

THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – STRUCTURE AND FUNCTION

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The Economic and Social Committee is the Consultative Assembly of the European Union, composed of representatives of key economic and social groupings in the Member States; as such, it is an integral part of the European Union's institutional machinery.

The Committee was set up under the Treaty of Rome (1957), and inaugurated in the following year, to involve economic and social interest groups in the establishment of the European Community and to give them an institutional vehicle for conveying their views on all questions of Community interest to the Commission and the Council of Ministers. These views are mainly set out in Opinions, adopted at Plenary Sessions by a straight majority vote and published in the Official Journal of the European Union. They are also available on the Committee's web-site at www.esc.eu.int.

The Committee forms an essential part of the Union's legislative process. Its primary task is to review the desirability and feasibility of Community legislative proposals. Under Article 198 of the Treaty, the Committee must be consulted by the Council and the Commission where the Treaty so provides; it may be consulted by these institutions in all other cases where they consider it appropriate and the Committee may issue an Opinion on any topic on its own initiative in all cases in which it deems such action to be desirable. In 1997, the Treaty of Amsterdam extended the role of the Committee by granting to the European Parliament the right to consult the Committee and ask for an Opinion on any matter at its discretion.

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In accordance with the Treaties of Rome, members of the Economic and Social Committee are appointed for terms of four years; the current term runs from October 1998 to September 2002. They are appointed by the Council on nominations made by the governments of their respective Member States. The appointments are renewable at the end of each term. Members are appointed in their own right as individuals and are not permitted to accept a mandate from any organisation or external body, notwithstanding that they may have been proposed to their government by such an entity. Members are not remunerated for their work or their time; they receive only the reimbursement of their expenses. The Committee currently comprises 222 members, apportioned between the existing Member States as follows:

Austria	12
Belgium	12
Denmark	9
Finland	9
France	24
Germany	24
Greece	12
Ireland	9
Italy	24
Luxembourg	6
Netherlands	12
Portugal	12
Spain	21
Sweden	12
United Kingdom	24

The Nice Summit increased the maximum membership of the Committee to 350 and allocated additional seats to the candidate countries as follows:

Bulgaria	12
Cyprus	6
Czech Republic	12
Estonia	7
Hungary	12
Latvia	7
Lithuania	9
Malta	5
Poland	21
Romania	15
Slovakia	9
Slovenia	7

These seats will be taken up as and when each country is admitted to membership of the Union. No allocation has yet been made for Turkey with which, despite the fact that it was admitted as a candidate country at the Helsinki Summit, formal negotiations have not yet been opened. A further enlargement of the Committee will, therefore, be required on Turkey's accession. On a population basis, Turkey would qualify for 24 seats, in line with France, Germany, Italy and the UK.

Members of the Committee are divided into three socio-economic groups, on a roughly equal basis; these are designated as the Employers' Group (Group I), the Workers' Group (Group II) and the Various Interests Group (Group III). Candidates for membership of the first group are proposed to their respective governments by representative employer organisations, such as the CBI and IoD in the United Kingdom; members of the second group are drawn from the trade unions; the third group comprises representatives of other socio-occupational interests, such as farmers, the liberal professions, consumer associations, environmental lobby groups and other NGOs. Each member may appoint an alternate to attend meetings in his stead.

The Committee organises its work through six sections, each of which deals with a specific area of Community interest. These six sections are:

- Economic and Monetary Union and Economic and Social Cohesion (ECO)
- Single Market, Production and Consumption (INT)

- Transport, Energy, Infrastructure and the Information Society (TEN)
- Employment, Social Affairs and Citizenship (SOC)
- Agriculture, Rural Development and the Environment (NAT)
- External Relations (REX)

Each member of the Committee is attached to at least two of these sections, according to his special expertise, background and interests. Members from countries with a small number of delegates may belong to three sections in order to ensure adequate national representation in every section.

The procedures of the Committee are regulated by its Bureau, which comprises the President of the Committee, the two Vice-Presidents, the Presidents for the time being of the three Groups, the Presidents for the time being of the six Sections and twelve members who are elected directly by the Plenary. Six of the latter are designated as a Budget Group, which monitors the financial affairs of the Committee and advises the Bureau on budgetary matters. All of these appointments are for a period of two years; they are renewable except in the case of the President of the Committee and the two Vice-Presidents. The various positions are rotated between the three Groups and there is always an equal representation of each Group within each category.

