a rising number of bankruptcies. A social mark for CSR purposes only illustrates social activities that are voluntary, but these differ as a result of differences in legislation between Member States, because European legislation only provides for minimum standards. It would be undesirable to introduce additional commitments for businesses that risk at this point creating wider gulfs rather than increasing cohesion between different sized businesses and EU countries.

1.5 Account also needs to be taken of parallel initiatives such as social labelling in the field of social entrepreneurship (as referred to in the Social Business Initiative) to avoid confusion. In this connection, the EESC recommends waiting for the results of, and learning lessons from, the Commission's

forthcoming exercise to map social labelling in the field of social enterprise. Other overlapping initiatives such as the new CSR awards, social considerations in procurement, etc, should also be taken into account in relation to this proposal.

1.6 The EESC also feels that the credibility, legitimacy and feasibility of a voluntary social mark need to be better demonstrated. Building trust in and awareness of a new labelling system at European level requires a comprehensive accreditation and monitoring system, which needs to be weighed up against the benefits of an additional labelling system. In this context, before considering the introduction of a new European social mark, the EESC recommends exhaustively mapping existing labelling systems in the different Member States, identifying best practice and learning from non-successful ones. The EESC therefore rather recommends improving and expanding existing labelling systems to cover social responsibility (where they do not already do so).

1.7 Awareness should also be raised of the systems that already exist and of the businesses that use them, and other businesses should be encouraged to use them, instead of creating an additional system for consumers and businesses to deal with. In addition, a European communication action on the European labels should be considered, at least in the medium term, to build awareness among consumers and citizens.

1.8 However, if a label were to be launched at some point, in order to avoid distortions, a European social labelling should not deviate too much from internationally recognised standardisations, but it should add a typically European touch: the respect for social rights.

2. Introduction

2.1 The European Parliament's Committee for Employment and Social Affairs proposed a pilot project on a European social mark in 2013, but the European Parliament's Budget Committee text for 2013 pilot projects was adopted without any reference

to this proposal in October ⁽¹⁾. Given this new situation, this opinion will focus primarily on giving input on the proposed pilot project.

2.2 The idea behind the proposal is to help to create a more social Europe in which the existing minimum social and labour-law standards are enforced more effectively. The aim is to encourage job creation, support youth employment and combat poverty by introducing a progressive award scheme in the form of a 'European social mark'.

2.3 The European Parliament's request to the EESC specifically relates to (a) what impact and benefits the mark would have in different policy areas, (b) what types of business would be interested in it on a voluntary basis, (c) what the options are for establishing a progressive mark, (d) what criteria should be met to obtain the mark, and (e) what would need to be done to raise awareness.

2.4 The Employment Committee's proposed social mark is intended to be voluntary and free of charge. It is aimed at all businesses in the EU, but focuses in particular on SMEs ⁽²⁾ and VSEs ⁽³⁾. The aim is to create a more socially responsible Europe by guaranteeing high social standards in all businesses in the EU. The proposal also aims to harmonise existing labelling systems and to use a rating scale to identify potential improvements. The idea is to use a list of social criteria to rate each business's internal social responsibility by awarding different levels of the social mark.

3. General comments

3.1 In the EESC's view, efforts to strengthen the social dimension and social values in Europe are important, but the **added value, timing and focus of this project should be considered**, and account should be taken of ongoing initiatives in related fields. The EESC would therefore like too see clearer arguments for what added value such an initiative provides and for whom, and what it contributes to Community legislation.

3.2 The EESC recently noted, in its opinion on corporate social responsibility (CSR) ⁽⁴⁾, that CSR was a sustainable development approach. In the same opinion, it also highlighted the need to clarify terminology such as 'social responsibility' (only in the workplace) and 'societal responsibility' (activities beyond the workplace).

3.3 Based on these definitions, the Employment Committee's proposed social mark appears to relate to 'social responsibility'; as it is aimed at all businesses within the EU, account needs to be taken of the Commission's ongoing work on the 2011 EU strategy for corporate social responsibility ⁽⁵⁾, which already covers similar aspects.

3.4 It is important to stress, as the EESC has done in the past, that corporate social responsibility **must not under any circumstances be used as a substitute for social rights guaranteed in legal or international instruments**, which are primarily the responsibility of states and governments. Moreover, many businesses voluntarily take on more responsibility, and it is therefore important to underline that taking on greater social responsibility going beyond statutory requirements should be acknowledged and encouraged. The EESC believes that each business must find its own way of taking social responsibility in addition to the legal instruments. A mark for CSR purposes risks shifting the focus from social innovation to efforts to comply with certification requirements.

3.5 The idea of social labelling has been mentioned previously in connection with the Commission's work on social enterprise, with which the EESC has engaged actively in a number of opinions ⁽⁶⁾. The communication *Towards a Single Market Act* ⁽⁷⁾ refers to social labelling in relation to social entrepreneurship and social enterprise. This was later followed up as a key action in the Commission's communication on the Social Business Initiative ⁽⁸⁾, which aims to improve social enterprises' opportunities to operate, compete and grow under the same conditions as other enterprises. One of the proposals in this initiative was to create a public database of labels and certifications to raise understanding among stakeholders of and comparability between different forms of labelling of social enterprise within the EU. The Commission also intends, in the near future, to launch a study on social enterprise, mapping where social labels for social enterprises are in place and what form they take, as well as other specific features, rules and models for this type of enterprise.

3.6 The EESC therefore feels that the **forthcoming mapping exercise, as referred to in the Social Business Initiative, must be undertaken prior to, and separately from**, efforts to develop a broader definition of social labelling of enterprises. In the EESC's view, this ongoing exercise must be completed before a broader labelling system is considered, as mapping the existing social enterprise labelling systems could provide valuable input concerning the possibilities and benefits of a broader system. Moreover, other related initiatives such as social considerations in procurement, the new CSR awards and sector platforms in the area of social enterprise labelling should be allowed to mature before new activities are launched.

⁽¹⁾ European Parliament Committee on Budgets, 4 October 2012.

⁽²⁾ Small and medium-sized enterprises.

⁽³⁾ Very small enterprises.

⁽⁴⁾ OJ C 229, 31.7.2012, p. 77.

⁽⁵⁾ COM(2011) 681 final.

⁽⁶⁾ OJ C 24, 28.1.2012, p. 1 and OJ C 229, 31.7.2012, p. 44.

⁽⁷⁾ COM(2010) 608 final.

⁽⁸⁾ COM(2011) 682 final.

3.7 The EESC would stress that it is important to make a clear distinction between the Employment Committee's proposal (relating to corporate social responsibility) and the Social Business Initiative: they have different objectives and must therefore be treated differently. The EESC therefore urges the Employment Committee to consider using a different term in its proposal, in order to **avoid further confusion in terminology**. This suggestion is given further weight by the existence of recognised players within the social enterprise field who are already certified to use such a term as a label for social enterprise, as with the 'Social Enterprise Mark' ⁽⁹⁾.

4. Specific comments on the Employment Committee's questions

4.1 The aim of the proposed pilot project for a social mark is to encourage businesses to go beyond their statutory obligations in their efforts to be more socially responsible. This initiative is vitally important, but we wonder whether a European social mark might, in the current economic climate, be too complicated in comparison to its added value. The policy goals of the proposal are to boost job creation and youth employment and to combat poverty. All of these areas are of key importance for Europe, but the EESC believes that the link between them and a voluntary social label is too weak to be effective. Rather, it believes that these goals will still be more effectively achieved primarily by strengthening legislation on the subject and enforcing it better, and by renewing and reinforcing the open method of coordination in the social field.

4.2 The EESC also considers it important to point out that proposals in this field must start from the assumption that strong, competitive enterprises are the key to delivering economic growth and thus creating sustainable conditions for better social standards.

4.3 The proposal also features a stepped, progressive 'grading system' based on how well a business meets a variety of social criteria such as decent pay, social security, healthcare, gender equality, childcare, teleworking, etc. In view of the ongoing economic crisis and the major difficulties facing certain countries, the EESC is concerned that at this point such a progressive grading system **risks creating wider gulfs rather than increasing cohesion between different sized businesses and EU countries**. A progressive grading system will not be fit for purpose unless it is designed to be suitable not only for big multinational companies but also, and in particular, for SMEs and VSEs.

4.4 Furthermore, a label is only useful if it is known and recognised. Labelled SMEs and VSEs should therefore be the object of communication campaigns highlighting their commitment. What is regarded as social progress therefore needs to be discussed in detail with reference to subsidiarity in this area, and also with reference to different traditions and

models of national welfare and social security systems. This **dialogue must be held with the social partners and other stakeholders** such as consumer associations, at both EU and national level.

4.5 As part of the EU's efforts to make it easier to start up and run businesses, a great many simplifications and measures to promote growth have been introduced in an effort to avoid weakening corporate social responsibility, employees' social rights or businesses' opportunities to grow and compete. Although much remains to be done in terms of rights, the EESC is doubtful whether a voluntary system will be effective in improving social responsibility. It would also note that, even if it is free of charge, a labelling system will **require resources** that could be put to better use in businesses that are already under pressure in this crisis.

4.6 As part of efforts to improve social responsibility, it is also necessary to evaluate the number of levels in which a business is responsible for social rights, e.g. with respect to cooperation with suppliers outside the EU. Unless there is clarity regarding this responsibility, it will not be possible to generate trust and confidence in the mark. Attention should also be paid to the **possible impact on trade and importers**.

4.7 Another important question to raise is the **legitimacy of any standardised mark**. Previous experience has shown that top-down, relatively prescriptive initiatives of this kind generally have little impact among consumer movements or other stakeholders, which is a prerequisite if the mark is to have any effect. In this connection, Fairtrade ⁽¹⁰⁾ is a good example of the consumer sector itself taking the initiative to introduce a mark and could be a guideline. Examples of labelling schemes that are considered not to have worked properly should also be analysed in more detail ⁽¹¹⁾.

4.8 It is important to consider how to build trust in a new mark. From the perspective of consumers, the current situation is already confusing: there are a variety of labelling systems, many of which are difficult to understand, and it is impossible to keep up with them. Adding another new system and asking consumers to make informed choices could be expecting too much of them. Instead of introducing a new social mark, it would be worth **considering expanding existing labelling systems to cover social responsibility** (where they do not already do so). The same applies to the mark's ability to increase investor confidence. The Commission will use, for example, initiatives relating to social investment to develop guidelines for improving the reporting of social outcomes achieved by these efforts; the EESC highlighted this approach as essential in connection with investment in social enterprise ⁽¹²⁾, and it should also be taken into account in this initiative.

⁽¹⁰⁾ <http://www.fairtrade.net>

⁽¹¹⁾ Such as the Belgian social mark and the French social and environmental mark.

⁽¹²⁾ OJ C 229, 31.7.2012, p. 55.

⁽⁹⁾ <http://www.socialenterprisemark.org.uk>

4.9 Attention should also be paid to the difficulties involved in establishing a complex system at European level, particularly in social, technical and practical terms. There are already various certification systems for different types of social labelling, the majority of which have improved the visibility and importance of social issues within businesses⁽¹³⁾. In connection with the Employment Committee's proposal, particular attention should be paid to ISO 26000⁽¹⁴⁾, which covers the majority of the criteria included in the proposal and which many businesses have already signed up to. There are also a variety of other established international standards⁽¹⁵⁾. The pilot project should therefore evaluate whether there is value in creating another new labelling system, or whether it would be **better to increase awareness of and encourage businesses to use the existing systems** and to strengthen them, for example through improvement indicators.

4.10 In order to avoid distortions, a European social labelling should not deviate too much from internationally recognised standardisations, but it should add a typically European touch: the respect for social rights.

4.11 Many of the proposed criteria for the social mark are covered by **social dialogue**, by areas of negotiation where the social partners decide, or by applicable national legislation, which means that it would be inappropriate to grade these criteria. The EESC points out that social dialogue has also promoted good practice and developed guidelines in the field, as corporate social responsibility contributes to and supplements social dialogue.

4.12 It is a complex and challenging matter to create a list of social criteria that suit all business types, national situations and circumstances. There are currently a variety of national systems and traditions regarding many of these social benefits alongside Community legislation, such as systems for childcare, parental leave, healthcare, the minimum wage, etc. The pilot project

should therefore **take account of the subsidiarity issues** that arise, as well as the proposed criteria, in assessing the usefulness of the mark.

4.13 To build trust in the mark, it is necessary not only to work to raise awareness among businesses, investors and consumers, but also to establish an effective **monitoring system**. A mark only provides a snapshot of how well a business met the criteria at the point when it submitted its application. Without an independent body responsible for certification, monitoring and timelines for the mark, it will not be possible to generate the sought-after trust or social progress. In this respect, account must be taken of the risk of abuse and irregularities, and of the procedure for excluding businesses. The development of a suitable monitoring procedure will require resources and bureaucracy, and it is therefore important to weigh up the anticipated added social value against the increase in bureaucracy and complexity.

4.14 The EESC questions whether it is reasonable to create a labelling system covering all sectors and Member States in Europe. There are significant differences between businesses in terms of their ability to achieve the proposed targets, and there is no way to design the assessment body to be fair to them all. Therefore, we instead suggest **developing a facet of a broader CSR concept** in which the mark relates to various activities and processes, rather than to the business itself.

4.15 The EESC would therefore stress that, if a pilot project is undertaken in this area at some point, the **target group for the mark** should be involved in designing it. A study would be useful to clarify the key elements of the social mark, such as monitoring, validity period, withdrawal of the mark, assessment intervals, improvement indicators, etc. A pilot project should also aim to determine whether a European social mark is viable and useful in achieving the desired results.

Brussels, 16 January 2013.

*The President
of the European Economic and Social Committee*
Staffan NILSSON

⁽¹³⁾ For example Global Compact, EMAS, Business Social Compliance Initiative, Global Reporting.

⁽¹⁴⁾ <http://www.iso.org/iso/home/standards/iso26000.htm>

⁽¹⁵⁾ OECD guidelines for multinational enterprises, ILO tripartite declaration, UN Global Compact.

III

(Preparatory acts)

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

486TH PLENARY SESSION HELD ON 16 AND 17 JANUARY 2013

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 — Single Market Act II — Together for new growth’

COM(2012) 573 final

(2013/C 76/05)

Rapporteur: **Mr SIECKER**Co-rapporteurs: **Ms FEDERSPIEL, Mr VOLEŠ**

On 19 December 2012 the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Single Market Act II – Together for new growth

COM(2012) 573 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 8 January 2013.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January), the European Economic and Social Committee adopted the following opinion by 162 votes to 24 with 18 abstentions.

1. Conclusions and recommendations

1.1 The Committee recalls ⁽¹⁾ that the Single Market is a centrepiece of European integration, with the potential to deliver directly-felt benefits to European stakeholders and to generate sustainable growth for Europe’s economies. In the current economic crisis a well-functioning, future-oriented Single Market is not merely desirable but essential for the political and economic future of the European Union.

that the Commission has paid too little attention to the unintended negative side-effects of the Single Market. An overly explicit and demonstrative, but premature, claim of success can only frustrate the EU citizens. The consequence could be a further undermining of the Single Market rather than a new dynamic. The Commission should demonstrate a more realistic approach by communicating in a well-balanced tone.

1.2 Against the background of an ongoing economic crisis and, amongst other things, the impact the deregulation of financial markets has had on the national budgets of the Member States, on the real economy, on poverty and on employment in the EU ⁽²⁾, the optimistic tone the Commission strikes in its Communication regarding the implementation of the Single Market (SM) feels inappropriate. The EESC believes

1.3 The better functioning of the Single Market by means of the old and new guidelines is under huge threat from the massive increase to 28 million unemployed, particularly affecting youth in the EU. Hundreds of thousands of SMEs have gone bankrupt and 120 million citizens are at threat of poverty and social exclusion, i.e. approx. 25 % of the EU population. For these reasons, demand and consumption in the EU are massively affected. In addition to key actions the EU and the Member States must step up their efforts to overcome the financial, economic and budgetary crisis and to release the full potential of the Single Market.

⁽¹⁾ OJ C 24, 28.1.2012, p. 99.

⁽²⁾ http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-03122012-AP/EN/3-03122012-AP-EN.PDF

1.4 The EESC calls on the Parliament, Commission and Council to act quickly without affecting quality, in order to ensure that these legislative proposals are adopted before the end of the Parliament and Commission mandates in spring 2014. The EESC would very much welcome the fast application of the measures proposed in the Communication on the Governance of the Single Market to improve the overall implementation of EU rules.

2. General remarks: 'For a highly competitive social market economy'

2.1 The Commission has defined the second phase of the Single Market Act (hereafter SMA) by means of 12 new key actions to improve the functioning of the Single Market. The EESC welcomes the fact that it has been consulted before the communication's publication and that the Commission has taken up some of its recommendations in the SMA II. However, it regrets that there was no formal public consultation this time and that the informal consultation was not evenly balanced between relevant stakeholders.

2.2 Despite the Single Market's positive contribution to economic growth and the creation of new jobs since its establishment, it has not delivered its full potential to all stakeholders, be they businesses, workers, consumers, citizens or others. The Commission mentions an extra 2.77 million jobs but says nothing about the precarious nature of some of these jobs⁽³⁾. We know that since spring 2008, when the consequences of the economic crisis were felt throughout Europe, approximately 10 million jobs have been lost and it appears that we have not yet seen the end of this downturn⁽⁴⁾.

2.3 Though the Commission indicates the guiding principles behind these choices (better regulation agenda, cost of non-Europe, etc.), the sense of urgency regarding some of the choices is not always clear in all European institutions. On the mobility of workers, for instance, the Commission announces an initiative in relation to the EURES portal while at the same time other fundamental activities in this field are still in the Council pending.

2.4 The EESC feels that the Commission has paid too little attention to the unintended negative side-effects of the Single Market. EU regulation of financial markets has been too weak to put an end to defective supervision and to prevent a type of

entrepreneurship geared towards the short-term interests of a privileged group of shareholders. More attention needs to be paid to improving corporate governance. Increasing transparency and accountability should be the highest priority, in order to ensure that the Single Market contributes to developing a legal environment that respects the legitimate interests of all stakeholders.

2.5 Notable is the firmness with which the Commission claims that these 12 new levers will contribute to growth, more employment and more confidence in the Single Market. The EESC believes that the history of the Single Market's introduction demonstrates that some of the measures taken in the past have had ample effect in the short term. An overly explicit and demonstrative, but premature, claim of success can only frustrate the EU citizens, particularly in the absence of robust evidence from impact assessments. The consequence could be a further undermining of the Single Market rather than a new dynamic⁽⁵⁾. The Commission should demonstrate a more realistic approach by communicating in a well-balanced tone.

2.6 Regrettably, the SMA I and II do not underscore the importance of ensuring confidence in relation to the enforcement of rights. The EESC is still impatient to see, at last, an efficient collective judicial redress instrument made available to European consumers. While liberalising markets and increasing competition are key objectives of the Single Market policy and play an important role in enabling consumers to choose freely, consumers also need a robust framework of protective rights in relation to the purchase of goods and services and the efficient enforcement of these rights. Several studies have concluded that the implementation of different EU instruments is slow and enforcement is still relatively weak, particularly in cross-border situations, and the Commission should therefore as a matter of urgency propose binding measures on new enforcement tools.

2.7 It is unfortunate that just 1 out of 12 initiatives is labelled a consumer measure, despite the fact that several levers have an important impact on European consumers' daily lives⁽⁶⁾. We hope that this does not reflect the Commission's general view of consumer policy. It is important that the focus is wide and that consumers are not seen as an appendix to business policy but rather as independent players, with a

⁽³⁾ FLASH-IT, Policy Research Alert 5 – Employment, October 2012.

⁽⁴⁾ Eurostat News release, 31 October 2012.

⁽⁵⁾ Monti 2010: 'That would erode the basis for economic integration and growth and employment throughout the EU, at a time when the emergence of new global powers and of severe environmental challenges make a cohesive EU more necessary than ever, in the interest of European citizens as well as of an effective global governance'.

