

ENLARGEMENT

Enlargement and Civil Society

1999 Conference Proceeding



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*Proceedings of the European Commission sponsored
Caritas Conference Brussels, 18-22 October 1999*

Introduction

In October 1999, Caritas Europe organised a conference on the enlargement of the European Union for its central and eastern European members working in the areas of social welfare and civil society. The conference was co-financed by the European Commission's Enlargement Directorate General, on whose advice the conference was opened to other organisations and NGOs. An average of four delegates was invited from each of the 10 central and eastern European countries.

The main aim of the conference was to give a comprehensive overview of the European Union's enlargement procedures and programming. To this end, speakers were invited from all Commission Directorates General (DG) which are in some way connected with enlargement: the DG for Enlargement, the Human Rights and Democratisation Unit of the DG for External Relations, the DG for Employment and Social Affairs, the DG for Agriculture, the DG for Regional Development and the DG for Education and Culture. Furthermore, the conference participants visited the European Parliament where, as well as taking part in the visitors' programme, they received presentations from four MEPs who are members of Joint Parliamentary Groups.

The second aim of the conference was to put candidate country organisations in direct contact with officials in key positions in order to exchange information on matters which lie at the core of their activities. This objective was attained in two ways.

Firstly, on the first day of the conference - the pre-conference day - participants were provided with the newly issued Accession Partnerships in which the short, medium and long-term priorities for accession for each specific country were outlined. The participants were given the opportunity to study and discuss the documents among themselves and were invited to present their findings during the afternoon session. Later in the week, they met with the DG for Enlargement desk officers and were able to discuss their findings bilaterally over a two-hour period. During many of these discussions, the ground was prepared for further cooperation in the future.

Secondly, the Commission and Caritas Europe (the joint conference sponsors) were able to arrange bilateral meetings with nearly all of the central and eastern European missions to the European Union. Since these meetings took place at the end of the conference, members were already well-briefed on enlargement procedures and were able to place their concerns in a European context. Again, the foundations were laid for constructive exchanges of information in the future.

The purpose of this brochure, which is an abstract of the main speeches given at the conference, is two-fold

- to provide a permanent record of the proceedings
- to enable a wider public - journalists, parliamentarians and citizens - to learn about the social, regional and educational programmes which form part of the texture of life in a Member State.

Opening Speech

It is a great pleasure to open this enlargement conference to so many friends from Central and Eastern Europe who I know are very committed to our common cause of creating more justice and a better society in the new Europe. We cannot concern ourselves with questions of a technical nature without also addressing deeper questions, on the meaning and the future of Caritas's work in Europe. Caritas Europa has organised this conference in this perspective - to forge social justice and contribute to humanising European society.

The conference programme is very tight and packed with information but let me stress also that this is not meant to be a one-directional approach, just to teach you about specific issues, we will also have an opportunity to discuss and, through this discussion, to build Caritas Europe. Caritas Europe is not just what is on the programme and what the Directors decide at their conferences, it is what you are doing and what we are doing together. However, this is not an exclusive show of Caritas Europe; we have both wanted and been encouraged by our partners in the European Commission to open the list of invitees to our friends and partners in the countries concerned and I am delighted to welcome them all.

Back to the programme, the overall idea is to foster the effectiveness and the efficiency of our work, mainly in the area of social policy. The conference is not only about European Union enlargement and its technical aspects, it is about what this process will bring. It is about the negative and hopefully also the positive aspects for both sides: both sides, meaning the European Union, for whom it is a policy to open its boundaries (which was reconfirmed in Tampere), and of course you, people from the candidate countries, who have all wished for accession.

It will be a very difficult process for you and your countries; it will bring about fundamental changes, negative effects and confusion in public opinion and among decision makers. It could even well happen that in one or other country, the opinion at the end turns out to be against accession. European Union enlargement or accession to the European Union is not easy to achieve.

It has many positive aspects but the effects could also be very harmful. Caritas in general and Caritas in the countries concerned, is there not just to remedy, but to find sustainable and politically well thought out solutions. This is the main reason for our being here. Caritas is of course the solidarity, the direct solidarity through human commitment and professional services, but Caritas also means political awareness and advocacy, and it is in this direction that we will go together this week.



Father Lazewski (Caritas Poland) and Hermann Icking

Accession Partnerships as a tool for enlargement

The current enlargement process for the countries of central and eastern Europe is an unprecedented operation in the histories of both your countries and of the European Union.

10 years ago, two radically different systems of politics faced each other across the divide of total incomprehension as to the definition of what is good in man and society and how society should be organised to enable man to live the good life. Even the term 'human rights' was interpreted completely differently on the two sides of that divide. To the east, human rights meant practical rights: the right to hospital treatment, education, a job (however meaningless) and a home (however badly built or crowded). These things were considered to be basic human rights. In the west, these types of rights had in many cases been taken for granted and human rights were discussed in a totally different way: the right to express yourself, observe your own religion and receive judicial redress against unlawful or negligent administrative acts.

Therefore, when in the early days of 1990, Eurobarometer (the European Commission's opinion polling organisation) asked people from central and eastern Europe whether human rights had improved in their countries since the totalitarian system collapsed, they were horrified to find that many thought that things had got worse. Essentially, your definition and our definition of human rights was not meeting on any points at all. What you are faced with 10 years on is a situation in which there exists a large measure of acceptance of the human rights situation and as to what society is there for, how it should be administered and what the duties of civil society are. This is an enormous step forward and a step which is irreversible.

However, beneath the broad agreement which has now been reached, there is now the tricky problem of adjusting the central and eastern European countries to European Union membership. This is not an easy matter of adopting one or two laws.

Whilst it is European Union policy to proceed with enlargement as quickly as possible, this is not a priority which is generally perceived by the people of the European Union; if you asked them to vote on the issue of whether

enlargement should take place, many would say 'no'. If you asked people in your countries, an increasing minority would also say 'no'. One reason is that they see enlargement as a loss of their re-found identity. After all, when they have just rid themselves of a union run from the east, why should they rush to join the next run from the west? Can't they be themselves for a while? Then there are the other advantages and disadvantages to consider, economic, ethical and social. As for the political pronouncements, both east and west, as to how good, wonderful and progressive to join the European Union - these are statesmen's words, all right-minded. However, underneath, the people you deal with are going to be quite confused as to what enlargement will mean for them - will they gain or lose?

The shortage of adequate funding and the concentration on priorities also means that your governments will probably not be able to fund information campaigns to explain to people what the pros and cons will be. This task will be left to the European Commission services, opening up the risk that people will say that that is just propaganda because the Commission is bound to only tell you the good things. This is the very sensitive background against which you will be looking to fulfil your projects and one against which the politicians sound pretty unanimous but one in which popular opinion may well be negative. A certain amount of sentimental hankering after a society in which you knew where you stood can be expected when future prospects are unclear and materialism seems to be the by-word.

The challenge is enormous but it is not insurmountable. A vote of 80 per cent in favour of enlargement would be very suspicious. Even within the European Union, Maastricht is not that popular and in the Member States where referenda were held, the 'yes' vote was often only by a small majority. Total monolithic support and belief in all aspects of European Union policy might well indicate a failure to understand or appreciate certain unwelcome side effects - the sacrifices which may have to be made by some groups of society. A better prepared and better thought out enlargement would be wiser than a swift enlargement. Disappointment would be better now rather than after membership, as is happening in Austria with a resulting swing towards nationalism.

Therefore, your work will be quite difficult, not only in terms of convincing people of the merits of your particular projects but in terms of the well-foundedness of all projects and programmes leading to the aim of accession. You must remember that universal adherence cannot be taken for granted and should not be taken for granted. Fail-safe measures need to be designed to ensure that your programmes take account of these fears right from the beginning. Phare has not always been careful to design its programmes with these basic public insecurities in mind and more sensitivity will have to be employed in future programme design. You have a role to play here in your grassroots approach



During the Conference, ten Country Desks from the Commission joined the candidate country representatives and discussed the Accession Partnerships bilaterally (above: Georg Ziegler, Desk Slovakia)

upward. Enlargement needs to be sold, tailored and adapted to individual requirements.

To go back to the beginning of enlargement: in 1993, after only four years of the provision of external assistance, emergency aid and know-how transfer, it became obvious to the European Union that the ultimate goal of all the central and eastern countries was full membership. Therefore, at the Copenhagen Council in June 1993, three preconditions were set out for membership

- a functioning democracy, with respect for the primacy of the rule of law, human rights and minorities and sufficient administrative skills deployed to cover the justice and home affairs *acquis*, namely the ability to translate the rights expressed in the legal acts into practical application
- a market economy, namely a market economy guided not by a central planning organisation but guided largely by a multiplicity of forces which are balanced and kept in check by a functioning democracy: the type of market economy which exists throughout western Europe, sometimes a more social market economy and sometimes a more free market economy but a market economy within a democratic framework where different governments come and change the relative weights from time to time depending on perceived needs expressed by the public through the voting booth
- the ability to withstand the competitive pressures of European Union membership, not just in terms of large and modern factories or a GNP per capita in the same range as the Member States' but in terms of how well your public administrations function; this means that when there are rules to be obeyed, it is not just that your parliament changes the law which counts but that your public services are properly trained and motivated and actually enforce that law.

An effective public administration is a crucial element in the accession process. Furthermore, when the public administration is seconded by non-governmental bodies and para-statal institutions empowered by law to look after the application of the law, this involves NGOs as well, i.e. those to whom power has been devolved.

The Member State governments often entrust the enforcement of subsidiary legislation to groups who have specialist knowledge, such as chambers of architects, associations of doctors, even stock exchanges. The one great advantage of a functioning civil society is that not everything has to be done by paid bureaucrats.

The Europe/Association Agreements provide the legal basis for negotiations, trade relations and assistance policies between the European Union and the central and eastern European countries. At the other end of the spectrum, there are the actual projects and financial memoranda with which you will be dealing, which are very detailed and give a time-scale, a list of instruments and an estimate of costs. The Accession Partnerships fall mid-way between the Agreements and the projects. They are detailed signposts of the state of health of each of your country's ability to join the European Union and the tasks still to be achieved.

The Commission's Regular Reports on the progress made by each country towards the accession requirements have just been published. New Accession Partnerships will be published early next year. Every year a snapshot is taken and the new Accession Partnerships mirror the findings of the Regular Reports; these are then translated into the National Programmes for the Adoption of the Acquis. The Accession Partnerships are in some respects a mirror of how far your countries have gone in meeting the three Copenhagen requirements. They are the translation into semi-operational terms of the conditions set out in the Commission's regular reports on progress made. The Accession Partnerships and Regular Reports both concentrate on short-term priorities (to be covered next year) and medium-term priorities (to be covered over a 3-5 year period).

The Regular Reports are a snapshot of where you are in the process of alignment with the European Union and the Copenhagen criteria. The Accession Partnerships translate that snapshot into a more detailed list of what needs to be done now. Your governments translate that list into an action programme, which is the National Programme for the Adoption of the Acquis, i.e. the à la carte menu for each of your countries' gradual

progression to membership. The National Programmes are a tool for coming closer to and eventually becoming a member of the European Union. The programmes which will be supported by the European Union are taken from the National Programmes, which are a new sort of national five-year plan.

The National Programmes must indicate where the funding will come from for programmes, for example bilateral assistance, national, regional or municipal sources, private funding, increased tax, sales of state assets or the European Union. The European Union, in agreement with the government, chooses which programmes it will fund on the basis of the National Programmes.

The Accession Partnerships are a very good guide to help you assist in formulating policy. You may be able to help ministries and other authorities to define what goes into the National Programme. As an NGO, you are of course technically on the outside looking in but through the contacts you develop, elements of the national programme may be written in such a way that it will be easier for you to dictate how certain policy measures may be undertaken. Therefore the Accession Partnerships are an excellent starting point for reflecting on what needs to be done in the short-term and medium-term.



The social *acquis*,
approximation of legislation
and the role of civil society

Introduction

We are going to pass nearly the entire day studying the important aspects of the social policy in the European Union.

Why is it important to sacrifice so much time to this? As you all know, we will be discussing the *acquis* of the European Union. In the European Union, we have a common monetary policy and we now have a common currency which in two years will be used in most of the Member States. We also have a common commercial policy and, in Seattle, negotiations will be opened on all elements of world trade; at this conference the European Commission will represent all its Member States and discuss trade policy between the European Union and the rest of the world. To put it simply, there is a commercial model in Europe and an economic model, in the sense that in the 15 countries that are in the European Union today, of which you will be a part in the future, there is an economic structure that stops us from going above a certain rate of inflation and from having annual budget deficits that are higher than a certain rate. On top of this, the ministers of Economic Affairs are developing more and more economic convergency criteria in their policy areas.

Then there is an employment strategy, covering social and economic policy areas. There are an enormous number of social laws in the *acquis communautaire*. The social policy model of the European Union may not be perfect but it is very significant. From Caritas's point of view, in particular Caritas Europa, we think that it is essential for you to acquaint yourselves with the social policy elements of the *acquis* and understand them, so that you are well equipped to discuss them eventually with your authorities. Europe, in its enlargement process, has to develop and refine its social system and this is why we thought it would be useful to sacrifice an entire day to this theme, with our Caritas organisations, who are aware of the numerous problems that exist in the social domain.

Until recently, Caritas Europe functioned on the basis of three movements. After completion of our strategic planning, we have now created four commissions; one for Social Policy, a second one for Migration Policy, a third one for International Cooperation and Solidarity

with a fourth one being created for East-West Relations. These commissions have been given a clear political mandate. They are composed of elected members and an elected chairman to add weight to this important part of our work. The Social Policy Commission will deal with problems in the social sphere, in all of Europe, also tackling the priorities that exist in the European Union.

This is not to say that Caritas Europa has been indifferent to social problems until now; we have had a working group called 'Exclusion and Poverty', which for several years now has worked on and studied three particular issues. Firstly, during the course of the revision of the Treaty of Maastricht, Caritas proposed several modifications to the Treaty, covering social protection and the fight against exclusion. At the last meeting in Cologne, where exclusion was discussed, the German Caritas reaffirmed that it wanted the elements that had been left out in the Treaty of Maastricht to be taken up in the Treaty of Amsterdam. This goes to show that in Caritas Europa we are not just observers, but also people of action. Secondly, in 1996, we formulated 12 proposals concerning measures to fight poverty. Caritas Europa's proposed measures concerned solidarity, the re-distribution of work, fiscal benefits, reconciliation of work and family responsibilities, and an awareness of issues concerning exclusion. The third dossier that we have studied in depth aims to help improve social protection in the European Union. Therefore, Caritas Europa is carrying out an in depth analysis of the social issues that concern each individual Caritas.

It is true to say that, without a doubt, our work has taken account of a Europe consisting of 15 members too exclusively, without focusing on the problems that you, the central and eastern European delegates have. This is something that the Social Policy Commission of Caritas Europa intends to put right. Caritas Europa represents all countries in geographical Europe and we will be much more attentive to your concerns in future. Our newly constituted Social Policy Commission will meet next week, and the work of that day will take into account the concerns that you raised yesterday.

European social policy

To set the overall context of the legal obligations which the candidate countries have to meet to comply with the European social acquis, we must refer to the Treaty of Rome (as amended by the Amsterdam Treaty in 1997). The Union's objectives are identified in the Treaty as promoting throughout the territory "a harmonious, balanced and sustainable development of economic activities, a high level of employment and of social protection, equality between men and women, sustainable and non-inflationary growth, a high degree of competitiveness and convergence of economic performance, a high level of protection and improvement of the quality of the environment, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States" and promotion of social dialogue.

It is against this background that the various elements of European legislation in the social field should be seen. There are specific requirements in the fields of labour law, health and safety at work, equal opportunities for women and men, free movement of workers and coordination of social security for people who move from one Member State to another. Since the original Treaty of Rome, important new provisions have been adopted on employment policy and the continuing development of social dialogue at European level.



Jean Degimbe and Andrew Latto

European social policy, in its various manifestations in the different Member States, seeks to strike a balance between competition between firms and solidarity in society and to create an economic and social environment beneficial to the optimal use of available human resources.

The importance of achieving the right balance between economic and social policy lies right at the heart of the process of European integration. There are a number of common policies and the preamble to the original Treaty of Rome states that the signatories were "resolved to ensure the economic and social progress of their countries".

Various articles in the original Treaty had social aspects and specific provision was made for action in relation to the free movement of workers and social security coordination, rights of establishment (for example setting up a business in another Member State), equal treatment between men and women, (which has been a very important contribution of the European Union to the development of European society), professional training, the prevention of occupational accidents and diseases and the promotion of occupational hygiene. The Treaty also provided for a financial instrument in the form of the European Social Fund, one of the Community's structural funds, which the candidate countries will have access to on their accession to the European Union.

In 1985, impetus grew to establish a real single market in Europe with full free movement of goods, capital, services and people. However, the European Union had expanded beyond the original six states and the growing divergence of economic development within an expanding Community and, in particular, disparities in wages and levels of employee rights were giving rise to fears that the dismantling of all barriers in a single market could lead inexorably to social standards being the main factor of adjustment in seeking a business location in a particular Member State. Therefore, it was felt necessary to build in safeguards against this, particularly in the form of legislation. This led to the adoption of Article 118a, under the Single European Act in 1987, which focuses on the establishment of minimum standards for health and safety at work, with approval on such standards being on the basis of a qualified majority in the Council, rather than unanimity by all the Member States.