When a legislative proposal or other instrument is referred to the Committee by the Council, the Commission or another institution, it is allocated to the most appropriate Section, according to its subject matter. In general, this will be determined by which Council will legislate on the proposal. The Section will then form a Study Group, comprising from six to fifteen members, depending on the importance and complexity of the proposed legislation. One member of the Study Group will be appointed as President and another as Rapporteur. The function of the Rapporteur is to draw up a working document, which will be presented to the first meeting of the Study Group. The Rapporteur may appoint an expert to assist him in his work and each of the three socio-economic Groups may also appoint an expert if they consider it to be necessary; these experts are drawn from outside the membership of the Committee. The Study Group may have as many as three meetings if it so requires; in the event that it needs further meetings, it must apply to the Bureau of the Committee for permission to hold additional meetings. With the permission of the Bureau, some of these meetings may be organised as hearings and may be held away from Brussels, including in locations outside the European Union, where appropriate. Representatives of the relevant DG in the Commission attend the Study Group meetings.

The Rapporteur is tasked with amending the working document between each meeting of the Study Group in order to reflect the consensus of the members. When the Study Group has completed its work, the document is forwarded to the next meeting of the Section as a preliminary opinion. The Sections meet, in general, once per month, except in August. At the meeting of the Section, the preliminary opinion will be debated and members have the opportunity to submit amendments. A vote is taken and, if a simple majority in favour is secured, the document is forwarded to the next Plenary Session as a draft opinion. The Committee meets in Plenary Session about nine times per year. At the Plenary Session, the draft opinion is again debated, written amendments may be submitted and a vote is taken. Provided that it secures a simple majority in favour, the document, with any amendments that have been passed, becomes an Opinion of the Committee. It is forwarded to the other institutions and published in the Official Journal. Any amendments which are rejected by the Plenary but which have secured more than 25 per cent of the votes cast are published in the Official Journal as an appendix to the Opinion.

Where a referral concerns a technical matter which is not likely to be controversial, the Section may appoint a Drafting Group of three members rather than a Study Group, or even a Rapporteur working alone. In cases of urgency, a Rapporteur-General may be appointed, subject to the subsequent ratification of the Plenary Session; in this case, the document goes straight to the next Plenary Session and is not presented to the Section.

Where the subject matter of a legislative proposal concerns areas that fall within the purview of more than one Section, the Committee may appoint a sub-Committee of up to 24 members to prepare the draft opinion; sub-Committees are set up by the Plenary on the recommendation of the Bureau. In this case also, the draft opinion, having been voted on and passed by the sub-Committee, will go direct to the Plenary. This procedure may also be followed if the matter is considered to be one of particular importance. A sub-Committee regulates its own working procedures and may hold as many meetings as it sees fit, without reference to the Bureau of the Committee.

When the Committee decides to make use of its right of initiative, a slightly different procedure is followed. The Sections forward proposals for own-initiative opinions to the Bureau of the Committee. The Bureau decides whether each proposal should be accepted and, where this is the case, stipulates the number of members in the Study Group and the number of meetings the Study Group may hold. The Bureau may decide to recommend that the Plenary appoint a sub-Committee to prepare an own initiative opinion, where it deems this to be appropriate.

The Committee approaches its work of vetting legislative proposals put forward by the Commission from an essentially practical standpoint. Although it is cognisant of the political implications, one of its primary concerns is to evaluate the impact which the legislation may have on businesses and citizens in their daily lives and to point out ways in which the proposal could be improved from that standpoint. Members, particularly those on a Study Group or sub-Committee, will consult intensively with individuals and organisations within their own and other countries who may be affected by the legislation or wish to make representations or contribute expert testimony. In this way, the Committee acts as a source of information for European citizens and makes a substantial contribution to public awareness and discussion of the development, content and impact of EU legislation, actions and initiatives. It also provides them with a vehicle for participating in the Community's decision-making process and assists in making that process more transparent.

The Committee uses its right of initiative in many ways. Sometimes, it will issue Opinions dealing with matters on which the Commission has not put forward any proposals and suggesting areas that might be suitable for legislative action. It may also deal in a general manner with topics that are of wide public concern, such as human rights, health and safety, fiscal harmonisation, governance and security, but where there is no immediate intention to legislate. It is thus able to put an issue on the European policy agenda or provide a framework for European action. At the instigation of M. Jacques Delors, the then President of the European Commission, it played a seminal role in the formulation of the European Social Charter.

