



*European Economic and Social Committee*

**REX/297**  
**Transatlantic relations and**  
**the international**  
**promotion of the ESM**

Brussels, 21 October 2010

**OPINION**

of the

European Economic and Social Committee

on

**Transatlantic relations and the international promotion of the European social model**  
(own-initiative opinion)

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Rapporteur: **Ms Batut**  
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On 14 July 2009, the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

*Transatlantic relations and the international promotion of the European social model.*

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 September 2010.

In view of the renewal of the Committee's term of office, the Plenary Assembly decided to vote on this opinion at its October plenary session and appointed Ms Batut as rapporteur-general under Rule 20 of the Rules of Procedure.

At its 466th plenary session, held on 21 October 2010, the European Economic and Social Committee adopted the following opinion by 110 votes to 34, with 16 abstentions.

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## 1. **Summary and recommendations**

1.1 The EESC is supportive of the gradual integration of the Euro-Atlantic free market and wishes to deepen Euro-American relations and in particular to place emphasis on the social context in order to anticipate the consequences of transatlantic economic integration, thus ensuring that both America and Europe draw equal benefit from it and that both emerge from it more competitive, particularly in relation to the emerging economies.

1.2 The EESC draws attention to the fact that the signatories to the Treaty of Lisbon chose to promote the European social model (ESM) because they saw it, because of the globally unique constellation of economic and social elements that make it up, as a basis for successful development<sup>1</sup> and a powerful shock absorber for the populations affected by the current crisis. The EESC would like the legitimacy of the following to be developed as part of transatlantic dialogue:

- 1) European identity,
- 2) European values and culture, including environmental protection,
- 3) the EESC, which represents organised civil society in the European Union through its members.

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<sup>1</sup> As demonstrated in the increases in GDP in the Member States since the creation of the EU. See also footnote 6.

- 1.3 The European social model is symbolised by collective social protection systems, public services and social dialogue. **The EESC invites all EU institutions not only to represent this model, which citizens identify with, but also to promote it wherever possible, particularly in transatlantic dialogue.**
- 1.3.1 Furthermore, making the social aspect one of the EU's general priorities would enable Europeans to be present and better prepared to do this within the framework of the existing dialogues, both the TEC and the TALD<sup>2</sup>.
- 1.3.2 In order to encourage greater awareness of the European Union's social values in the United States and ensure that increased understanding between both sides of the Atlantic ultimately leads to convergence in the advancement of their social interests, and in order to promote social understanding, the EESC would like the EU to inform American civil society about the "European social model". The TEC and the TALD could be one way of achieving this. For the EESC, "promoting" the ESM<sup>3</sup> entails raising the EU's profile in the United States.
- 1.4 In addition to new financial regulations, the EESC calls for the Euro-Atlantic zone to develop common rules on ratings agencies and new competition rules that are more respectful of citizens' interests. It expects the EU to adopt strong positions which guarantee people's standard of living, and it expects transatlantic dialogue to listen to civil societies on both sides of the Atlantic.
- 1.5 It is a question of promoting dialogue with civil society organisations and the world of work both internally and as part of relations with business representatives, beginning in the existing Euro-American bodies. The European Commission, which has increased its aid for dialogue from EUR 600 000 to EUR 800 000 for 2011/2012, could help to facilitate this. **The EESC would be ready to organise a Euro-American civil society council with its American counterparts.** Ways need to be found between the two civil societies to give a voice to workers and to develop information and consultation measures, above all in this critical period following the 2008 financial crash. The EESC considers that this crisis, which has now been going on for three years, could have been averted had there been more civil and social dialogue and more transparency.
- 1.5.1 The objectives of transatlantic dialogue should include learning from each other and contributing in practical terms to promoting human, political and civil rights, but also economic and social rights. People's economic and social rights should be presented by the EU in the transatlantic dialogue as an integral part of its own position.
- 1.5.2 The EESC believes that dialogue between Europe and the United States would be enriched by discussing social matters which are so crucial for the cohesion of societies on both sides of

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<sup>2</sup> TEC: Transatlantic Economic Council; TALD: Transatlantic Labour Dialogue.