The social provisions of the Treaty were further strengthened in the Maastricht negotiations. There was widespread agreement on the need for a new social chapter of the Treaty to replace that which had emerged from the negotiations on the establishment of the Single European Act. This was based in large measure on a text which was actually negotiated between the two sides of industry at European level and presented by them to the governments.

A major characteristic of the Agreement concluded on social policy at Maastricht in 1992 is the reinforcement it gives to the role of the social partners (trades unions and employers' representatives) at European level. This has developed considerably and is a reflection of the importance of social dialogue in social policy development in Europe. The Maastricht Agreement provides an explicit mechanism for the social partners to conclude agreements at European level. This has already led, for example, to the adoption by the Council of a directive on parental leave and a directive on part-time work.

A further step forward in European social policy was made at the European Council meeting in Amsterdam in June 1997. The Amsterdam Treaty has laid the ground for a renewal of the Member States' employment systems by putting employment policy on an equal footing with other economic policies and establishing articulation with these policies.

The new employment title in the Amsterdam Treaty makes employment a matter of common concern and the coordination of Member States' employment policies an obligation. Based on this, the European Union and the Member States are now developing an integrated employment strategy with clear objectives and strong commitments from the Member States to modernise and activate their policies and social protection systems. The guidelines on employment policy drawn up in Luxembourg in 1997 lead the way and are being translated into national action programmes. We are now entering the third year of these national action programmes, which are drawn up by the Member States and submitted to the Commission for comparison, to determine which states are doing most to meet their obligations under the Amsterdam Agreement.

The European Social Fund, already the Commission's main tool for promoting social cohesion, is also the Union's main instrument for supporting the Amsterdam process through appropriately defined national operational programmes with a broader socio-economic policy framework (also taking into account social exclusion and access to the labour market).

Furthermore, the Maastricht Agreement on social policy, with its provisions reinforced, is incorporated into the Amsterdam Treaty, which has a chapter on social policy covering the whole Union (the original decision at Maastricht excluded the United Kingdom but now applies to all the Member States). This includes a new provision covering equal access to the workplace and positive action in favour of the under-represented sex, further developing the provisions of the original Treaty of Rome on equal opportunities.

Very importantly, the new Treaty also introduces a general non-discrimination clause (for example to prevent discrimination on grounds of sex, race, religion, age, disability or sexual orientation) and enshrines the principle of equal opportunities as an objective and task of the Union. It includes provisions constituting the legal basis for further action in the social policy area, notably on incentives to discourage social exclusion. Furthermore, the 1989 Community Charter on Social Fundamental Rights of Workers (which aims to improve employment and working conditions for people throughout the Community) is now explicitly referred to in the preamble to the Treaty and in the new Article 117, as is the European Social Charter (the 1961 Turin Charter of the Council of Europe). This is a significant development for the candidate countries, all of whom are members of the Council of Europe and many of whom have ratified its Social Charter.

A significant body of legislation has emerged from all these developments, which constitutes the legal *acquis* in the social field, together with the case-law of the European Court of Justice, which has historically played an important role in developing and clarifying legal obligations in the social field. All this is the *acquis* which the candidate countries must comply with.

Much of this legislation is characterised by the laying down of minimum standards to help ensure both equitable treatment and the protection of workers and ensure a level playing-field for businesses in the European Union. The social *acquis* also aims to help meet the requirements of both firms and individuals as regards flexibility, for example in terms of labour mobility or of reconciling work and family life (a key issue in the field of equal opportunities). There are currently over 75 directives in force, several of which are amendments to or adaptations of existing directives; these are in the fields of

- labour law, notably as regards European Works Councils, maximum working time, the protection of workers in the event of the transfer of the ownership of undertakings or insolvency and the posting of workers
- health and safety at work, accounting for more than half the directives and which is identified in Agenda 2000 as an important element for the functioning of the internal market; there is a framework directive setting out the main provisions in the field and a number of 'daughter' directives covering specific provisions
- equal treatment and equal opportunities for men and women in employment and social security.

The *acquis* also covers provisions relating to freedom of movement for workers and regulations ensuring the coordination of social security for migrant workers (for example to ensure that they keep their acquired rights when they move from one Member State to another).

In addition, social dialogue at European level is now enshrined in Community law by the Amsterdam Treaty, requiring consultation with social partners and measures to facilitate social dialogue and permitting the social partners actually to replace the Community legislator.

Furthermore, the Amsterdam Treaty extends the scope for Community *acquis*, particularly as regards employment, the fight against discrimination and the fight against social exclusion.

It is to be stressed that the implementation and enforcement of the *acquis* (namely the legal obligations

of membership) require appropriate administrative and judicial structures at national level and cooperation among the key players in economic and social life. The importance of developing these structures is what lies behind many of the priorities set out in the new Accession Partnerships and Regular Reports on progress towards accession.

Freedom of movement for workers

The free movement of workers is one of the four freedoms within the internal market of the European Union. The legal framework of the European Union is enshrined in the Treaty of Rome of 1957, and treaties after that amending or increasing the competent areas of the Union, the most recent being the 1997 Treaty of Amsterdam, which entered into force in May 1999.

What the Union does or cannot do depends on the competence of the European Union. The articles of the Treaties define the competence and the European Court of Justice interprets the legal framework. As regards social policy, the Treaty of Amsterdam, with a title on employment and an article on the fight against discrimination, increases competence in the social field and places more weight on it within the European Union. On the basis of this, the free movement of workers unit is currently preparing proposals for a general directive on discrimination on all grounds (sex, sexual orientation, religion, race, etc.) and other more specific directives.

Since a common market requires the removal of all obstacles to the free movement of the factors of production, as well as of goods and services, the free movement of workers in the Community may be seen simply as a prerequisite to the achievement of an economic objective. Yet such a functional economic approach to the interpretation of the free movement provisions is likely to be inadequate for two reasons. The famous wording of Article 5 of the Clayton Anti-Trust Act says: "The labour of a human being is not a commodity or article of commerce". Similarly, in case 7/75 before the European Court of Justice, the Advocate General stated: "The migrant worker is not regarded by Community law - nor is he by the internal legal system - as a mere source of labour but is viewed as a human being". Regulation 1612/68 on freedom of movement of workers within the Community speaks of the exercise of workers' rights, refers to 'freedom and dignity' and describes the freedom of movement for workers as a 'fundamental right' and 'one of the means by which the worker is guaranteed the possibility of improving his living and working conditions and promoting his social advancement, while helping to satisfy the requirements of the economies of the Member States'.

Under Article 39 of the EC Treaty (as amended by the Amsterdam Treaty), freedom for workers must be secured within the Community, meaning that workers of the Member States are to be free to accept offers of employment actually made in another Member State, and to remain in another Member State for the purposes of carrying on employment. The Council is authorised under the Treaty to eliminate administrative procedures which are likely to impede the movement of workers and to set up machinery for matching offers of employment in one Member State with available candidates in another. The Council is also empowered to take legislative action in the field of social security.

A worker can rely on the Treaty provisions only if he/she has exercised the right to freedom of movement within the Community - a purely hypothetical possibility that an individual may at some time in the future seek work in another Member State is not sufficient. Regulation 1612/68 on freedom of movement for workers within the Community provides for the right to take up an activity as an employed person. The concept of 'worker' must be interpreted according to its ordinary meaning and in the light of the objectives of the Treaty. The work must be genuine and real.

The Treaty provides that freedom of movement for workers shall entail the right to move freely within Member States for the purpose of accepting offers of employment actually made and empowers the Council to implement this objective by legislation. The Council has issued Directive 68/360 which deals with the abolition of restrictions on the movement and residence within the European Union for workers of the Member States and their families. The Treaty provisions and those of Directive 68/360 have 'direct effect', meaning that they are directly applicable in the Member States and that individuals may go directly to the national courts to seek redress when their rights are infringed.

Directive 68/360 applies to nationals of the Member States and those members of their families to whom Regulation 1612/68 is applicable, since it is important that a worker can be followed by his family. The concept of a 'worker's family' is defined in Article 10 of the Regulation.

Member States are required to allow the persons to whom Directive 68/360 applies to enter their territory simply on production of a valid identity card or passport. No entry visas or equivalent documents may be demanded except from family members who are not European Union nationals. Member States must grant the right of residence to workers who are able to produce: the document with which they entered the Member State's territory and a confirmation of engagement from an employer or a certificate of employment. A residence permit must be issued to the worker and members of his family who are nationals of Member States as proof of the right of residence. Directive 68/360 also provides that completion of the formalities for obtaining a residence permit may not hinder the immediate commencement of employment under a concluded contract. The residence documents must be issued and renewed free of charge. A residence permit must be valid throughout the territory of the Member State which issued it at least five years from the date of issue, and be automatically renewable for a further five years.

Regulation 1612/68 on freedom of movement for workers within the Community provides for equality of treatment of workers from another Member State with national workers of the host Member State. According to Article 7 of the Regulation: "A worker who is a national of a Member State may not, in the territory of another Member State, be treated differently from national workers by reason of his nationality in respect of any conditions of employment and work, in particular as regards remuneration, dismissal, and should he become unemployed, reinstatement or re-employment." Article 7 also provides that the worker "shall enjoy the same social and tax advantages as national workers". The concept of 'social advantages' is not defined in the Regulation but has been interpreted by the Court of Justice in a wide meaning.

Community law not only takes care of the rights of a worker active in working life; at the end of his/her working career, the worker (and family members residing with him) has the right to stay in the territory of the Member State where the work was pursued under the provisions of Regulation 1271/70 of the Commission: "A worker who, at the time of termination of his activity, has reached the age laid down by the law of that Member State for entitlement to an old-age

pension and who has been employed in that State for at least the last twelve months and has resided there continuously for more than three years' shall have the right to remain permanently in the territory of a Member State".

The general rule is that a worker has the right to free movement and the right to remain for working purposes in another Member State. Mere failure by a citizen to complete the legal formalities concerning access, movement and residence in another Member State does not justify expulsion. Exceptions to this rule are covered by Council Directive 64/221 EEC on the coordination of special measures concerning the movement and residence of foreign nationals which are justified on grounds of public policy, public security or public health. However, due to various problems with the interpretation of this Directive and the need to ensure the correct application of Community law, the Commission has published a Communication on these special measures (COM (1999) 372 final).

The Community law on free movement for workers has been in force for more than 30 years. Yet the interpretation of it frequently leads to requests for preliminary rulings to the European Court of Justice. That is why it is crucially important to examine the 'case law' of the Court, which forms an integral part of the 'acquis' in this field of Community activities.

Much work still needs to be done. At central level, there is an understanding of the rules on the free movement of workers but there are often problems at local level where relevant authorities do not understand the law and therefore fail to observe it. We still need to improve information for the authorities and for individuals themselves about their rights and obligations.

Helpful information can be found at: <http://citizens.eu.int>. Other helpful websites include: http://europa.eu.int/comm/dg05/index_fr.htm http://europa.eu.int/comm/dg05/index_en.htm http://europa.eu.int/comm/dg05/fundamri/movement/index_en.htm

Information about jobs and employment authorities in Europe can be found at: <http://europa.eu.int/jobs/eures>

The protection of fundamental social rights at European level

Background

To start with, it should be stressed that the term ‘fundamental rights’ is very broad and covers three generations of rights. The first generation of rights are civil rights, which emerged in the 18th century. Civil rights impose negative obligations on others, including government authorities, for example not to curb property rights or freedom of speech. The second generation of rights are social rights, which are a comparatively recent phenomenon because they have only appeared since the Second World War. Social rights can only be attained through the imposition of a certain number of positive obligations on others, including government authorities, for example in relation to healthcare, education, etc; their enforcement is a question of resources since most of these rights require large expenditure by the State. In recent years, a number of new rights (third generation rights) have emerged, such as environmental rights or rights linked to new technologies.

As far as the European Union is concerned, the original Community treaties did not contain any explicit provisions on fundamental rights. A proposal to incorporate a provision with regard to the protection of fundamental rights in the original Treaty establishing the EEC was rejected because it was considered very unlikely that the Community and, in particular, the European Court of Justice would be confronted with questions dealing with fundamental rights.

However, this turned out not to be the case and the Court of Justice had to find a legal framework for the protection of fundamental rights, using extra-Community sources. This important case-law started in 1969 in the *Stauder* case, when the Court of Justice stated that fundamental rights were enshrined in the general principles of Community law. The idea behind the reasoning of the Court was that although there was no express reference to fundamental rights in the treaties, their protection was implicit in the general principles of Community law.

From then onwards, the Court appeared to be determined to strengthen the basis for this protection. It sought recourse to a number of sources such as ‘constitutional principles common to the Member States’, ‘constitutional traditions common to the Member States’ and ‘international treaties for the protection of human rights on which the Member States have collaborated or of which they are signatories’. In some cases, specific articles of the European Convention on Human Rights were invoked.

While the Court of Justice was developing a consistent legal base for the protection of fundamental rights, the Italian and German Constitutional Courts expressed their doubts as to the primacy of Community law over national law in cases concerning the protection of fundamental rights of their countries’ citizens. In 1975, the German Constitutional Court (*Bundesverfassungsgericht*), in its so-called ‘*Solange*’ decision, expressed its opinion that as long as the Community lacked a codified catalogue of fundamental rights, a rule of Community law could not be applied by the German authorities if it conflicted with a constitutional rule relating to the protection of fundamental rights.

In 1979, the European Commission issued a Memorandum in which it considered the accession of the Communities to the European Convention on Human Rights. Apart from the formal, structural and substantial problems which accession would involve, the Commission also acknowledged that one of the disadvantages of this solution was that economic and social rights were not included in the Convention. It admitted that the best solution to remedy the lack of a written catalogue of fundamental rights in Community law would be the creation of a special Community Bill of Rights. For the time being, however, it rejected this idea because it would be ‘a long and exacting task’ to draw up such a Bill.

Developments since 1989

During the 1980s, the European Parliament asked the Commission several times what progress had been achieved concerning the protection of fundamental rights in the Community, in particular social and economic rights. The answer of the Commission to this request arrived in 1989, when President Delors presented the Community Charter of Fundamental Rights of Workers, which was signed by the Heads of State of 11 of the 12 Member States of the European Community.

The Charter was not a binding instrument but a solemn declaration and laid down the broad principles underlying the European model of labour law and more generally, the place of work in our societies. The Charter had a practical value because although it was not of a binding nature, it was accompanied by a detailed 5-year work programme containing 47 legislative proposals. The Charter listed 12 areas for attention

- free movement of workers
- employment and fair remuneration
- improvement of living and working conditions
- social protection
- freedom of association and collective bargaining
- information, consultation and participation of workers
- accessibility of vocational education
- equal treatment of men and women
- health and safety at work
- protection of children and adolescents
- protection of elderly people
- social and professional integration of disabled people.

In its medium-term social action programme 1995-1997, the Commission announced its intention of promoting discussion on fundamental social rights in the European Union. As a first step, in May 1995, the Commission organised a joint hearing with the European Parliament on the future of the Community

Charter of Fundamental Rights of Workers. At the hearing, MEPs, national experts, representatives of European Union institutions, social partners and NGOs reviewed the need to revise and adapt the scope of the Community Charter and also to what extent it could be incorporated into the future Amsterdam Treaty. In its social action programme, the Commission also announced its intention of setting up a 'Comité des Sages' (wisemen) with the remit of pursuing, inter alia, consideration and development of the issues raised at the joint hearing.

In March 1996, the Committee presented its report on the need to recognise a series of fundamental civil and social rights, and incorporate them into the Amsterdam Treaty. The Committee suggested that the European Union should first include in the Treaty a minimum core of rights and at a later stage set in motion a consultation process which would update and complete the list of civil, political and social rights and duties. The Committee complemented these more general objectives with twenty-six specific recommendations; these stressed the need to strengthen the sense of citizenship and democracy in the European Union by treating civil and social rights as indivisible and drew attention to the importance of formulating rights which reflect technological change, the growing awareness of the environment and demographic developments.

The Committee's report was intensively discussed during 1997 at numerous meetings organised in particular by NGOs dealing with human rights and social problems in the various Member States. The result was a clear approval of the Committee's position, especially with regard to the incorporation of social and civil rights in the Treaties.

The Treaty of Amsterdam introduces a number of new provisions relating to fundamental rights. However, it does not contain a basic set of fundamental civil and social rights in the form of a Bill of Rights, nor does it fulfil the expectations articulated in the Committee's report by clearly detailing and expanding the recognition of fundamental rights. The Commission believed that it was worth having this question studied in greater detail. Therefore, DGV established an independent expert group on fundamental rights, composed of eight academic experts in the field, chaired by Professor S. Simitis. The group was asked to review the status of fundamental social rights in the treaties, in particular in the new Treaty of Amsterdam, possible lacunae and related legal and constitutional matters. Special consideration was also given to the possible inclusion of a Bill of Rights in the next revision of the Treaties.

The main conclusions of the experts' report stress the need for

- a comprehensive approach for the protection of fundamental rights irrespective of which matter or pillar is at stake
- more visibility, with fundamental rights being spelt out in the treaties, rather than merely being referred to in general terms
- the recognition that fundamental rights should be based, in particular, on the European Convention on Human Rights, which through the case law of its organs has become a common European Bill of Rights; the rights included in the Convention and its Protocols should be incorporated in their entirety into Community law and, at the same time, clauses detailing and complementing these should be added, in particular on social and economic rights

- the recognition of the need for an open process, on the basis that the enumeration of a set of rights is only the first stage of a long-term process which should result in a re-formulation of fundamental rights adapted to the experiences and particular needs of the European Union; this process should be based on dialogue within civil society and be capable of responding to new challenges in the field of fundamental rights, such as those posed by information and communication technology and biotechnology.