⁽⁶⁾ European Parliament Resolution of 14 June 2012 on 'Single Market Act: The Next Steps to Growth'.

view to creating a Single Market that benefits everybody, cf. the Monti and Grech reports. The EESC agrees with the Commission that there is still unused potential in the Single Market, after both the 50 proposals and the first 12 levers. However, from consumers' point of view, the Commission could and should have placed more emphasis on prioritizing consumer-friendly initiatives, as previously underlined in an EESC opinion ⁽⁷⁾.

2.8 The EESC is also struck by the lack of awareness of social partnership in this communication. Confidence and trust cannot be restored if involving social partners in EU policies is limited to the policy area of DG Employment. Consultation of social partners is also needed in relation to various activities within DG Market.

2.9 As the EESC has pointed out in previous opinions, any proposal for cross-border consumer transactions should be achieved incrementally, starting with cross-border commercial sales contracts between businesses (B2B) on a pilot basis. Pending the adoption of any proposal for B2C transactions, there should be no further initiative of optional nature regarding cross-border commercial sales contracts.

3. The first 12 levers and the missing elements – state of play

3.1 The Commission has already presented 11 of the 12 legislative proposals for the key actions and the EESC has adopted opinions on these proposals ⁽⁸⁾. The EESC calls on the Parliament, Commission and Council to act quickly, without affecting quality in order to ensure that these legislative proposals are adopted before the end of the Parliament and Commission mandates in spring 2014. The Member States should implement the adopted legislation correctly and enforce it to guarantee the level playing field and barriers created on unjustified and discriminatory grounds must be removed in order to enable the Single Market to function properly.

3.2 The withdrawal of the Monti II regulation does not solve the problems created by the European Court of Justice (ECJ) in its judgments relating to the posting of workers. A solution to the current situation must be found, since it is preventing workers from exercising their rights fully. The Commission should ensure that fundamental social rights cannot be restricted by economic freedoms. The Commission should consider a proposal for a social progress protocol to be attached to the European Treaties. Such a protocol should clarify the relationship between fundamental social rights and economic freedoms by confirming that the Single Market is not a goal in itself, but was established in order to achieve social

progress for all EU citizens (effectively in implementation of Article 3.3 of the Consolidated version of the Treaty on European Union). It should also make it clear that economic freedoms and competition rules cannot take priority over fundamental social rights and social progress and can in no way be interpreted as granting undertakings the right to evade or circumvent national social and employment laws and practices or for the purposes of unfair competition on wages and working conditions.

3.3 The EESC has identified a number of measures that were missing from the SMA I and which it felt would also contribute to boosting citizens' confidence. The measures still missing include the revision of the copyright directive, copyright levies, net neutrality, the social progress protocol, micro- and family businesses, measures to support the creation of new companies and the expansion of existing ones, over-indebtedness and interbank transfers, with a view to consolidating the operation of the Single Euro Payments Area (SEPA).

4. The 12 new levers

4.1 Transport

The EESC welcomes the measures to improve the interconnection of the Single Market in the field of railways, maritime and air transport, but believes that a holistic approach is lacking, since the Commission's proposal is missing actions regarding rail goods services, road transport, which is the largest segment of goods and passenger transport, and multimodal transport, as a way to optimise the effectiveness of transport.

4.1.1 Rail

The way in which the privatisation of rail transport is defined and defended does not reflect the fact that reasons other than purely economic ones need to be taken into account in important European regions, in order to keep public transport afloat. Merely introducing profitability could erode the public function of rail transport systems. It is not sufficient to assess the success or otherwise of privatisation purely on the basis of savings. Quality and safety for staff and the general public should be the foremost consideration.

4.1.2 Water

A true Single Market for shipping can only be achieved by ensuring a level playing field with other modes of transport. This means moving decisively towards administrative – i.e. customs – simplification for purely intra-EU shipping. Community goods should be treated differently from third-country goods (in particular using the electronic manifest) in order to cut red tape and pass responsibility on to carriers. Basically, goods inspected upon entry into the EU need not be inspected again in another port of destination within the EU.

⁽⁷⁾ OJ C 299, 4.10.2012, p. 165.

⁽⁸⁾ OJ C 24, 28.1.2012, p. 99.

This would also help, on the one hand, to create maritime transport without barriers within the EU and, on the other, to establish the much-needed motorways of the sea – key sea routes between EU ports in combination with other modes of transport. The EESC is currently preparing an opinion on Blue Growth and will present pragmatic proposals early in 2013.

4.1.3 Air

While acknowledging the importance of measures to tackle the current fragmentation of European airspace, the EESC regrets that the revision of the Air Passenger Rights Regulation covering compensation and assistance for passengers in the event of denied boarding, cancellations or long delays, has not yet been presented. This EU legislation needs to be clarified and updated in terms of its scope of application and the interpretation of certain general provisions. The EESC also calls on the Commission to present a legislative proposal requiring airlines to guarantee the protection of all passengers in the event of airline insolvencies and to act against the proliferation of unfair contract terms, the lack of transparency in ticket pricing and the difficulties consumers face in obtaining redress, by obliging airline companies to adhere to ADR systems and also to the decisions made by the national air travel authorities.

4.2 Energy

In many Member States, choosing between different energy suppliers is not yet an option due to a lack of competition. Affordability of services, quality complaint handling, comparability of offers and prices, easy switching of suppliers and the transparency of tariffs and contract terms are still to be achieved across Europe. The EESC calls on the Commission and the Council to keep national retail energy markets under close supervision, and, where needed, to act promptly, in order to ensure that the third energy package is implemented efficiently to the benefit of citizens. It is important that Member States transpose the relevant provisions contained in the third package in such a way as to help vulnerable citizens and to prevent energy poverty in their countries. Consumer engagement is a necessary prerequisite for the success of the smart meter roll-out, which may provide energy efficiency potential. However, there are still many unresolved issues such as whether the potential benefits outweigh the costs for consumers as well as data protection issues. These problems should be solved as soon as possible in the interest of all energy users.

4.3 Mobility of citizens

The Commission is a strong supporter of mobility. However, mobility as such is not a target in itself. It takes a lot for people

to leave their home soil, and comparisons with the US are not always viable. Workers and the self-employed that do cross borders are often confronted with a lack of recognition of their qualifications, long working hours, poor working conditions, discrimination, unfair treatment and language barriers. Improving working conditions and promoting equal treatment should be part of a European active labour market policy. In particular, the EESC deplores the fact that, after more than 20 years, no progress has been made on the important issue of the recognition of vocational qualifications⁽⁹⁾. The mobility of trainees, apprentices and young entrepreneurs should be promoted in Europe.

4.4 Access to finance

The proposed measures to facilitate access to long-term investment funds are a positive step. Nevertheless, this will not solve the problems that SMEs face due to a lack of operational capital. SMEs, as the backbone of the EU economy, should not be discriminated against in terms of access to financing as a result of the strict rules on banks' reserves⁽¹⁰⁾. The Committee refers to its previous opinions on SMEs' access to financing⁽¹¹⁾. Here we recommend creating revolving tools to provide such credits to enable SMEs to access financing easily without excessive collaterals⁽¹²⁾. The guarantees for these credits should be provided from national or European resources. The Member States also should consider other possibilities such as tax holidays for private and family investors in SME start-ups and their extension for a certain number of years, as well as other incentives. These measures should complement the proposal for the free cross-border movement of European venture capital which is aimed at innovative companies, as proposed in the SMA I, but this does not solve the lack of financing for other SMEs.

4.5 Business environment

The proposal for the modernisation of insolvency legislation is a step in the right direction in terms of improving the business environment, particularly when aimed at giving entrepreneurs a second chance. There is still too much red tape which SMEs, and especially microenterprises, are unable to handle. We call on the Commission to continue its efforts to reduce the administrative burden and to identify quantitative and qualitative targets. In this respect, the impact assessment should be

⁽⁹⁾ OJ C 191, 29.6.2012, p. 103.

⁽¹⁰⁾ See CRD IV.

⁽¹¹⁾ OJ C 351, 15.11.2012, p. 45.

⁽¹²⁾ Seczenyi card in Hungary – see http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CC8QFjAA&url=http%3A%2F%2Fwww.iapmei.pt%2Fconferencia%2F1_Laslo_Krisan.ppt&ei=DM29UKvHJNGRhQehsoGwDA&usq=AFQjCNHWIFTA7fbjHyT1ShycR1qL7tKRQ

constantly improved. To date, the evaluation of administrative burdens has focussed too much on the regulations themselves and, partly as a result of this, has been too 'technocratic' in nature. A Member State regulation may very well be motivated by the desire to maintain the quality of the service provided and thus be in the interest of public welfare and hence not unnecessary ⁽¹³⁾.

4.6 Services

The EESC welcomes the fact that the SMA II includes the revision of the Payment Services Directive (PSD) and stresses that the development of a competitive and well-functioning European payments market benefitting all consumers and businesses should be the revision's primary objective. It is particularly important to make payment services accessible to consumers, but also to ensure that these services are provided securely, efficiently and cheaply. The revision should ban the practice of imposing consumer surcharges for the use of payment methods across the EU. Direct debit users should be given unconditional refund rights for authorised and unauthorised transactions. Consumers should have strong protection regardless of the payment method used, with account taken of the existing strong consumer protection rules in some Member States. The many benefits for all stakeholders concerned, as well as the need for a reasonable cost for SME offering these payment methods to their customers should be considered in this context. The EESC is pleased that the Commission intends to present a legislative proposal on multi-lateral interchange fees for card payments.

4.7 A digital Single Market

The EESC welcomes the European Commission's intention to reduce cost and increase efficiency in the deployment of high-speed communication infrastructure by adopting common rules. The EESC supports the proposal to improve the high-speed broadband internet connection as a technical condition for the expansion of e-commerce. It is important to adopt a consistent model for the cost methodologies used by national regulatory authorities across the EU in order to ensure that costs are fair and are calculated according to the same standards. Properly regulated telecoms markets need to ensure that consumers have a choice. If fair access by new operators to new generation access networks is not effectively achieved, the quality of retail service choices for consumers will be distorted or limited. All competitors should have access to the infrastructure under equal conditions and access to networks for new entrants and incumbents at reasonable prices (i.e. cost-based) should be ensured.

4.8 Electronic invoicing in public procurement

Enterprises have long called for the widespread use of e-invoicing, including in cross-border activities. We therefore

strongly support the proposal to introduce it as a general rule for public procurement contracts. Nevertheless, the electronic form should also be applied to the presentation of bids, since its lack of use is one of the reasons for the low number of SMEs from other Member States being involved in public procurement in other Member States (see also CWP 2013).

4.9 Consumers

4.9.1 Unsafe consumer products, including products bearing the CE mark, are still found on the EU market, posing avoidable risks to health and safety. The EESC is therefore pleased that the European Commission will propose a legislative 'product safety package' consisting of a Single Market surveillance instrument for all non-food products, a proposal for a new General Product Safety Directive (GPSD) and a multiannual market surveillance framework plan. The revision should provide for more clarity on how the various EU legislations dealing with product safety interact with each other. In particular, manufacturers' responsibilities need to be strengthened and clarified. It must be ensured that the level of enforcement is the same across the EU and that market surveillance activities are effective across the EU.

4.9.2 Child-appealing products should be explicitly addressed and the prohibition of food-imitating products should be maintained. The EU policy must constitute a major step forward for safety and health. Attention should be paid to unfair competition for EU businesses required to obey EU rules. The revision of the GPS Directive should effectively prevent dangerous products being placed on the market, which requires a European market surveillance system including effective controls at EU external borders.

4.10 Social cohesion and social entrepreneurship

4.10.1 The proposals presented here are placed under this heading in a rather artificial way. The EESC recognises the importance, at this time of crisis, of focussing on combating further social exclusion and poverty. In this regard, social enterprise has been highlighted as a key factor in the strategy for overcoming the crisis. The lack of a dedicated key action for the development and growth of the social economy and social enterprises is disappointing. The suggested key action 12 fails to address the increasing social exclusion and poverty in Europe. The EESC would therefore recommend a clear and dedicated key action on social enterprise based on the proactive recommendations of the EESC which the Committee believes will better address the need for further social cohesion ⁽¹⁴⁾.

⁽¹³⁾ See EESC opinion OJ C 318, 29.10.2011, p. 109, point 3.2.

⁽¹⁴⁾ This area was equally highlighted in the EESC opinion: OJ C 299, 4.10.2012, p. 165.

4.10.2 The EESC welcomes the proposal to give all EU citizens access to a basic payment account, to ensure that payment account fees are transparent and comparable and to make it easier to switch payment accounts. The EESC hopes that the Commission will this time put forward binding legislation rather than the recommendation of July last year which was highly criticised for its voluntary nature. The EESC notes that the transparency and comparability of payment account fees for consumers has either shown significant shortcomings or failed entirely. The proposed EU legislation should ensure that every consumer has the right of access to a basic payment account and should remove any obstacle to switching payment accounts.

Brussels, 16 January 2013.

The President
of the European Economic and Social Committee
Staffan NILSSON

APPENDIX

to the opinion of the European Economic and Social Committee

The following amendment, which received at least a quarter of the votes cast, was rejected during the discussions (Rule 39(2) of the Rules of Procedure):

a) Point 3.2 (amendment 5)

3.2 The withdrawal of the Monti II regulation does not solve the problems created by the European Court of Justice (ECJ) in its judgments relating to the posting of workers. A solution to the current situation must be found, since it is preventing workers from exercising their rights fully. The Commission should ensure that fundamental social rights cannot be restricted by economic freedoms. The Commission should consider a proposal for a social progress protocol to be attached to the European Treaties. Such a protocol should clarify the relationship between fundamental social rights and economic freedoms by confirming that the Single Market is not a goal in itself, but was established in order to achieve social progress for all EU citizens (effectively in implementation of Article 3.3 of the Consolidated version of the Treaty on European Union). It should also make it clear that economic freedoms and competition rules cannot take priority over fundamental social rights and social progress and can in no way be interpreted as granting undertakings the right to evade or circumvent national social and employment laws and practices or for the purposes of unfair competition on wages and working conditions. The Commission introduced two legislative proposals aimed at improving and reinforcing the transposition, implementation and enforcement in practice of the Posting of Workers Directive. The first one on the enforcement of Directive 96/71/EC aims at enhancing the protection of workers temporarily posted abroad, by improving information, administrative cooperation and controls and is still under discussion. The second proposal concerning the exercise of the right to take collective action within the context of the freedom of establishment and the freedom to provide services (Monti II) has been withdrawn.

Regarding the principle of the equal value of fundamental social rights vis-à-vis economic freedoms, the EESC is of the opinion that primary law in particular must ensure this approach. The EESC notes that the third recital of the preamble, and specifically Article 151 of the TFEU, are intended to promote improved living and working conditions 'so as to make possible their harmonisation while the improvement is being maintained' and expressly calls for a 'Social Progress Protocol' to be included in the Treaties in order to enshrine the principle of the equal value of fundamental social rights and economic freedoms and thereby make it clear that neither economic freedoms nor competition rules should be allowed to take precedence over fundamental social rights, and also to clearly define the impact of the Union's objective of achieving social progress⁽¹⁾.

Reason

Will be given orally.

Outcome of the vote on the amendment:

Votes in favour: 77

Votes against: 114

Abstentions: 11

⁽¹⁾ OJ C 376, 22.12.2011, p. 74.

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 — A Reinforced European Research Area Partnership for Excellence and Growth’

COM(2012) 392 final

(2013/C 76/06)

Rapporteur: **Daniela RONDINELLI**

On 17 July 2012 the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A Reinforced European Research Area Partnership for Excellence and Growth

COM(2012) 392 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 8 January 2013.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January.), the European Economic and Social Committee adopted the following opinion by 120 votes in favour, with 2 abstentions.

1. Conclusions and recommendations

1.1 For the European Economic and Social Committee (EESC), creating the European Research Area (ERA) is a priority objective for facilitating growth and economic, social and cultural development in the EU, as well as scientific excellence and cohesion between the Member States, regions and societies. The funding policy under the Horizon 2020 programme should be at the crucial level that enables this objective to be met.

1.2 The EESC has described its vision of the ERA in a number of previous opinions⁽¹⁾ and has opened an in-depth debate and dialogue on the question with the Commission, the European Parliament and the Council, and therefore welcomes the Communication.

1.3 The EESC agrees with the Commission when it points to growth as one of the ERA's priority objectives. In the present deep economic and social crisis, this indication is of crucial importance to European organised civil society.

1.4 The EESC believes that free movement of researchers, scientific knowledge and technology must become the internal market's 'fifth freedom'.

1.5 The EESC considers that completing a unified research area is a constantly-changing process and that the 2014 deadline is over-ambitious, given that austerity measures are

being imposed in many European countries, cutting national public investment in research and innovation.

1.6 The EESC welcomes the proposal to build the ERA through a reinforced partnership based on best practices rather than through regulation. It is, however, concerned that the Memoranda of Understanding with stakeholder organisations are of a voluntary nature rather than legally binding, and are informal.

1.7 The EESC calls for strong political will that can uphold effective and competitive national research systems. These can best be achieved through peer assessment, based on an evaluation of the quality of research terms, the structures involved and the results produced.

1.8 The EESC believes that publicly-funded research must give priority to sectors of particular importance to the well-being of European citizens, and that public funds must continue to finance projects as part of substantial, shared European cooperation.

1.9 The EESC urges the Commission and the Member States to take all the steps needed to remove the obstacles to completing the ERA concerning the lack of a European labour market for researchers, their working conditions, mobility and the social security system.

1.10 The EESC recalls the urgent need to change the situation regarding pensions and pension funds for researchers involved in transnational projects, and to set up a European supplementary pension fund to cover/offset the losses caused by moving from one country, and one social security system, to another.

⁽¹⁾ OJ C 95, 23.4.2003, p. 48; OJ C 218, 11.9.2009, p. 8 OJ C 306, 16.12.2009, p. 13; OJ C 132, 3.5.2011, p. 39; OJ C 318, 29.10.2011, p. 121; OJ C 181, 21.6.2012, p. 111; OJ C 299, 4.10.2012, p. 72; OJ C 229, 31.7.2012, p. 60; OJ C 44, 15.2.2013; EESC opinion on *Key enabling technologies*; EESC opinion on *International cooperation in research and innovation*; EESC opinion on *Better access to scientific information – public investment*. (See page 43, 48 of this Official Journal).

1.11 The Committee warns that the new initiatives proposed by the Commission must not jeopardise or cancel out all the efforts to reduce the administrative burdens on researchers within the ERA.

1.12 The EESC alerts the European Commission and the Member States to the need to adopt all initiatives geared to effectively eradicating the gender discrimination and inequality that still persists in academic, scientific and research circles. It particularly welcomes the decision to ensure a female presence of at least 40 % on all committees involved in recruitment and drafting and/or reviewing project evaluation criteria, and on those that establish staff policies in academic, research and scientific centres.

1.13 The EESC welcomes the Commission's proposal to draw up a roadmap for infrastructure development to support science. It refers to its opinion⁽²⁾ and supports the Communication⁽³⁾ on accessing, preserving and disseminating the results of research and scientific knowledge.

1.14 The EESC backs the appeal from researchers and the European scientific community⁽⁴⁾ addressed to the Heads of State and Government and to the Presidents of the EU institutions, pointing out that Europe cannot afford to lose its most talented researchers and teachers, especially young ones, and that European funding is essential to make its national counterpart more efficient and effective and in order to enhance pan-European and international competitiveness. It therefore calls for no reduction to be made in the corresponding item in the 2014-2020 European budget.

1.15 The EESC considers that the announced mapping of activities for priority areas, the Forum for disseminating and transferring the results of scientific and research projects, and the final assessment of the results produced by the Communication should be carried out with the full and active involvement of civil society involved in the ERA.

1.16 For all the above reasons, the EESC hopes that an internal group can be set up within the Committee to serve as a reference point for the European institutions during the various assessment, monitoring and decision-making stages involved in completing the ERA.