<sup>3</sup> CESE 973/2006, OJ C 309, 16.12.2006, pp. 119–125; CESE 970/2010, not yet published in the Official Journal.

the Atlantic: for example, initial and lifelong education, which are both national and "federal" competences, are crucial to the knowledge-based service economy in both societies. With a view to creating jobs and raising Europeans' standard of living, productive investment and innovation should be placed at the top of the political agenda, since this is an area in which the United States has developed a capacity for creation and promotion way ahead of Europe.

- 1.5.3 The EESC believes that jointly established indicators would allow evaluation and comparison of the social and working conditions of both sides in the dialogue.
- 1.6 The EESC sees the question of migration as important for democracies and believes that it should be the subject of transatlantic social dialogue, possibly with the involvement of the European Integration Forum (EIF).
- 1.7 The EESC believes that transatlantic dialogue could accelerate the growing awareness of the need for sustainability and environmental protection and that the two civil societies and their consumers have a role to play here.
- 1.8 The EESC would like to be innovative by including the representatives of organised civil society in transatlantic dialogue on an institutional basis. It believes that, in this dialogue, the EU must, at last, take a more "European" stance on social issues. In the Committee's view, all phases of transatlantic dialogue should take account of the social dimension.
- 1.9 By adopting a cooperation programme and setting up the TEC<sup>4</sup>, both sides have committed themselves to stepping up genuine integration with a view to achieving a unified transatlantic market by 2015<sup>5</sup>. There are numerous obstacles, especially legislative ones, but the objective has been set and the EESC wishes to look ahead to ensure that the historical European choices which have shaped its European social model<sup>6</sup> do not disappear. European and American societies, which are united by their fundamental values, are not so easy to integrate socially. Europeans acknowledge the need to change some aspects of the model as a result of the current economic crisis, but with the aim of safeguarding its principles more effectively in the long-term.

## 2. **Economic integration**

- 2.1 The United States is the engine of the North American economic area created under the NAFTA agreement. The Member States of the European Union and the United States

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<sup>4</sup> Agreement signed at the White House by George W. Bush, Angela Merkel and José Manuel Barroso.

<sup>5</sup> EP resolution "State of transatlantic relations in the aftermath of the US elections", 26 March 2009.

<sup>6</sup> References to the European social model: see the Preamble to the Treaty of Lisbon, "Confirming their attachment to fundamental social rights as defined in the European Social Charter signed at Turin on 18 October 1961 and in the 1989 Community Charter of the Fundamental Social Rights of Workers ..."; see TEU Articles 3, 6, 32; see TFEU, Article 9 and Title X; see the Treaty of Lisbon – Charter of Fundamental Rights, Articles 28, 34, 35, 36.

together produce 60% of global GDP and account for 40% of world trade and 62% of the total stock of direct investments. Seven million jobs on both sides depend on transatlantic relations.

- 2.2 In a study<sup>7</sup> published before either side was hit by the crisis, the OECD estimated that full integration of the two economies could produce 3% growth for each partner, affording them economic leadership over almost every other country in the world.
- 2.3 The EESC believes that the crisis could transform Euro-American relations and that a discussion on the models should be held by the social partners as a matter of urgency in the context of the TEC and the TALD. It is possible that the crisis might delay integration and provide a space for exploring issues such as the utility of dialogue institutions, which are uncommon in the USA, or immigration, which both sides need to address from a social and employment perspective, as a way of forming a pool of labour to compensate for population ageing.
- 2.4 It is generally accepted that the EU and US recovery plans are not compatible, but the consequences of both have been the same: to increase public deficits, strengthen public action and step up demand for controls and the redistribution of wealth. These differences and common aspects could be taken up in the TALD and the consultative bilateral structure that is to be created.
- 2.4.1 The impact of the crisis is discussed at the highest level (EU/US summits) as are numerous other topics as part of the existing dialogue between the Commission and its partners within the US administration and the US agencies responsible for finance, the economy and the domestic market. In Europe, civil society is suffering as a result of the lack of regulation of banking practices and rating agencies<sup>8</sup> and their lack of transparency. Furthermore, it is paying for the recovery plans and, whilst one of the objectives of the treaty is "to promote economic and social progress" for the peoples of Europe, the public is seeing social protection being scaled back because it is deemed too costly. It is the financial systems which have failed and severely damaged the real economy. They have brought added problems to those of the social systems which were already suffering from the lack of growth and employment. The EESC is aware that protectionism is not synonymous with jobs and thus supports unfettered trade and investment, provided that social rights are not neglected. However, the high-priority exercise of rebuilding trust must be achieved through new, smart regulation of the financial markets. For the EESC, another priority of the transatlantic dialogue must be to promote the social dimension of the economy and trade. The EESC would like the EU's representatives in transatlantic dialogue, in their capacity as the public's representatives, to continue to promote the ESM in economic and trade matters. The Commission, for its part, acts in accordance with the Treaty and ensures the implementation of its provisions.