Charter of Fundamental Rights of the European Union

The Cologne European Council of June 1999 adopted a decision on the preparation of a Charter of Fundamental Rights of the European Union. The essential purpose of the Charter will be to raise awareness among the Union's citizens of the overriding importance and relevance of fundamental rights. A body (comprising representatives of Heads of State and Governments, the President of the Commission and members of the European and national parliaments) is to prepare a draft Charter in advance of the European Council in December 2000. The General Affairs Council has been mandated to take the necessary steps, prior to the Tampere European Council, for this body to commence work, i.e. to decide on its composition, method of work and practical arrangements.

The terms of the decision taken at the Cologne European Council ("in drawing up such a Charter account should be taken of economic and social rights as contained in the European Social Charter and the Community Charter of the Fundamental Social Rights of Workers") highlight the prominent position of fundamental social rights within the context of the preparatory work on the Charter.

The fight against exclusion and discrimination in social protection

Responsibility for social protection lies with each Member State but it is important for common points to be discussed between them to ensure a high level of employment and social protection, as required by Article 2 of the Treaty of Rome (as amended by the Amsterdam Treaty of 1997).

The starting point for recent initiatives in the social protection field was the Community Charter of 1989 on Fundamental Social Rights of Workers, which aims to affirm the social dimension of the construction of Europe. This was followed in 1992 by two Council recommendations. One recommendation was “on common criteria concerning sufficient resources and social assistance in social protection systems”; the second was “on the convergence of social protection objectives and policies”. The latter was an important document because it began to deal with quite detailed issues (such as sickness benefits, pensions, unemployment, invalidity, protection of the family and the elderly). Although these recommendations were not binding, they helped to define common objectives and resulted in

- MISSOC, which sets up a mechanism for promoting the increased exchange of information between the Member States on social protection issues
- a series of reports analysing the social protection system in each Member State and providing economic information on issues such as pensions and health in each Member State.

In 1995, the Commission published a Communication on the future of social protection, which posed a series of questions to the Member States, social partners and NGOs to lay the basis for debate and reaction to the Commission’s proposals as to what common priorities should be set out at the European level. The discussions which followed resulted in a further Commission communication in 1997 setting out the Commission’s ideas on how to modernise and improve social protection in the European Union; the title is important because it is clear that the objective is European-wide and that there is a need to deal with gaps in certain Member States. The 1997 Communication is also

important because, for the first time, the Commission indicates that while the Member States will remain responsible for financing and organising their own systems, the European Union will be responsible for coordination in relation to workers who exercise their right of freedom of movement to another Member State. In 1998, a forum was held with civil society organisations on European social policy, to which social partners and NGOs from the whole of the European Union were invited.

During this process, the 1997 Treaty of Amsterdam introduced a chapter on employment, which seeks to coordinate the employment policies of the Member States, and guidelines on employment to implement the strategy were established in 1997 in Luxembourg; it is clear that social protection is intrinsically linked with these.

At the same time, the establishment of the internal market and a common currency have taken place. Economic integration and the common currency, in particular, will have significant effects on employment, price stability and public finances. Therefore, it is evident that social protection is increasingly a question of common concern for the Member States.

We are slowly moving towards a more precise strategy in the area of social protection and the objective now is to reinforce the existing cooperation with a view to modernising and improving the systems in the Member States. In this framework, the Commission has issued a new Communication (COM (1999) 347 final) which proposes a concerted strategy for modernising social protection, on the basis that this is a concern common to all the Member States. The Commission is seeking the achievement by the Member States of four objectives which it considers essential, namely

- to make work pay and provide secure income
- to make pensions safe and pensions systems sustainable
- to promote social inclusion
- to ensure high quality and sustainable health care.

In the context of enlargement, any new way of working and new rules cannot be drawn up without taking account of the situation in the candidate countries. Equally, the candidate countries will need to ensure that their social protection systems equate with those in the present Member States, even though they will maintain responsibility for these. We need to convey the message that while social protection is not yet governed by the European Union at central level, it is nevertheless a common concern and intensive cooperation is required on this issue. MISSOC is currently trying to prepare analyses of the social protection systems in the candidate countries. The new report on social protection is due to be published early in 2000 and this should include information on the systems in the candidate countries, as well as the Member States.

Several central and eastern European countries have introduced some primary and secondary legislation connected to social protection restructuring. However, many important issues and policy changes still need to be confronted. To help the candidate countries, Phare set up the Consensus programme in June 1995, which aims to support the sustainability of social protection reform in central and eastern Europe. The programme focuses on designing an inter-institutional social protection reform policy, preparing adequate tools for its implementation and encouraging exchanges of experience on a multi-country basis. A third Consensus programme was adopted in November 1999, which will continue to monitor social policy developments in the candidate countries and help guide the social security reform process depending on each country's needs and state of progress. From 2000, assistance in adopting and implementing the social acquis will be supported under Phare national programmes, following the priorities set out in each country's Accession Partnership. Consensus III will act as a bridge between this new approach and the previous Consensus programmes.

Coordination of Social Security systems

Why do we need coordination of social security systems? To ensure that workers can actually exercise their right to free movement within the European Union, as provided under Article 39 of the EC Treaty (formerly Article 48, before the amendments made by the 1997 Amsterdam Treaty). No worker would leave his country of origin if he lost the protection of his social security rights. This right imposes an obligation on the Council to introduce provisions for coordination.

What is coordination? It is different to harmonisation, which would mean a single social security system throughout the European Union. Coordination is designed to link the different national systems together while leaving the Member States competent for their own schemes. Therefore, they can decide what to put in their schemes, who should be insured, what benefits should be given and who is qualified to benefit, etc.

Why is there coordination rather than harmonisation? The Member States are all proud of their own systems, which are the result of their own national traditions, and they are unlikely to give these up without a struggle. In particular, the Member States have different ways of organising social security schemes: some systems base eligibility on residence while others base them on insurance. In addition, under residence-based systems, each individual family member is covered separately while, under work-based systems, the family is covered through the worker. Therefore, the systems are fundamentally different. To attempt to harmonise these systems would be a very long and difficult task, particularly since Member States are unlikely to favour a different system to their own. The purpose of coordination is to reduce the impact on workers posed by the differences in the systems when they move to another Member State.

Two Council regulations aim to overcome these problems and link the systems

- Regulation 1408/71 is the main regulation
- Regulation 574/72 provides for the basic implementation of Regulation 1408.

Regulation 1408/71 lays down four basic principles to cover the situation of a worker who moves from one Member State to another whereby he will retain his entitlements as if he had never moved. These four principles are that

- a migrant worker is subject to only one legislation: a worker might reside in a country which has a residence-based system but work in a country with an insurance-based system - this might mean that he is covered by both systems but if his situation is the other way around, he will not be covered by either; the basic rule is that he will receive benefits from the country where he works
- a migrant worker benefits from equality of treatment with the country's own nationals: there must be no discrimination on grounds of nationality so that the worker must receive the same protection as nationals of the host state; indirect discrimination is also prohibited (for example a law which appears to apply to all but has negative effects principally for migrant workers)
- a migrant worker is entitled to export benefits acquired/acquired rights: a worker who is entitled to a pension from a country where he has worked must be able to receive that pension from that country even though he retires to another
- a migrant worker is entitled to an aggregation of insurance periods and pro rata calculation of his pension: many countries require a certain minimum period of work before a full pension can be obtained; for migrant workers, all the time spent working in different Member States will be put together/aggregated (this is also important for health insurance in countries which require a minimum qualification period).

These four principles connect the different systems and link them to ease the movement of workers to other Member States.

The Regulation covers employed people, self-employed people and family members. Family members have derived rights and special provisions cover their situation. Pensioners are also treated as employed/self-employed because they have acquired rights and therefore are part of the coordination system.

The Regulation covers nationals of Member States, refugees and stateless people. The EEA also makes the Regulation applicable to Norway, Iceland and Liechtenstein. However, there is a problem with the large number of third-country nationals who work and pay contributions in one Member State but who are unable to benefit from the rights ensured by the Regulation when they move to another Member State; the Commission has proposed that they should also be part of the coordination system but no agreement has yet been reached on this.

What benefits are coordinated? The traditional branches of social security, such as sickness and health care, invalidity, pensions, survivor benefits, compensation for accidents at work and occupational diseases, death grants, unemployment benefit and family benefits. A distinction needs to be made between social security benefits and social assistance; social security benefits are specific provisions which give an individual a right and so are covered by the Regulation; social assistance depends on the needs of an individual person and is not covered by the Regulation. A distinction also needs to be made between sickness benefits in cash and benefits in kind (e.g. hospital treatment); someone who visits another Member State temporarily and who needs urgent treatment will be covered and his country of origin will reimburse the country where he received treatment; benefits in cash are subject to the system of the country the worker is visiting.

Special rules apply to unemployed people. The Regulation covers them if they go to another Member States to seek work, for up to 3 months; the worker may receive unemployment benefit from his own country during that period provided he receives prior authorisation.

The European Court of Justice plays a very important part in the coordination process because of its role in interpreting provisions of Community law, when national courts need legislation clarified. The Court's interpretations on the effects of the Regulation make the law clearer. For example, the Court recently ruled in the case of a person who was not economically active but who had social insurance that he was entitled to

equality of treatment with other European Union citizens; this ruling broadens the possibility of extending social security systems in such cases.

Because Regulation 1408/71 is so complex, the Commission has presented a proposal to revise and simplify it. This is before the Council and the Member States are discussing it; most would be happy to see a simplified version.

The European Union's employment strategy

We will take the employment strategy as the starting point, since the European Social Fund is basically an instrument which feeds funding into the strategy.

The background to the employment strategy was a recognition that there was something wrong with employment in the European Union. Employment performance in Europe has lagged behind the U.S. and Japan for the last two decades.

From the 1973 oil crisis onwards, it became noticeable that every time there was a rise in economic growth in the European Union, unemployment fell but, each time, employment did not recover completely. Attempts were made to investigate this trend and to understand the basic reasons for it. A comparison was made between the number of employed people of working age (15 to 64) in the European Union since 1977 with the U.S. and Japan for the same period; the employment rate in 1977 (the number of actually employed persons of working age (15-64 years) as a percentage of the working age population) was between 65 and 67 per cent in the three areas, but fell over the next 20 years by 5 per cent in the European Union whereas the employment rate over the same period rose by 10 per cent in the U.S. and by more than 5 per cent in Japan. We are now in a situation where the European Union has an employment rate of 60 per cent compared to 75 per cent in the U.S. and Japan.

In addition, it was clear that while employment in the European Union in the basic industries (e.g. agriculture, construction, manufacture and mining) remained more or less similar to the U.S., there was an enormous difference concerning services; this is where the European Union has fallen behind and this accounts for the 15 per cent difference in the employment rate. Therefore, there are structural weaknesses and a lack of job creation in the service sector in the European Union. At the same time in 1997, the rate of women employed was some 15 per cent lower in the European Union than the U.S., accounting for 51 per cent compared to 67 per cent. It was clear therefore that women in the European Union had not been sufficiently integrated into the workforce. Moreover, employment in the age group between 24 and 55 was only slightly different from that in the U.S. and

Japan but noticeably lower in Europe for younger and older people outside that age group than in the U.S. and Japan.

Other interesting comparisons were made as well. Average output per person has increased much more in Europe over the last 20 years, by some 2 per cent a year and the higher capital to labour ratio in Europe seems to suggest that we have been investing more in machinery than in people and jobs.

The questions posed as the result of these findings gave rise to various policy responses. This is the *raison d'être* for the employment strategy.

The employment strategy is inscribed in the Amsterdam Treaty of 1997, which came into force in May 1999, stating that Member States "shall regard promoting employment as a matter of common concern and coordinate their actions in this respect".

Before this, there was no proper coordination between Member States on their employment policies. The idea now is to see whether the Member States, by learning from each other and achieving the aims of the employment strategy, can improve the efficiency of their employment policies and their labour markets.



Working groups during the conference
(above : Teresa Adegas, Desk Slovenia)

The actual employment strategy (also known as the Luxembourg process) was started in 1997 in Luxembourg. The Commission and the Council drew up joint reports which gave rise to 20 guidelines (now 22) in which they analysed the labour market and made proposals, organised around the following four pillars

- **employability:** improving the capacity of each individual to take on a job (involving new active labour market policies and measures to prevent long-term unemployment and discrimination)
- **entrepreneurship:** improving possibilities for creating jobs, improving the legal/fiscal framework for SMEs and developing new types of employment (involving a new enterprise policy to create more jobs)
- **adaptability:** helping adaptation to new technological requirements and changing the organisation of the workplace and improving flexibility (involving a new relationship with social partners to modernise work organisation and improve investment in human resources)
- **equal opportunities:** attempting to improve the employment rate for women, facilitating their inclusion in certain sectors and their careers in a single business (involving gender mainstreaming and tackling the gender gap).

On the basis of the guidelines developed from the four pillars, each Member State draws up a national action plan for employment every year, listing all measures in force and proposed in this field, taking account of the specific situation of its own country and the guidelines. These plans demonstrate the response of each Member State to its specific employment situation. On the basis of their national plans, the Member States report to the Commission each year on what they have done and the impact of measures taken. The Commission analyses the reports. It then draws up a Joint Employment Report on the situation in the Member States with the Council to consider the efficiency and impact of the guidelines and whether adjustment is needed. The Commission may then put forward policy recommendations to each Member State.

The Commission publishes the guidelines each year. For 1999, 22 guidelines were adopted. They are more or less the same from year to year because it is necessary to maintain the main body and structure of the guidelines to build up their impact on the Member States' employment policies. Therefore, the national action plans are actually part of a multi-annual strategy.

The first three guidelines fall under the pillar of employability and are quantitatively the most precise, namely to

- allow each young person to have a job/training/traineeship within 6 months of leaving school
- establish the possibility for unemployed adults to receive a job or training before they fall into long-term unemployment (12 months)
- have at least 20 per cent of the unemployed involved in a training scheme during their period of unemployment.

The employability pillar also covers

- developing tax systems as an incentive to employment and prolonging the career prospects of older people
- involving social partners in improving employment possibilities
- encouraging lifelong learning, in particular in relation to information technology and improving access to employment for older people
- improving school systems to prepare students for working life
- improving the skill levels of the young, for example modernising training and apprenticeship systems and transferring more appropriate skills
- developing active policies to integrate the disabled, ethnic minorities and other disadvantaged groups.

The second pillar of entrepreneurship covers

- reducing red tape
- promoting self-employment and entrepreneurship
- creating local jobs and the role of social partners
- exploiting the information society for jobs
- reducing the tax burden and non-wage labour costs
- examining methods of reducing VAT on certain activities.

The third pillar of adaptability covers

- involving social partners in modernising working life and the way in which the workplace is organised and the training needed
- reviewing the contractual framework
- offering tax and other incentives for in-house training and recruitment.

The fourth pillar on equal opportunities covers

- gender mainstreaming
- balancing male/female representation at work and promoting equal pay
- promoting family-friendly policies and care (for example adapting working time etc. for women with children)
- facilitating re-entry to the labour market.

The current reports on the implementation of the guidelines indicate that the Member States still need to do more to combat unemployment, persuade older people to stay in employment and place more emphasis on integrating women.

In the case of the candidate countries, we are trying to introduce the employment strategy and guidelines through another process: the employment policy review. This aims to analyse the candidate countries' labour markets and on this basis, it is hoped that a joint assessment paper can be drafted with the authorities of the countries, setting out

- the challenges to be met
- the appropriate policies to be implemented.

The first part of the process will be to conduct an examination of the labour market structure and institutions of each candidate country, to assess whether

- the labour market structures in place are appropriate to participation in the single market
- the labour market and employment policy institutions are sufficiently developed to allow implementation of the European Union's employment strategy
- the overall system in the country is moving towards a meaningful participation in the European Union employment coordination process

- there are priorities for human resources development strategy, as a background for preparatory work for the European Social Fund or ESF-type action planning and programming.

A joint assessment paper, partly analytical and partly policy oriented, will then be drawn up for each country. The analytical section will describe the economic and labour market situation. The policy section will concentrate on the link between the functioning of the economy and the labour market, raising a set of key issues. The assessment paper will be the subject of a formal agreement as a sort of precursor for the development plans which will be used in the context of the European Social Fund. The labour market reviews will also be dealt with in the context of the national development plans which are part of the National Plans for Adoption of the Acquis as defined in the Accession Partnerships, and will form the framework for Phare funding.

Each country's progress in the employment field will then be monitored by drawing up progress reports on identified key issues, in collaboration with the relevant candidate country.

The employment policy reviews were launched in 1999, starting with Slovenia, then the Czech Republic, Hungary, Poland and Estonia. The process will start for the remaining countries in 2000.

The European Social Fund

The European Union's employment strategy puts employment at the centre of the Union's objectives and the Member States and the Commission work together to implement this strategy. The ESF is the support arm of the strategy - the financial complement to the activities of the Member States in this field.

The ESF is one of four different Community funds

- the European Regional Development Fund
- the European Social Fund
- the European Agricultural Guidance and Guarantee Fund
- the Financial Instrument for Fisheries Guidance.