2. Introduction

2.1 The EESC has expressed how it sees the ERA in numerous opinions, and this vision remains relevant; it welcomes the present Communication in favour of a stronger partnership, demonstrating the urgent need for the EU and the

Member States to uphold and extend the commitments they have undertaken. Progress is, however, uneven across the Member States and remains sluggish in some cases. The Communication is innovative in that it extends the cooperation between the Commission and the Member States to ERA stakeholder organisations⁽⁵⁾. The EESC considers that there is a need for **wider and more efficient reinforced cooperation**.

2.2 The EESC shares the Commission's view that the completion of the ERA must support economic growth, scientific excellence and cohesion amongst regions, countries and societies. At the same time, it must take account of the interaction that is needed between science and the market, between innovation and businesses, and between new ways of organising work and an increasingly interconnected research community.

2.3 The EESC however considers that in the current context of global crisis, more specific and decisive measures are needed to counter the negative impact of national fragmentation in framing and implementing research policies, and to optimise activities that help to boost their efficiency. Measures must also seek to increase healthy competition and cross-border synergies between national research systems, promote research careers and facilitate mobility and the free movement of knowledge⁽⁶⁾.

2.4 The public consultations carried out in preparation for the Communication revealed that:

- **for researchers**, the key concerns are the low attractiveness of careers, the limited freedom of career movement and the lack of opportunities for cross-fertilisation of ideas;
- **for organisations that fund or perform research**, more and better coordinated efforts should be made to achieve excellence in order to tackle the major current challenges in Europe and internationally. Cross-border and pan-European cooperation, together with suitable infrastructures for access to publishing and data repositories, are essential features. Research-related civil society must be more closely involved in ERA decision-making;
- **for the private sector**, there is general concern about the lack of highly-skilled and well-trained researchers. Industry also calls for enhanced cooperation between the education and science sector and the business sector; businesses believe that academia, the private sector, and the business sector do not cooperate sufficiently;

⁽²⁾ EESC opinion on *Better access to scientific information – public investment*.

⁽³⁾ COM(2012) 401 final.

⁽⁴⁾ Open Letter from 42 Nobel laureates and 5 Field medallists, 23.10.2012 - <http://erc.europa.eu/>

⁽⁵⁾ On 17 July 2012 the Commission initialled Memoranda of Understanding with the European Association of Research and Technology Organisations (EARTO), Nordforsk, the League of European Research Universities (LERU), the European University Association (EUA) and Science Europe.

⁽⁶⁾ COM(2010) 546 final.

— **the Member States and associate countries** agree on the need for more practical action to complete the ERA, and prefer an approach based on best practices rather than possible legislation.

3. Strengthening national research systems to make them more effective, open and competitive

3.1 The EESC backs the Commission's argument for reinforcing national research systems through best practices, and agrees that resources should be allocated by means of open calls for proposals, evaluated by panels of experts (**peer review**⁽⁷⁾), whether from the same countries, other Member States or third countries. It agrees that an **assessment of the quality** of research-performing teams and organisations and their outputs should be used as the basis for institutional public financing decisions. Researchers, teams and research proposals and programmes are still often not assessed according to comparable standards, although they involve projects and research that are funded and implemented in similar ways. For the EESC, this represents an unacceptable loss of value at a time when research budgets are being slashed in many Member States.

3.2 The EESC is aware that European research is among the best in the world. Research in universities and scientific institutes has enabled European businesses to pioneer technological development and take a lead in the field. The EESC is consequently concerned at the conclusion reached by the Commission in its impact assessment, where it argues that the gap between Europe and the US, Japan and other developed economies, is widening⁽⁸⁾. This would suggest that Europe is losing ground in knowledge production, and that global innovation leaders are ahead of the EU27 for certain indicators. The EESC considers that, in view of the global crisis and the shifting balance of power that comes with it, the ERA should consolidate the leading position of European science. Its quality and level of excellence must serve as a competitive advantage when competing with other international players.

3.3 The EU decided in 2002 that the R&D investment of all Member States should reach 3 % of European GDP⁽⁹⁾. The subsequent failures to achieve this target and its postponement to 2020 prompt the EESC to wonder if it will be achieved. The EESC agrees that one of the ERA's priorities must be growth,

especially during the current serious economic and social crisis, and is gravely concerned about the extensive cuts in research caused by austerity policies.

3.4 One of the main purposes of the European Higher Education Area, which ties in closely with the achievement of the ERA, is to encourage mobility in order to effectively enrich the training of students, teachers and researchers. These cuts will make it difficult for many European researchers to benefit from and play a full part in the ERA. The EESC expresses its concern at the decisions that have been taken⁽¹⁰⁾.

3.5 The EESC restates its firm belief that effective and competitive national research systems require strong political will, and EESC urges the EU and the Member States to make more determined and faster progress in fulfilling the commitments they have taken on.

3.6 In recent years publicly-funded research seems to have given up on sectors of strategic importance for the well-being of people in Europe, which should, in fact, represent innovative research fields for the ERA, and in particular as part of European cooperation.

3.7 The EESC also points out that in order to optimise and/or reshape financial support for national research systems, the false dichotomy between applied and basic science, which seems to appeal to a number of Member States that are striving to reduce their budgets, must be avoided. It would be a serious obstacle as regards access to resources or funding.

4. Transnational cooperation

4.1 In the EU, pan-European research cooperation has been concentrated on a number of major initiatives⁽¹¹⁾. However, only 0,8 % of national GBAORDs⁽¹²⁾ are used for joint Member State programmes, including those supported or co-funded by the Commission. This is in spite of the fact that the evidence shows that thanks to transnational cooperation, the level of R&D can be raised, it can be extended to new sectors, and public and private support can be obtained for joint projects. **This confirms the need for robust knowledge networks across Europe.**

⁽⁷⁾ Core principles set out in the *Voluntary Guidelines on Framework Conditions for Joint Programming in Research*, ERAC-GPC, 2010.

⁽⁸⁾ The *Innovation Union Scoreboard 2011* shows that the United States, Japan and South Korea are out-performing the EU27. Emerging economies such as Brazil, China and India are occupying an ever-larger place and their weight in R&D is increasing.

⁽⁹⁾ In 2008 investment stood at 1,92 % of European GDP, the corresponding figure in the United States being 2,79 % (Eurostat, 2008).

⁽¹⁰⁾ In October 2012 Patrizio Fiorilli, the Commission's budget spokesperson, announced that EU and Member State budget allocations for Erasmus were to be cut.

⁽¹¹⁾ For example, the Framework Programmes, the European Space Agency, the European Molecular Biology Laboratory and the European Organisation for Nuclear Research.

⁽¹²⁾ GBAORD (Government Budget Appropriations or Outlays on R&D) measures national governments' budget appropriations, public investment and support measures for research and development.

4.2 Introducing new research funding schemes, such as the **ERC's Synergy Grants**, launched in 2012 in support of small cross-border (and usually interdisciplinary) groups of researchers, can help to demonstrate the added value and complementarity of joint work, provided that they take a creative approach to management and combine complementary knowledge, skills and resources in new ways.

4.3 Obstacles and barriers also remain in access for non-nationals to national research centres of European interest, and to pan-European research infrastructures for researchers working in non-participating Member States. In both cases, access is granted on the basis of national preference. The EESC believes that these difficulties are hampering full completion of the ERA.

4.4 The EESC believes that the planned mapping of activities, which would identify strengths, weaknesses and gaps in transnational scientific cooperation, should not only rely on information provided by the Member States, but should also ensure effective and genuine participation by those parts of civil society that are involved in and/or concerned by the ERA.

5. Opening up the labour market for researchers

5.1 Recruitment

In spite of the efforts made, barriers remain to open, transparent recruitment based primarily on merit. Selection criteria are not always properly advertised and the rules for selecting the members of evaluation panels are not always known and often are not comparable across Member States (the Euraxess Portal, for example). The Commission suggests that a certain number of researchers' positions have not been filled on the basis of merit, although the exact number is unknown⁽¹³⁾. The Recommendation on the European Charter for Researchers and a Code of Conduct for the Recruitment of Researchers, together with the European Partnership for Researchers⁽¹⁴⁾, has had some positive effects at national and institutional level. However, implementation of the Charter and Code principles remains too slow. The EESC fears that the lack of a more integrated labour market for researchers, with greater guarantees, may become a virtually insurmountable obstacle to completing the ERA by the end of 2014.

⁽¹³⁾ There are around 40 000 researcher vacancies per year, of which 9 600 are professorship positions (Technopolis, 2010).

⁽¹⁴⁾ To support the practical implementation of the Charter and Code principles, in 2008 the Commission launched the 'Human Resources Strategy for Researchers incorporating the Charter and Code' and in 2009 established an 'Institutional Human Resources Strategy Group' to provide a platform for exchanging best practice among stakeholders from across Europe.

5.2 Working conditions

Working conditions for researchers vary significantly between Member States and in some cases are not sufficiently attractive to draw young people in, retain experienced professionals and attract foreign researchers. Promotion criteria, career prospects and pay systems still vary too widely between countries. Institutions do not always recognise mobility as an indicator of academic performance. The countries worst affected by the crisis are already witnessing a major outflow of new and/or experienced researchers looking for alternatives, sometimes outside Europe. The Commission must not overlook this loss of human resources in science and research, and the EESC urges it, together with the Member States, to take urgent practical steps to stem the flow.

5.3 Mobility

Conditions for portability of and access to grants and funding also hamper researchers' mobility. They cannot always take their national grants with them (this is the case in 13 Member States) and research teams cannot always involve partners from other countries in their national research projects, since in several countries (11 Member States) beneficiaries must be national institutions. Grants are limited to nationals in four Member States.

5.4 Social security

As it did in its opinion on Horizon 2020⁽¹⁵⁾, the EESC again highlights the urgent need to improve the situation of pensions and retirement funds for researchers involved in transnational projects, and urges that a European supplementary pension fund be set up to cover/offset the losses incurred when moving from one country to another and from one social security system to another. Social security systems often assume that researchers work for the same employer throughout their working lives, and tend to overlook or simply disregard years spent carrying out research outside the country. The efforts so far made are clearly inadequate and have failed to surmount this obstacle, which is particularly serious for young researchers.

6. Full achievement of gender equality. Gender mainstreaming in research projects

6.1 The number of female researchers has grown significantly in recent years in practically all sectors, but the number of active women researchers in senior academic positions as high-level heads of research in scientific institutes

⁽¹⁵⁾ OJ C 181, 21.6.2012, p. 111.

and universities is still too low⁽¹⁶⁾. This is in spite of the fact that there is evidence that mixed research groups perform better, benefiting from wider expertise, knowledge sharing, diverse points of view and a higher level of social intelligence. Women's academic careers remain marked by strong vertical segregation and the glass ceiling remains firmly in place alongside labour segregation⁽¹⁷⁾.

6.2 The gender pay gap continues in the academic field and research centres, as in other sectors of the economy. Factors contributing to this include supposedly 'neutral' job description systems that ignore gender inequalities, the burden of unshared family responsibilities and the persistence of direct and indirect discrimination⁽¹⁸⁾. This means that female scientific potential is undervalued and is not fully tapped; women are underrepresented and research and innovation decisions are not gender-balanced.

6.3 Not all Member States have national policies to encourage **gender mainstreaming in research**, and this undermines the quality and relevance of such research. More equal participation by women would increase the diversity of the talent pool, the workforce and the decision-making process, and would enhance research quality. This would avoid the high economic costs and even mistakes associated with failing to take the gender perspective into account in research. If gender mainstreaming in research content is not improved, the ERA's aims in terms of levels of excellence will be negatively affected. Greater involvement of women would contribute to European socio-economic growth and would also boost research excellence, performance and impact.

6.4 The EESC calls on the Commission and the Member States to redouble their efforts to effectively eradicate remaining gender inequalities in academia, research and science. More specifically, they should hold true on the promise to ensure that all committees involved in recruitment, drafting and/or reviewing project evaluation criteria, or estab-

lishing staff policies in academic, research and scientific centres are at least 40 % women. The EESC views the establishment, implementation and evaluation of actions plans for gender equality in universities and research centres as a positive measure, provided that women are fully and actively involved in the entire process.

6.5 Similarly, the EESC strongly urges the Commission to ensure that organised civil society is involved in preparing the Recommendation that is to set out the guidelines for institutional changes promoting real equality between women and men in universities and research centres.

7. Optimising circulation, access to and transfer of scientific knowledge including digitally

7.1 In April 2008, the Commission published a Recommendation⁽¹⁹⁾ on the management of intellectual property in knowledge transfer activities, together with a Code of Practice for universities and other public research organisations⁽²⁰⁾. A Code is not, however, enough to ensure that the objectives of the Recommendation are achieved.

7.2 Access to scientific information is an essential prerequisite for successfully supporting research and innovation, and thus for Europe's competitiveness. This includes transfer of information between researchers, between research partnerships – particularly between research and business – and between researchers and the public, including open access to publications. The EESC welcomes the Commission Communication⁽²¹⁾ on this question and refers to its specific opinion⁽²²⁾ on the subject.

7.3 The EESC also welcomes the intention to draw up a roadmap for e-infrastructure development to support e-science through access to research tools and resources.

⁽¹⁶⁾ 45 % of PhD graduates are women, but only 30 % of active researchers are female (and just 19 % in senior academic positions). On average, only 13 % of high-level research or science institutes are headed by women, and only 9 % of universities (She Figures preliminary data 2012, *Gender in Research and Innovation: Statistics and Indicators*, Helsinki Group on Women and Science – European Commission <http://ec.europa.eu>).

⁽¹⁷⁾ Women constitute a higher proportion of university students (55 %) and graduates (59 %) than men, but men overtake women at the higher levels. Women hold only 44 % of junior academic posts, 36 % of tenured posts and 18 % of professorships.

⁽¹⁸⁾ The European Parliament resolution adopted in March 2011 underlines that the pay gap remains stubbornly wide. Women across the EU earn 17,5 % less on average than men, while representing 60 % of new university graduates.

⁽¹⁹⁾ C(2008) 1329.

⁽²⁰⁾ This document sought to provide the Member States and other stakeholders with a set of practices and policies to stimulate knowledge transfer. However, there is still not enough such transfer. At the same time, the number of staff (e.g. in university departments focusing on knowledge circulation and transfer) with experience of the industrial sector is significantly lower in Europe. Moreover, only 5-6 % of researchers in the EU have moved between the public and private sectors.

⁽²¹⁾ COM(2012) 401 final.

⁽²²⁾ EESC opinion on *Better access to scientific information – public investment*.

7.4 The EESC urges the Commission to seek and harness the involvement of civil society organisations concerned with research and science through regular exchanges to take place as part of the Member State forum, which should serve as a reference point for disseminating and transferring the results of scientific programmes and projects.

Brussels, 16 January 2013.

The President
of the European Economic and Social Committee
Staffan NILSSON

Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee — Security industrial policy — Action plan for an innovative and competitive security industry’

COM(2012) 417 final

(2013/C 76/07)

Rapporteur: **Mr PEZZINI**

On 26 July 2012, the Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee — Security industrial policy — Action plan for an innovative and competitive security industry

COM(2012) 417 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 8 January 2013.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January), the European Economic and Social Committee adopted the following opinion by 128 votes to 2 with 5 abstentions.

1. Conclusions and recommendations

1.1 The Committee considers it essential to have an integrated European policy for the security industry, underpinned by a coordinated approach to tackling the challenges of the industry, a common strategy and a shared vision of its competitive development, in a unified European market.

1.2 In order to competitively reinvigorate the security industry (understood as the traditional security industry and the security-orientated defence industry, as well as new entrants, i.e. mainly companies extending their existing civilian technologies to security applications and security service providers) with its vast and promising pool of employment and users, the EESC considers it vital to develop:

- **an internal dimension of full single market interoperability:** supporting, with a legal, technical, regulatory and procedural framework, an adequate level of dedicated resources, a unified development strategy and substantial investment in research and innovation;
- **priority actions per type of product** and service on the grounds of their ability to comply with harmonised rules and procedures;
- **the dimension of reliable access to international markets,** with enhanced international protection of industrial property rights (IPR), liberalisation of both commercial and public procurement markets, and an integrated industrial policy strategy;

- **equal access to maritime routes** for all European manufacturers to export their products to international markets;
- **integrated and joint actions across the various sectors of security and civil protection;**
- **the societal and ethical dimension of security-related technological applications,** right from the design phase, to ensure their **societal acceptance**, with full protection of the privacy of citizens; and
- **the training and professional dimension of human resources,** focusing on the design, installation, maintenance and operation of security technology applications, which should be centred around respect for human dignity and freedom and the right to have one's dignity safeguarded.

1.3 While the EESC endorses the initiatives in the action plan, it would like to see these underpinned by stronger cooperation and coordination, centred, inter alia, around product types, on the basis of relevant, detailed statistics, looking at the sector's companies in terms, not least, of their production, workforce and size.

1.4 The EESC recommends coordination and convergence of information management systems, and guarantees of interoperability.

1.5 The EESC strongly advocates bolstering the scope for managing and anticipating new competition scenarios and the prospects for accessing institutional financial resources, including through participatory foresight exercises at EU level.

1.6 The **societal and ethical dimension** must be interlinked in a transparent way and guaranteed at all phases, from design to standardisation and technological application on the ground. New technologies and rules should incorporate, from the outset, protection of the fundamental rights of citizens, especially regarding privacy and personal data protection.

1.7 An EU-level effort is needed, as well as the coordination of national efforts, to ensure training and support for human resources, so as to ensure the delivery of quality professional services, respectful of the individual and in step with the application of advanced technologies within a fully interoperable system.

2. Introduction

2.1 The security industry is a strategic sector with civil and military applications which are closely related and interlinked. It constitutes an ideal meeting point for scientific research, technological innovation and advanced applications.

2.2 This industry is inherently technology driven, with a constant influx of new technologies. Products and services in this sector are diverse, have high rates of obsolescence and require a high technical and scientific performance.

2.3 In the EU, the security industry has an estimated market value of up to EUR 36.5 billion and accounts for around 180 000 jobs. Globally, the market has grown over the last decade from EUR 10 billion to EUR 100 billion in 2011. The industry comprises the following sectors: aviation and maritime security and transport security in general; border security; critical infrastructure protection; counter-terrorism intelligence (including information and communications security and the cyber dimension); physical security; crisis management; and protective clothing.

2.4 In addition, there is the space-related security industry, with its many applications.

2.5 In Europe, the market for space-based security products is based on large multinational groups, which operate at European level, and individual Member States, in the civil and commercial spheres, with demand split 40 %-60 % between the commercial and the institutional.

2.6 Although market trends show constant growth, untouched by the economic slowdowns of the international crisis, the EU security industry is faced with a very fragmented internal market and an industrial base weakened by the considerable divergence between legal frameworks and

technical and regulatory standards at national level, while research efforts and public procurement are still largely confined to individual Member States, despite EU action in this area, such as measures under FP7.

2.7 The EU is required to ensure the security of its citizens, businesses and society as a whole across a wide swath of activities, from civil protection against natural disasters to the protection of the food chain, from preventing and combating terrorism, to guarding against chemical, biological, radiological, nuclear and explosive risks.

2.8 The security industry is crucial for the future and is particularly representative of the challenges and opportunities facing Europe: thanks to their level of technological development, many EU companies are among the world leaders in various segments of the sector, but risk losing market share to their main trading partners.

2.8.1 Relevant, detailed and reliable statistics are needed with regard, looking at the sector's companies in terms, not least, of their production, workforce and size.

2.9 The management of companies within the security sector is highly complex, hinging on a number of variables:

- the homogeneity, transparency and accessibility of markets;
- strategy and vision; access to financial resources;
- legal frameworks, technical standards, harmonised procedures and IPR protection;
- technological and operational performance; and
- the possibility of managing and anticipating new competition scenarios.