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<sup>7</sup> OECD, Economics Department, 2005, "The benefits of liberalising product markets and reducing barriers to international trade and investments: the case of the USA and the EU".

<sup>8</sup> CESE 885/2009, chapter 1, OJ C 277, 17.11.2009, pp. 117-124.

- 2.4.2 The EESC believes that it would be useful for economic links to be strengthened between both sides of the Atlantic and for economic solidarity to be established among the EU's Member States. These two steps would encourage a return to economic growth and development, whilst giving equal weight to developing the social aspect. The Europeans would therefore have material to discuss within the framework of a civil society dialogue.
- 2.5 The public is not well informed about the proposed transatlantic marketplace<sup>9</sup>. The North American integration experience (NAFTA) gave low priority to social and environmental aspects, with no attempt to promote decent work on either side. An evaluation is called for: in the USA, Canada and Mexico, the environment has deteriorated, wages have fallen and jobs are being lost to China. For its part, European integration has generated wealth (an increase in GDP) but has also led to the closure of mines and shipyards, the loss of the iron and steel and textile industries and restructuring of whole sectors including fishing, agriculture and the automobile industry. However, from the beginning of the Common Market, a number of compensations were factored in. The EESC calls for an opportunity to anticipate and discuss the social and environmental consequences of the current integration (e.g. GMOs). They are already being felt in some areas, specifically in relation to jobs in the cinema industry and the protection of personal data in SWIFT.

### 3. **The possible effects of transatlantic integration**

- 3.1 The economic and trading structures of the EU and the United States are quite similar. The first possible effect would be greater competition, less in terms of costs than of product quantity, quality and differentiation. The dollar exchange rate has allowed the USA's exports to regain competitiveness. Interest rates are lower in the United States and the Fed is quicker to respond than the ECB. In the absence of any radical change, the euro area would not currently have the necessary reaction capacity to develop into a large transatlantic market.
- 3.2 Integration could have an impact on labour costs and conditions; it would lead to greater insecurity made all the easier by increased flexibility in the labour market, stronger wage restraint, intensive relocations, within a strategy of competitive disinflation. Europeans are afraid of the downward pressures on their social, health and environmental standards, their living standards and their level of employment, whereas such integration ought to benefit both sides. Improved economic performance and productivity are part of the solution, but some of those who lose their jobs will not find another one. The Member States, which rebuilt themselves after the war on the basis of a strong internal socio-economic consensus, are already suffering from the tensions stemming from the divergence of their respective systems, which have been thrust starkly into relief since May 2010 with the speculation on their common currency.

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<sup>9</sup> The initiative, presented jointly by commissioners Leon Brittan (external trade), Martin Bangemann (industry and telecommunications) and Mario Monti (internal market) in March 1998, concerned EU/USA relations and had four elements – a free trade area for services; elimination of technical barriers to trade, especially on the basis of mutual recognition agreements; liberalisation of public procurement, intellectual property and investments; possibly the gradual elimination of customs duties on industrial products by 2010. It has since been delayed until 2015.