For the programming period 2000-2006, there will be three different objectives of the structural funds, namely to

- promote the development and structural adjustment of regions whose development is lagging behind - Objective 1, which is the particular role of the ERDF
- support the economic and social conversion of areas facing structural difficulties - Objective 2, which is still mainly financed by the ERDF
- support the adaptation and modernisation of policies and systems of education, training and employment - Objective 3, which is mainly the concern of the ESF.

The total resources for the period 2000-2006 will be Euro 195 billion

- **Objective 1:** 69.7 per cent, including 4.3 per cent for transitional support, totalling Euro 135.9 billion
- **Objective 2:** 11.5 per cent, including 1.4 per cent for transitional support, totalling Euro 22.5 billion
- **Objective 3:** 12.3 per cent, totalling 24.05 billion.

The funds will also contribute 5.35 per cent to Community initiatives, 0.65 per cent to innovative measures and technical assistance and 0.5 per cent to the Financial Instrument for Fisheries Guidance outside Objective 1. There will be ESF interventions under Objective 1 as well so that the ESF will actually receive more than 12.3 per cent. In addition, within the innovative measures, global grants are foreseen which should enable NGOs to receive funding from the ESF and implement projects in accordance with the ESF fields.

Although the other structural funds have regional objectives (objectives 1 and 2), the ESF (objective 3) has a national-wide aim in which a policy frame of reference for developing human resources throughout all the structural fund objectives must provide, for the whole of the national territory, policy actions that are consistent with and which underpin the employment guidelines and the priorities set out in the national action plan for employment (in the context of the European Union employment strategy). The programming documents should also justify the chosen concentrations of the ESF across the different policy fields and objectives, justify the allocation of funding between the policy fields and ensure a common approach to human resources development across the Member State.



The old ESF regulation focused on target groups, rather than policy fields. The new regulation entering into force this year will be valid for the new programming period until the end of 2006. The approach has now been broadened to bring it more in line with the European Union employment strategy. The new ESF is a labour market instrument and finances activities which help to develop human resources and the labour market in five policy fields, which are very close to the employment strategy

- active labour market policies, to prevent and fight unemployment, prevent men and women moving into long-term unemployment, facilitate labour market re-entry for the long-term unemployed and help young people to integrate into the labour market
- the promotion of social inclusion, to promote equal opportunities for all in access to the labour market and pay particular attention to those exposed to social exclusion
- the development of life-long education and training systems, to promote a policy of life-long learning and improve training education and counselling, strengthen links between education/training institutions and the job market, enhance and sustain employability and support job mobility
- the adaptability of the workforce and entrepreneurship, to promote a skilled, trained and adaptable workforce, enhance adaptability in work organisation, develop entrepreneurship and job creation conditions and boost human potential in research, science and technology
- positive action to help women in employment, to improve women's access to the labour market, promote training and career development, create new job opportunities and help establish new businesses and reduce vertical and horizontal segregation in the labour market.

These fields are not the only possibility for funding. There are new Community initiatives, now reduced from 13 to 4

- INTERREG: trans-national, cross-border and inter-regional cooperation, to encourage the harmonious, balanced and sustainable development of the whole of the Community area (ERDF)

- EQUAL: trans-national cooperation to promote new means of combating all forms of discrimination and inequalities in connection with the labour market (ESF)
- URBAN: economic and social regeneration of cities and/or urban neighbourhoods in crisis, to promote sustainable urban development (ERDF)
- LEADER: rural development (EAGGF).

An important feature of the ESF is the principle of partnership. Whereas the elaboration of ESF programmes is a matter of common concern to the national authorities and the Commission their implementation in the future will be left largely to the Member States but with the active participation of all relevant regional and local authorities, economic and social partners and other relevant bodies, including NGOs. These partners must work together to prepare, finance, monitor and evaluate the assistance.

The enlargement negotiations

The Commission's regular reports on the candidate countries' progress towards accession were published last week and indicate that negotiations on entry to the European Union should open in 2000 for all the candidate countries. This means that Bulgaria, Latvia, Lithuania, Romania, Slovakia and Malta can be brought into the procedures as well as Turkey (although negotiations will not yet commence with Turkey). Therefore, there are no more first wave or second wave countries. However, a differentiated approach will still exist to take account of each country's progress in meeting the Copenhagen criteria. If one country moves ahead faster, negotiations can be finished and that country may accede to the European Union.

Conditions are attached for some countries, which must be fulfilled before negotiations for entry to the European Union can commence. In the case of Bulgaria, conditions concerning nuclear safety must be fulfilled while, in the case of Romania, there are conditions relating to improvements in child care.

The new approach also has a wider vision of what our relations will be with the other non-candidate countries, such as Albania, FYROM, Russia, Ukraine and the Maghreb states.

There will also be a stronger link between the negotiations and preparatory work, since there is no point in opening a chapter for negotiations if work is really far behind; a chapter cannot be opened if there is no reasonable possibility of closing it soon.

The European Union's plan is to be ready for enlargement in 2002 and it has been confirmed that enlargement is the European Union's top priority. The financial framework is in place for the 2000-2006 period which presumes that enlargement can commence between those dates. The appointment of the new Commission has probably given increased impetus to the enlargement process rather than slowing it down.

In parallel to the enlargement process, the reform of the European institutions is now being undertaken and an inter-governmental conference on this issue will

take place next year. The working group led by the former Belgian Prime Minister Dehaene has produced its report on the institutions and the inter-governmental conference will be held on the basis of this. Therefore, hopefully, the institutional reforms will have been dealt with by the time the negotiations with the candidate countries are concluded.

Previous enlargements have taken place on four occasions, increasing the original number of six countries to 15

- 1973: United Kingdom, Denmark and Ireland
- 1981: Greece
- 1986: Spain and Portugal
- 1995: Sweden, Finland and Austria.

Therefore, the present exercise is a massive undertaking compared to the enlargements which have taken place so far. It is a huge-scale undertaking to bring in so many countries at the same time.

The pre-requisites for accession are the fulfilment of the Copenhagen criteria, which are

- **political**, meaning the stability of institutions guaranteeing democracy, observance of the rule of law and respect for human rights and the rights of minorities
- **economic**, meaning a functioning market economy and competitiveness
- **administrative**, meaning the ability to take on the obligations of membership, including the aims of political, economic and monetary union
- **the acquis**, meaning the adoption of the rules and regulations of the Community, the rulings of the European Court of Justice and the Treaties.

The enlargement process involves a large number of parties and institutions

- **the Member States and the candidate countries:** these are the key actors in the process, which are in fact bilateral inter-governmental negotiations, conducted at ministerial and deputy level
- **the European Council (the heads of state):** which takes the political decisions on the enlargement process; it will launch the accession process formally

at Helsinki on the basis of the Commission's Regular Reports on progress made towards accession

- **the Council of the European Union:** which conducts the negotiations on behalf of the Union through the Council presidency with assistance from the Council secretariat
- **the European Parliament:** which must give its assent to accession; this is the democratic link of the European Union
- **the European Commission:** which is responsible for preparing the negotiations, conducting an analytical study of the *acquis* (which is nearly finished), submitting regular reports/recommendations to the Council on the opening of negotiations and on the progress of the candidate countries in meeting the obligations of membership
- **the European Conference:** which was established by the Luxembourg European Council in December 1997 and brings together the Member States and the candidate countries; it is chaired by the country holding the Council presidency and the first meeting was held in London in March 1998 (the Conference is a multilateral forum for political consultation, intended to address questions of more general interest to participants and to broaden and deepen their cooperation on foreign and security policy, justice and home affairs and other areas of common concern, particularly economic matters and regional cooperation)
- **social partners:** although this is an inter-governmental negotiation, the involvement of the social partners is needed and, if they are not consulted early on, there could be problems later; the social partners were given increased powers and responsibilities under the Amsterdam Treaty.

Bilateral inter-governmental conferences have been held, with the opening of negotiations in spring 1998 with the first wave countries: Czech Republic, Estonia, Hungary, Poland, Slovenia and Cyprus. The negotiations cover both the legal transposition of the *acquis* and the capacity to implement and enforce it. The entire range of the *acquis* is split into 31 chapters, covering employment and social policy, the free movement of people, capital movements, the environment, etc. For the six countries in the first wave, November 1998 saw the formal

discussion of the first seven chapters and June 1999 the formal discussion of the next 8 chapters.

By the end of 1999, negotiating positions will have been received for 23 of the 31 chapters from the first wave countries. Up to 10 chapters have been closed so far for some of the countries: science and research, education, SMEs, industrial policy, culture and audio-visual, fisheries, consumer protection, statistics, external relations, customs union and telecommunications. Chapters which are open but are not yet ready for conclusion, because they are too difficult to close, are those on the Common Foreign and Security Policy, company law, competition and free movement of goods. The following chapters will be opened before the end of 1999: employment and social policy, EMU, free movement of capital, energy, transport, taxation, free movement of services and the environment. The remaining chapters will be opened under the Portuguese presidency, which begins in January 2000, but are expected to cause some difficulty: agriculture, justice and home affairs, free movement of people, budget, financial control and regional policy.

By the end of the Portuguese presidency, a full overview will be available on the whole *acquis* and what the negotiating positions of the candidate countries are. All substantial issues will be on the table and the serious and difficult negotiations will probably begin.

Potential problem areas for negotiations are the four freedoms which make up the internal market

- the free movement of persons (and social security): there should not be too many problems but recognition of qualifications may pose a problem and migration may be a sensitive issue for the Member States
- the free movement of goods
- the free movement of capital
- the free movement of services.

Other areas where negotiations may prove difficult are the environment, where a huge amount of work still needs to be done in most of the candidate countries, and agriculture, which is still a complicated issue and a sensitive area for the Member States.

A taskforce for enlargement has been established and has been involved for over a year in a screening exercise. This involves going through the entire legislation of the European Union, explaining this to each of the candidate countries and then assessing what they are doing to comply with this legislation. This is a huge job and all legislation has now been covered up to 31 March 1998. The taskforce is now looking at all legislation up to 1 January 1999. This will be a continuous process until the date of accession, covering all new legislation adopted to that date. As a result of the Berlin Council, an information session has been organised to ensure that the candidate countries are fully informed of the implications of Agenda 2000 (which sets out the European Union's development policies and future financial framework).

Following the end of negotiations, the ratification process must take place in each candidate country; this may be a lengthy procedure, particularly for countries which hold a public referendum on membership.

The social policy *acquis*

The social policy *acquis* covers a huge and very diverse area but affects the day-to-day life of citizens, which is why it is so important.

Areas where there is substantial secondary legislation are

- health and safety
- labour law
- equality of treatment.

Areas which have been strengthened by the 1997 Amsterdam Treaty are

- social dialogue
- employment
- social protection.

Other areas of the *acquis* cover

- the European Social Fund
- public health
- coal and steel (ECSC)
- discrimination
- the Dublin foundation for living and working standards.

The main issues for the candidate countries are

- **legislative:** labour law, where a lot of work still needs to be done, and equality of treatment
- **compliance and investments:** health and safety, where a lot of legislative work still needs to be done but much investment must also be made to comply fully with health and safety directives, with public and/or private investment - a transition period may need to be considered
- **enforcement:** labour and health inspectorates will need to be reinforced
- **systems of redress:** the methods of redress available to individuals harmed by unlawful/negligent acts also need attention.

The justice and home affairs *acquis*

This is the first enlargement process in which the justice and home affairs *acquis* has been a feature.

The transposition of the justice and home affairs *acquis* in the candidate countries is of considerable interest to the Member States, particularly given the candidate countries' past record in this area. Therefore, there has been a lot of discussion on this issue and it is considered that it is essential to ensure that the countries adopt the *acquis* in this field.

However, it was a completely new exercise to determine the *acquis* in this area. There are no lessons to be drawn from the previous enlargement. A synthesis had to be made incorporating all relevant inter-governmental cooperation between the Member States adopted before November 1993 and decisions taken under Title VI of the Maastricht Treaty, which covers cooperation between the Member States on justice and home affairs. This exercise took some time. The *acquis* resulting from this is structured according to a number of themes

- asylum
- external borders
- migration
- organised crime, terrorism, drugs
- police cooperation
- customs cooperation
- judicial cooperation in penal and civil matters.

During the preparation of negotiations, it is important for the candidate countries to understand what the *acquis* comprises, areas which require cooperation and what needs to be done. The screening exercise undertaken is a pedagogic exercise to explain the content of the *acquis* and the obligations of the candidate countries as regards legislation and accompanying administrative requirements to ensure enforcement. Each country has been invited separately to enter into dialogue on these issues to explain the existing situation and give a timetable for adaptation of domestic legislation and implementation in the daily practice.

While all this is going on, the *acquis* continues to grow. Through the Amsterdam Treaty, the Schengen *acquis* (on the removal of checks at borders between Member

States) is now part of Community and Union law and, as a result, the screening process has had to be extended.

The pre-accession process is the tool used to identify measures needed to help them enter the European Union. We have to assist the candidate countries to train and equip themselves to meet the requirements of accession. For this purpose, Phare is providing support through

- multi-country programmes
- national programmes
- twinning programmes.

Of particular interest is the justice and home affairs programme which aims to assist the candidate countries to take over the justice and home affairs *acquis* and the practices and standards of the Member States. The first programme was adopted in 1996 and focused on needs assessments for the countries to identify gaps in the fields of the rule of law, the judiciary, asylum, migration, border management and police organisation; following this, projects were developed for transposing the *acquis* in the fields of asylum, police training, the fight against organised crime and corruption and judicial cooperation in civil matters (and penal matters for the Baltic states). A new programme has been adopted, with funding of Euro 10 million, which will focus on

- establishing/reinforcing the independence of the judiciary, access to courts, court procedures, execution of judgements and the protection of vulnerable targets
- developing judicial cooperation in penal matters, with focus on extradition rules/procedures, mutual assistance in penal matters, establishing a central authority and developing direct contacts between authorities
- training judges in European Community law to enable its effective interpretation and application
- adopting and implementing the *acquis* on migration, visa policy and external border management.

The methodology of the programme, with its multi-country approach, allows the development of harmonised strategies for the transposition of the justice and home affairs *acquis*.



Programming accession

Enlargement programming

The objective of the pre-accession process is to help the candidate countries to get ready to join the European Union as quickly as possible. To explain what must be done, the Council drew up three criteria for membership, the Copenhagen criteria

- political criteria, which says that the candidate countries must be functioning democracies and have respect for human rights and minorities
- economic criteria, which means that the candidate countries must be functioning market economies and must demonstrate that they will be able to withstand the competitive pressures of operating inside the internal market
- the ability to take on the obligations of membership: the European Union has developed many regulations and rules which represent a bond of trust between the Member States that they will all follow the same rules, with the result that they do not need borders or controls between them; the ability to take on these rules and regulations ‘the *acquis*’ is an important part of preparing the candidate countries for membership.

We are now explaining the *acquis* intensively to each candidate country and helping them to develop work programmes to assist them to adopt the *acquis*, as well as assume common practices which the Member States use to work together, for example on social protection. Our work aims to

- explain what the countries’ future obligations will be
- give them advice and more particularly practical help to assist them step by step to build up their own capacity to operate as Member States in the future.

To support this process, we have developed a number of instruments, some of which are policy programming instruments and some of which are financial.

An Accession Partnership is a document addressed to a candidate country in which the European Union sets out a series of short and medium-term priorities; it is a clear statement by the European Union of where it thinks the priorities should be for each country and they coincide very largely with the priorities of the candidate countries. The Accession Partnerships are designed to be a message from the European Union that it thinks that these areas are very important and wants these to receive special

attention in the particular country’s preparations for membership. Areas like social policy and the environment figure rather prominently in all the Accession Partnerships. Candidate countries have adopted National Programmes for the Adoption of the *Acquis* (various countries have different names for these agreements). The National Programmes require a huge amount of work from ministries: to look at the *acquis* and see what has to be done to bring national legislation into line, as well as decide year by year which laws will be presented to Parliament, what financial resources will be needed and what kind of human resources will have to be devoted to the various tasks.

It is very important for the existing Member States to be convinced that the candidate countries are able to apply European Union rules and regulations in the same way as them. This means not just introducing new laws but having bodies capable of inspection, licensing and enforcement, etc. Therefore there is an enormous task to be performed by the countries in terms of mobilising people, organising structures and finding the necessary financial resources.

To help the countries develop their work programmes and implement the priorities, there are three financial instruments, one which has existed since 1989 and two new ones which will commence in 2000

- Phare, currently the main financial support, is ten years old and has changed its nature several times during that period; Phare now has funding of Euro 1.5 billion per year (although this is not much when it is divided between all the candidate countries and between their various priorities)
- ISPA is a new instrument to support large infrastructure projects for transport and the environment; it will receive an allocation of Euro 1 billion per year
- SAPARD is a new instrument to support agricultural and rural development, with an allocation of Euro 500 million per year; agricultural and rural development is a very important part of European Union policy and a challenge for nearly all the candidate countries.

Therefore, just over Euro 3 billion per annum will be available to help the candidate countries accelerate their preparations for membership. This means a doubling of the amount which has been available till now.



Catherine Day

An important development in the Phare programme is the increasing emphasis on structural development, i.e. regional and social development. This is in the perspective of devoting more support to the kind of regional and social policies which we have in the European Union; this means support for activities for regional development, vocational training, re-training and other initiatives to accompany some of the regional and social consequences of industrial and agricultural restructuring in the candidate countries. Just as the European Union wants its own Member States to support the process of restructuring in the less developed parts of their territories and find alternative activities for people and regions affected, we want to offer the same kind of help, support and solidarity to the regions of the candidate countries.