2.10 In order to competitively reinvigorate the European security industry, the EESC considers it essential that the European internal market ensures:

- an internal dimension of full single market interoperability, reducing the fragmentation of both domestic markets and investment in research and innovation;

- an external dimension of access to international markets, addressing the insufficient international protection of industrial property rights (IPR), the barriers to commercial and public procurement market access, and implementing also in this sector a more aggressive 'integrated strategy for the external dimension of industrial policy which ensures a leading role for the EU in the area of trade and a common approach in multilateral and bilateral trade agreements' ⁽¹⁾;
- equal rights for European manufacturers in relation to the export of military equipment to third countries. There should be no discrimination in the single market against manufacturers from Member States without direct access to the sea, in the form of requirements to obtain 'transit licences' for the transport of their products to a seaport in another Member State;
- a societal and ethical dimension to security-related technological applications, right from the design phase, to ensure their **societal acceptance**, with full protection of the privacy of citizens and their fundamental rights, combined with the protection of confidential data; and
- products and services that do not intrude on privacy, but that enable winning approaches in terms of human resource development and international activities, supporting large companies, start-ups and SMEs, in part by harnessing networked consortia and districts, in order to obtain an adequate, competitive critical mass.

2.11 At global level, **the USA** is by far the biggest competitor. It benefits from a harmonised legal framework, common standards and strong public demand at federal level ⁽²⁾, with a consolidated internal market that accounts for over 42 % of global turnover and companies at the forefront in technical security equipment. **Japan and Israel** have leading companies in specific kinds of advanced equipment, especially in the IT and communications sectors, while **Russia and China** are highly advanced in the traditional sectors of protection of physical security.

2.12 In this global context, the EESC stresses the need for a proactive EU industrial policy for the security sector that better reflects the balance between the capacities of the sector and a technical and regulatory framework and IPR, and above all, types of products, services and systems that can comply with common standards and harmonised regulations and procedures, such as:

- access control systems;

- scanning hardware and software;
- protection systems and equipment;
- systems and tools for identifying and interpreting reality;
- systems and tools for surveillance and tracking; and
- alarm systems;

while for 'sensitive' products, the regulatory and access conditions are subject to assessments and agreements on a case-by-case basis, to maintain quality and safety levels.

2.13 The EESC has repeatedly highlighted the need to develop policies on network and information security, which is crucial to the Digital Agenda for Europe.

2.14 The EESC has also previously expressed its views on the crucial issues of aviation security ⁽³⁾, maritime security ⁽⁴⁾ and land transport security ⁽⁵⁾, as well as on the management of operational cooperation at the external borders ⁽⁶⁾, underlining the role of the Frontex agency and the need for a global approach to border security and to combating illegal immigration.

2.15 With regard to space-based environment and security monitoring, the Committee has stressed the importance of the Sentinel satellites and the GMES programme and the satellite navigation system Galileo ⁽⁷⁾.

2.16 Several studies have emphasised the importance of security-technology demonstration projects in the field of chemical, biological, radiological, nuclear and explosive risk (CBRNE).

⁽¹⁾ See OJ C 218, 23.7.2011, p. 25.

⁽²⁾ See Homeland Security Act of 2002 and US Safety Act of 2002.

⁽³⁾ See OJ C 100, 30.4.2009, p. 39, and OJ C 128, 18.5.2010, p. 142.

⁽⁴⁾ See OJ C 44, 11.2.2011, p. 173.

⁽⁵⁾ See OJ C 65, 17.3.2006, p. 30.

⁽⁶⁾ See OJ C 44, 11.2.2011, p. 162 and OJ C 191, 29.6.2012, p. 134.

⁽⁷⁾ See OJ C 256, 27.10.2007, p. 47 and OJ C 256, 27.10.2007, p. 73 and OJ C 181, 12.6.2012, p. 175.

2.17 The 7th Framework Programme (FP7) is the first to include a specific research programme on security. With a budget of EUR 1.4 billion, it is focused solely on civil applications and developing the technologies and knowledge to protect EU citizens⁽⁸⁾, while respecting their privacy and other fundamental rights.

2.18 The EESC believes that the use of civil/military hybrid technologies should be facilitated, by developing suitable standards in cooperation with the European Defence Agency, while more resources and impetus should be injected into supporting the 'Security' strand among the enabling technologies of the new research and innovation FP⁽⁹⁾, encouraging demonstration projects and pilot prototyping.

2.19 The Commission included the security industry among the essential elements of the Europe 2020 flagship initiative *An integrated industrial policy for the globalisation era*, on which the Committee has already outlined its views⁽¹⁰⁾.

2.20 The EESC believes it is essential to launch a **single European strategy that takes an integrated approach to the security industry**, because security is one of the main concerns of today's society, is a cornerstone of growth and employment and requires joint efforts and shared vision among all the Member States in order to strengthen competitiveness.

3. Gist of the Commission document

3.1 The communication outlines the strategic importance of the EU security industry and the main actions required to make the industry more competitive and innovative, through which the Commission intends to accompany this process.

3.2 The proposed action plan sets out the following guidelines:

- overcome EU internal market fragmentation by means of harmonised certification procedures and technical standards for security technologies and mutual recognition of certification systems;

- make research and innovation more efficient and bring it

closer to companies through *technical and regulatory mandates* in conjunction with the EDA for 'hybrid standards' applicable to both security- and defence-related R&D, use the new rules on IPR and pre-commercial procurement provided for in Horizon 2020, and employ funding under the future *Internal Security Fund* for rapid validation tests of security technologies;

- incorporate the social dimension and privacy; and

- market access: export rules to open third-country public procurement markets and overcome technical barriers, consider an EU security label for products; and carry out a study on third party liability limitation, as provided for under the US Safety Act (implementation: 2012/2013).

3.3 The Commission intends to set up a monitoring group to track the progress of the proposed measures within a specific timeframe.

4. General comments

4.1 The Committee believes that, for the benefit of EU citizens, companies, workers and European society as a whole and with a view to developing a competitive and sustainable economy, it is essential to define a comprehensive, coordinated approach at EU level to tackling security challenges and developing the EU's security industry, by devising an overall EU strategy on security systems that places individuals and their dignity at the centre, so as to meet basic requirements in terms of freedom and security.

4.2 In the EESC's view, greater consideration needs to be given to the added value of the existing agencies, such as the EDA (defence), Frontex (external borders), Europol (public safety), ENISA (information security), the EASA (aviation safety), the EMSA (maritime safety) and the EFSA (food safety), and the alert systems such as RAPEX (European rapid alert system for product safety) and the ECHA in Helsinki (system on chemical products/REACH).

4.3 The EESC agrees with the Commission on the need to take full advantage of the leading position of many European companies in the sector, **proactively** securing a truly unified and practicable European internal market, unhindered by fragmentation, and promoting a sector that constitutes a pool of products and services that is vast and promising from an employment perspective.

⁽⁸⁾ At its halfway stage, FP7 had already funded more than 130 security research projects. The European Commission has published a catalogue of related success stories.

⁽⁹⁾ See INT/651 Key Enabling Technologies

⁽¹⁰⁾ See OJ C 218, 23.7.2011, p. 38.

4.4 However, the EESC thinks that the European action plan should go further and approach the launch of a fully-fledged common European strategy for the security industry with a shared vision, a European platform that brings together the various aspects of security and a system of governance capable of providing effective, unified coordination.

4.5 This integrated-approach strategy could take the form of a virtual platform, incorporating the ethical and governance issues, the inter-sectoral aspects and interoperability.

4.6 The EESC believes it necessary to bridge the gap of understanding between policymakers and the industry, including by strengthening initiatives such as the European Security Congress and through a permanent platform for dialogue, such as the Security Policy Forum.

4.7 Overcoming the fragmentation of the EU internal market requires:

- horizontal cooperation and coordination in the field of security, within and between the EU institutions and its agencies, to ensure full product and procedure interoperability, in tandem with vertical coordination between the various levels of action;
- a participatory foresight exercise, to define a shared, agreed vision; and
- a system of governance that involves the public and private sectors.

4.8 The Committee believes that, in addition to integrating the social dimension right from the design phase of products, services and systems, mechanisms need to be implemented that involve the social partners and organised civil society in monitoring compliance with the societal and ethical dimension of developing security and its technological-production applications.

4.8.1 The issuance of technical and regulatory mandates, in conjunction with the EDA, should be done in accordance with the principles of the new standardisation policy, with an open and transparent annual work programme, full participation of the social partners and organised civil society representatives, and the establishment of specifications for public procurement that respect the principles of openness, consensus, transparency, relevance, neutrality and quality ⁽¹¹⁾.

4.8.2 The EESC endorses the proposed approach to the mutual recognition of certification systems, insofar as it achieves common levels of competence for accredited certification bodies, more stringent selection criteria and harmonised selection procedures for conformity assessment ⁽¹²⁾.

4.9 The Committee would stress the importance of regulatory recognition for **dual-use technologies** to promote hybrid technologies for joint civil/military use, while advocating even more strongly that this be bolstered both financially and in terms of content under the *enabling technologies* priority provided for in Horizon 2020, alongside actions under the future *Internal Security Fund*.

4.9.1 As regards intellectual and industrial property, while the innovative approaches in Horizon 2020 are certainly important, IPR protection under the WTO and under the bilateral and multilateral European association agreements needs to be strengthened, with a particular focus on the clauses regarding liability limitation and access to international public procurement.

4.9.2 The EESC shares the Commission's view on the merits of making full use of the possibilities provided by the *pre-commercial procurement* instrument within Horizon 2020.

4.10 The EESC fully endorses bolstering the societal and ethical dimension in the rules governing the security-technology industry.

5. Specific comments

5.1 **Overcoming market fragmentation on the basis of product type.** The EESC recommends setting priorities for action not by sector but by type of product that can most readily meet the requirements of the single market, through harmonised regulations and procedures, on the grounds of their high market potential, and their impact on a broad section of the public and workers, with particular regard to promoting SME development, in terms of both financial resources and research, and with respect to organisation.

5.2 **Research and innovation, IPR and procurement.** The EESC calls for EU funding for security technologies under Horizon 2020 to be stepped up, in tandem with a strong presence within the 'enabling technologies' strand; it also advocates bolstering joint interoperability projects on security under the ISA programme ⁽¹³⁾; applying exemptions to the

⁽¹²⁾ See OJ C 120, 16.5.2008, p. 1.

⁽¹³⁾ ISA – Interoperability Solutions for European Public Administrations 2010-1015.

⁽¹¹⁾ See OJ C 68, 6.3.2012, p. 35.

sector, under the State aid for Innovation system; verifying the effective application of Directives 2004/18/EC and 2009/81/EC and of the pre-commercial procurement instruments to the security industry; more public-private and civil-military cooperation and the facilitation of cross-border company merger and grouping strategies; harmonisation of the rules on third party limited liability protection (TPLL); and better internal IPR rules.

5.3 Access to international markets. The EESC believes it necessary to step up integrated, common foreign policy actions within the security industry, strengthening IPR protection under the WTO and the bilateral and multilateral European association agreements, guaranteeing equal access to international markets and procurement on the basis of reciprocity, increasing the weight of the EU in international standardisation and launching a quality label (*euro security label*).

5.4 Societal and ethical dimension. All security systems, products and services must respect the fundamental rights and freedoms of citizens, especially the right to privacy, and contribute to economic and social progress, secure trade and people's well-being and safety. Technological developments should enable the protection of personal data and privacy to be enhanced, from the outset, providing – with the support of public-private dialogue – the means for transparent and accountable law enforcement that should be centred on human protection.

5.5 Training, support and employment of qualified human resources: in line with the requirements of security and the application of advanced security technologies, so as to ensure the delivery of high-quality professional services, within a fully interoperable system that is respectful of individuals and their dignity.

Brussels, 16 January 2013.

*The President
of the European Economic and Social Committee*
Staffan NILSSON

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: Enhancing and focusing EU international cooperation in research and innovation: A strategic approach'

COM(2012) 497 final

(2013/C 76/08)

Rapporteur: **Mr WOLF**

On 14 September 2012, the Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Enhancing and focusing EU international cooperation in research and innovation: A strategic approach

COM(2012) 497 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 8 January 2013.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January 2013), the European Economic and Social Committee adopted the following opinion by 133 votes to 1, with 2 abstentions.

1. Summary

1.1 The success of research and innovation is the key to Europe's global competitiveness and thus provides the basis for jobs, social services and prosperity. The Horizon 2020 programme covers the urgently-needed development measures which the EU plans to take in this area. International cooperation with partners in non-EU countries is one aspect of this.

1.2 International cooperation has a broad favourable impact on progress in this area among the partners involved, and on understanding between nations.

1.3 However, its usefulness for Europe is very much dependent on the attractiveness of the European Research Area as well as the prestige and the performance of European universities, research institutions and businesses, including SMEs. One of the key objectives of the Europe 2020 strategy is to ensure that the necessary conditions for that strategy are put in place in Europe.

1.4 It is therefore all the more urgent, in the light of the current economic and financial crisis, to implement an anti-cyclical European support policy and to use all available financial and structural means to support the European Research Area, the foundations on which it is built and its international dimension, and to make it attractive and spare it from cuts. The Horizon 2020 budget must not be misused as a plaything for various conflicts of interest.

1.5 The main objective of framework agreements with partner countries is to create a level playing field with reciprocal rights and obligations. Apart from that, cooperation partners are not to be restricted by European rules any more than is strictly necessary for European interests. Creativity requires freedom.

1.6 Under the subsidiarity principle, project-related cooperation agreements should be carried out by those stakeholders who are themselves involved in the relevant cooperation project or are responsible for it as organisations.

1.7 Large-scale research infrastructures and demonstration projects may exceed the capacities and potential needs of a single Member State (and perhaps even the EU as a whole), and may therefore require the direct involvement of the Commission.

1.8 A condition for successful international cooperation projects is reliability, continuity and contingencies for their entire duration. This requires that special precautions be taken. In addition, adequate mobility of the experts involved must be guaranteed and promoted.

1.9 International cooperation is not an end in itself, but brings workers together and must be based on the added value expected to be achieved in each case. It should not develop into a political vehicle of Commission external policy.

1.10 The leitmotiv must be the EU's own interest as well as strengthening the European Research Area and Europe's capacity for innovation. Therefore European-funded cooperation with partners from developing countries should be funded preferably using the development aid budget.

1.11 For European cooperation partners, it is a significant economic disadvantage that there is still no EU community patent to safeguard intellectual property. The Committee calls on the Parliament, the Commission and the Council to support the planned moves towards a European patent with unitary effect and to finally break the impasse. In this connection, a grace period should also be introduced in Europe.

1.12 Information on the implementation of the strategic approach is not to be obtained by using new instruments, but rather by using, among things, the European Semester.

2. Gist of the Commission communication

2.1 The communication sets out the reasons for international cooperation in research, development and innovation as well as its strategic goals and some of the practices pursued. International cooperation is understood to mean cooperation with partners outside the EU.

2.2 The highlighted objectives are as follows:

- a) **to strengthen the Union's excellence and attractiveness in research and innovation as well as its economic and industrial competitiveness** – by accessing external sources of knowledge; by attracting talent and investment to the Union; by facilitating access to new and emerging markets; and by agreeing on common practices for conducting research and exploiting the results;
- b) **to tackle global societal challenges** – by developing and deploying effective solutions more rapidly and by optimising the use of research infrastructures;
- c) **to support the Union's external policies** – by coordinating closely with enlargement, neighbourhood, trade, Common Foreign and Security Policy (CFSP), humanitarian aid and development policies and making research and innovation an integral part of a comprehensive package of external action.

2.3 The new strategic approach to international cooperation in research and innovation should be characterised by:

- Horizon 2020 being fully open to third country participants, allowing European researchers to cooperate with the best brains across the world;
- targeted international cooperation activities with the scale and scope necessary to maximise impact;
- the development of multi-annual roadmaps for cooperation with key partner countries and regions;
- reinforcing the partnership between the Commission, the Member States and relevant stakeholders;
- promoting common principles for the conduct of international cooperation in research and innovation;
- enhancing the role of the Union in international organisations and multilateral fora;
- strengthening implementation, governance, monitoring and evaluation.

3. General comments

3.1 The success of research and innovation is the key to Europe's global competitiveness and thus provides the basis for jobs, social benefits and prosperity. The Horizon 2020 programme covers the urgent development measures which the European Commission plans to take in this area. International cooperation is one aspect of the Horizon 2020 programme.

3.2 International cooperation in research and innovation has a broad favourable impact on progress in this area among the partners involved, and on understanding between nations. This applies not only within the European Research Area, but also right across the world and thus to the subject under consideration here. The Committee reiterates its earlier recommendations on this subject ⁽¹⁾.

⁽¹⁾ See OJ C 306, 16.12.2009, p. 13.

3.3 The Committee therefore welcomes the Commission's new communication and, for the most part, supports its goals and the arguments it puts forward.

3.4 The European negotiating positions at the outset of partnerships as well as the usefulness of international cooperation for the EU are very much dependent on the attractiveness of the European Research Area as well as the prestige and the performance of European universities and research institutions as well as the innovation capacity of businesses, including SMEs.

3.5 One of the key objectives of the Europe 2020 strategy is to ensure that the necessary conditions for that strategy are put in place in Europe. It is therefore all the more urgent, in the light of the current economic and financial crisis, to implement an anti-cyclical European support policy, in other words not to make cuts in this area and instead to use all available financial and structural means to support the European Research Area, the foundations on which it is built and its international dimension, and to make it attractive. For precisely that reason, however, the Horizon 2020 budget must be financed at the very least on the scale proposed by the Commission. The Committee therefore reiterates the request it has repeatedly made to the European Parliament and the Council that they should not allow any cuts in this area and not misuse this budget as a plaything for conflicts of interest.

3.6 Successful research and innovation does not thrive in all Member States equally. The Committee reiterates the request it has made several times that those Member States in the European Research Area which at present do not have enough research institutions and innovation developers of excellence should eliminate this disadvantage as quickly as possible with the help of the Structural and Cohesion Funds and should facilitate the development of a sufficient number of outstanding researchers and innovative entrepreneurship through successful support and economic policies. Only this can give practical expression to the useful concept of 'Teaming of Excellence' ⁽²⁾. The Committee therefore also urges all Member States (and, where relevant, the private sector too), for their part, to finally meet the targets of the Lisbon Strategy – now also incorporated in the Europe 2020 strategy – by investing 3 % of GDP in research and development.

3.7 One of the Commission's declared goals is that Horizon 2020 should be 'fully open to third country participants, allowing European researchers to cooperate with the best

brains across the world'. This possibility has of course existed for many decades ⁽³⁾ and is used actively. The Commission should therefore spell out the current situation more clearly. It should explain which new resources it intends to use to achieve any additional freedoms and what is to be newly permitted and supported.

3.8 As important support measures for successful international cooperation, the Commission proposes that framework agreements be established with potential partner countries. In the Committee's opinion, these agreements should be geared first and foremost to particularly innovative, successful and competitive industrial states. These framework agreements – by analogy to the free trade agreement – should above all ensure a level playing field with reciprocal rights and obligations. Apart from that, potential partners should not be restricted by European rules any more than is strictly necessary for European interests.

3.9 Framework agreements must avoid all irrelevant considerations and influences and allow enough flexibility and freedom so that agreements can be tailored as effectively as possible to individual cases and their starting situation. Creativity requires freedom of action.

3.10 It is particularly important to ensure adequate reliability, continuity and contingencies for the entire duration of the cooperation projects. This is a challenging task and requires that special precautions be taken.

3.11 According to the principle of subsidiarity, cooperation agreements should be carried out by those stakeholders who are themselves involved in the relevant cooperation project or are responsible for it as organisations.

3.12 For its part, the Commission should become directly involved only in those cases in which the potential of an individual Member State, business or research organisation is insufficient, e.g. major scientific and technical projects. However, where the Commission does become involved it should also assume responsibility. The Committee recalls ⁽⁴⁾ that large-scale research infrastructures and demonstration projects in particular may exceed the capacities and potential needs of a single Member State (and perhaps even the EU as a whole) and therefore require greater involvement from the Commission.