3.3 Against the backdrop of a more fragmented production process<sup>10</sup>, the emerging economies could be the main winners of transatlantic integration, intensifying competition between the two biggest economies in the OECD area. For the EESC, this is one of the issues that must be discussed as a priority in any transatlantic dialogue.

#### 4. **Integration arrangements**

4.1 The creation of a Euro-Atlantic bloc cannot be achieved by keeping the people concerned in the dark. The EU could proceed democratically here and promote dialogue with the public and the world of work both internally and within the Euro-American bodies created for this purpose. The European Commission could help to facilitate this by allocating still more resources on top of recent increases<sup>11</sup>. The EESC would be ready to organise a Euro-American civil society council with its American counterparts.

4.2 Furthermore, the EESC believes that, in line with the Lisbon treaty, transatlantic integration should be subject to a public consultation. Unless there is a clear position by the decision-making institutions on promoting the European social model internationally, any Euro-Atlantic integration runs the risk of breaking up the European "social pact" and the public must be consulted.

4.3 The EESC would like the legitimacy of the following to be developed as part of transatlantic dialogue:

- 1) European identity,
- 2) European values and culture, including environmental protection,
- 3) the EESC, which represents organised civil society in the European Union through its members.

#### 5. **Banking regulations**

5.1 Urgent reforms of the globalised economy are required. The EESC finds it regrettable that reform of international financial institutions is progressing so slowly, to the detriment of fair competition and general social equilibrium.

5.2 There is an urgent need to work together to define common standards for rating agencies in order to avoid their actions having negative repercussions<sup>12</sup>: A short time ago they were awarding good ratings to banks which caused the crisis and now they are giving bad ratings to

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<sup>10</sup> Deindustrialisation is continuing both in Europe and in the United States, where, over the past decade, manufacturing jobs have fallen by 30% and the United States' share of world trade has dropped from 13 to 9%. Relocation of production continues in the EU. See study on working time by Rones et al, 1997, quoted in "Revue Internationale de l' IRES" No 54, 01.2001.

<sup>11</sup> In 2009, the European Commission's DG Relex launched a call for proposals of EUR 800 000 for civil society projects encouraging dialogue between the EU and the USA.

<sup>12</sup> CESE 885/2009, OJ C 277, 17.11.2009, pp. 117-124.

countries on account of the debts and deficits they have run up by bailing out the very same banks, for which the public will pay. The actions of the banks and rating agencies are two points which civil societies in the EU and the USA could discuss in the transatlantic dialogue.

## 6. **Freedoms and human rights**

- 6.1 Some principles, although generally accepted, are not respected in the same way by both sides: freedom of travel is not treated in the same way by all Europeans and by the Americans. There should be greater harmonisation as regards visas, passports and security checks on the basis of a jointly defined model.
- 6.2 SWIFT<sup>13</sup> is an illustrative example: in its legislative resolution of 11 February 2010<sup>14</sup>, the European Parliament opposed the renewal of an agreement on the processing and transfer of EU bank data to the USA by SWIFT. What was at issue was whether or not the USA should have direct access to European servers for the purpose of counter-terrorism surveillance. The EP's new powers allowed it to put into perspective this bulk transfer of Europeans' confidential bank transfer data, which equates, de facto, to the loss of the rights and guarantees they enjoy under European national and Union law. MEPs wished the European Union to set out its vision of the transatlantic market in relation to the protection of civil rights, preferring to move towards a more European system, with a new role for Europol and a right to redress for individual citizens. Although the guarantees still fall short, the agreement signed on 8 July 2010 does include a yearly review mechanism. This is very much in line with Commissioner Barnier's wish that the internal market "must serve a society-based project, defined collectively by the European institutions"<sup>15</sup>. Through this Opinion, the EESC is calling for the same thing: for the European Union to set out its own conception of the transatlantic market and to promote its ESM with due regard for its large American neighbour.
- 6.3 The right to life and bioethics, areas where the EU adopts progressive positions, should be protected and supported by a joint agreement outside trade agreements.
- 6.4 **The EESC would like the transatlantic partnership to make a contribution to respect for human, political, civil as well as economic and social rights.** The United States has a long history of promoting civil and political rights and the European Union has added the development of economic and social rights. The interest of both continents lies in the political willingness to ensure that all their citizens and residents benefit from the full scope of rights and possibilities in place on each side.