All this is designed to help the countries to be ready to participate in the European Union structural funds when they become members. We have different ways of working together in the European Union and we want to help the candidate countries adjust to these ways of working before they become Member States, to ensure as smooth a transition as possible when accession occurs.

Apart from providing finance and advice, we are also working very closely with the Member States, to mobilise expertise. They are making some of their own civil servants available to work in the candidate countries for a year or so to help them draw up the kind of policies which will be compatible with European Union policies and which will enable a smooth inter-linkage on accession. By working closely with civil servants from the Member States, the administrations of the candidate countries will also become part of the networks which exist in the Member States well before they become Member States themselves. This exercise is all about familiarity, learning to work with each other, exchanging information, sharing experiences, sharing working practices and learning about what has and has not worked in the European Union as well. This is not just a one-way process: the European Union has to learn to work with its new partners too and learn from their experiences. There are also one or two programmes more specifically directed at the NGO community. To help the candidate

countries meet the Copenhagen political criteria, we are working to help each country to develop its civil society. In several countries, Phare has helped to establish Civil Society Foundations, providing them with finance to enable them to support small projects; these are designed to help civil society to develop, become a useful interlocutor for government and develop dialogue with authorities at local, regional and central level. We encourage dialogue at all levels to ensure that people understand what the rules are and we are explaining the importance of dialogue to the governments. We are increasingly talking to social partners, local governments and NGOs in the candidate countries and hope that their governments will do the same. The new structural funds-type approach of Phare will help to encourage the increased involvement of local and regional actors in Phare programmes.

A new Phare-funded programme will bring together the existing LIEN and Partnership programmes. LIEN was designed to stimulate initiatives of NGOs working with disadvantaged groups in the candidate countries and strengthen their capacity, while the Partnership programme focused primarily on support for local economic development and cooperation between the private sector, local government and the NGO sector. The new programme, ACCESS, will work in a fairly decentralised way in each country and will be designed to support those working with disadvantaged groups. Primary focus will be on developing NGOs themselves and networking between NGOs. The programme aims in very practical ways to integrate NGOs in the candidate countries into the kind of networks which exist in the European Union.

Again, this is all a step by step process to prepare the candidate countries for how life will be after accession by involving the candidate countries now in networks and discussions and projects.

We need to define our place in the transformation process, in practical terms rather than political. How can we help to shape social policies?

The role of central and eastern European welfare organisations in developing and implementing social legislation

Social welfare organisations do not wish to replace the state or diminish the responsibility of legislators or administrators. The central responsibility for bringing about social justice in our countries is the role of politics. We have a role to play in this, too, depending on the specific political culture and tradition which varies from country to country. East or west, the primacy of politics is the central axis of our thinking and strategising. We all seek and support good social legislation.

Simultaneously, NGOs and welfare organisations throughout Europe favour the subsidiarity principle. But subsidiarity in the sense that it is not just for the state to do all the work, especially as far as social services are concerned. History shows that throughout the centuries, social welfare, in particular healthcare and care for the elderly, was provided by caring individuals and free initiatives. State authorities had no or extremely limited involvement in this sector. This began to change in the last century but again in this century, we have seen moments of social vacuum after each world war when public authorities were unable to carry out or had partly pulled back from their responsibilities. A similar situation arose in Central and Eastern Europe after communism was abolished. Social vacuum, social unrest, disorganisation and dismantling of all institutions have devastating effects but also offer an opportunity to reshape societies and social welfare systems.

Organisations such as ours have always taken up this historic challenge, especially after the First World War, when many charitable organisations were formally created and existing activities were bundled together, given legal status and recognised by the public authorities. After the second war and now in the whole of Central and Eastern Europe, it is not a completely new start but new types of social welfare organisations certainly began to develop.

Subsidiarity does not mean having a God-given right. It is rather an opportunity to develop specific services and in our own authentic way. Secondly, we wish to team up with each other and also with local, regional

and national authorities. But we do not wish to play the lone wolf. Subsidiarity basically means co-operation in a synergetic way.

The transformation process in central and Eastern Europe is accompanied by tremendous social problems. For example, entire rural communities or mining districts are falling apart, while state run pension schemes have collapsed so that old people are without subsistence. Even with greater financial resources, it would be impossible to cope with these problems. A new solidarity must be established, with adequate social security for everyone, not just for privileged people. In some countries, parts of society are benefiting from the transformation and are now in a privileged position. There is always the hope that their wealth will trickle down to the lower strata but we should know from experience in so called developing countries that the trickling down effect is wishful thinking. Understanding the transformation process presupposes a critical analysis of society and a vision of the 'common good' and how it should be shared.

Over the last ten years social NGOs have mushroomed in the east as well as the west. This trend started in the west after the 1968 Cultural Revolution occurred and traditional movements became a part of the past while new movements, such as women's and ecological movements, started sprouting. In all parts of Europe we are now facing a large variety of approaches, philosophies and value systems and these are conveyed through the vehicle of NGOs. This mushrooming should not be considered a negative development - it is a sort of natural process, which we have to understand. We have to judge on the basis of results.

In discussion with other European social organisations we have developed categories and benchmarks

- **representativeness**, meaning that NGOs have to have grassroots members, a social body which owns them
- **authenticity**, meaning that the NGO's profile and the values it stands for are distinguishable
- **operationality**, meaning that the NGO does real concrete social, charitable work
- **independence**, meaning the extent to which an NGO is financially dependent on government funding.

There is a continuum in our field of activity. We do not just provide social services but advocacy as well. Poverty is becoming a common feature of modern society in both eastern and western Europe. In this context, advocacy for the most vulnerable in society may be even more important than social/charitable works, in that it can organise those who have no support, to make them capable of defending their rights themselves; the task is to organise those parts of society to enable them to take their future course into their own hands.

Besides providing social services and getting involved in advocacy, there are some other roles and activities which we can fulfil

- **capacity building**, which strives to uphold voluntary work: we can create synergies between high quality professional work and the action of volunteers but they need training, monitoring and assistance; by bringing in this potential we can give a real added value
- **innovation**: social services must constantly be adapted to new needs and new areas and means of delivery can be developed to provide very professional services with a huge amount of voluntary work built in; for example, home-care, which was one of the traditional ways of charitable work for those without any social security, have been reinvented recently
- **cross-fertilisation**: we can learn from each other, at least how to avoid mistakes which others have already made, but there is more, for example coherence.

What is worrying with regard to the controversial debate in the accession countries about the EU is that the values behind Europe are not understood. The European Union

has its values and visions and it wishes to share its invaluable resources with the candidate countries. The frequent question "what is in it for us?" says much about the spirit of those who ask this. The convergence of the old and the new Europe is not driven forward by accountants. The real value can only be measured in terms of global justice and peace. Public opinion may all too often be versatile. In the end, true values will overcome.

SAPARD: implications for the adaptation of rural areas in the candidate countries

This is the first time the European Union has embarked on an enlargement of this size. In addition, for the first time, we are embarking on a huge pre-accession process. Therefore, we are not just engaged in enlargement negotiations but a pre-accession process, basically an integration process. The negotiations may highlight where particular difficulties are, because in the enlargement negotiations, we are really saying “Here is the whole *acquis*: can you and will you take this over and have you the capacity to implement it?” Therefore the negotiations will continue and these will also determine whether transitional periods are needed in certain areas. The idea is that as the process goes on, the candidate countries will be more and more ready so that smooth negotiations and membership will ensue.

There are still difficult political questions to be settled as to when negotiations can be completed, what sort of transition periods may be needed and what sort of political pressure there may be to move to enlargement, before the countries are really ready.

In view of the enlargement process, all European Union assistance to the candidate countries is now accession-driven. In the case of agriculture, there are a number of key priorities. There is the need to align with the agricultural *acquis*, which includes both the CAP, rural and structural development in the agricultural sector and the veterinary and phytosanitary *acquis*.

To be participants in the full internal market, industries must be adapted and able to apply European Union standards for both export and domestic markets. This is because the concept of an internal market predicated no border controls but the free movement of goods: once a product is placed on the market of one Member State, it can move across the European Union with no further controls. Therefore, every slaughter house, dairy and food processor must operate to European Union standards. Some of the countries already have European Union approval for quite a large part of their food processing industries, for example export companies, but the majority are still not ready for this. All the food processing industries must be upgraded to European Union standards and investment will be necessary for this. Once European

Union approval is granted for a company, this is kept as long as there is no negative test on export or inspection; in that case, approval will be withdrawn until the problem is resolved and products are passed as fit again. If there is animal disease or a phytosanitary problem in a country or region, the border or area concerned is closed and those type of goods cannot move outside.

An essential part of aligning with European Union standards is having the capacity to ensure implementation of the *acquis* and the phytosanitary and veterinary requirements. This means having a good control and inspection system in place to ensure that standards are being complied with. This is also essential to convince the Member States that the candidate countries can control their external borders, which are the future European Union’s borders. As far as land-based borders are concerned, these borders will be tripled when enlargement takes place. As a result of this, there are concerns about animal and plant diseases from beyond the candidate countries’ borders.

When it comes to structural problems, one of the key issues is that the average number employed in agriculture in the European Union is 5.1 per cent (Greece and Portugal have around 20 per cent working in this sector but, in some Member States, the figure is much lower). The average will double on enlargement since the average of those employed in agriculture in central and eastern Europe is 22 per cent. When the 10 central and eastern European countries join the European Union, the geographical size of the agricultural area will more than double and the number of farmers will rise from 7.5 million to 15 million. This is a huge problem, particularly in countries like Poland, Romania, Bulgaria and Lithuania (and Latvia, to a certain extent). In these countries, we have insisted that part of the SAPARD programme will have a component of coherent rural development policy, because it is clear that their agricultural sectors will have to undergo huge restructuring and it is evident that there are very limited possibilities in their rural areas for alternative employment. Therefore, this is one of the main areas we are looking at in the strategy we are developing for agricultural pre-accession assistance.

These priorities are included in the Accession Partnerships and the other instruments which are essential in this context, which are the National Programmes for the Adoption of the Acquis. These programmes spell out what the candidate countries have to do and how they are to do it to be ready for membership. The programmes set these actions out in detail. To help the candidate countries to implement the details set out in the National Programmes for the Adoption of the Acquis, there is Phare (1.5 billion), SAPARD (500 million) and ISPA (1 billion). ISPA covers transport and the environment and therefore is of little concern to us here, except insofar as environmental infrastructure may improve the possibilities for agricultural activities or diversification into other sectors.

SAPARD is a new instrument to provide assistance to the candidate countries in the sector of agriculture and rural development. The objectives of SAPARD are to

- contribute to the implementation of the agricultural *acquis*
- contribute to the solving of priorities and specific problems related to the sustainable adaptation of the agricultural sector and rural areas.

These priorities were first proposed to the Council in the opposite order but the Member States changed them around to place emphasis on preparation for the *acquis* and building up the capacity needed to participate fully in the European Union. This is an important balance.

The question of whether we are going to just help those staying in agriculture or those leaving as well is important. Therefore, there are two pillars. The first aims to improve the competitiveness and capacity of the agri-food sector (food processing and farms) to implement European Union standards. The second, depending on the size of the country and the size of possible economic and social problems in restructuring the agricultural sector, involves a targeted strategy for developing rural areas and for developing alternative employment outside the agricultural sector.

SAPARD will maintain close cooperation with Phare. For example, SAPARD does not really involve social support, although there are some elements of vocational training specifically targeted at improving training for

farmers to teach them farming management skills at different levels. However, Phare has an economic and social cohesion component: Phare will target a few regions in each country where focus will be on European Social Fund and European Regional Development Fund type actions, such as SME activities, directed at improving the local business environment. SAPARD activities will be quite close to this, for example the development of agro-tourism or the development of rural infrastructure to improve the whole business infrastructure in a rural area or the development of a local food industry. Therefore, we will be working in coordination with Phare.

SAPARD is very different from Phare in that Phare works on a project basis (involving the identification and preparation of a project in a particular field and its approval by the European Commission); the very specific nature of the procedures is necessary in view of the European Union's external aid rules. SAPARD is programme-based and follows much more the approach of the programmes applicable to the Member States in the Objective 1 areas of the structural funds. Each country will prepare and submit a plan and once this is approved by the Commission as a programme, it will be for the country itself to be responsible for implementation (tendering and selection, etc.), with ex-post control by the Commission. This approach is a very important element of *acquis* transfer, since it prepares the candidate countries for what they will have to do on accession.

The candidate countries are now preparing their plans for SAPARD. These will indicate which different measures they will focus on, for example investment in agricultural holdings or processing/marketing, veterinary/phytosanitary quality, agro-environment, production methods, diversification of economic activities, alternative employment/diversification, producer groups, etc. The plans must be set up at the appropriate geographical level, i.e. national level but they may be targeted at specific regions or specific sectors (such as the dairy or meat industry) or schemes (such as farm investment schemes).

The plans must cover a 7 year period and describe the current situation and strategies and include a prior appraisal. They must be very detailed and lay out measures, eligibility criteria and the type of implementing systems which will be used. The programmes must give priority to measures to improve market efficiency, quality and health standards and measures to maintain/create jobs in rural areas. They must also observe environmental standards. The issues which will be the main concern for the Commission when it assesses the plans is what they do to prepare the countries for accession.

The countries must present their plans before 29 December 1999. Some have already arrived and the Commission has commenced discussions with certain countries. The Commission must finalise its decision within 6 months of receiving the plans and it is hoped that implementation will commence by mid-2000.

It should be noted that SAPARD requires the countries to cooperate with the social partners (such as agricultural chambers and NGOs), basically those who have an interest in or who are involved in the particular measures covered by the planned programme. The countries must consult, discuss and involve them and the plans submitted to the Commission must describe what consultations have taken place and their main conclusions.

As to the financing available under SAPARD, the rate of the Community's contribution will be up to 75 per cent of total public expenditure. The technical assistance contribution will be 100 per cent. In the case of private investment (namely, revenue-generating investment), private investors will be expected to contribute at least 50 per cent of the financing; out of the remaining 50 per cent, 50 per cent may be contributed by public expenditure and the Community's contribution may be up to 75 per cent of the remainder.

Certain countries are dissatisfied, since Romania and Poland will be taking the lion's share of the funds. The calculations have been made on the basis of GDP, taking the deviation from the average GDP of the 10 central

and eastern European countries. This is why the weight is on the economically less-developed countries. On the basis of the allocations made to them, the countries' financial plan will allocate the funds under each measure which they have proposed over the 7-year period; they may start with a small amount for one measure, depending on what their respective priorities are and then increase the amount if necessary.

As regards practical implementation of the programme, once it is approved by the Commission, relevant parties will be informed of the measure, the eligible beneficiaries and funding available and invited to present their proposals to the designated authorities for selection/approval. This may be done in a decentralised manner. Some measures will normally be handled at national/Ministry level, for example food industry investment schemes, foreign investment schemes, schemes sent in by businesses themselves and rural development measures. In larger countries, regional development agencies or regional offices of the Ministry may be designated. NGOs may be designated to take some role in implementing certain aspects. Totally project-based measures developed at regional/local level to address a very specific problem in a village or rural area in terms of rural infrastructure, diversification or SME development may require NGO involvement. This is where much of the experience available among NGOs may be used, both in terms of identifying and preparing a project or in terms of managing or monitoring its implementation.

We are aware that there are still problems with information flow from certain ministries of agriculture in the candidate countries. This is partly due to the need to get away from centralised thinking in administration and also due to the fact that they are not very far forward in their internal thinking and therefore are not in a position to give out information on what they actually intend to do. In this climate, there may be some distrust of NGOs and other external groups. However, most players know what the possibilities for funding are; what they do not know is exactly what the measures will be and what type of projects will be eligible.

As social partners, certain NGOs are involved in the consultation process which is required in drawing up the countries' plans under SAPARD before these are sent to the Commission. Involving NGOs directly in the funding mechanism is complicated because it is central government which is responsible for receiving SAPARD funds and allocating them according to a set of clearly identified eligibility criteria. Once policy areas are identified, then there must be open and transparent access to the relevant measures. Once NGOs know what these measures are and the eligibility criteria, it is for them to develop a project which meets those criteria.

Some information will be available through the delegations and some is available on the DG Agriculture and TAIEX websites.



NGO programmes

Roma issues in the context of enlargement

There are around 8 million Roma living in Europe today, with the vast majority, around 6 million, living in central and eastern Europe. Roma communities are most numerous in Romania, where there are between 1.8 and 2.5 million, Bulgaria 700,000-800,000, Hungary 500,000-600,000, Slovakia 400,000-500,000 and the Czech Republic 250,000-300,000.

Why are Roma communities important in the context of EU enlargement? The Copenhagen criteria lay down certain conditions for European Union membership relating to political and economic matters and alignment with the acquis. The political criteria state that in order to become a member of the European Union, an applicant country must have achieved “stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities”. The situation of minorities such as the Roma is therefore being taken into consideration in assessing the capacity of candidate countries to become members of the EU.

The European Commission assesses the situation of the Roma in central and eastern Europe as follows. These communities are faced with deep-rooted discriminatory attitudes in their daily life at all levels of society, as well as with social exclusion. Unemployment in the Roma community stands at between 70 and 90 per cent and illiteracy is very high. In some countries, like the Czech Republic, around 80 per cent of Roma children are sent to schools for the mentally handicapped; this makes their chances of entering mainstream life almost inexistant. Most of these children are not mentally handicapped, they are simply unable to speak Czech. Racism, discrimination and social exclusion are characteristic for the Roma population in central and eastern Europe, as highlighted in all the European Commission’s Regular Reports on the progress made by the candidate countries on progress towards accession, including those produced in October 1999.