⁽²⁾ See for example Peter Gruss in Max Planck Forschung 3/12, p. 6, ISSN 1616 – 4172.

⁽³⁾ See OJ C 306, 16.12.2009, p. 13, point 3.2.

⁽⁴⁾ See in particular OJ C 181, 21.6.2012, p. 111, point 4.3.1

3.13 However, most forms of international cooperation develop through personal contacts between researchers, research groups, businesses (including SMEs) and research organisations, which are normally established and cultivated at international specialised conferences and fairs. These forms of self-organisation must be identified, recognised and used, and promoted more strongly. The Committee finds it regrettable that the recommendations it has repeatedly made in this connection have so far met with no discernable response from the Commission.

3.14 Adequate mobility of experts taking part in cooperation projects is a condition for their success. This aspect should be developed by the Commission, possibly along the lines of the rules and development models for intra-European mobility.

3.15 The Committee is concerned (point 5 of the Commission communication) that international cooperation could develop into a political end in itself for the Commission or a vehicle of Commission external policy. However, cooperation is not an end in itself and requires further effort, which is justified exclusively by the increase and multiplication of knowledge and skills as well as the fruits of innovation. For this reason, such cooperation projects should not involve more parties than can contribute added value.

3.16 This is not just a question of resource distribution priorities, but also the administrative effort required. Although the time and effort required within Europe to implement Horizon 2020 can hopefully be reduced through the simplification measures announced⁽⁵⁾, it still takes up a significant proportion of scientists' and researchers' time. Supplementing this now with international cooperation measures, which may be subject to overly formal procedures, runs the risk of making the bureaucracy bloated once again.

3.17 Another concern is the use of the financial resources of Horizon 2020, which unfortunately are still too limited. If these funds go to third countries outside the EU, they will automatically be withdrawn from the European Research Area. In all cases, priorities must be weighed up carefully, not least given the considerable need of EU Member States to catch up. Therefore such cooperation projects, which are primarily about development aid, should preferably be funded using the development aid budget.

3.18 The Commission communication also touches on the issue of intellectual property, citing it as a reason for a 'European' approach. If basic research is involved, it is primarily a question of acknowledging the chronological priority of a new discovery or findings. However, even in the transition to application, the question of a possible invention's patentability naturally comes into play.

3.19 For decades there has been a festering European sore in this area: there is still no EU Community patent. For all businesses and especially SMEs in the EU this leads either to multiple costs in comparison to their non-European cooperation partners (in the USA, for example) or even to a patent being abandoned, i.e. the loss of patent protection. The Committee calls on the Parliament, the Commission and the Council⁽⁶⁾ to fully support moves towards a European patent with unitary effect, which are due to take place in the near future, and to finally break the impasse. It welcomes the European Parliament's resolutions on the subject⁽⁷⁾. In this connection, a grace period⁽⁸⁾ should also be introduced in Europe.

3.19.1 Furthermore, the intellectual property rules associated with international Joint Technology Initiatives should be discussed again and reviewed.

4. Specific comments

4.1 According to the Commission proposal, the list of countries eligible for automatic funding is to be restricted, by complementing the current selection criterion, based solely on GNI per capita, with an additional criterion based on total GDP, excluding countries above a defined threshold.

4.1.1 In the Committee's view, this should be approached in a more nuanced way. The main criterion for EU-subsidised cooperation with selected citizens from outside the EU should exclusively be that European organisations, businesses and SMEs, scientists and researchers have a specific interest in acquiring the associated know-how or a need to do so. The main focus must be on supporting the European Research Area. Even if an outstanding expert from a country with a high level of GDP is required for a project, they should be supported if there is no other possibility of using their skills and their knowledge for European interests. The leitmotiv must be the EU's own interest.

⁽⁶⁾ Council of the European Union, 23 June 2011 - 11328/11.

⁽⁷⁾ <http://www.europarl.europa.eu/news/en/pressroom/content/20121210IPRO4506/html/Parliament-approves-EU-unitary-patent-rules>

⁽⁸⁾ See EESC opinion *Better access to scientific information – public investment*, point 3.4. (See page 48 of this Official Journal).

⁽⁵⁾ See OJ C 48, 15.2.2011, p. 129, point 1.2

4.2 The Commission believes that objective information is needed to implement the strategic approach. The Committee welcomes the oral statement by the Commission representative that no additional effort is planned for the compilation of statistics and collection of data – as proposed in the communication – and that the Commission is to draw on existing sources instead. The Committee recommends using, for example, data from the European semester ⁽⁹⁾, in order to avoid additional burdens for entrepreneurs and researchers.

Brussels, 16 January 2013.

The President
of the European Economic and Social Committee
Staffan NILSSON

⁽⁹⁾ http://ec.europa.eu/europe2020/making-it-happen/index_en.htm

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 — Towards better access to scientific information: Boosting the benefits of public investments in research’

COM(2012) 401 final

(2013/C 76/09)

Rapporteur: **Mr WOLF**

On 17 July 2012, the Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Towards better access to scientific information: Boosting the benefits of public investments in research

COM(2012) 401 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 8 January 2013.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January), the European Economic and Social Committee adopted the following opinion by 151 votes with 5 abstentions.

1. Conclusions and recommendations

1.1 Access to scientific information is an essential requirement for successful research and boosting innovation, and therefore for Europe’s competitiveness as well. This includes transfer of information between researchers, between research partnerships – particularly between research and business – and between researchers and the public.

1.2 Whilst bearing the following remarks in mind, the Committee supports the Commission’s stated objectives and proposals and believes that they have the potential – with the help of the internet – to facilitate scientific work and to make it more efficient.

1.3 In order to successfully meet these objectives, researcher authorship and intellectual property must continue to be safeguarded, scientific and research freedom must not be compromised, and researchers should be spared red tape and additional work that puts a brake on their efficiency.

1.4 Open access (via the internet) to scientific publications expands or supplements the work of libraries in line with today’s technical possibilities. It is very helpful, increasingly widespread, and should be taken further and fully developed. The goal should be global symmetry between Europe and countries outside Europe.

1.5 Preservation of scientific information (storage of research data) for potential later use is necessary and reflects sound scientific practice today. The Committee welcomes the

Commission’s intention to maintain support for the infrastructure needed to this end. To the extent that data storage is discussed in more detail in project agreements, technical decisions on scope, format, level of detail and description (with metadata) should be reached with the researchers concerned on a case-by-case basis.

1.6 This raises the issue of open (i.e. general, global, cost-free, unrestricted and unconditional) access via the internet to stored research data. There are many aspects to this issue, which concerns current scientific culture and has to be handled in a nuanced and careful way. Whilst it is possible to think of fields of research where open external access could be useful and safe, in many other fields there are compelling objections, which is why a broad-brush approach is not advisable.

1.7 Therefore, in selected cases possible solutions should build in an experimental and incremental way on self-organised data sharing (e.g. CERN, the internet) – already common and voluntary – and be empirically tested in a pilot with the agreement of the scientists involved in the research. However, the administrative work involved in this must not impose new requirements or additional procedures that would undermine simplification efforts that have only just begun.

1.8 Nevertheless, open access to an appropriate selection of data underlying figures in openly accessible publications could be useful – especially if there is global symmetry between Europe and countries outside Europe – so long as the added costs incurred are reasonable and justified.

1.9 All of these measures entail sometimes considerable added costs for researchers and their organisations, which need to be fully accounted for in budget planning and appropriations.

2. Gist of the Commission communication

2.1 This communication sets out the action that the Commission intends to take to improve access to scientific information and to boost the benefits of public investment in research.

2.2 The action is aimed at:

- access to scientific publications;
- preservation of scientific information;
- access to research data.

2.3 As far as access to scientific publications is concerned, there are currently two publishing models:

- **‘Gold’ open access:** payment of publication costs is shifted from readers (via subscriptions) to authors. These costs are usually borne by the university or research institute to which the researcher is affiliated, or by the funding agency supporting the research.
- **‘Green’ open access** (self-archiving): the published article or the final peer-reviewed manuscript is archived by the researcher in an online repository before, after or alongside its publication. Access to this article is often delayed (‘embargo period’) at the request of the publisher so that subscribers retain an added benefit.

2.4 A timetable has also been put forward for progressively achieving these objectives over the course of Horizon 2020.

3. The Committee’s comments

At stake here is open, i.e. general, cost-free, global and unrestricted, access via the internet to future publications and the research data that underlie them, which increasingly are also available in digital form.

3.1 Previous remarks

The Committee has already addressed and made general remarks on the issue at hand in its opinion ⁽¹⁾ on *Cooperation*

⁽¹⁾ OJ C 218, 11.9.2009, p. 8 – paragraph 3.

and transfer of knowledge between research organisations, industry and SMEs — an important prerequisite for innovation, which remain valid. They concerned the objective of improving knowledge transfer between research partnerships (particularly between research and business). This was seen as a crucial factor in boosting innovation and with it Europe’s competitiveness. They also addressed the approach to intellectual property generated in the research and innovation process and to artistic and scientific freedom ⁽²⁾ ⁽³⁾.

3.2 Authorship and intellectual property

On the one hand, authorship and intellectual property of researchers and their organisations have to do with recognition as the first to have made a scientific discovery or finding, typically through authorship of a publication. On the other hand, they concern recognition of the creative process and potential (shared) economic rights derived from it, where new findings may give rise to innovations and inventions for which a patent may then be sought. The Committee therefore welcomes the Commission’s statement (in Chapter 4.1) that: ‘Open access policies do not affect the author’s freedom to choose whether to publish or not. Nor do they interfere with patenting or other forms of commercial exploitation.’

3.3 Grace period

The question of whether to publish scientific results early and then relinquish any claim to inventions based on them, or to initially withhold publication in order to avoid losing such a claim, while potentially losing the right of priority with regard to a discovery, for example, is a tricky dilemma that can involve losses. To alleviate this dilemma, the Committee reiterates its recommendation to provide for a grace period when introducing the Community Patent ⁽⁴⁾.

3.4 The case of patent law

Decades of international progress in patent law have seen a careful balance worked out and established between incipient intellectual property rights, on the one hand, and open access to the products of such rights, on the other; patent applications are disclosed after 18 months and are available to all online.

3.5 Research data

While there is some variation between disciplines, it is now common practice:

⁽²⁾ Charter of Fundamental Rights of the European Union, Article 13 (March 2010): ‘Academic freedom shall be respected’.

⁽³⁾ See, for example, Torsten Wilholt in *FORSCHUNG & LEHRE*, year 19, 12/12, p. 984; www.forschung-und-lehre.de

⁽⁴⁾ OJ C 132, 3.5.2011, p. 39 – point 3.9.

- i. for data gathered as part of research, based on raw data, to first be adjusted and examined for incorrect measurements; checked for consistency in internal discussions; weighted; and if necessary compared or amalgamated with other measurement data, before being added to a validated, reliable data set and made public, and
- ii. for the researchers involved to be the first to report the data in a publication; to interpret the findings; and to draw conclusions.

3.6 Overall endorsement

Whilst bearing the above remarks in mind, the Committee supports the Commission's stated objectives and believes that they have the potential – with the help of the internet – to facilitate scientific work and to make it more efficient. It recommends gradually developing the processes or approaches now under way in pursuit of this, with ongoing feedback from active scientists. The particularities of each research discipline need to be taken into account here, and researchers should be spared red tape and additional work that puts a brake on their efficiency. The following section presents further considerations and qualifications.

4. Specific comments of the Committee

4.1 Open access to publications

Open access (via the internet) to scientific publications expands the work of libraries in line with today's technical possibilities. It is useful and helpful, already increasingly widespread, and should be urgently taken further and fully developed.

4.1.1 Gold or green

Whether an agreement can or should be made on gold or green access with each publisher is largely a pragmatic question or a question of cost. What matters is general access via the internet, without an excessive lag, to scientific and technical publications.

4.1.2 Excessive costs

However, there is a perception that the leading publishers charge excessively high fees for access. This could be remedied with more competition as part of the interplay between authors, editors and publishers. In assessing a scientist's output, however, one consideration is the prestige of the journal in which his or her results were published. The Committee therefore encourages the Commission to enter into further discussions with scientific organisations on how to make improvements. At the same time, the freedom of authors to choose a journal must not be restricted.

4.1.3 Preprints

The Committee notes the widespread practice of making results that are still being reviewed by external experts (referees) prior

to publication in academic journals available to colleagues in the form of preprints, including via the internet. The same applies to presentations at symposia and conferences of experts, which consequently play an important role in bringing scientists together.

4.1.4 International agreements: ensuring symmetry

At international level, radical imbalances between the EU and other countries should be avoided. If scientists or the general public across the world gain cost-free access to scientific publications in the EU via the internet, then scientists and the public in the EU also need to have cost-free access to such publications in other countries. The Committee supports the Commission's efforts to achieve such a symmetry with international agreements. Scientific work will only truly be made easier when there is an international flow of information.

4.1.5 Conferences and libraries

At the same time, the Committee warns against the belief that open access will make superfluous or irrelevant other ways of sharing information and ideas. Working on a computer is no substitute for the stimulation that comes from discussion or the intellectual environment of a library or conference.

4.2 Data storage

Most of the major research organisations already include data storage in their rules on sound scientific practice. Considering the large amount of data captured today, this task is mostly a question of available resources and infrastructure, i.e. the considerable cost in manpower and equipment of validating data quantities; where necessary sorting, condensing, abbreviating and deleting raw data; and using metadata as a means of explanation without losing important information. Due account must be given to costs and benefits.

4.2.1 Support from the Commission

The Committee welcomes the Commission's previous and planned efforts to provide support for research data storage and for the infrastructure needed for this.

4.2.2 Solutions specific to each field

The Committee agrees with the Commission that there should be no across-the-board solutions, but that each field should independently decide to what extent and by what means data storage should be carried out, and what the right level of standardisation is. Open and international standards should be used here as much as possible to enable interoperability.

4.3 Open external access to data

The intention of the Commission and other advocates⁽⁵⁾ to promote open (digital) access to research data is driven by the following objectives:

- a) lifting the quality of scientific discourse, because understanding and evaluating published research results in detail requires access to the analysed data and the tools used to analyse them;
- b) boosting return on public funding used to gather data through re-use of those data.

The Committee can fully support these general objectives as they stand.

The question, however, is what tools should be used to achieve this and how nuanced and extensive it should be; what additional (administrative) outlay this will involve; whether this outlay can be justified by the expected benefits; and what objections there are to it.

4.3.1 Current practice

It is an essential feature of scientific research that each process of scientific discovery and the data and sources that come with it have to be comprehensible and reproducible, and the conclusions drawn from it must stand up to any discussion and debate. To this end, there are well-established and successful procedures in the scientific community before, alongside and after publication in journals, such as seminars, conferences, refereeing, peer review, information and data sharing, personnel swaps, etc. The modern tools of the digital agenda are now also used for this purpose. At CERN⁽⁶⁾ the internet was specifically proposed as an avenue for sharing data and developed with partners.

4.3.2 Additional measures

Consequently, the Commission's proposals can only address the question of how these established forms of self-organisation can be extended, improved, simplified and made more efficient. The additional practical measures planned to this end are not made sufficiently clear in the communication; it seems that pilots are one of the measures planned.

4.3.3 Problems: obstacles

While the expectations surrounding open access have already been discussed, consideration should also be given to the problems, exceptions and obstacles that need to be addressed. The latter include:

- confidentiality when developing innovations, particularly in cooperation with industry (SMEs); patent issues;

- confidentiality of patient data in medical research;
- protection of data authorship (of researchers and research organisations);
- misunderstandings when consulting and interpreting data, together with the consequences;
- possible legal restrictions on technology transfer linked to export controls;
- ensuring global symmetry between the EU and third countries;
- cost in terms of manpower and equipment needed to filter out relevant data from what is often a vast amount of raw data and make it more easily comprehensible for outsiders.

Clearly, these obstacles stand in the way of rolling out open access to research data across the board.

4.3.4 A differentiated approach

A differentiated approach is therefore needed. The Committee acknowledges that there are areas where open external access to research data can have advantages, such as meteorological data, gene pools, demographic data and other clearly defined and statistically meaningful data (although here, too, 'data' itself needs to be defined).

At the same time, it recommends a much more cautious approach in the case of e.g.

- i. highly complex experiments such as accelerators or test facilities used in fusion research, and
- ii. all cooperation with industrial research, including SMEs.

4.3.5 In the latter case, specifically, the Committee sees a contradiction between the objectives of promoting open access to data, on the one hand, and strengthening innovation with a focus on public-private partnerships, etc., where confidentiality is vital, on the other. However, efforts to strike a balance between these contradictory objectives by distinguishing between 'harmless' data, such as that generated in basic research, and innovative data, such as that yielded by applied research, is not without risk either: such an *a priori* distinction would mean looking into the future. Finally, pioneering new insights generated in basic research can also be highly innovative, and therefore lead to a loss of

⁽⁵⁾ For example: www.royalsociety.org/uploadedFiles/Royal_Society_Content/policy/projects/sape/2012-06-20-SAOE.pdf www.wissenschaftsrat.de/download/archiv/2359-12.pdf

⁽⁶⁾ European Organisation for Nuclear Research.

patent protection in the event of premature publication (see point 3.3). A pragmatic solution similar to that used for 'normal' publications should also be sought here (see point 3.2, as well as point 4.1 of the communication from the Commission).

4.3.6 A voluntary approach

The researchers in each project should therefore be given the freedom to decide whether to make the data obtained in a project available under certain conditions, and if so at what point and in what level of detail. The case of CERN, in particular, shows how voluntary, bottom-up processes do more to accommodate the concerns at issue here than do rules imposed from above. The Committee recommends that more trust be placed in the scientific community's ability to organise itself. Any forced intervention (see point 4.3.10) in what is currently a successful but sensitive scientific culture needs to be avoided.

4.3.7 Data used in publications

One possibility that might be worth considering is to electronically prepare and make openly accessible a selection (see point 4.2) of the data that lie behind publications that are also openly accessible, in conjunction with publication. Even here, however, questions need to be asked in each case about whether the anticipated gain through online reuse by third parties actually justifies the additional outlay required of the initial authors, which keeps them from their own research work.

4.3.8 Pilot

The Committee supports the Commission's efforts to first launch a pilot in a relatively uncomplicated and suitable field as a way of gaining experience. A report should be provided on the intended value added.

4.3.9 Red tape and acceptance

The considerable displeasure of many researchers over excessive red tape imposed by the Commission on application and procurement procedures has been somewhat appeased by efforts to simplify and ensure continuity⁽⁷⁾ of support instrument funding. It could flare up again in response to poorly conceived new requirements, interference with research work, and additional red tape.

4.3.10 Interest of the funder

Another issue in the debate beyond those mentioned above is whether and to what extent the 'funder' or tax payer, here represented by the Commission, should simply make open access online to all research data a condition of its support. Notwithstanding remarks in points 3.1 and 3.2, this issue is not the focus of this opinion. The Committee is much more

concerned with the question of which approach to research funding and research management will produce an optimal scientific and financial result, which is also in the particular interest of the 'funder'.

4.4 Additional burden on research budgets

All of the measures proposed by the Commission relieve recipients of information (publications, data) of the obligation to pay for it. These costs must instead be borne by those who create the data and publications, i.e. researchers and their organisations. As a consequence, these costs have to be covered by research budgets, and as far as funding from the EU is concerned, by the budget for *Horizon 2020*. These costs must therefore be reflected in each amount of support.

4.4.1 With open access to scientific publications, therefore, research budgets must not only provide for new research, they also need to cover the cost of making the results of this research generally accessible.

4.4.2 This applies equally to the cost of increased data storage and the expense in terms of personnel and infrastructure required for this (not least as a condition for point 4.4.3).

4.4.3 It applies all the more, of course, to the additional cost of establishing public access, where necessary, to all or selected research data.