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13 SWIFT : Society for Worldwide Interbank Financial Communications, an American company, governed by Belgian law, which manages international exchanges of financial data concerning more than 200 countries.

14 EP (05305/1/2010REV1-C7-0004/2010-2009/0190(NLE). SWIFT Agreement II, EP 8.7.2010 (11222/1/2010/REV1 and COR1-C7-0158/2010-0178-(NLE)).

15 Discussion held on 17.3.10 by Euractiv.fr with the Commission's Permanent Representation in Paris, and the support of the Depositary Trust and Clearing Corporation, in *Questions d'Europe* N° 165 of 6.4.2010 Fondation Robert Schuman.



## 7. **Social rights**

- 7.1 The EESC has already noted that transatlantic "social" dialogue has yielded little<sup>16</sup>. Social rights appear to be included under the term "fundamental rights", but the meaning is actually that of civil and political rights.
- 7.2 The EESC believes that it is not enough on its part to reiterate regularly that the United States and the EU share the same values and that, beyond the economy, they are united by the defence of liberty, democracy and human rights. The EU should consistently point out in its external action that social rights are also "fundamental" rights and integral to its own positions. The EU's basic texts include a "horizontal social clause" which states that in defining and implementing its policies and activities, the Union "shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health"<sup>17</sup>.
- 7.3 It is the "social state", social systems and respect for social rights inherent in human rights that distinguish Europe from other continents.

The ESM combines protection of public freedoms, mechanisms of the social market economy and a positive approach to public action. It comprises three pillars: collective social protection systems, public services and social dialogue. It encapsulates the "European Way of Life". The EESC finds it regrettable that this is not promoted by the EU. All of these aspects are mentioned in the Lisbon treaty. This model must be promoted politically — inter alia, in the transatlantic negotiations — by stressing that Europe means "wellbeing for all". The EESC believes that the EU must insist that the components of this social state be given a central place in Euro-Atlantic discussions, because failure to do so would be detrimental to Europeans and to Europe's identity and diversity.

## 8. **Social protection systems**

- 8.1 Europeans have accepted a certain redistribution of national wealth through national systems of collective social protection, which has been weakened as a result of the increased globalisation of trade. By not defending the European social model, the EU runs the risk of ensuring its demise. The whole of society experiences a better quality of life when working time is limited, thus allowing more time for the family, one of the pillars of European society. The provision of extended periods of paid maternity and parental leave to aid young children's development, and intensive care and help for the elderly do not represent free hand-outs from the State, since heavy one-off costs are avoided and spread out through the contributions and/or taxes paid by the beneficiaries over many years.

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<sup>16</sup> CESE 638/2009, OJ C 288, 22.9.2009 pp. 32-39.

<sup>17</sup> TFEU, Article 9.

- 8.2 Transatlantic relations are presently unequal in this respect. The USA is currently a federation of states without a social state (either at federal level or within individual states) but considering social changes (see the federal law on health insurance); the EU has social states at national, but not yet for all three pillars at the "federal" level, which recommends convergence objectives through the open method of coordination. The EESC believes that this inequality between the EU and the USA should not be removed by scaling back the ESM. The EESC is concerned about the durability of the rights of Member States within the framework of transatlantic integration if there is no Community action and no political will to promote the European model, particularly during the current crisis.
- 8.3 The EESC believes that the transatlantic social dialogue it is calling for should tackle the challenge of "opening up/security" which is at the heart of the changes currently under way. At issue is the wellbeing of 300 million people on one side of the Atlantic and 500 million on the other.
- 8.4 Social systems in Europe are often the equivalent of state budgets. The 16% share of American GDP devoted to health spending is high for a coverage that is more limited than that of Europe, which is provided with lower costs (average of OECD countries: 8.9% of GDP). Their mass enables the real economy to function and they are a crucial way of softening the impact of a crisis for the state and the public, unless private, funded schemes are used, invested in financial instruments which are subject to the vagaries of the market. The EESC believes that the decision-making authorities should prevent a situation wherein full opening up to competition within the framework of a major integrated European-American economic zone weakens citizens' protection. The EESC therefore welcomes the successful efforts of the current American administration to establish an innovative health insurance system in the United States.