As part of its own-initiative programme, the ECO Section issues a series of regular reports on the economic situation in the various Member States. The aim is to determine the extent to which they conform and contribute to a harmonised economic and monetary regime in the European Union, in accordance with Articles 98 and 99 of the EC Treaty. Originally, this initiative was set against the background of the 'multi-lateral surveillance' of economic convergence during the period of transition to economic and monetary union; subsequently, the main purpose of this surveillance has been to ensure closer coordination of economic policies and sustained convergence and to monitor the consistency of Member States' economic policies with the broad economic policy guidelines in the context of the Stability and Growth Pact. More recently, the reports have focussed on the progress which has been made in the implementation of the structural reforms envisaged by the Cardiff process and, since the Presidency Conclusions of the Lisbon European Council set out the EU's mission statement, 'to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion', the initiative has monitored and reported on the progress made in individual Member States towards achieving this new strategic goal. The Section also issues annual

reports on the operation of the Union's Structural and Cohesion Funds and on the economic situation in the European Union as a whole.

The External Relations Section carries out a similar function in relation to the candidate countries, producing reports on the progress which each country has made towards accession, with particular reference to the economic situation, the extent to which each country has adopted the *acquis communautaire* and the potential areas of difficulty in the negotiating progress. Two reports will be issued this year, which will complete the series of reviews on all of the thirteen applicant countries. The section also monitors various forms of pre-accession assistance which the EU makes available to accession candidates and has produced reports on the operation of funds such as ISPA, SAPARD and PHARE. In addition, the Section produces regular reports on relations between the EU and various countries, such as China and Russia, as well as with regional groupings, such as ASEAN, Mercosur and EuroMed. In 2000, an EU-India Round-table was established, to focus on socio-economic issues of joint concern; the EU members of this body are drawn from the membership of the ESC.

As part of its pre-accession assistance procedures, the EU has set up a number of bilateral Joint Consultative Committees (JCCs) with various candidate countries. A JCC is established in accordance with the Europe Agreement and on the decision of the relevant Association Council. The process to set up a JCC is always initiated on a request by the applicant country. These committees consist of an equal number of members from the EU and the country concerned, with two co-Chairmen, one from each side. By a Council Decision, the EU members are all drawn from the members of the Economic and Social Committee. The number of members in each committee is roughly proportionate to the size of the country. Thus, for example, the EU-Turkey JCC has eighteen members on each side while that for Slovakia has six. The delegations on each side consist of equal numbers of representatives of the three socio-economic groups. Each JCC regulates its own procedures. The Committee has set up an Enlargement Steering Committee to coordinate and monitor the work of the JCCs.

The task of the JCC is broadly to improve the preparedness of the applicant country for accession to the EU. The JCC assists the Association Council by giving advice in the form of resolutions, reports, statements, opinions or declarations on economic and social issues related to the Europe Agreement. It also has a remit to promote dialogue and cooperation between the economic and social interest groups of the EU and their counterparts in the applicant country, to supply the socio-economic interest groups in the partner country with information on relevant developments in the accession negotiations and to facilitate contacts with relevant institutions and professional organisations in the EU. A JCC is dissolved at the moment of

accession and representatives from the new Member State are appointed to the European Economic and Social Committee.

Normally, each JCC meets formally twice a year, once in Brussels and once in the candidate country concerned, but more frequent informal contacts take place as required. Each JCC will focus on the issues of particular relevance to the situation of that applicant country, but in November of each year a joint meeting of all the JCCs is held at the headquarters of the Economic and Social Committee in Brussels and this meeting will debate an issue of common interest. There are currently JCCs between the EU and all the candidate countries except Malta, Cyprus and Latvia; Malta has indicated its intention to ask for the formation of a JCC in the near future.

At the request of the European Commission, the Committee set up, in 1994, a Single Market Observatory to supervise the working of the Single Market in practice and, where necessary, to propose improvements. In this context, it issues Opinions that seek to enhance the market's impact; a particular concern is to identify and remove the remaining barriers to making it a reality instead of an objective. One such Opinion, issued towards the end of last year, was on Simplification.² This Opinion highlighted the importance of simplifying the regulatory environment at both European and Member State level and identified simplification as a Single-Market issue. It called for a thoroughgoing, root and branch overhaul of all existing legislation, a reduction in the volume of legislation, exemptions from some legislation for small firms, the codification of the *acquis communautaire*, giving all legislative instruments a finite life and improving the accessibility of the broad body of legislation. A follow-up Opinion,³ issued recently at the request of the President of the Commission, Romano Prodi, laid out an action plan for improving the regulatory environment, advocated the establishment of a Regulatory Assessment Office on the lines of the Office of Regulatory Affairs in the USA, recommended the introduction of systematic Regulatory Impact Analysis for all legislative proposals and called upon the Member States to transpose European legislation into national law correctly and within the set deadlines. The Single Market Observatory comprises eighteen members of the Committee, selected for their experience and interest in Single-Market issues.