4.5 Possible misunderstanding

The Committee has the impression that some demands and arguments made in the political debate for open access are at least partly based on misconceptions about how scientists and researchers work, and about the ability of the general public to interpret scientific data: scientific publications are typically only comprehensible to experts working in the field, which is why only the experts can gain information through open access to them. The same is true of access to research data.

4.6 Informing the public and politicians

All the more important, therefore, are efforts to present the key messages of new findings to the general public. The Committee has noted the importance of such strategies on several occasions and acknowledges the Commission's efforts in this area, including CORDIS⁽⁸⁾. The engagement of scientists with a talent for explaining findings in their field in a way that makes them accessible to as many people as possible should be highlighted. Finally, it is equally important for politicians to be as well informed as possible about the content and significance of scientific findings and the potential of further research, so that they can make well-founded decisions.

⁽⁷⁾ OJ C 48, 15.2.2011, p. 129.

⁽⁸⁾ http://cordis.europa.eu/home_en.html

4.7 Access to expertise

Businesses and civil society organisations often complain of insufficient access to specialist expertise. It is therefore important for SMEs in particular to at least have access to an internal or external expert capable of understanding scientific data, or to an equivalent consultancy organisation. Moreover, the Committee notes, first, its recommendations (in a previous opinion ⁽⁹⁾) to the Commission on the creation of a specific search engine for this field, and second, the search engine ⁽¹⁰⁾ made available by the European Patent

Office, with which most of the newer existing patent specifications worldwide can now be found.

4.8 Online access to previous publications

Beyond the subject discussed here, there is an interest, not least on the part of the humanities, in also making older original publications digitally available via the internet. The Committee certainly welcomes efforts in this area, but they are not the subject of this opinion.

Brussels, 16 January 2013.

The President
of the European Economic and Social Committee
Staffan NILSSON

⁽⁹⁾ OJ C 218, 11.9.2009, point 3.2.

⁽¹⁰⁾ <http://worldwide.espacenet.com>

Opinion of the European Economic and Social Committee on the ‘Proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 273/2004 on drug precursors’

COM(2012) 548 final — 2012/0261 (COD)

(2013/C 76/10)

Rapporteur: **Mr SEARS**

On 15 October 2012, the Council, and, on 22 October 2012, the Parliament decided to consult the European Economic and Social Committee, under Article 114 of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 273/2004 on drug precursors

COM(2012) 548 final — 2012/0261 (COD).

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 8 January 2013.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January), the European Economic and Social Committee adopted the following opinion by 130 votes to 1 with 7 abstentions.

1. Summary and recommendations

1.1 This proposal has been developed to remedy specific weaknesses identified in existing EU legislation with respect to the monitoring and control of trade between businesses in the EU in acetic anhydride, a commodity chemical with many legitimate and essential uses but also subject to diversion as a precursor for the illicit production of heroin from morphine, generally in Afghanistan. The EESC recognises the need for this amending regulation and strongly supports the proposal.

1.2 The EESC also supports the proposal to establish a European Database of approved operators and end-users and to improve the collection of reports from the Member States of seizures and stoppages of illicit shipments of all scheduled and unscheduled drug precursors.

1.3 The extension of the existing legislation on registration to ‘users’, as opposed to ‘operators’ requires some new or revised definitions; minor problems are noted and recommendations made. End-users should be fully briefed on the purpose and benefits of registration. Competent authorities should be granted the same rights of access to the business premises of end-users as are currently provided for in the case of operators.

1.4 The EESC recognises that the new proposals will be effective only if communicated properly and without

unnecessary additional financial burdens for all those involved. The proposal to exclude micro-enterprises from registration fees is therefore strongly supported.

1.5 Finally the EESC notes that the involved parties in Europe have fully embraced the requirements of the relevant 1988 UN Convention, in particular Article 12, in respect of working together to achieve the desired goals. This has led to successes in working with others, in and outside the EU, to combat crime, to protect the health of citizens, to allow legitimate trade to continue, and to safeguard the reputations of the organisations and businesses concerned. The processes followed, the degree of mutual respect and trust developed, and the style and content of the communications to affected parties, all deserve to be recognised as models for regulatory behaviour and compliance at EU or any other level. It is hoped that planned proposals for controls on psychotropic substances and synthetic ‘designer drugs’ within the framework of strong, well focused and evidence-based public health policies at EU and national level, particularly in the field of prevention, will follow a similar pattern. The EESC looks forward to contributing to these proposals in due course.

2. Introduction

2.1 Drug precursors are substances that are manufactured, traded and used world-wide in a wide variety of legitimate and essential processes, but which can also be diverted to the illicit manufacture of drugs such as cocaine, heroin, ecstasy or methamphetamines. Efforts to control the trade in these substances, required for their physical properties, e.g. as solvents to extract active ingredients from plant sources, or as chemical agents to modify the nature and effect of the resulting drugs, have long been regarded as essential.

2.2 The international framework for action is provided by the 1988 United Nations Convention against illicit traffic in narcotic drugs and psychotropic substances. Article 12 highlights that cooperation between regulating authorities and business is essential to achieve the desired results.

2.3 At European Union (EU) level, the reduction of drug precursor diversion is an important objective of both the EU Drugs Strategy (2005-2012) and Drugs Action Plan (2009-2012). The legal framework for internal trade is currently provided by Regulation (EC) No 273/2004, managed by DG ENTR (Directorate General Enterprise and Industry), and for external trade by Council Regulation (EC) No 111/2005, managed by DG TAXUD (Taxation and Customs Union). Commission Regulation (EC) No 1277/2005 amended by Regulations (EC) No 297/2009 and (EU) No 225/2011 provides the detailed implementing rules for competent authorities and economic operators.

2.4 Under these regulations, Member States collate and report the tonnages of certain scheduled (i.e. specifically monitored and controlled) and unscheduled (voluntarily monitored) substances that have been stopped (before delivery commenced) or seized (during or post-delivery). These quantities can then be related to the total quantities of such substances stopped or seized world-wide. Any unexpected increases in the quantities reported, or changes in the frequency and distribution of stoppages and seizures, can be due to improved monitoring but may also indicate the increased targeting of a particular market for illicit purposes, possibly due to perceived or actual weaknesses in local controls.

2.5 The consolidated data for 2008 showed a 7-fold increase over 2007 in the quantity reported for one particular precursor, acetic anhydride, used to convert morphine (derived from opium) into heroin. The 241 tonnes seized in the EU represented more than 75 % of total world seizures. This led to repeated criticism by the International Narcotics Control Board (INCB) of the UN. A Commission Report COM(2009) 709 on the evaluation and functioning of the relevant legislation concluded that, although generally the performance was satisfactory, there were indeed some weaknesses and made recommendations, in particular with respect to the monitoring and control of acetic anhydride sales within the EU.

2.6 Throughout this process the Commission and all other concerned parties have recognised that acetic anhydride plays an

essential role as the alkylating agent in the synthesis of a wide range of coated materials, films, plastics, pharmaceuticals (for instance, aspirin) and other consumer products. The greater part of total global production (currently around 1 million tonnes per year) is said to be used in-house by the producers; a smaller proportion, less than a third of the total, is traded to third-party end-users. The amount required for illicit use, essentially in Afghanistan, is estimated to be between 380 and 570 tonnes per year. This in turn produces around 380 tonnes of Afghan heroin, of which 70 tonnes are supplied to drug users in Europe. At a reported average street value in Europe of EUR 40 per gram, this equates to annual illicit trade worth around EUR 3 billion. The market value of the acetic anhydride required is trivial in comparison to this – and in comparison to the value of legitimate sales or to the cost of lost personal or corporate reputations following such diversions for illicit use. The chemical industry's worldwide Responsible Care programme helps ensure that these points are understood by legitimate operators entering the market for the first time.

2.7 It is also recognised that, even if all the attempted diversions in Europe are successfully prevented, such diversions will take place elsewhere in the world. The financial rewards for drug producers, as above, are just too great. However controls are still fully justified and serve as models for others to follow. Provided they are seen as cost-effective, they are fully supported by the industry sectors affected so that their legitimate trade inside the EU can continue.

2.8 Given the above situation, the Commission considered a number of alternative approaches, as set out in the impact assessment, and consulted the representative bodies of the affected sectors – primarily CEFIC for the producers ('operators') and some large end-users and FECC for the distributors and smaller end-users – and representatives of the Member States who will be required to implement the proposals. There was general agreement that the current proposal was the preferred option.

3. Summary of the Commission's proposal

3.1 The Commission's proposal extends the existing registration requirements for acetic anhydride producers, distributors and traders to their industrial end-users, i.e. companies buying acetic anhydride for their own uses or processes within the EU.

3.2 This is intended to further restrict actual or attempted diversions of acetic anhydride within the EU in an effort to reduce illicit usage outside the EU, and to create greater legal security for businesses acting legitimately within the EU.

3.3 The existing Category 2 of substances scheduled under Regulation (EC) No 273/2004 is therefore split into two parts, with Category 2a reserved for acetic anhydride and Category 2b for four other commodity chemicals not affected by this change. The definitions of Category 1, for lower volume specialty chemicals that are subject to even tighter controls as the most sensitive 'key' drug precursors, and of Category 3, for multi-purpose bulk chemicals, remain unchanged.

3.4 The proposal also aims to establish a European Database on Drug Precursors to ensure more efficient data collection on seizures and stopped shipments and to maintain a list of EU licensed or registered operators and users legally producing, trading or using drug precursors.

3.5 The proposal also clarifies some existing definitions, provides exemptions for registration fees for micro-enterprises amends existing provisions on Comitology in line with the new rules of the Lisbon Treaty, and eliminates the need for a formal adoption process in the preparation of guidelines. The proposal also clarifies the rights of Member States to adopt additional measures to obtain information and, if necessary, to enter operators' business premises on any suspicious order relating to non-scheduled substances.

3.6 The legal basis for the proposal is Article 114 (Treaty on the Functioning of the EU) and, at least in its current form, meets EU requirements on both subsidiarity and proportionality.

3.7 The regulation would come into force on the twentieth day following that of its publication in the Official Journal of the European Union and would be binding in its entirety and directly applicable in all Member States. The regulation provides for a transition period of up to 18 months for the competent authorities to develop the required processes and for some end-users to register for the first time. The registration processes for all users have been made more rigorous and registration may be now refused if the information supplied to the competent authorities is deemed to be unsatisfactory.

3.8 The proposal is accompanied by an explanatory memorandum and a Commission staff working document (impact assessment). An executive summary of the impact assessment is also available. The relevant web pages of DG ENTR and DG TAXUD summarise the development of Community legislation on the monitoring and control of drug precursors inside the EU and between the EU and third countries and provide links to all related documents, stakeholders and concerned organisations.

3.9 Commission reports on stoppages and seizures of drug precursors compiled from data supplied by the Member States for the years 2006-2010 provide the motivation for the current proposals and are shown on the websites. A presentation by DG ENTR to the Council Working Group on Customs Union dated 16 October 2012 gave further background. A copy of the 'Guidelines for Operators', published jointly by DG ENTR and DG TAXUD for distribution by the national competent authorities only to trusted companies involved in long term licit transactions of scheduled and non-scheduled substances, was supplied under separate cover.

3.10 Other reports, for instance the 2011 'Report on Precursors and chemicals frequently used in the illicit manufacture of narcotic drugs and psychotropic substances' from the INCB and the 2012 'International Narcotics Control Strategy Report Chemical Controls' from the US Department of State, provide external and more global overviews. It is now accepted, for instance, that Afghanistan has no legitimate demand for acetic anhydride and that all imports are therefore illicit. Coalition forces are reported to have seized around 20 tonnes of the much larger total imported in 2011. The primary illicit sources are said to be China, South Korea, Europe, the Central Asian States and India. Clearly this is still work in progress and close international cooperation and hard-earned mutual trust remain essential.

4. General comments

4.1 The EESC gave its opinion on COM(2002) 494 final on 26 February 2003 ⁽¹⁾, fully endorsing the proposals from the Commission in respect of the proposed controls on drug precursors. This was duly noted in the final version, published as Regulation (EC) 273/2004, in February 2004 ⁽²⁾.

⁽¹⁾ OJ C 95, 23.4.2003, p. 6.

⁽²⁾ OJ L 47, 18.2.2004, p. 1.

4.2 The EESC also strongly supports efforts to reduce drugs usage in and outside the EU, as made clear in its opinion of May 2012 in response to the Commission's Communication 'Towards a stronger European response to drugs' ⁽³⁾. This stressed the need to maintain a balanced approach to both supply and demand. Reductions in supply, which may only be temporary, must be backed by strong, well targeted and effective public health policies, particularly in the field of prevention, at EU and national level (Article 168(1) TFEU). Cooperation and best practice exchange between Member States will be essential. Policies should be based on data and evidence – and not the other way round.

4.3 The EESC therefore strongly supports the current proposal to tighten the monitoring and control of trade in acetic anhydride between businesses inside the EU and to implement further measures to assist the monitoring and control of drug precursors in general, in particular via the establishment of a European Database of licensed or registered operators and end-users and of the information provided by Member States on stoppages or seizures of substances diverted for illicit usage, in particular the manufacture of narcotic and psychotropic drugs, usually outside the EU. The diversion of small quantities of acetic anhydride for the manufacture of heroin is of particular concern.

4.4 The EESC also commends the Commission and all those involved in the implementation of the existing legislation and in the reviews and consultation process that have followed, for the close and continuing cooperation with Member States, regulatory authorities, law enforcement agencies, producers, carriers and end-users, as required under Article 12 of the 1988 UN Convention. This has led to a set of well-focused, well-informed, well-documented and cost-effective proposals, clearly supported, and therefore likely to be fully implemented, by all those directly affected.

4.5 This cooperation has already led to a drastic reduction in the quantities of drug precursors stopped or seized within the EU – hopefully indicating that the EU is no longer regarded as an easy target. The voluntary monitoring of non-scheduled substances is reported to have been particularly effective. Flexibility to deal with such innovative, persistent and highly profitable criminal behaviour is essential. In this area at least, everyone has the same objective. This is fully recognised by all concerned – and could perhaps serve as a model for cost-

effective EU legislation in other areas, with wider impacts on businesses, employees and consumers.

4.6 The legislation also works because the producers, distributors and end-users affected are already subject to, and are experienced in implementing, a range of similar controls for radioactive materials, biological agents, dual use chemicals and exports requiring prior informed consent, and so on. New legislation on explosives precursors is about to be introduced. This does however require that the broad patterns of these requirements stay the same and that the list of substances requiring registration or licensing is kept to the minimum necessary. The current proposal is therefore likely to be effective, at least within its rather tightly defined objective to reduce even further any diversions to illicit usage of acetic anhydride during ongoing legal trade within the EU; other less focused or more burdensome alternatives would be more likely to fail.

4.7 The EESC also agrees with the Commission that this proposal does not affect working conditions within the industry or the rights of consumers in general, except to the extent that they as individuals support a reduction in the availability of heroin and related products in or outside Europe. Sadly this will be hard to measure, if indeed any such reduction occurs. This proposal however does not depend on such cost-benefit balancing and therefore should be implemented in this form and as quickly as possible.

4.8 Finally, the EESC looks forward to contributing to further EU initiatives in this area and therefore urges the Commission to bring forward as soon as possible planned new proposals in particular on psychotropic substances and purely synthetic 'designer drugs' which are now steadily replacing traditional drugs such as heroin as well as extending the market overall.

5. Specific comments

5.1 The EESC notes that the definitions of 'operator' and 'user' can be understood to overlap (as all affected 'operators' will at some time 'possess scheduled substances'). As it is clearly necessary to distinguish between the two, this can be done by inserting the phrase 'who is not an operator but' after 'legal person' in the first line of the new point (h) of Article 2.

⁽³⁾ COM(2011) 689 final, EESC's opinion: OJ C 229, 31.7.2012, p. 85.

5.2 It is also important to establish that this refers specifically to users incorporated and operating inside the EU. Sales and/or deliveries to users outside the EU are covered under separate legislation. To ensure a smooth functioning of the internal market it should also be made clear between Member States as to where the operator and user registration is required, for instance where the operator or user are established, or where the product (acetic anhydride) is put on the market.

5.3 The requirement for end-users to register for the first time could lead to short term disruptions to legitimate trade. These can be minimised by proactive communications during the 18 months provided for this transition by the operators and distributors, preferably based on clear and appropriately worded guidance notes issued by the competent authorities in the Member States. The existing 'Guidelines for Operators' provide an excellent model for such communications. The purpose and benefits of registration should be made clear at the time of registration so that end-users, as well as operators, become aware of the possibility and risks of diversion, and can therefore better contribute to minimising these. Competent authorities should have the same rights of access to the business premises of both end-users and operators.

5.4 The EESC supports the Commission proposal that micro-enterprises should be exempted from any requirement to pay fees for registration as it is crucial that not only does this legitimate trade continue (for the sake of the micro businesses and those employed therein) but that the controls are understood and implemented as widely as possible. Given that the quantities required for illicit use are relatively small, the smaller users are probably most at risk to offers that they feel they cannot afford to miss. Good communication in support of

compliance will therefore be essential, in print and electronic form, in all relevant local languages.

5.5 The EESC notes that the reporting and other information requirement for non-scheduled substances reflects its voluntary nature, i.e., Member States 'may' rather than 'shall' follow the proposed procedures. This is clearly not ideal for the protection of the internal market – but may be preferable to adding yet more substances to the lists of priority precursors already identified. This situation should therefore be watched carefully by all concerned.

5.6 Finally, in respect of the proposed European Database, the EESC welcomes the proposal and strongly encourages it to go ahead, subject only to the reservation that it should be sufficiently resourced for longer term update and use by all the concerned parties and designed to produce results, not merely accumulate out of date or partial data. The quality and quantity of data collected will be equally important. The continuing support of the law enforcement agencies in the Member States will be critical to this.

5.7 Access to the data must of course be restricted to those firmly and permanently committed to legitimate trade – presumably those recorded within the database. Input requirements for operators, distributors, traders and end-users, as well as for Member States, should, to preserve the internal market and to minimise costs, be harmonised wherever possible. This should not, however, conflict with the primary objective of this proposal, to identify and restrict the illicit diversion of drugs precursors and, hopefully, to apprehend those responsible.

Brussels, 16 January 2013.

The President
of the European Economic and Social Committee
Staffan NILSSON

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 on “Unleashing the Potential of Cloud Computing in Europe”

COM(2012) 529 final

(2013/C 76/11)

Rapporteur: **Mr PIGAL**

On 14 August 2012, the European Commission decided to consult the European Economic and Social Committee, under Article 114 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Unleashing the Potential of Cloud Computing in Europe

COM(2012) 529 final.

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 18 December 2012.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 16 January), the European Economic and Social Committee adopted the following opinion by 158 votes to 2 with 7 abstentions.

1. Conclusions and recommendations

1.1 The Committee views cloud computing (CC) as an opportunity for European growth and competitiveness, and seeks to use this opinion to propose a different and complementary vision to that of the Commission communication. The Committee strongly encourages the Commission to consider this proposal carefully and to adjust its CC strategy accordingly.

1.2 The Committee shares the Commission’s view that the use of CC in Europe needs to be developed in order to make its economy more flexible, more successful and more innovative. It therefore supports the three measures proposed by the Commission:

- cutting through the jungle of technical standards and supporting certification schemes;
- developing ‘safe and fair’ model contract terms for CC contracts;
- creating a European partnership between Member States and industry to expand the public sector’s use of CC.

1.3 The use of cloud computing reinforces the need to protect the public, their data and their private lives. This is why the Committee encourages the Commission to continue along this path, especially by pursuing international cooperation and strengthening the regulatory framework on:

- protection of data and private life;

- government access to data;

- monitoring data and managing disputes between users and providers;

- portability and interoperability.

The Committee also points out that these protection measures would be most effective for information stored by CC providers on European territory.

1.4 Alongside and in addition to **facilitating the use of CC**, and taking inspiration from the success of CC in the US, the Committee recommends that the Commission seek to promote the development of **European digital energy production**, i.e. the emergence and strengthening of European suppliers of CC infrastructure (IaaS: Infrastructure as a Service).