#### 8.4.1 **Health**

- 8.4.1.1 The EU's objective of upward social convergence together with the principle of preventing social regression enjoys public approval and must be maintained. European women would, for example never accept a reduction in their rights to maternity leave, which is very short, and sometimes unpaid, in the United States.
- 8.4.1.2 The EESC believes that dialogue between Europe and the United States would be enriched by discussing these matters, which are so crucial for the cohesion of societies on both sides of the Atlantic. American society is strongly divided over the proposal for regulated, socialised health care funded from tax revenues and subject to control by elected representatives. The EESC believes that this may point to a lack of information about the European model which, without being entirely centralised, offers collective, solidarity-based guarantees to all, including non-EU citizens, on the basis of systems of universal sickness cover which contribute to GDP. The EESC would like the EU to inform American civil society about this. Civil society dialogue could be a way of doing so.

## 8.4.2 Pensions

8.4.2.1 As for other aspects of social protection systems, differences exist and the impact on the economy as a whole is significant. The representatives of civil society should be given a voice on this matter in Euro-American dialogue, considering the changes that may affect them as a result of trade agreements integrating the two communities.

## 8.4.3 Unemployment

8.4.3.1 All EU Member States have public systems of unemployment benefit. The integration of the Atlantic zone runs the risk of introducing, in the name of competitiveness, greater flexibility without greater security. Europeans, like Americans, may fear that their situation will worsen<sup>18</sup>. In the United States, the situation of workers has deteriorated since 1970. With the crisis, job insecurity is on the rise on both sides of the Atlantic, together with the number of "working poor". Confronted with a historic economic crisis, there are fears on both sides of the Atlantic that the situation will get worse if flexibility is increased. The EESC believes that flexicurity can sometimes help employees, when the promised security is delivered, but that nothing can replace a stable job with a decent salary and pension. The European Union has a tradition of social dialogue that takes into account the respective interests of participants. It has texts on social dialogue and it has institutions. Representative, "battle-hardened" employers' and employees' organisations are required in order to carry out negotiations.

## 9. Public services<sup>19</sup>

### 9.1 Education

9.1.1 Fee-paying universities in the United States are recognised as the best in the world and are highly sought after by Europeans as a place to study and to teach. Like Europeans, Americans think that the jobs of the future will go to "well-trained and highly-skilled workers".

*"They will be best positioned to secure high-wage jobs, thereby fuelling American prosperity. Occupations requiring higher educational attainment are projected to grow much faster than those with lower education requirements, with the fastest growth among occupations that require an associate's degree or a post-secondary vocational award."*

*[Executive Office of the President of United States - CEA Council of Economic Advisers in "Jobs of the Future".]*

9.1.2 Training is the bridge to the future. In Europe, where education is generally free, cuts in public services and constraints on national fiscal policies have given rise to greater inequality

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18 "Middle Class in America".

19 CESE 1693/2009, OJ C 128, 18.5.2010, pp. 97-102.

of opportunity. With the Lisbon Strategy, the EU advises its Member States to gear their universities and perhaps also their secondary schools to the needs of businesses.

- 9.1.3 The EESC believes that education for all, the gender equality it ensures, and work/family balance should guarantee people access to all avenues of opportunity. This, together with lifelong education and ways to finance it, is a possible topic for discussion and dialogue between societies on both sides of the Atlantic, with a view to ensuring that the knowledge-based service economy benefits both societies and finding ways to take account of those who are excluded from it.

## 9.2 **General Agreement on Trade in Services (GATS)**

- 9.2.1 EU citizens have fought to save their film industry and to maintain the special nature of European culture in the face of the risks incurred as a result of the global liberalisation of services. Defending European identity requires more dialogue between cultures in order to preserve the richness born of diversity: many issues are related to this, such as employment, heritage conservation, and the development of innovation and creativity.