One recent initiative taken by the Single Market Observatory was to launch the PRISM database. This project identifies examples of best practice and good initiatives in the Single Market. The results are published on the PRISM web-site which may be accessed at www.esc.eu.int/Omu_Smo/Prism.

² O.J. C48 of 21st February 2002, p130.

³ CES 78/2002.

The Committee also acts as a bridge between the European institutions and organised civil society. In this role, it holds a number of hearings, conventions and seminars at its headquarters in Brussels and at various locations in the Member States, the applicant countries and elsewhere in the world. These events give representatives of organised civil society an opportunity to debate issues of common concern, to be informed of developments in their sphere of activity and to make representations on topics of interest to them. As part of this programme, the Committee participates in and hosts regular meetings with representatives of the ACP (African, Caribbean and Pacific) countries.

The expiry of the European Coal and Steel Community (ECSC) Treaty on 23rd July 2002 involves the winding up of the ECSC Consultative Committee. This Committee has given expert advice to the Commission and the Council on matters related to the coal and steel industries since its inception. In recent years, much of this advice has concerned the orderly running down and phasing out of production facilities in many Member States and the creation of alternative industrial facilities to preserve employment. In the context of enlargement, this will be an on-going requirement. Many of the applicant countries have substantial coal and steel industries, which account for significant levels of employment, but few of them are profitable or, indeed, viable in the long term. A large-scale restructuring exercise will clearly be required in the post-accession period. The Commission has therefore proposed that the work of the ECSC Consultative Committee should be subsumed into the Economic and Social Committee. Negotiations between the Bureau of the two committees are well advanced on a special structure to integrate the work of the ECSC Consultative Committee into the Economic and Social Committee. It is likely that this will take the form of a consultative commission comprising a number of members of the Economic and Social Committee and a number of experts drawn from the ECSC Consultative Committee. It is hoped that this structure will be in place for the beginning of the next four-year term of the Committee, in October of this year. Initially, the delegates from the Economic and Social Committee will be appointed by the Committee's Bureau and those from the ECSC Consultative Committee will be nominated by its Bureau but at subsequent renewals both sets of delegates will be appointed by the Bureau of the Economic and Social Committee. The consultative commission will issue opinions on matters that fall within its remit through the Plenary Session of the Economic and Social Committee, in much the same way as the Sections of the Committee. This represents a major extension of the role of the Committee in the European Union.

The concept of an Economic and Social Committee is not familiar in the U.K., where there is no parallel organisation at national level. The same is true of Germany. As a result, the need for its existence at the European level is often questioned in these countries. In fact, a body such as this is essential in order to

give democratic legitimacy to the European legislative process. We hear a great deal in Europe today about the 'democratic deficit'. To a large extent, this stems from the fact that the sole right of initiative is vested in the Commission, an unelected body whose workings are far from transparent. In most, if not all, Member States, the right of initiative rests with the parliament, which is a democratically elected body. Citizens are involved in the democratic process by virtue of electing the members of parliament. There is no such perceived involvement at the European level because, despite some recent moves towards increased co-decision making, the European Parliament is still seen, correctly, as lacking legislative power. The ESC represents a forum whereby citizens can be involved in the legislative process. At present, it is the only institution capable of fulfilling this function. The Committee of the Regions (COR) cannot do this because its members, although drawn from elected officials in the Member States, are not elected to the COR; they are appointed to those positions by their national governments and those appointments are made by the government at its own discretion and not on the proposals of civil society organisations; moreover, there is no requirement for any balance in the representation of the various elements of civil society in the composition of the COR, as there is with the ESC. The balance in the COR is political rather than social and, because its members belong in the main to political parties, they are effectively mandated by those parties and do not have the same degree of individuality and independence as the members of the ESC. The ESC is uniquely qualified to represent civil society in the European legislative process precisely because it is an a-political body.

Many Member States, such as France, Italy and Spain, have found it necessary or desirable to have Economic and Social Committees in order to involve their citizens more closely and directly in the legislative process, despite the fact that they have democratically-elected parliaments with full legislative powers. It provides an additional form of participation to that offered by parliament, more transparent, more balanced and closer to local experiences than other forms of functional representation. The need is even greater at the European level, where the representative institution, the European Parliament, has limited legislative impact.