There are many possible ways of achieving this:

- encouraging European stakeholders to become involved and invest in digital energy production projects. Target businesses could for example be telecommunications operators, software producers, etc.
- boosting **Structural Fund allocations or promoting the use of subsidies** so as to promote the emergence of CC data centres managed and run by European operators; European funding for broadband could be used as a model for CC funding;

- launching **European projects** for which European consortia could put forward competitive bids and thus strengthen their activities, services and products.

The objective is to **use the favourable conditions** (strong data protection in Europe, users' concerns regarding distant suppliers, the need for strong security guarantees, etc.) to promote the emergence of **European CC suppliers**, be they local, national (sovereign cloud) or cross-border suppliers (consortia across several Member States).

1.5 **Restructuring** linked to the 'cloudification' of IT services, **job losses, offshoring**, virtualisation and greater distances between users and IT technicians are all negative aspects which have to be taken into account. However, this social impact is not mentioned in the Commission communication.

On the contrary, the Commission uses the forecasts of a market research company to support its view that CC should lead to the creation of **2,5 million jobs**. The Committee wonders whether these figures are not **unattainable and disconnected from the reality of the IT domain**.

1.6 Alongside the European Cloud Partnership (ECP), the Commission should start developing a '**Cloud First Policy**' (based on that of the US or New Zealand) as soon as possible, in order to promote CC use among European and Member State administrations. The aim would be to break down cultural barriers and individual fears, and of course to benefit from both the more flexible services and the significantly lower costs of CC.

The Committee of course stresses that the Commission must incorporate safeguards for the use of CC in public services and certain sensitive private sectors in this 'Cloud First Policy' in order to control, or even prevent, data being hosted by suppliers that are subject to risky national regulations – such as the **Patriot Act**, which applies to US suppliers even if they are established in Europe.

1.7 One of the main difficulties with CC – and one of the main concerns of users (both individuals and businesses) – is dealing with disputes with a supplier outside their borders.

Taking its inspiration from e-commerce, which is just as globalised and international as CC, the Committee, which has produced an opinion on the subject⁽¹⁾, suggests that the

Commission include ODR (Online Dispute Resolution) as a possible solution for resolving, through mediation, the majority of disputes, including those covering several jurisdictions. Since it has to be independent and impartial, this mediation could be entrusted to an existing or new European agency. It would be responsible for mediating and negotiating between suppliers and users of CC. In addition, this mediation work would make it possible to identify the main causes of dispute, recurrent problems and needs for adjustments to practices or regulations.

1.8 Although various statements by Commission representatives (at conferences, in the press, etc.) have confirmed their desire to support communication with, awareness-raising of and training for potential users of CC, the communication does not set out any concrete, quantified measures.

The Committee therefore trusts that the Commission will supplement its communication with, among other things, initiatives prioritising those users with the lowest awareness of CC, i.e.:

- educating individual users on the usual protections and precautions relating to CC; general conditions or contracts, privacy, etc.;
- making SMEs more aware of how they can benefit from CC; lower costs, flexibility and responsiveness to IT developments, etc.

1.9 The Committee suggests that the Commission should include the development of **energy consumption standards** for server farms specialising in CC in the communication.

1.10 With regard to the actions the Commission intends to take, the Committee suggests that an **exact timetable** be drawn up and that definite **dates and progress reports** be planned in detail for each of the proposed areas.

2. Commission proposal

2.1 As a reminder, CC can be described as in the first sentence of the communication:

“Cloud computing” in simplified terms can be understood as the storing, processing and use of data on remotely located computers [the precise location of which is not known] accessed over the internet.’

⁽¹⁾ EESC opinions on *Alternative Dispute Resolution for consumer disputes*, OJ C 181, 21.6.2012, p. 93 and on *Online dispute resolution for consumer disputes*, OJ C 181, 21.6.2012, p. 99.

In addition, in 2012 the Committee produced an opinion exclusively on CC ⁽²⁾. The work of the National Institute of Standards and Technology (NIST), the European Parliament and the European Data Protection Supervisor is also very interesting. The Commission has published two documents (the Commission's consultation of the Committee concerns the first document only):

— a communication (referred to below as 'the communication') setting out the European Commission's CC strategy;

— an impact analysis document.

2.2 The Commission puts forward three 'strategic actions' to promote CC use in Europe:

— cutting through the jungle of **technical standards** and supporting EU-wide certification schemes for reliable cloud service providers;

— drawing up 'safe and fair' model conditions for CC contracts, not least for service level agreements;

— creating a European partnership to promote CC, bringing the Member States together to develop public sectors based on CC.

3. General comments

3.1 The Committee proposes a new vision for CC, illustrated by the concept of '**digital energy**', which is becoming increasingly widely used to describe the computing capacity (storage, processing, data transfer) provided by CC.

Digital energy is provided with no need for consumers to be familiar with the production method, in other words the data centre, its location, technologies used, etc. **New market segmentation is also emerging:** alongside users and service providers, there are now digital energy producers who can make the huge investments necessary (in billions of dollars) to set up CC centres.

3.2 Like other forms of energy (fossil, electric, etc.), digital energy is an **economic and strategic challenge**.

Firstly, controlling this energy (be it in terms of production or distribution) is at the heart of the potential for **growth and job creation** as set out in the Digital Agenda. Secondly, an active role in the production of digital energy is necessary in order to ensure that Europe and its Member States have (at least partial) **strategic independence and self-sufficiency**.

3.3 The development of CC in Europe will therefore involve dealing with the entire value chain for digital energy (usage, services and production), as illustrated by the following table:

Level of Development	Description	Policy Goals	Description
Use	Individuals, businesses and public services increasingly use CC solutions	Cloud Friendly	Europe simply uses digital energy produced/developed beyond European borders
Services	Emergence of a new CC ecosystem focusing on the development of software based on CC infrastructure	Cloud Active (*)	Europe does not just use digital energy, but is active in it, through innovation and the development of new services
Production	Computing capacity made available to service providers and users (i.e. massive 'server farms' for CC infrastructure)	Cloud Productive (**)	Europe not just active in services but also in the digital industry, producing digital energy to be independent and self-sufficient

(*) EC vice-president Neelie Kroes, who is responsible for the Digital Agenda, has advocated this level of development in several speeches.

(**) The EESC proposed this more ambitious policy goal in its previous opinion on CC (TEN/452).

⁽²⁾ EESC opinion on *Cloud computing in Europe* (own-initiative opinion), OJ C 24, 28.1.2012, p. 40.

Recent decades have demonstrated the significance of the dependency of the Member States – or even of Europe as a whole – regarding various sources of energy: petrol, gas, electricity, etc. Should European citizens', businesses' and public services' data in future be hosted, managed and controlled by non-European CC operators, there would be legitimate concerns surrounding the **impact of this dependency**:

- protection of particularly sensitive data that are crucial to strategic competition between European and non-European countries, such as in the aviation, automotive, pharmaceutical and research sectors;
- the availability of data in the event of international tensions between 'host' countries and Member States;
- equality of treatment of consumers of digital energy depending on whether or not they are citizens or organisations of a 'friendly' country;
- job and wealth creation from the production of digital energy, and also from the entire service development ecosystem, in the host countries, thus disadvantaging countries that are simply 'cloud-friendly' users of digital energy.

3.4 However, **Europe is already highly dependent** on non-European providers to provide hardware, software and computer networks. The stars of social networking come from the United States, while the most popular search engines are run by firms based either in the US or in China. IT development is increasingly being outsourced to India or other low-cost countries.

The production of digital energy at global level is currently almost entirely in the hands of an oligopoly of producers. The biggest European operator, according to some studies, is OVH (Acronym for *On Vous Héberge* (we host you) - www.ovh.com), but it does not have the same level of global visibility and influence. Several initiatives have been launched by telecommunications operators, such as T-Systems, Telefonica Digital, Cloud Sigma, Numergy/SFR and Cloudwatt/Orange. However, they are unable to compete with the market leaders: Amazon, Microsoft and Google.

3.5 Currently, although there are some differences between the Member States' regulations, they are close to the European

texts, standards and directives; hence users' fears – in some cases justified – of their data being stored outside Europe, leading to difficulties and legal stalemates in the event of disputes.

In addition, the greatest cause for concern among users is the **'Patriot Act'**. This act came out of the war on terror (following the September 11 attacks), and allows the US government or a federal judge to access any data hosted and controlled by an American company, whether or not the owner of the data is American and including data hosted in a centre on European soil. Above all, the owner of the data cannot be informed that the host has disclosed the hosted data.

3.6 Economically, the sector should, according to the Commission, make it possible to create 2,5 million new jobs in Europe in the next eight years and contribute as much as EUR 160 billion a year to EU GDP (around 1 %).

The Committee questions whether the figures in these objectives are relevant – a detailed analysis of the impact of CC on the ground shows that:

- operation services will be 'mutualised' between CC clients, which will naturally result in a reduction in staff numbers, or even offshoring;
- CC promotes the use of standard software (cf. SaaS), to the detriment of more specific development work that would also require more developers, thus again leading to job losses.

The communication, though, does not mention or take account of the aforementioned social impact; nor does it refer to restructuring linked to the 'cloudification' of IT services, job losses, offshoring, virtualisation and greater distances between users and IT technicians.

3.7 Simply using CC is already generating energy savings on IT equipment. At the same time, the major suppliers of CC (storage space and associated services) have server farms, most of which use processors with a consumption of around 100 W/h per unit, which could be reduced to a tenth of that within the short or medium term. Some microprocessor manufacturers offer good value processors that release less heat (a real problem for air-conditioning in server rooms) and consume less energy.

4. Specific comments

4.1 The Commission focuses primarily on the public cloud, and does not discuss the private cloud market. However, this approach is considered to be reliable and sometimes necessary for critical information before going wholesale into the 'public cloud'.

It is worth noting that the 'public cloud' means a publicly-available cloud, not a cloud for public services.

4.2 The introduction to the communication notes that cloud technology may bring *additional* risks, which is not necessarily the case in reality – the cloud does bring *new* risks, but also eliminates others.

4.3 Certain English terms such as 'cloud-friendly' and 'cloud-active' are difficult to translate into other languages; in some cases, the translated versions of the communication completely miss the point of the original version.

For example, in points 3.1 and 3.2, 'cloud-friendly' and 'cloud-active' are translated identically in some languages, although they correspond to different objectives.

5. Analysis of the European Economic and Social Committee

5.1 The Commission's proposals to increase use of the cloud comprise:

- improving contracts between consumers and providers of digital energy, requiring (or prohibiting) certain clauses in order to provide better protection for individual users and small businesses against the power of certain producers;
- developing consistent, universally recognised standards to facilitate interoperability – or even portability – between different cloud platforms;
- defining a single European CC market based on a consistent legal framework, possibly common to all Member States.

All of these proposals are specific, realistic and necessary, and the Committee therefore supports them completely. It would, however, note that the first two proposals relate to difficulties that are not specific to Europe, and it would have expected the Commission to **focus on specifically European problems** in its communication.

5.2 The Committee is committed to the basic goals of the Digital Agenda, i.e.:

- establishing Europe, its Member States and its economic operators as leaders in the IT and telecommunications sectors;
- achieving a degree of independence from other, currently leading or emerging, economic zones;
- and, above all, creating jobs and wealth within Europe.

5.3 With regard to increasing the 'use' of CC, section 3.1 twice refers to '**cloud-friendly**' as the goal to achieve. However, in a number of speeches in support of CC, the Commissioner responsible for the Digital Agenda has advocated aiming to make Europe '**cloud-active**'.

European Commission vice-president Neelie Kroes said in Davos (27.1.2011), 'I want to make Europe not just "cloud-friendly" but "cloud-active"' and officially announced the communication in an article on her blog entitled 'Making Europe cloud active' (27.9.2012). The level of development advocated in these statements is therefore more ambitious than just 'cloud-friendly'.

The Committee is therefore surprised by the gap between the goals legitimately advocated by the Commission vice-president and the somewhat less ambitious actions actually proposed in the communication. It also points out that, in a previous opinion⁽³⁾, it encouraged the Commission to be more ambitious than 'cloud-active' for Europe, suggesting that it should aim to be '**cloud-productive**'.

5.4 The communication does not propose creating a European operator – a '**European super-cloud**' – to produce digital energy. In view of the mission of DG Connect, and of the difficulty of creating such a 'giant', the Committee understands and supports this position. The various operators in the sector with whom the Committee has been in contact (telecommunications operators, software producers, system integrators, etc.) are also unanimous in supporting this position.

However, the fact remains that a **European middle ground** can and must be found between an unrealistic European 'giant' and European 'micro-clouds' confined to niche markets by the commercial, financial and marketing power of global, non-European operators.

The Committee's proposal aims at developing and strengthening major European operators responsible for CC mega-centres, **the future European digital industry**. These operators could be local, national (sovereign cloud) or cross-border (consortia across several Member States).

⁽³⁾ EESC opinion on *Cloud Computing in Europe* (own-initiative opinion), OJ C 24, 28.1.2012, p. 40.

5.5 The Committee also notes that, without being as large as the market leaders, European CC operators enjoy several **competitive advantages**:

- CC customers are still extremely cautious and prefer a local CC supplier – in the same country or even region if possible – even if this does not allow them to maximise the cost reductions from CC;
- data protection regulations in Europe and the Member States are still complex for users, and favour the use of national CC suppliers;
- international regulations applicable to suppliers in other countries outside Europe are not currently appropriate for CC; the best known example of this is the US Patriot Act.

These favourable conditions for the emergence of European operators will not last, however, and it is therefore **important and urgent that the Commission take action** to promote the emergence of European operators during this favourable period.

5.6 Section 2 of the communication notes that 'go-it-alone efforts at national level are unlikely to deliver optimal cost efficiencies'. The Committee urges the Commission to reconsider its position regarding the sovereign cloud.

First of all, at no point in the communication or the impact analysis is this statement backed up by any facts, which is quite surprising given how starkly it is stated.

Secondly, in the absence of an alternative solution – which, again, the communication does not provide – **criticism of sovereign or local clouds is harsh** and could jeopardise credible possibilities for developing robust, durable CC provision that can compete against giants from other geographical areas (India, China or the US).

5.7 The proposed approach, using a European Cloud Partnership, is largely focused on the public services sector, with a view to '**promoting common public sector leadership**' (see Section 3.5).

The Committee acknowledges and supports the Commission's position regarding the importance of public services in Europe's socioeconomic models: they do therefore have a role to play in the development of CC.

However, the Committee finds it difficult to see how, in a general climate of tight budgets, European public services can drive innovation in CC. It also points out that **Europe's most**

outstanding successes have come either from the **private sector** (e.g. mobile telephony, chip cards) or from a **private sector with the benefit of public support** (e.g. Airbus, Ariane Espace, etc.).

The Committee recommends that the Commission set out more explicitly what 'leadership' role is envisaged for this partnership.

5.8 The approach proposed by the Commission follows a '**top-down**' model, in other words promoting *use* in order to encourage the development of *services*, and possibly the *production* of digital energy.

The Committee would fully support this kind of gradual, demand-driven phasing-in in an environment with no dominant operators, or with a balance between European and non-European operators. Unfortunately, that environment no longer exists, and the main operators in CC are non-European and have an oligopoly. Increasing use of the cloud could therefore have counter-productive effects that further strengthen the position of these market leaders.

The Committee is not against this increase in use, but stresses that the Commission must establish safeguards so that its actions benefit European operators and allow them to emerge in the face of the dominant position of non-European operators.

5.9 In parallel with and in addition to the aforementioned top-down approach, the Committee would urge the Commission to propose specific actions that explicitly take a **bottom-up approach**, in other words encouraging the establishment of CC producers at regional, national or cross-border level to then promote the development of CC services and the use of CC.

Other sectors such as the automotive or mobile telephony sectors have shown the extent to which strong European industrial production could have knock-on effects on the higher levels (services and use). Incentive measures for these sectors could be re-used for the production of digital energy.

Another example worth taking into account is the US, where the development of CC took a bottom-up approach right from the start, with the successful results we are all aware of.

The Committee would therefore suggest that the Commission take inspiration from this successful example of large-scale cloud development in order to contribute to similar success in Europe.

5.10 The Commission, like other European institutions, makes **massive use of information technologies**, but the solutions developed to date have very rarely been based on CC. In the meantime, the US has established the 'Cloud First Act' requiring the administrations covered to prioritise a cloud-based approach.

On the basis of this success, the Committee suggests that the Commission should adopt a '**Cloud First policy**' for itself and the other institutions, so as to enable the development of a European CC ecosystem and achieve significant reductions in operating budgets.

5.11 In the past, the Commission developed and implemented grassroots measures, in particular with regard to broadband and IT modernisation. These included:

- **information and communication programmes** aiming to raise awareness and provide training for relevant stakeholders at local level;
- **development programmes for innovative projects** aimed at developing local ecosystems, including in regions regarded as being excluded from innovation;

- **subsidies to modernise public services**, such as e-government.

In view of the success of these previous programmes, the Committee urges the Commission to plan and budget a similar programme specifically for CC.

The EESC calls for institutional and secured databases to be integrated in a regulated manner - gradually, but as soon as possible - into the cloud computing (CC) environment. This would enable citizens to manage critical data more easily (according to European and national law) and, at the same time, to grow trust in CC.

5.12 The Commission has proposed a series of actions to develop CC. The communication does not however present a **definite and precise timetable** for these actions.

The Committee urges the Commission to publish such a timetable as quickly as possible. Developments relating to CC technology are fast-moving. It is therefore urgent and important that all **stakeholders be able to coordinate and align their own strategy with the actions of the Commission**.

Brussels, 16 January 2013.

*The President
of the European Economic and Social Committee*
Staffan NILSSON

Opinion of the European Economic and Social Committee on the 'Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Towards a renewed EU-Pacific development Partnership'

JOIN(2012) 6 final

(2013/C 76/12)

Rapporteur: **Mr Carmelo CEDRONE**

On 21 March 2012, the European Commission and the High Representative of the European Union for Foreign Affairs and Security Policy decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Towards a renewed EU-Pacific development Partnership

JOIN(2012) 6 final.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 19 December 2012.

At its 486th plenary session, held on 16 and 17 January 2013 (meeting of 17 January 2013), the European Economic and Social Committee adopted the following opinion by 139 votes to 13 with 14 abstentions.

1. Conclusions and recommendations

1.1 The EESC considers that the EU's underlying objectives for the renewed EU-Pacific development Partnership are ambitious and far-reaching, but believes that the implementing arrangements, which mainly concern environmental protection and biodiversity conservation in the region, are not clear. It agrees that synergies are needed with other organisations to address the impact of climate change, which has a cross-cutting impact on all national and multilateral policies and has social as well as economic repercussions. Issues associated with the impact of climate change should, moreover, be incorporated in the area's comprehensive environmental policies in such a way as to aim for coherent behaviour and actions.

1.2 Nevertheless, the EESC believes that in order to achieve this objective, integrated sustainable development measures and activities have to be established in the countries concerned in order to maximise the impact of assistance. All actions have to be used synergistically, by actively involving all local stakeholders as well, on the basis of a medium- and long-term planning approach.

1.3 The EESC believes that it is important that the Communication acknowledges that the full enjoyment of rights and stable democracy are essential to a country's economic development. Regrettably, the situation in Fiji, where a dictatorship continues to deprive its citizens of their fundamental rights, receives no more than a cursory mention, whereas it deserves a more decisive and coherent European stance.

1.4 The definition of the renewed development partnership should be used as an opportunity to set out principles and preconditions which should serve as EU guidelines for all beneficiary countries of EU assistance, based on a full application of the Cotonou Agreement. Furthermore, the effective exercise of democracy through the full enjoyment of fundamental and labour rights and democratic participation must be guaranteed in all the countries.