- 9.2.2 Culture is not just a commodity. The EESC believes that it must form part of transatlantic civil society dialogue.

## 9.3 **The special case of immigration and integration**

- 9.3.1 These two ageing societies must manage their immigration. The challenge is to reconcile an ageing population with the need for labour, while finding a threshold of tolerance for societal cohesion. This depends on integration policies, which must be viewed over the long-term, with a global, two-way approach, involving immigrants and the host society<sup>20</sup>. There are strong external pressures. The EESC sees the question of migration as important for democracies and would like it to be the subject of transatlantic social dialogue, possibly with the involvement of the EIF.

## 10. **Social dialogue**

- 10.1 This is one of the points on which the two societies are most dissimilar. Social dialogue which became imperative in European history now has a cultural value: this is something that Americans do not have, which deprives them of the means to be heard. Further progress is needed between the two societies to give employees a voice and develop information and consultation, especially in this critical period following the 2008 financial crash. The EESC believes that jointly established standards especially working hours and social benefits, are required to evaluate and compare the social and working conditions of the two blocs, with a

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<sup>20</sup> CESE 518/2010 fin ri and CESE 1172/2010, not yet published in OJ.

view to obtaining a clear picture of the competitiveness of each side, as long as the globalisation of trade uses wages as a variable.

- 10.2 A 2009 EP resolution envisaged a policy mix involving the US congress and close ties between the US and EU central banks. However, the ILO conventions have not been ratified by the United States. One study<sup>21</sup> paints a picture of an American world of work where fundamental protections, such as the right to be paid a minimum wage, the right to be paid for overtime, to have lunch breaks, accident allowances, or the right to request better working conditions, are denied to a significant number of workers.
- 10.3 The EESC believes that transatlantic social dialogue currently pays too little attention to listening to the concerns of representatives of civil society and workers in particular.

## 11. **Environment**

- 11.1 An American policy for the environment would have an impact on budgetary choices and employment. The EESC believes that transatlantic dialogue could accelerate the growing awareness of the need for sustainability and that civil society and consumers have a role to play here in "greening" the economy.
- 11.2 The EU and the United States should together be able to develop new industries responding to renewable energy needs. California and Portugal have made the same choices as regards the role to be given to solar and wind power. The EESC believes that it would be disastrous for the future of both powers to come up with ideas and then to use Chinese technologies (as in the case of photovoltaic technology).

## 12. **Institutions**

- 12.1 The previous EESC opinion on transatlantic relations referred to a number of possible developments in the TALD and the TEC.

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<sup>21</sup> Under the direction of Annette Bernhardt, Ph.D., Policy Co-Director, of the National Employment Law Project NELP.

12.2 The EESC wishes to find innovative ways of including representatives of organised civil society in a transatlantic civil society dialogue in an institutional framework. Any dialogue, report, study or agreement developed as part of transatlantic relations should include a chapter on the social impact of planned measures, beyond the creation of jobs. The Member States have not yet provided the EU with an integrated social policy, but it does in fact have a genuine common model and could promote its point of view in dialogue with the United States. The EU must promote its ESM by developing a higher profile in the United States.

Brussels, 21 October 2010.

The President  
of the  
European Economic and Social Committee

Staffan Nilsson

**N.B.:** Appendix overleaf

**APPENDIX**  
**to the opinion of the Committee**

The following amendment, which received at least a quarter of the votes cast, was rejected:

**Point 1.4**

Amend as follows:

*"In addition to new financial regulations, the EESC calls for the Euro-Atlantic zone to develop common rules on ratings agencies and new competition rules that take better into account societal expectations, are more respectful of citizens' interests. ~~It expects the EU to adopt strong positions which guarantee people's~~ It considers it vital to put competitiveness as a top priority on the political agenda in order to create new jobs and to ensure that citizens not only maintain but improve their standard of living, ~~and it expects transatlantic dialogue to listen to civil societies on both sides of the Atlantic."~~*

For: 66  
Against: 76  
Abstentions: 21

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