Now, a few additional words about the political and legal context for EU activities towards Roma communities in central and eastern Europe. First, the so called Europe Agreements: Article 6 of each Europe Agreement with each candidate/associated country requires “respect for the democratic principles and human rights established

by the Helsinki Final Act and the Charter of Paris for a new Europe” (the Paris Charter was adopted at the 1990 CSCE summit). Second, the Accession Partnerships. Accession Partnerships act as road maps for the central and eastern European countries, to help them prioritise their preparatory actions for accession. The 1999 Accession Partnerships with five countries, namely Romania, Bulgaria, Hungary, Slovakia and the Czech Republic highlight Roma issues as short term and medium term priorities which need to be dealt with: the countries are invited to implement Roma action programmes, adequately backed by the necessary financial support at national and local levels; to fight discrimination (including within public services); to foster employment opportunities and increase access to education. Accession Partnerships are also a determinant in designing EU financial and technical support for candidate countries, the main instrument being the Phare programme. Since the 1998 and 1999 Accession Partnerships have an important focus on Roma issues, what help has been provided through the Phare programme? The total amount of Phare funds committed for the Roma for 1998 amounted to around Euro 3 million and, for 1999, the total committed for the five countries concerned amounted to around Euro 10 million.

Phare is funding the following projects for 1998 in relation to the Roma

- **Slovakia:** almost Euro 500,000 for a joint project with the Dutch and Slovak governments for a total of Euro 2.4 million, aimed at helping a particular Roma community in a specific district with a high density of Roma, with focus on education, employment and housing standards
- **Romania:** Euro 2 million to help the government set up a strategy to improve the situation of the Roma; part of the funds will be used to provide grants for projects related to the recommendations of the strategy, once this is completed
- **Czech Republic:** almost Euro 1 million for grants from the Civil Society Development Foundation for local NGOs to develop projects to help the Roma community.

For 1999, Phare funding is being used for programmes for

- **Bulgaria:** Euro 500,000 to increase the access of young Roma to education, improve living conditions in Roma areas and train Roma representatives to work in public administration



Jackie Tordoir (Caritas Europe) and Catherine Magnant

- **Czech Republic:** Euro 500,000, to improve the integration of Roma at school and university level, train advisers and assistants dealing with Roma issues, organise a public information campaign on minorities and conduct research on inter-ethnic relations
- **Hungary:** Euro 5 million for a much larger project totalling Euro 9.6 million, mostly financed by the Hungarian government, with focus on education to reduce the school drop out rate of Roma students, remedial education and the social promotion and integration of Roma
- **Slovakia:** Euro 1.8 million for a minority tolerance programme co-financed by the government, to train around 450 public administration representatives on issues affecting Roma, support a public information campaign on minorities and upgrade teacher training institutions to cater for minority groups; Euro 2 million will also be provided to the Civil Society Development Foundation to distribute grants to NGOs under a minority programme mainly targeted at Roma.

Phare has also provided funding for the Roma under the LIEN programme, which targets socially disadvantaged groups and therefore has some projects covering the Roma.

Since 1993, Phare has also funded the Democracy programme, which since 1998 is known as the European initiative for Democracy and Human Rights. This aims to improve democracy in the central and eastern European countries and the Balkans; it includes the improvement of human rights and some of its projects target Roma communities.

Less well-known is that some of the programmes of the Directorate General for Education and Culture are open to Roma communities. The Community programmes for education and youth, which were designed for the Member States, are now open to the central and eastern European countries as well, as part of the pre-accession strategy to help them prepare for membership

- The 'Socrates' programme deals with cooperation in the field of education; Comenius Action II under Socrates aims to improve educational provision for the children of migrant workers, occupational travellers, gypsies and travellers and therefore allows some access to funds for Roma

- The 'Youth for Europe' programme aims to increase contact between young people of the Member States and is now also open to young people from central and eastern Europe; some of its programmes are available to young Roma.

The Directorate General for Employment and Social Affairs also has funds to fight racism and has been able to finance some activities for Roma in the Member States. These activities have not yet been extended to the candidate countries but this is now being considered in view of the provisions of the Amsterdam Treaty.

Finally, it is worth mentioning that the Amsterdam Treaty includes a new article which, for the first time, prohibits discrimination on grounds such as race, religion, gender, ethnic origin and colour of skin. This allows the Commission and the Member States to adopt new actions to fight racism and discrimination in the Member States. As part of the what we call the 'pre-accession strategy', it is envisaged that whatever is set up for the Member States should be extended to the central and eastern European countries.

By way of conclusion, has anything changed since the EU started to highlight Roma issues in 1997-1998? It is clear that awareness of Roma issues has now been raised considerably, at least at the central, governmental level of the Central Europe countries. Roma issues are now on the agenda, whereas it used to be difficult to find people in central bodies outside those specialised on minorities who would even accept to discuss the problem. In addition, most countries have tried to reinforce their institutions at national level to deal with Roma issues, when they did not have any. For example Bulgaria and the Czech Republic set up internal inter-ministerial Commissions on Roma issues. While most of the countries have attempted to reinforce their capacity to deal with the issue at central level, some have also tried to set up programmes to help improve the Roma situation. These programmes may not yet be comprehensive enough and most importantly not backed by enough funding, but at least there are now increased efforts to start addressing the situation. The EU will keep monitoring the situation closely, and offering assistance. Given the depth of the problems, it is clear however that long years will be required before some major improvement of the situation of the Roma will be seen.

The LIEN programme

The LIEN programme is being wound up but this provides us with an opportunity to take stock of its achievements.

LIEN (Link Inter-European NGOs) commenced in 1994 and was designed to help NGOs establish a safety net for disadvantaged people. LIEN is a means of developing social solidarity, strengthening civil society and encouraging networking between NGOs, particularly between European Union organisations and their central and eastern European counterparts. A particular aim is to stimulate the initiatives of NGOs in central and eastern Europe and strengthen their professional capacity.

Phare allocated Euro 5 million to LIEN in 1994, Euro 10 million in 1995, 7 million in 1996 and a further 10 million in 1997.

The main aim of LIEN was to

- help NGOs to work on behalf of the disadvantaged and marginalised elements of society, such as the elderly, victims of AIDS, street children
- promote durable support to needy groups
- promote the inclusion of the excluded and marginalised in society.

The main fields of activity concerned

- women who are particularly disadvantaged, to improve their condition and status, as well as education and professional training opportunities
- health and social support for groups, such as the elderly, the homeless, street children, drug addicts and HIV positive people
- social reintegration of the unemployed and marginalised groups, such as members of minority groups (a number of projects have been targeted at the Roma), the handicapped and the unemployed, through providing information on the labour market, facilitating their situation and improving their skills.

These sectors were chosen because these are areas where the European Union has the most experience to offer. The overall results have been positive.

LIEN has been complemented by the activities of the Partnership Programme and the Democracy Programme, both of which are also funded by Phare. The Partnership

Programme focuses primarily on support for local economic development and cooperation between the private sector, local government and the NGO sector. The Democracy Programme aims to support the activities of non-profit making organisations designed to strengthen pluralistic democracy and the rule of law. The three programmes together cover the major areas of activity which are of interest to non-profit making organisations in central and eastern Europe and constitute a coherent approach to civil society development. The civil society development programmes which are being funded under national programmes by Phare for certain candidate countries are also linked to this wider strategy of strengthening and widening the capacity of NGOs in civil society development and political transformation.

However, while there has been an explosion of NGOs in the candidate countries, there are enormous differences in their legal status from country to country. In addition, a large number of NGOs from the European Union have become implanted in the candidate countries, taking advantage of the LIEN Programme to further entrench their position there.

The LIEN and Partnership programmes are not being renewed. They are being merged into the new ACCESS programme. However, it is hoped that the reports of the working groups on the projects and on the LIEN programme as a whole may encourage a new initiative in this specific area. (It is hoped that activities for the Roma can be continued under another umbrella and a seminar is planned for September 2000 in Paris to consider this, given the enormous interest in this sector.)

ACCESS is an institution building programme set up to help strengthen civil society in the candidate countries. It is based on the experience gathered from the LIEN, Partnership and Democracy programmes. It aims to stimulate initiatives and strengthen the operational capacity of NGOs by providing co-financing for grants for NGO projects which will focus on activities related to the adoption and implementation of the *acquis* in the fields of environmental protection and socio-economic development and activities in the social sector, aimed at contributing to the social reintegration and/or the promotion of sustainable health and social support for marginalised groups.

The Democracy Programme

In the old days, we talked about the Phare Democracy and Tacis Democracy programmes. Phare and Tacis are separate budget lines and they are also different from budget chapter B-77, which includes all the human rights and democracy budget lines of the European Commission. We attempted to have a Phare and Tacis Democracy programme and have the two departments working together. Certain questions were difficult to resolve, for example whether a project to assist the disabled was in fact a project to have rights respected and therefore could be covered by the Democracy programme or by LIEN which deals more with social and physical conditions.

Therefore, we attempted to work closely with LIEN. We also tried to cooperate with the employment creation and enterprise programme, Partnership and the Coordination programme. Therefore, we had five different programmes which we tried to run together and there is still some family resemblance.

Two years ago, the programme moved to the Human Rights and Democratisation Unit because, while it was important to coordinate what we do on democracy with other aspects of what we are doing in a particular country, it is also important to have a consistent and coherent approach to human rights and democratisation across the board. The move, within what was then Directorate General IA, of the democracy budget lines to the human rights lines was really the precursor to the creation of the DG for External Relations.

The Unit has now assumed responsibility for all the budget lines of B-77, i.e. all the human rights and democracy budget lines. The world-wide budget amounts to some Euro 100 million per year, spread between a plethora of different budget lines. This is a challenge since historically each had slightly different budgetary procedures, etc.

A crisis occurred in 1998, which affected the democracy budget lines but also social and other expenditure of the Commission; certain Member States sought a judgement from the European Court of Justice about the absence of a regulatory framework to set out how the money should be spent. The Court ruled that that it was not enough for

the Commission just to have a budget line, a regulatory framework was also needed and therefore, pending that, no money could be spent. This posed enormous difficulties for those dealing with the related budget lines.

Following this suspension in May 1998, the Council and Parliament have now adopted a common legal basis, which in fact consists of two parallel regulations: one for developing countries and one for non-developing countries. Two regulations were necessary because a regulation has to be based on the Treaty and only human rights related to cooperation with developing countries was covered until the Treaty of Amsterdam in 1997, when human rights became a Community responsibility as well as a responsibility of the Member States themselves. Before that, the only other basis for non-developing countries was Article 235 of the Treaty of Rome which states that if the Community chooses to do something within its competence unanimously, it may do it. This was the original basis for all emergency assistance because there was no specific reference in the Treaty to humanitarian aid and it then became the basis for the cooperation with the countries of central and eastern Europe.

This term 'Community competence' will have more significance in the coming years. The Member States respect human rights through commitments on them by virtue of their membership of the Council of Europe and as signatories to the European Convention on Human Rights. However, the Community itself is not a signatory because the last time this question was examined some years ago, it was considered that the Community did not have competence for human rights on the basis that the Treaty of Rome was a framework predominantly for economic cooperation. The new regulation, together with the Treaty of Amsterdam, states that the Community has such competence and therefore, we may see, as the Community moves on from what was essentially a framework for economic cooperation, a recognition that it is now a deeper Community and that one of its dimensions is human rights.

In December 1998, the European Union heads of state met in Vienna and this coincided with the 50th anniversary of the Universal Declaration of Human Rights. The occasion was used to make a significant statement on human rights. The heads of state suggested

that the European Union should produce an annual report on human rights and this has just been published. They also suggested that the possibility of setting up a European Agency for Human Rights should be examined.

One of the reasons for setting up an Agency would be the difficulty that we currently have in running small-scale programmes. It is not easy to run what are essentially small projects with NGOs in the civil society sector and combine this with our now more visible objective of sound and effective management.

The first problem stems from the fact that we have very limited staff compared to the size of our budget. Trying to find those mechanisms which match our desire for sound and efficient management but which also address the needs of NGOs and NGOs' needs are not met by having enormous contracts allocated under a tendering procedure. Therefore, how is sound and effective management to be related to having lots of small activities? We use two methods. Firstly, we use organisations such as the European Volunteer Centre (which manages LIEN), in other words people outside the Commission but who have a supporting role. After 15 years of working with the European Human Rights Foundation by direct agreement, there was a suspension of cooperation lasting several months until it was decided to negotiate a fresh direct agreement to the Foundation. The Foundation has provided significant support to the Democracy programme and it is a challenge to go to public tender to find someone entirely new to provide this supporting role. We have to have such support, otherwise there would never be enough time for monitoring or for reading reports on the programme's progress and we would not have the assurance that we only make a payment when we should.

Secondly, we have issued a call for proposals (which is now closed) and have received around 550 applications. The budget lines are all concerned with support for the central and eastern European countries and the ex-Soviet Union countries, covering support for human rights organisations (including those dealing with victims of torture) for any geographical area and support for

international criminal tribunals (including for the Hague and Arusha) and the ratification of the establishment of the international criminal court. There is also a budget line for assistance to support electoral processes and observation. Put together with these lines are all those dealing with African countries. With our re-grouping this year, we may from 2000 on seek a common approach for all the budget lines under B-77.

There will probably be an announcement before the end of the year as to which projects have been selected and which will be funded under the 1999 budget and which will be considered for the 2000 budget. A lot of discussion took place as to the scale of projects, to keep open the window for small-scale projects. It was agreed that most of the funding will go to projects above Euro 500,000 but, since small projects take up less money, it is likely that over half the projects will be for amounts under Euro 500,000 and above Euro 50,000.

Another example of the problem we have in attempting to achieve sound and effective management is evidenced in the episode last year about the issue of bank guarantees which should be given before a company receives an advance. This procedure is close to unmanageable when we are dealing with the plethora of NGOs, many of whom cannot obtain bank guarantees no matter how sound they are. We may instead require that an audit be conducted, instead of requiring a bank guarantee. This is just one example of how cooperation with NGOs had begun to be seen as a problem, yet we know that it is in the interests of civil society that there should be direct cooperation between the European Union and NGOs. The principle of subsidiarity in this context, leaving matters to the Member States, would cut us off from one of the richest sources of support for Community activities.

Therefore, an exercise is now being led by the Secretariat-General and the Directorate-General for Development to have a fresh look at our cooperation with NGOs as a whole. The aim is to seek to reinvent our cooperation with NGOs as a positive thing. In the course of 2000, we will be giving much more visibility to the pride and importance with which we work with NGOs and

stressing that this is a central part of the Community's relations with the candidate countries and their citizens.

A meeting was held between the enlargement unit and NGOs in May with a view to examining whether there should be more decentralisation and delegation to the candidate countries and to what degree NGOs can be more involved in implementing certain programmes such as Democracy and LIEN. For the last 3-4 years, the Democracy programme has had a micro-projects component, which authorises the Commission's delegations in the candidate countries to take responsibility for a proportion of the funding for small-scale activities. Under the 1997 budget, proposers of projects of up to Euro 10,000 were invited to seek support from local institutions, such as civil society development foundations or local NGOs to work with the delegations. 1998 witnessed a substantial enlargement of this programme and practically Euro 8 million (one third of the available funding) was allocated to this end, with the delegations authorised to agree projects for up to Euro 50,000. The Commission has given guidance to the delegations on how to manage the programme and have advised them to use local calls for expressions of interest/proposals as the norm and only to use direct agreements rarely.

The reality is that the process has not yet started for the Democracy programme due to reasons related to the mechanisms through which the money has to be allocated and spent. The delegations have to use the imprest account (which is almost a petty cash book) and this is not ideal. With this mechanism, delegations have to send their justification and accounting material back to Brussels where someone has to register that expenditure. In a while, the delegations should be given a mandate to commence operations. I further see a growing tendency to treat delegations as offices with truly delegated powers rather than as representations of the Commission.

The Commission is attempting, particularly in the context of reform, to be a more listening institution and the May meeting with NGOs is an example of this. However, it must be remembered that the roots of the Phare and Tacis programmes were in state-to-state cooperation; one of the reasons was that we did not

wish to patronise or go around the administrations of the central and eastern European countries. Therefore, activities started very much on a government to government level. There was a real difficulty in establishing programmes working with civil society directly because this would dis-empower the countries' governments. There is much greater awareness now that, for example with Tacis, it was not enough just to tack on democracy as a side issue to the economic and technical transition process. It is only recently that programmes like LIEN are beginning to be treated as something with a respected legitimate part to play in the whole process.

The Democracy programme has been a success. By contrast, there is the impression that it is a very much one-way process and a highly bureaucratic one. The Commission spends too little attention to public relations and to explaining what we actually do. It gives the impression of not being a very open institution, even though it is much more open than many Member State institutions and that it is frequently not as constrained by the need for confidentiality as national administrations. We are simply not yet good at getting across what we do and our successes, of which the European Initiative for Democracy and Human Rights is certainly one.