1.5 Particular attention should be paid to the extremely serious and worrying situation of women in all the countries in this region, who are deprived of the most basic rights. Women's rights and protection should play a major role in all issues related to EU and Pacific relations. The high level of gender related violence and the low level of women involvement in decision making and high positions worries the EESC and its partners and should play a more significant role in the Commission document and future activities.

1.6 The EESC continues to view the growth of the social partners and of civil society in general as a fundamental consideration in this region and in all other regions concerned by agreements with the EU. For this reason, it is vital to promote and implement measures that allow this objective to be achieved in practice. Being aware of the difficulties associated with the region's geographical location, which also restrict structured bilateral relations, the EESC considers that it would be particularly useful to set up a network and a joint committee at the local and national level and, ideally, at the level of the entire region. These participatory instruments should facilitate the involvement of the social

partners and civil society throughout the definition, implementation and monitoring of the agreements. This should become an absolute principle. An initiative to promote the establishment of a fully-fledged ESC in the region would be useful, also in order to promote stronger social dialogue, and improve capacity building for all local stakeholders through specific funding.

1.7 The EESC considers it a priority to coordinate the various EU actions through the Commission directorates-general involved in the programmes and the European External Action Service (EEAS) as well as the WTO's involvement in this region. Coordination is essential in view of the small size of the public administration in the countries concerned. This approach could represent an opportunity for decisive EEAS action in the hope of stronger EU foreign policy action based on enhanced coordination among its Member States.

1.8 The communication from the European Commission places a great deal of emphasis on climate matters. The EESC notes, however, that economic development is important to tackling the climate challenge. In order to ensure inclusive, sustainable and integrated growth that benefits development in the region, the EESC believes that it is vital to guarantee coherence between development and environmental protection interventions, as well as in other sectors, such as trade, fisheries, farming, food security, research and support for human rights and democracy. Aid delivery criteria must be based on clearly defined and pre-established indicators, including for monitoring programmes at a later stage and through the coordination of the various donors.

1.9 The EESC agrees that distinctions should be made between actions for ACP countries and overseas countries, depending on the various institutional or developmental situations of each country in order to optimise opportunities for regional integration. The situation of the overseas territories, which are more advanced than the other countries and already receive financing from the European Development Fund and bilateral assistance from individual countries, must also be assessed. These actions should be coordinated with programmes for other countries in the region. These territories could serve as an important reference for the dissemination of the rights, values and good practices of EU policies, based on inclusive growth.

1.10 With regard to trade agreements, it would be advisable, in light of current difficulties, to aim for a regional agreement, going beyond bilateral agreements, bearing in mind, however, that, with the exception of the fisheries sector, these are small economies, in relative terms of trade.

1.11 The EESC also considers it appropriate for the EU to follow closely, through the relevant specialised UN commission, the negotiations on the law of the sea connected with the CONTINENTAL SHELF, especially with regard to the area under consideration in this opinion.

2. Introduction

2.1 The EU has concluded various partnership agreements with the Pacific region. This renewed partnership involves 15 independent island countries ⁽¹⁾, four Overseas Countries and Territories (OCTs) ⁽²⁾, the Pacific Islands Forum (PIF), as well as Australia and New Zealand - key members of the Forum and like-minded partners. Following the 2006 strategy, the purpose is to consolidate its own role in the region, both because the EU is the second largest donor after Australia, and in order to contribute to the region's economic and social development, recognising the need to ensure full respect for rights and the consolidation of democratic institutions.

2.2 Building on the Cotonou Agreement (EU-ACP), the EU intends to use this Communication to focus its action in the Pacific as a region on a number of fundamental objectives, in line with its Agenda for Change ⁽³⁾:

- to promote coherence between development, environmental protection and other EU policies, such as trade, environment, fisheries, research, on the one hand, and support for the recognition and full enjoyment of human rights and democracy on the other,
- to adapt and streamline delivery methods of EU Official Development Assistance (ODA) and providing scaled up financing to counter the risks of climate change in the Pacific, with a view to increasing overall added value, results, impact and effectiveness,
- to stimulate the Pacific OCTs' successful regional integration and enhance their ability to promote EU values and become catalysts for inclusive and sustainable growth for human development in the region,
- to define with Pacific countries a positive agenda of issues of common interest at the UN and other international forums,
- to join forces with like-minded partners to address key human rights issues and to help consolidate democratic processes across the region.

⁽¹⁾ Cook Islands (no vote in the UN), Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue (no vote in the UN), Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu.

⁽²⁾ French Polynesia, New Caledonia, Pitcairn and Wallis and Futuna.

⁽³⁾ Communication from the Commission - *Increasing the impact of EU Development Policy: an Agenda for Change* COM(2011) 637 final of 13.10.2011.

The EU is recognised by local partners and interlocutors as a leader in the fight against climate change and its impact and intends to consolidate its presence in the region in a responsible manner.

2.3 However, most of the Island Countries and Territories constitute a small region in terms of the population concerned, but a vast one in terms of size and diversity, which presents not a few problems due to its geographical location, forming a fragile and delicate whole, united by the marine ecosystem (among other factors), which has a unique value that warrants attention and protection.

2.4 This is not an easy objective to achieve, not only for the reasons given in the Communication, but also because of the constraints imposed on EU external policy by the economic crisis, which could influence the future of the Cotonou Agreement beyond 2020. However, due to their position, these countries are of geostrategic importance to the EU since they are close to countries like China and Japan. To this end, it would be very useful to increase the involvement and make better use of the OCTs in the dissemination of the EU's policies, programme implementation and legal culture, with unquestionable mutual advantages.

3. Positive aspects

3.1 Attention is given to the impact of climate change and the grave repercussions throughout the region regarding both the stability of the ecosystem, to the point of threatening its existence, and the risks of growing imbalances in the sustainable growth of the countries concerned, not only from a strictly economic or budgetary perspective, but also from a political and social perspective, with a multiplier effect on risks, which even limits the fulfilment of the UN Millennium Development Goals (MDGs).

3.2 Attention is given to the need for the various international donors to integrate their bilateral and multilateral assistance, which is too fragmented at present to be wholly effective. The financial instruments adopted and the impact of assistance itself should be enhanced.

3.3 The need to coordinate with international institutions; the Communication refers mainly to the UN with regard to the impact of climate change.

3.4 Attention is given to regional cooperation and the need to improve (or even develop) sectoral programmes and development plans supported by regional organisations in order to

facilitate an integrated approach to assistance and its management in addition to the region's development strategies themselves.

3.5 Dialogue with local institutions is important in order to define assistance programmes and share responsibility for their implementation.

3.6 Attention is given to improving the efficiency of actions, with emphasis on the need to work with recipient countries to set up shared monitoring, management and implementation mechanisms. More specific information would be required on this point.

3.7 Analysis of the delivery methods of multilateral and bilateral donors, expressing a commitment to adapt aid delivery methods in a way that responds to the difficulties encountered by the small administrative departments of Pacific Island Countries and Territories; attention to the difficulties that recipient countries have when integrating assistance into their national development programmes, which presuppose targeted measures for improving the 'capacity building' of national institutions.

3.8 Concerns are expressed about human rights violations in Fiji, which the Commission intends to pursue, without however specifically mentioning any additional preconditions for the delivery of assistance.

4. Weak points

4.1 The Communication is essentially unclear as to how the EU intends to identify and improve action beyond the short-term objectives, which are important, but incomplete if we intend to make an impact on the region's future sustainability. This is a unique and vast region with a very high number of small or extremely small countries in terms of population, which nevertheless cover an extensive geographical area. These countries have different approaches and different understandings of the need for measures aimed at long-term sustainable development, and a different perception of the rules to apply at the national level and in the territorial and international waters that mark the borders between these countries.

4.2 The EESC considers an integrated long-term approach to be necessary, involving the shared responsibility of all the parties operating in the area, be they international institutions, other countries, or local stakeholders. The Commission's proposal on partnership will have to take account of negotiations on the revision of the new EU budget, the new priorities set out in the post-2015 MDGs, and the process to be launched for new negotiations on the Cotonou Agreement.

4.3 The stated objectives should give greater attention to the integrated development of the Pacific region, to development policies, and to the intervention areas; for example, agriculture and food security are only mentioned in association with implications relating to climate change in the region. The vitality of rural areas depends on agriculture. Although farming is mainly at subsistence level – only sugar cane and palm oil are exported on a significant scale – there is a problem with managing natural resources and using farmland sustainably. The Committee notes that some of the countries concerned lost their preferential status, and therefore jobs, as a result of the 2006 reform of European sugar policy.

4.4 The Communication's focus is mainly on the risks of climate change, a vital question for the survival of some of the countries and the ecosystem (rising water levels, disappearing rainforests, saline aquifers, rising sea temperatures, etc.). This is why the Commission advocates allocating resources primarily to this sector, whereas integrated and coherent programmes for sustainable development and growth should be enhanced, with commitments defined by the recipient countries. To this end, it would be a good idea to involve the private sector, especially for SMEs.

4.5 The EESC points out that an integrated strategic approach to assistance is needed, and the Communication is a good start. The Commission's directorates-general, namely DG DEVCO, DG Maritime Affairs and Fisheries, DG Trade, DG SANCO, DG RTD, and the EEAS should focus on working together, since at present they need to be better coordinated⁽⁴⁾ to improve the coherence of EU policies.

4.6 The fisheries sector in particular, which is vital for all Pacific countries, but also for the EU in view of the level of exports to EU countries (especially of tuna), should be treated as a major concern in measures, in the need to maintain the sustainability of production and the ecosystem and to prevent overfishing, which could compromise the future of the fisheries sector. The EESC endorses EU action taken against illegal fishing by applying the EU regulation designed to prevent, deter and

eliminate illegal, unreported and unregulated fishing (IUU). On the basis of this regulation, the Commission has notified two countries (Vanuatu and Fiji) that they may be identified as non-cooperating third countries in the fight against illegal, unreported and unregulated fishing.

4.6.1 For these reasons, the EU should maintain preferential arrangements with the ACP, as occurred recently with some of the countries in the region⁽⁵⁾, even if in the EU's case, the risk of competition distortion with other operators in the sector needs to be taken into account.

4.6.2 The EESC recognises the objective difficulties in this sector and endorses the three fisheries partnership agreements (FPA) concluded with Kiribati, the Solomon Islands, and the Federated States of Micronesia, but hopes that a comprehensive agreement can be reached with all the countries involved on the rules to be applied in territorial and international waters in the region.

4.7 In the context of coordinating the various measures to support trade, which is quite rightly emphasised in the Communication, the Commission does not mention WTO activities in the region even though six of the Pacific island countries belong to this organisation and benefit from programmes and special treatment.

4.8 Trade (WTO): Fiji, Papua New Guinea, the Solomon Islands, Tonga, Samoa and Vanuatu are members of the WTO, which seeks to ensure a stable and integrated trade system at the regional level through accession agreements in order to maximise benefits and use resources more efficiently and achieve economies of scale.

4.8.1 The WTO worked to set up a Pacific Islands Forum Representative Office in Geneva in 2004 in order to facilitate greater integration of administrative systems and promote capacity building in the areas of trade and the multilateral agenda, which is vital to these small economies.

⁽⁴⁾ Total development and climate change assistance for the Pacific countries and the OCTs during 2008-2013 is about EUR 785 million, i.e. EUR 730 from the 10th EDF and EUR 56 million from the EU budget. Excluding national programmes, EU-Pacific regional cooperation in 2008-2013 amounts to about EUR 95 million in initial funding, in addition to funds from the thematic programme of the development cooperation instrument. The EU-Pacific regional programme seeks to build the region's capacity in terms of economic integration and regional trade (EUR 45 million), civil society support and improving and public finance management (EUR 10 million) and promoting the sustainable management of natural resources (EUR 40 million). Furthermore, the EU has announced the launch of the Pacific Investment Facility to enhance investment in key infrastructure to make the region more competitive in global markets and boost economic growth, reduce poverty and finance green instruments and adjust to climate change.

⁽⁵⁾ See NAT/459, *The situation of the EU tropical tuna fleet and the challenges facing it*; rapporteur, Mr Sarró Iparraguirre OJ C 48, 15.2.2011, pp. 21–26.

4.8.2 It would all the more useful for the EU, also on the basis of the renewed Cotonou Agreement, to establish close and structured links with the representative office in Geneva and the WTO. A coordinated approach is essential, particularly given the limited size of the administrations of many of the countries concerned. This would enable coordination of initiatives to support these economies with technical assistance programmes that are already in operation but not coordinated at the multilateral level. To this we must add a long period of low and unstable economic growth, with huge differences between countries - Papua New Guinea and the Solomon Islands have benefited from higher growth rates due to commodity prices, whereas Fiji and Samoa, which already have weak economies, have had to cope with the consequences of natural disasters ⁽⁶⁾.

4.8.3 Furthermore, specific attention should go to the development of SMEs, the creation of regional assistance services that should be requested and established on a multilateral level using existing WTO, IMF and World Bank resources and programmes, also with respect to rural development.

4.9 The Communication rightly refers to the social risks these islands face due to poor economic development, to the migration of skilled workers who find no local job opportunities and the consequences of climate change. According to World Bank data, the Solomon Islands, Vanuatu, Samoa, Kiribati, Timor-Leste and Tuvalu are classified as Least Developed Countries (LDCs), and experience widespread poverty. Even in Papua New Guinea, the largest Pacific country, over 40 % of the population are living below the poverty line. This data has an impact on the fulfilment of the MDGs and calls for coordinated international action. However, the Communication does not refer to the various UN agencies' work to support economic and social development.

4.9.1 The various programmes of UN agencies are indispensable and should be encouraged by the Commission because they help to create the necessary awareness and capacity building to 'absorb' and enhance assistance from various donors, including the EU. Furthermore, they shift a larger share of responsibility onto the national institutions and social and civil partners and promote the creation of participatory democratic institutions.

5. Rights, democracy, trade union freedoms and the situation in Fiji

5.1 The international financial institutions consider the Pacific islands to be among the most disadvantaged in the

world. They are remote, under-populated, emigration is high, levels of education and training are low and there are significant skills shortages in specific areas of trade and international economic activity.

5.1.1 Above all, the situation seems to be getting especially difficult for young people, due to various factors, including geographic remoteness, economic development constraints (small economies that are not very integrated amongst themselves and small domestic markets), and demographic growth with a rapidly growing young working population ⁽⁷⁾. Australia has launched a seasonal worker support scheme for the most disadvantaged Pacific countries. This is a measure that goes in the same direction and which should be promoted and applied to other countries in the region.

5.1.2 The situation of women is extremely serious and worrying due to widespread exploitation and degradation and scant progress in the search for effective solutions. Women still suffer serious discrimination, due both to their virtual absence from the formal labour market and from politics and to widespread fundamental rights violations involving persistent and widespread acts of violence in all the countries. This is not just a cultural issue; it is also a matter of providing opportunities for employment, integration and participation. Specific reference should be made to the *EU Plan of Action on Gender Equality and Women's Empowerment in Development 2010-2015*, which calls for, inter alia, precise indicators for women's participation in national institutions.

5.2 Respect for human rights and democracy are prerequisites of EU assistance and cooperation policy. These include trade union rights, recognised at the international level in the ILO's eight core conventions.

5.3 The Cotonou Agreement also recognises the fundamental value of respect for human rights and democratic institutions for the establishment of a stable and prosperous economy. Although the Communication is about a regional strategy, it regrettably does not give enough attention to the matter of serious ongoing violations, especially in **Fiji, the region's second island in terms of size and population, as we know.**

⁽⁶⁾ IMF: Regional Economic Outlook, Asia and the Pacific, Navigating an Uncertain Global Environment while building inclusive Growth (October 2011).

⁽⁷⁾ In Samoa, only 500 out of 4 000 young job seekers find work, in Vanuatu, the ratio is 700 to 3 500, in Fiji youth unemployment is around 46 %; see also UNICEF's Investing in Youth Policy, UN Asia-Pacific Interagency Group on Youth (2011).

5.4 The situation in Fiji is in fact unacceptable. The government, led by a military junta since the 2006 coup d'état, launched an aggressive campaign in 2011 to dismantle trade union movements and deprive Fijian workers of their fundamental rights, in breach of ILO Conventions 87 and 98, both ratified by the government. The elimination of freedom of speech, association and assembly, the use of torture and abuse, violence against women and minors and the suppression of the most basic workers' rights make it an emblematic case for the EU. This situation can no longer be tolerated. Despite the application of Article 96 of the Cotonou Agreement, the EESC believes that firmer action is required with respect to Fiji, also with a view to the elections to be held in 2014 and the process of defining the new Constitution.

5.5 The situation in Fiji was again discussed at the ILO Governing Body session held in November 2012, which adopted a resolution on this issue, also in light of the Fiji government's recent decision to expel an ILO delegation on a mission mandated by the ILO Governing Body⁽⁸⁾. There can be no question of the EU addressing this issue in a way that would be inconsistent with the reaction of its Member States, which joined the ILO in its condemnation.

5.6 In this case, conditions for civil society to function are difficult if not inexistent. The most basic civil society rights are clearly being breached, against all democratic principles, and the EESC cannot accept procrastination in the face of such violations. The EESC needs to relay its position to the other EU institutions and act in consequence⁽⁹⁾.

5.7 We need to intervene more decisively, both directly and at the bilateral level, when defining the prerequisites for the delivery of EU assistance, thereby affirming that on the issue of human rights, EU Member States are united and consistent with the Union's founding and non-negotiable principles.

6. The role of the social partners and civil society

6.1 The EESC believes that civil society participation is the foundation on which various forms of partnership should be built in order to achieve the goals of economic and social cohesion. Its role is even more important with regard to respect for human rights and democracy, which is a condition for benefiting from the EU's assistance and cooperation policy.

6.2 The participation of organised civil society is a priority objective also in this area despite at least two objective limitations; the first is the unique geographical configuration, the islands' vulnerability and their widely-spread populations, which makes the exercise of this right very difficult; the second concerns the exercise of democracy and the active participation of organised civil society in the business of the institutions.

6.3 The EESC nevertheless calls for every effort to be made to involve the representatives of local communities in defining, implementing and monitoring EU projects, especially if connected with environmental protection, social and civil dialogue, development and the defence of rights and democracy.

6.4 The EESC calls for swift action to establish an EU-Pacific partnership, involving organised civil society, so that the region's problems as a whole can be addressed more effectively⁽¹⁰⁾, and to provide for the establishment of a committee for monitoring the programmes, as a fundamental aspect of participation.

7. The Communication's recommendations for actions: comments

7.1 The EU's recommendations for actions, with the risks of climate change as the priority for the Pacific region, can only be partially supported due to the absence of an integrated approach to the region's sustainable development.

7.2 It is necessary to facilitate and seek an enhanced coordinated approach between the EEAS and the various Commission DGs in order to identify coherent and strategic programmes that focus available resources on protecting the environment and fisheries, but also on integrated sustainable development and rural development programmes.

7.3 The EESC supports the view that dialogue with local institutions has to be strengthened. However, more systematic civil society involvement must be ensured in the form of a permanent panel for assessing assistance and studying its impact.

⁽⁸⁾ Trade Union Congress Press Release about Fiji of 19.9.2012 and subsequent ILO report under preparation.

⁽⁹⁾ See letter of the Council.

⁽¹⁰⁾ EESC opinion on *The role of civil society in the Multi-Party Trade Agreement between the EU, Colombia and Peru*, OJ C 299, 4.10.2012, pp. 39–44.

7.4 The EESC believes that the continuity of meetings between all donors and recipients must be ensured in order to guarantee the coordination of programmes emphasised by the Commission. The destination of aid and the evaluation of its effectiveness are still fundamental. In this respect, in addition to advance information and training activities, monitoring carried out through a joint committee, centred round the social and civil partners is important.

7.5 Assessments regarding respect for fundamental rights, the unacceptable situation of women in the region, job scarcity for young people, and the role of civil society in all the countries should, as stated earlier, be strengthened, especially with respect to Fiji.

Brussels, 17 January 2013.

The President
of the European Economic and Social Committee
Staffan NILSSON

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