Regional development programmes of interest to the NGO sector

The whole purpose of structural policy is to overcome disparities in the European Union between the regions in both economic and social terms. Economic disparities are illustrated by comparing GDP per head in each region with the European average of 100%. At the beginning of the 1994-1999 programming period there were six levels of disparity, from less than 50% to over 150%. The least developed regions tend to be on the periphery of Europe and where there are few research and development facilities or other infrastructure. Our job is to reduce these disparities. Income is not the only consideration, we are also interested in unemployment and, again, the worst unemployment tends to be at the periphery of the Union. The overall average unemployment rate in the European Union is about 10 per cent and, as a general rule, does not seem to change much.

How do we change these disparities? Partly through finance but we are moving away from simply handing over money for buildings and other infrastructure. The solution for the 1994-1999 period was to take 0.46 of Community GNP at the beginning of the period and this calculation gave us Euro 157 billion at 1995 prices for activities with a regional emphasis, i.e. for all the structural funds. There is also the Cohesion Fund but this works at a national level and is project-based.

For 1994-1999, the share of Euro 157 billion in the overall Community budget for structural policy was the second biggest element of all the Community's budget. Agriculture was the largest and R&D the third largest. The structural funds account for close to 40 per cent of the total budget.

Given that the structural funds have had so much of the budget for so long, what effect have these expenditures had? Statistically, looking at GDP for 1996, there are no longer six elements of disparity but 4,5 (less than 75% to more than 125%) This reflects the greatest degree of economic convergence which Europe has seen since the Industrial Revolution and probably for a much longer period.

Ireland, for example is a remarkable success story and, working with the Irish authorities and using economic

analysis, we estimate that the structural funds have accounted for around 1/3 of the growth/convergence seen there. Around Lisbon, too, one area has moved above the 75 per cent level. This is an interesting level because our greatest intervention comes at or below the 75 per cent level. Any region which is below 75 per cent of Community GDP qualifies for our major assistance, under Objective 1. A lot of regions seem to have come out of Objective 1, (although some in the UK appear to be going in.) Portugal might have had even greater success if the CAP had worked entirely in its favour as it did in Ireland; it actually seemed to damage the farming system somewhat and we are now working on this problem.

Therefore, there has been an improvement but there are still gaps which need to be reduced. Structural policy has not been a great success for unemployment. Overall, things seem to be getting worse, particularly for young people, women and the long-term unemployed. Whilst we have enhanced economic activity in Europe, this has not led to more jobs in every case. It has for example in Portugal, which has opted for lower productivity but more employment. Overall, compared to the U.S., the same level of growth has led to fewer jobs, although it is true that U.S. employers are less concerned about who they employ and who they sack. European companies have been shown to employ up to 30 per cent fewer people than those in the U.S. for operations of a comparable level. There are many reasons for Europe's failure to translate its growing competitiveness and productivity into increased employment but it is not clear which of them are susceptible to regional policy.

Based on GDP figures for 1994-1996, we have produced a new map of areas benefiting from Objective 1, the largest source of assistance, the criterion being a Gross Domestic Product per head which is less than 75 per cent of the Community average. Some of the areas which have come out of this category will benefit from transitional funding under a mechanism where they continue to receive full funding for several years with a gradual reduction, at which point they may well become eligible for other funding on a lesser scale.

Currently, there are four structural funds

- the European Regional Development Fund
- the European Agricultural Guidance and Guarantee Fund (guidance for modernising/diversifying agricultural areas)
- European Social Fund (employment training and adaptation)
- Financial Instrument for Fisheries Guidance.

Half the total funding available for the structural funds of Euro 157 billion is taken up by the ERDF, a third by the European Social Fund, 17 per cent by the EAGGF and 2 per cent by the FIG.

The mainstream of all the structural funds is the largest portion and operates within the framework of Community Support Frameworks. A Community Support Framework is a programme agreed between each Member State and the European Commission. On the whole, the Commission does not become involved in individual projects: this is the job of the Member States. The principle of subsidiarity applies, with the Commission agreeing priorities with a Member State, which then takes over the implementation.

The portion of 10 per cent which is not in the mainstream is where ideas are developed for later inclusion in the mainstream. This 10 per cent is split into

- 1 per cent for pilot projects/innovative measures, which is the only part where the Commission has any responsibility for actual projects
- 9 per cent for Community initiatives, which are Community ideas presented to the Member States which take them forward and implement them. They are a sort of test element, trying out new ideas and making sure that they are compatible with other Community policies, such as employment, environment, R&D and industrial policy, etc., before they join the mainstream.

Community initiatives are also a means of reacting rapidly to a situation, for example when the Berlin wall came down, this had a knock-on effect on the armaments industry in certain areas, necessitating rapid action between 1989 and 1993. In relation to the peace process in Northern Ireland post-1994 cross-border projects were developed which are

having a strong effect on local economies in border areas, which also helps peace and reconciliation.

Out of the existing Community initiatives, the biggest and most successful are primarily cross-border (INTERREG) initiatives. Border areas are often isolated compared to the rest of the country and there are often obstacles to development, such as inadequate infrastructure. One means of developing cross-border areas is to develop industrial estates involving people from both sides of the border.

Other initiatives include PESCA (for the fisheries sector), URBAN (urban regeneration initiatives), SMEs (mainly training and development), support for declining industrial areas (textiles, coal and steel, ADAPT (training and adaptation to create employment), NOW (new opportunities for women to reduce discrimination in the workplace, REGIS (islands) and LEADER (for agricultural diversification).

As far as mainstream activities are concerned in the context of Community Support Frameworks, it is very important to put the money where the problem is worst. For this concentration, very clear objectives and priorities must be established. For the period ending 1999, the following objectives were established.

For areas with less than 75 per cent of Community average GDP per head (Objective 1 areas) the aim is to assist them to catch up with development and activities will involve all the structural funds. There are six main areas

- **infrastructure** (road, railways, airports, harbours and telecommunications, which are particularly important in terms of high-tech industrial development and reducing isolation of rural areas)
- **environment** (to ensure that the development we are promoting does not destroy the environment, for ,if tourism development is being encouraged)
- **energy** (to reduce dependence on oil where coal and gas are not available and encourage energy diversification, such as solar or wave energy)
- **water supply** (to attempt to safeguard supplies, particularly underground supplies which may have

been damaged due to infrastructure development) and wastewater treatment to reduce sewage outflows (and hence preserve the coastal environment)

- **R&D** to encourage decentralisation of research facilities to less-developed areas, including the necessary upstream education and vocational training.
- **the development of business services.**

For declining industrial areas (for example areas which are dependent on one or two major industries), Objective 2 aims at restructuring. The objective is to take advantage of the existing potential of an area, which is often expressed in terms of the potential for SME development. A typical example of the type of assistance will be the provision of support services to help existing businesses grow so that they can create more jobs, such as technology transfer, management skills and export and quality counselling. Twice a year, the Commission organises a forum for SMEs - *Europartenariat* - in different locations, inviting 400 SMEs from that area to meet other businesses from all over the world, to discuss the possibility of joint ventures, franchise arrangements and business generally. By the end of the forum, about half of the SMEs will have contracts to help them grow, expand and develop. A lot of work is also done in the environmental field since foreign direct investment will not come to an area if it is derelict or polluted.

Objective 3 aims at combating unemployment, particularly long-term unemployment and social exclusion. Objective 4 aims to adapt the workforce to industrial change.

Objective 5a concentrates on modernising agriculture while Objective 5b aims at the development and structural adjustment of vulnerable rural areas, to develop and diversify them; this concentrates on agriculture which is not going to work under a rationalised CAP (namely which is dependent on subsidies for survival). Tourism is a possible alternative activity but is not always enough. The development of SMEs, particularly micro enterprises, is another and we have had a lot of success in the field of biotechnology and telecommunications. The objective is to make rural areas viable and discourage local people from moving to the towns (given that 80 per cent of Europe's population already

lives in urban areas) The development of telecommunications and internet access open up increasing possibilities for working from these areas.

Objective 6 covers Nordic regions with a low population density (around 8 people per square kilometre), where they often have a special environment and special crafts/industries; activities pursued are a little like those under Objective 1.

The future of the structural funds was defined at the Berlin European Council. We requested 0.46 per cent of GNP in 1999, around Euro 285 billion. The Council in fact, agreed to around Euro 260 billion

- **Euro 195 billion** for existing activities under the structural funds
- **Euro 18 billion** for the Cohesion Fund, which will continue to operate at national level on a project basis
- **Euro 7.4 billion** for pre-accession activities
- **Euro 39.6 billion** for post-accession structural operations.

As regards enlargement, we need to determine what to do before and after. Although substantial financial assistance is available for the countries for the pre-accession process and on membership, this will not solve the problem of the candidate countries if we fail to improve the way in which we operate.

If we compare the average GDP of the central and eastern European countries with that of the Community, there are areas and even whole countries below 30 per cent. In fact, there are only two zones in the whole of central and eastern Europe which are above the 75 per cent level, namely Prague and Bratislava. Therefore, there are disparities within the countries themselves and between them and the rest of Europe. We need to have even greater concentration of our resources to focus the money on where the problems are. As a result, we are going to reduce the number of objectives to three and reduce the number of Community initiatives (currently 13 or 14) to 4. The population coverage will be kept to about 40-41 per cent, whereas at present about 50 per cent of the population of Europe is covered by one of the objectives.

Therefore, for the next period of programming, 2000-2006, the method of operation will be

- **Objective 1:** the 75 per cent criterion will be kept and at least two thirds of the funding available will be retained in this objective where convergence needs to be strongest. Current Objective 6 regions will also be added (the Nordic regions), as well as the Northern Ireland Peace programme and some coastal regions in Sweden
- **Objective 2** will be amalgamated with the current Objective 5b (development/restructuring of vulnerable rural areas) and some urban and fisheries activities will be added; however, we are asking the Member States to reduce the population coverage to around 18 per cent and each Member State will have to determine which areas of its country will be covered
- **Objective 3** will cover the remainder: education, training and employment (for regions not covered by Objective 1; there could be an overlap with Objective 2), including adaptation, modernisation, economic and social change, life-long education (to keep up with industry and society development) and active labour market policies to fight unemployment/social exclusion and discrimination in the workplace on grounds of religion, race or gender (including equal opportunities for women).

The following Community initiatives will be continued, with some changes

- **INTERREG:** but this will not only be cross-border but trans-national and inter-regional as well; the concept of synergy will be developed so that regions in totally different parts of Europe but having common problems can work together
- **URBAN:** activities will be outside the new Objective 2 activities for urban areas; it will have a slightly different, exemplary, character and concentrate on small zones of deprivation, probably smaller areas than can be covered by Objective 2
- **LEADER:** this will cover an enormous range of agricultural/rural development/diversification activities
- **EQUAL:** this will aim to reinforce activities to combat discrimination in the labour market.

Funding for the pre-accession process amounts to a total of Euro 21.8 billion, involving ISPA (on the regional side, for transport and environment, amounting to around Euro 1 billion per year), SAPARD (agriculture, amounting to Euro 500 million per year) and Phare (which is moving towards project-based activities, with Euro 1.5 billion per year). Any country joining the European Union during the period 2000-2006 will receive a share of the Euro 39.6 billion already set aside for the structural funds for the new Member States and of the Euro 12.4 billion allocated for agriculture and the Euro 4 billion for internal policies, including research. The Cohesion Fund will also be open to the new members. A total of Euro 58.1 billion has been set aside for the new Member States joining between 2000-2006.

ISPA (the Structural Instrument for Pre Accession) is designed to help the candidate countries prepare for accession. On the environmental side, the main objective of ISPA is to help the candidate countries to meet the requirements of European Union legislation. On the transport side, the main aim is to ensure the sustainable inter-operability and inter-connection of networks across Europe. When a country joins the European Union, it will drop out of ISPA into the structural funds. Any remaining share set aside for that country in ISPA (which has total funding of Euro 7.4 billion) will be divided up among the remaining candidate countries. ISPA is very much like the Cohesion Fund: it is project-based and country-based, concentrates on transport and the environment and is run by the same people. This should ease the central and eastern European countries more easily into Community procedures.

The Commission has held a series of meetings with most of the central and eastern European countries and with the Baltic states as a group. Groups of high-level government officials are being sent to Brussels for in-depth training sessions. While this is at individual level, it is to be hoped that the information gleaned from these meetings will be passed on in their countries. The Commission cannot contact everyone directly. To obtain information, there is a DG REGIO website (www.inforegio.cec.eu.int) as well as paper documentation.

We are prepared to accept invitations from groups who need this information to carry out further work in preparing ISPA projects and in preparing for structural operations for the future. The problem is that we simply do not have enough manpower to meet everyone.

The Commission is hoping to see increased partnership within the Member States and the end of the idea that subsidiarity stops with central government. We are encouraging the central administrations to work more closely with regional and local authorities, because they are uniquely placed to understand local problems. Likewise, the social partners (employers' associations and trades unions) are also uniquely placed to understand what is happening in the local economic environment. NGOs have a highly useful role to play in the environmental field, where they are very strong, but also in other areas too, not just in selecting and implementing projects but in preparing the national development plans. The Commission has been stressing the need for wider partnership and consultation for some time, since this is essential if regional policy is going to work effectively.

Annex 1

Potential costs/challenges of membership

For new members

- contributions to Community budget
- cost of compliance with the acquis
- structural adjustments/some unemployment.

For existing members

- greater competition
- challenge of greater diversity (cultural, economic, etc.)
- immigration flows
- less money available for agriculture, structural funds, etc. in existing European Union Member States.

For an enlarged Europe

- dilution in global competitiveness
- paralysis of European Union institutions and decision-making.

Benefits of membership

For new members

- economic growth and stability
- full access to the internal market
- political benefits
- consolidation of democracy.

For existing members

- increased trade opportunities
- cultural diversity
- integration of dynamic economies
- improved regional security.

For an enlarged Europe

- increase in global competitiveness
- pressure to reform European Union institutions
- regional political and economic stability
- improved cooperation in the fight against crime
- cleaner environment.

Annex 2

Key Councils

Copenhagen - June 1993: agreed on principle of enlargement and laid down principles for assessing applicant countries' ability to meet the obligations of enlargement - Copenhagen criteria

Essen - December 1994: re-focused policy to help central and eastern European countries prepare the pre-accession strategy

Madrid - December 1995: confirmed Copenhagen criteria and requested Commission to present an opinion on membership applications as soon as possible after the inter-governmental conference (which began in March 1996 and ended in June 1997)

Luxembourg - December 1997: took decision necessary to launch the overall enlargement process, established the European Conference, decided to launch the accession process on 30.3.98, agreed the enhanced pre-accession strategy, European agreements, Accession Partnerships and pre-accession aid and approved Agenda 2000 (development of Union's policies and future financial framework)

Cardiff - June 1998: took note of progress and the opening of negotiations

Vienna - December 1998: stressed that each country be judged on its own merits, took note of Malta's re-activation of application and stressed need for effective implementation and enforcement

Berlin - March 1999: agreed financial perspective for the 7 year period 2000-2006, taking into account accession.

Main Treaties

- Treaty establishing the European Coal and Steel Community - **1951**
- Treaty establishing the European Economic Community - Treaty of Rome - **1957**
- Treaty establishing the European Atomic Energy Community - **1957**
- Treaty establishing a Single Council and a Single Commission of the European Communities - **1967**
- Treaty revising the Treaties establishing the European Communities - Single European Act - **1987**
- Treaty on European Union - Maastricht - **1992**
- Treaty of Amsterdam amending the Treaty on European Union and the Treaties establishing the European Communities - **1997**

Annex 3

The Candidate Countries and the Copenhagen Criteria

At the Copenhagen Council in 1993, it was decided that those countries which signed association agreements could become members of the European Union when they had fulfilled certain criteria. The associated countries are

- Bulgaria
- Czech Republic
- Estonia
- Hungary
- Latvia
- Lithuania
- Poland
- Romania
- Slovak Republic
- Slovenia.

Malta, Cyprus and Turkey are also candidate countries but do not have access to Phare funding.

The Copenhagen criteria which must be fulfilled prior to membership require each country to demonstrate that

- it has stable institutions, which guarantee democracy, the rule of law, human rights and respect for and protection of minorities
- it has a functioning market economy, capable of coping with competitive pressures and market forces within the Union
- it is able to assume the obligations of membership, including adherence to the aims of political, economic and monetary union.

An essential part of meeting these criteria is the ability to adopt the *acquis communautaire*, meaning the adoption of the rules and regulations of the Community, the rulings of the European Court of Justice and the Treaties. Adoption of the *acquis* alone, however, is not enough; competent institutions/bodies must be set up or strengthened to ensure that the *acquis* is properly implemented and enforced.

Annex 4

Accession Partnerships

A single framework has been set up to reinforce the pre-accession strategy for the candidate countries, all of whom must meet the common criteria laid down at the European Council in Copenhagen in June 1993 as a pre-requisite to accession. This is seen as the only means of reducing the enormous cost of accession and avoiding lengthy transition periods.

A key feature of the enhanced pre-accession strategy is the new instrument of Accession Partnerships. An Accession Partnership has been agreed with each country, setting out priority areas where the country needs to take further action to prepare for membership.

The purpose of the Accession Partnerships is to guide the countries along the path to accession. They focus on helping the relevant country to meet the Copenhagen membership criteria and on providing support to overcome its particular problems in the integration process. In setting clear objectives, the Accession Partnerships will give a new impetus and better focus to the work of preparing for membership. They will simplify the accession process, target it more effectively and ensure that the financial assistance available is used to maximum effect.

The purpose of each Accession Partnership is to set out in a single framework the priority areas for further work needed to prepare for membership, the financial means available from the European Union to help the country implement those priorities and the conditions which will apply to that assistance. Many of the priority areas identified are common to all applicants, as they are all working to adopt the *acquis communautaire* (the European Union's body of legislation and regulations). Nevertheless, the Accession Partnerships also reflect the different stages of progress of each applicant and deal with issues specific to that country. Financial assistance will be closely directed to helping each country to overcome its particular problems.

Each Accession Partnership sets out priorities, which are divided into two groups - short-term and medium term. Short-term priorities have been selected on the basis that it is realistic to expect these to be completed

or taken substantially forward within a year while medium-term priorities are expected to take more than a year to complete.

Each country has been invited to draw up a National Programme for the Adoption of the Acquis (NPAA). This will complement the country's Accession Partnership by setting out a timetable for achieving the priorities and, where possible and relevant, indicating the necessary staff and financial resources. The Programme will give details of the country's commitments with regard to adopting the *acquis communautaire* and will cover funding of these from all sources (bilateral, multilateral and own resources).

The Accession Partnership will be multiannual and will last until the country's accession to the European Union but may be amended if necessary (for example to take account of new priorities). The Commission produced a first review of the Partnerships in 1999, which was published in February 2000.

A review procedure has been set up under which the Commission will report regularly to the Council, on the progress of each candidate country towards accession, in particular on its progress in adopting the *acquis communautaire*; the timetable for an individual country's accession will depend to a large extent on its progress in adopting and implementing the *acquis* and in developing institutions capable of enforcing it.

Annex 5

Agenda 2000

In July 1997, the Commission presented Agenda 2000, which outlines the broad perspectives for the development of the European Union beyond the end of the century, in the context of enlargement.

Agenda 2000 includes proposals for the Community's future financial framework from the year 2000 onwards, taking account of the prospects of the enlarged Union, and evaluates the effects of enlargement on the Union's policies and their future development.

Agenda 2000 also contains the Commission's proposals for the overall reinforcement of the pre-accession strategy in relation to the candidate countries. In particular, the Commission recommended bringing together the different forms of pre-accession support provided by the European Union in a single framework, namely the Accession Partnership, a clearly defined programme to prepare each candidate country for membership, involving commitments to particular priorities.

The Commission also recommended that applicants should be permitted to participate in Community programmes, such as education, training and research programmes, to better acquaint them with Union policies and procedures.

The European Council, meeting in Luxembourg at the end of 1997, defined the overall enlargement process in a way which encompasses all the countries which wish to join the Union. The Council endorsed the Commission's proposals in Agenda 2000, seeing the Accession Partnership as a new instrument which would be the key feature of the enhanced pre-accession strategy.

Annex 6

TAIEX

In 1995, the Commission published a White Paper on 'Preparation of the associated countries of central and eastern Europe for integration into the internal market of the Union', which aimed to help the central and eastern European countries progressively approximate their legislation in line with that of the European Union's internal market. The White Paper identified the key measures needing approximation in each sector, an order of priorities and the best sequence to be followed. Focus was on legislation considered to be essential for the functioning of the internal market, leaving legislation of less direct impact to a later stage.

A technical assistance information exchange office (TAIEX) was set up in 1995 to provide complementary and targeted technical assistance to the central and eastern European countries in the areas of legislation covered by the White Paper. The initiative was conceived as a 'one stop shop' to assist the countries in understanding and drafting legislation related to the Single Market and to help them with implementation and enforcement.

TAIEX is designed to provide five main services: documentation, information and advice on Single Market legislation, workshops and seminars, study visits to the European Commission and Member States, expertise to advise the beneficiary countries and, finally, the creation of databases on the deployment and results of technical assistance provided. The role of TAIEX as regards technical assistance is that of a broker and TAIEX is the main instrument for mobilising expertise from the European Commission and the Member States.

In 1997, in accordance with the pre-accession strategy, the TAIEX mandate was reinforced and extended to cover the whole *acquis communautaire* in the field of approximation of laws, thus widening the number of recipients appreciably. TAIEX was extended in November 1999 until the end of 2002.

A large part of TAIEX assistance will remain demand-driven but all requests for assistance will be verified for their compatibility with the overall pre-accession strategy and in particular the priorities of the individual countries' Accession Partnerships and National Programmes for the Adoption of the *Acquis*.

The main role of TAIEX as regards technical assistance is that of a problem solver and a catalyst. TAIEX acts as a complement to the national Phare programmes and is coordinated with them, responding to individual requests not covered in these programmes by tailor-made actions for each country in all fields of the *acquis*.

In addition to mobilising expertise available within the Commission, TAIEX draws heavily on the experience and cooperation of European Union Member States, mainly using experts from national and/or regional administrations. In addition, experts may be drawn from a range of institutions and associations in the semi-public sector and, in individual cases, from universities and the private sector. This enables the beneficiary countries to gain assistance from their counterparts in the European Union Member States dealing with the same tasks of transposition and application of Community legislation.

TAIEX also relies on staff provided by means of secondment/twinning from Member State administrations, to extend the availability of expertise and bring knowledge and experience of practical administrative problems at national level. The Member State administrations also organise study visits for officials from the beneficiary countries to their counterparts in the European Union, to gain experience notably in implementing the *acquis communautaire*.

The European Commission manages and coordinates the overall programme under the TAIEX office specifically set up for this purpose.

Annex 7

Regulations and Directives

A directive is a piece of Community legislation which must be transposed into the national law of each Member State; it sets the required outcome (which in the case of parental leave is the minimum amount of leave for mother and father), but it is up to each state to introduce its own legislation to achieve this outcome.

By contrast, for example in the field of the free movement of workers, the legislation mainly takes the form of regulations; a regulation is directly applicable and is part of the Member States' law, requiring the states only to take any administrative measures necessary to implement the regulation.

The provisions of the treaties and regulations and certain provisions of directives have 'direct effect', meaning that they are directly applicable in the Member States and that individuals may go directly to the national courts to seek redress when their rights are infringed.

Annex 8

Funding for the candidate countries

Euro million,
appropriations for commitments

Year	2000	2001	2002	2003	2004	2005	2006
PRE-ACCESSION AID	3120	3120	3120	3120	3120	3120	3120
Agriculture	520	520	520	520	520	520	520
Pre-accession structural instrument	1040	1040	1040	1040	1040	1040	1040
Phare (applicant countries)	1560	1560	1560	1560	1560	1560	1560
ENLARGEMENT			6450	9030	11610	14200	16780
Agriculture			1600	2030	2450	2930	3400
Structural operations			3750	5830	7920	10000	12080
Internal policies			730	760	790	820	850
Administration			370	410	450	450	450

Source: Presidency Conclusions
Berlin, 24 and 25 March 1999

ACCESS Programme

Background

The continuing need to support NGOs is an important pre-accession priority included in the Accession Partnerships. To meet the Copenhagen criteria, countries seeking European Union membership are expected to formally subscribe to the principles of the rule of law, human rights and respect for the protection of ethnic minorities. The Copenhagen criteria also require that these principles be put into daily practice and that the necessary institutional framework to support their sustainability be established.

The development of a democratic society is related to the emergence and development of an open civil society, in particular the development of NGOs which can articulate citizens' demands through active participation and consciousness raising. Typically, many elements of the *acquis* are based on the existence of thriving and active NGOs (such as consumer and environmental groups and social and health associations), without whose activities the *acquis* would not find popular acceptance or be implemented fully.

ACCESS is an institution building programme aimed at strengthening civil society in central and eastern European countries, particularly those seeking European Union membership. ACCESS replaces the former LIEN and partnership programmes. The new programme is based on experience gathered from those two programmes and the democracy programme.

ACCESS will provide co-financing grants for NGO projects relating to the implementation of the *acquis* and certain social need priorities.

Programme objectives

The main objectives of the programme are to

- safeguard and develop the democratic process in central and eastern European countries by strengthening the institutional and operational capacity of non-governmental and non-profit organisations in sectors relevant to implementation of the *acquis*, in particular in the fields of consumer and environmental protection and social and health protection
- encourage the inclusion and participation of individuals and groups who risk being socially, economically or politically marginalised in the transformation process.

Programme description

ACCESS is set up on a single country basis so as to achieve its specific *acquis* and social policy objectives. Attention will be paid to regional and country-specific priorities.

On the basis of criteria covering population, state of NGO development and social sector needs, the following country allocations are envisaged

	Meuro Grants	Meuro Management
Bulgaria	1.8	0.100
Czech Republic	1.5	0.085
Estonia	0.8	0.050
Hungary	1.5	0.085
Latvia	1.0	0.060
Lithuania	1.1	0.065
Poland	5.3	0.275
Romania	3.9	0.205
Slovakia	0.8	0.050
Slovenia	0.3	0.025

Multi-country programmes are also admissible. They will be managed under the responsibility and budget of the European Commission's delegation in the country where the lead NGO is registered.

Grant facility Euro 18,000,000

ACCESS will provide financial support on a co-financing basis for the following activities of NGOs and non-profit organisations.

Eligible areas of activity for funding are

- activities related to the adoption and implementation of the *acquis* in the fields of environmental protection and socio-economic development, such as the protection of workers' rights and social dialogue, the protection of consumer interests and the strengthening of associations representing cooperatives, mutual societies and other organisations with a socio-economic role
- activities in the social sector, aimed at contributing to the social reintegration and/or the promotion of sustainable health and social support for marginalised groups of the population, such as members of minority groups, the handicapped, the elderly, the homeless, street or abused children, the illiterate, the unemployed and victims of addictions, Aids or of cruelty.

Within these two broad sectors, each European Commission delegation will identify specific priorities for support in its host country's Accession Partnership priorities.

Beneficiary organisations must be

- non-governmental and/or non-profit organisations, which are officially registered in their country of establishment
- established and run in an eligible country of central and eastern Europe or the European Union
- non-exclusive/partisan organisations, namely organisations which do not link their support or actions to ideological, doctrinal or religious beliefs.

Local and regional authorities may be associated as partners or co-financers of projects but may not apply as lead applicants.

Through its delegations, the Commission will award co-financing grants to support two types of projects: trans-national macro-projects and local micro-projects.

Networking for NGOs may also be supported. It will be for each delegation to determine how to sub-divide its total grant allocation among macro-projects, micro-projects and the networking facility.

The basic conditions under the macro-project facility are that

- projects must be coherent with the programme objectives and be self-contained operations designed in response to the situation of the country(ies) concerned and to the specific needs of the beneficiary country or beneficiary target group; they must indicate a coherent set of activities with clearly defined operational objectives
- the Phare financial contribution will be up to Euro 200,000 and each delegation may define a minimum size for admissible projects; the Phare contribution will cover up to 80 per cent of total project costs, where one or more European Union partners are involved, and up to 90 per cent where all partners are in central and eastern Europe, with matching contributions (which may be partly secured in kind) from the partners themselves or from other public or private sources, but not from any other Community programmes (in the interests of sustainability, co-funding by national and local authorities is particularly encouraged)
- projects must be submitted by at least two partner organisations from different countries, with the lead organisation based in one of the central and eastern European countries; a partnership must involve an active exchange of skills, experience, knowledge and/or finance and all partners must be involved from the start in the elaboration of the project and must actively participate in its implementation; the lead organisation must demonstrate enough experience and capability to assume financial and legal responsibility for the project
- each project must provide at least an activity related component (of concrete actions implemented for the benefit of the sector or target group) and a capacity related component (of training activities targeted at NGO staff) to ensure the organisation's viability and sustainability.

The same conditions apply for micro-projects, except that the Phare financial contribution will be up to Euro 50,000 and may not exceed 90 per cent of each projects' costs; projects may be submitted by a single organisation from a central and eastern European country without necessarily involving a partner.

The networking facility will provide support to enable NGOs and other civil society bodies to participate in activities of European-wide NGO platforms and networks. Funding will mainly cover travel and subsistence costs for attendance at ad hoc events organised by bodies such as the European Union-wide NGO platforms operating in the eligible sectors of the ACCESS programme. Co-financing by NGOs is not required.

Delegations will launch calls for proposals and list the priorities of eligible activities selected for their country. Open calls for proposals will be launched in a manner which will ensure maximum publicity. Projects will be selected by the delegations following an independent technical evaluation and an assessment of evaluation results by an evaluation group.

Reserve for grants and allocation for management Euro 2,000,000

A reserve of Euro 1 million is made for grants which will be allocated to those countries in which demand for support is strongest and funds spent the earliest.

An allocation of Euro 1 million is made in case the delegations need recourse to a local technical assistance office. The management allocation is sub-divided among the delegations in proportion to the size of their grant allocations.

Implementation

The European Commission will have overall responsibility for the programme. Actual management responsibility and operational decisions for each country support scheme will lie with the Commission's delegations, which will be responsible for programme implementation, the preparation of detailed programme guidelines, calls for proposals, project selection, contracting and payments.

Delegations may have recourse to a technical assistance office if necessary, to provide technical assistance to the programme at all levels as required; the office will negotiate contracts with the selected organisations, make payments under the delegation's supervision, organise the technical evaluation and supervision of contracted projects and act as the Evaluation Group's secretariat. The Office will also manage programme relevant data, information and publication. Delegations may also hire experts under the separate STAP (technical and administrative support fund) and ATA (technical and administrative assistance facility) programmes for the administration of project selection, contracting, administration and the monitoring of projects selected.

(source: 1999 Financing Proposal)

Annex 10

Opening of European Community programmes

Community programmes are designed to promote cooperation between Member States in specific policy areas (such as public health, environment, research and energy) and to support student and youth exchanges (such as Socrates, Leonardo da Vinci and Youth for Europe).

The principle of opening up Community programmes to the candidate countries of central Europe was decided by the European Council in Copenhagen in June 1993, and reconfirmed by the Essen European Council in December 1994. The objective of the candidate countries' participation in Community programmes in a wide range of areas is to familiarise them with the way Community policies and instruments are put into practice and to facilitate the exchange of students and youth.

Programmes and strategic initiatives in the field of education managed by DG Education and Culture

Since August 1997, the relevant Association Councils have adopted different decisions concerning the terms and conditions for the participation of a number of Central and Eastern European countries, as well as Cyprus, in the Community programmes in the field of education, training and youth.

- **Socrates:** the European action programme for cooperation in the field of education
- **Leonardo da Vinci:** the European action programme for cooperation in the field of vocational training
- **Tempus:** the Trans-European programme for Higher Education
- **Youth Programmes:** a description of the Youth Programme can be found below.

More information on these programmes is available from:
<http://europa.eu.int/comm/education/progr.html>

More information on the other Community programmes, open to the candidate countries:
http://europa.eu.int/comm/enlargement/pas/ocp_index.htm



Working groups during the conference
(above : Stephane Mechat, Desk Czech Republic)

The Youth Programme

A better understanding of other peoples, cultures and languages is an essential prerequisite for building and strengthening Europe. Young people are naturally curious about their neighbours. At the same time, they are keen to improve their personal development, make their voices heard as active citizens of the Union and gain experience to prepare them for future employment. The Youth Programme plays a part in helping young people to realise these aims by promoting projects which offer them the chance to use their creativity and initiative.

Whether they take the form of youth exchanges, voluntary service or youth initiatives, all the projects offer young people a valuable international and/or intercultural learning experience which can enhance their awareness of Europe's cultural diversity and help break down prejudices. At the same time, for example through voluntary service, they can learn many practical skills, such as planning, organisation and team work and how to help others and accept help themselves.

The younger generation is Europe's future and will be responsible for Europe's further development. With their solidarity, tolerance and creativity, they can actively help to shape European society through their participation in the Youth Programme and they can experience what citizenship of Europe means and turn this into a reality.

The Programme supports a number of projects within five actions/schemes (outside formal educational structures, such as schools and universities).

The Youth for Europe scheme involves youth exchanges, both within and outside the European Community. The exchanges must involve at least two partner organisations, although multilateral projects receive priority. Young people who take part in such exchanges gain the opportunity to experience other social and cultural environments and make new contacts and friendships. The exchanges provide an intercultural learning process which allows the young participants to learn with and from one another. This way of learning is not only fun but also helps to build self-confidence, solidarity and tolerance. The hope is that this first

contact with another country will encourage participants to take part in other projects or even to develop other projects themselves.

The European Voluntary Service (EVS) scheme enables young people to spend up to a year in another country, working as a volunteer on a local project. They broaden their horizons, discover a new social and cultural environment, experience the value of teamwork, learn how to take responsibility, develop self-confidence and enhance their future employment prospects. With the help of preparatory and ongoing training they are able to channel their energy, enthusiasm and creativity constructively into practical activities, which they also help to determine. At the same time, through their commitment and the new perspectives which they bring to a project, the volunteers can make an important contribution to the development of the local community. Apart from the young people themselves, who are the central focus of every EVS project, a multitude of different players can be involved as senders and/or hosts, such as local authorities and public utilities of every kind (cultural, sporting, social, environmental, etc.), youth organisations, voluntary organisations and cooperatives.

The Youth initiatives action helps young people to develop personal initiative through its support for creative and innovative projects which are designed and implemented by young people themselves and aimed at encouraging social inclusion. The action targets two groups: on the one hand, young people who have participated in the EVS scheme, so that they can put the skills they learned to full use, and, on the other hand, groups of young people who have developed a common local project with a European dimension and wish to implement it.

Joint actions with other European programmes are also supported through a funding instrument which permits cooperation between different education sectors. By publishing joint calls for proposals for projects involving cooperation between the Youth Programme (non-formal education) and other programmes, in particular the Socrates programme (general education)

or the Leonardo programme (vocational education), the goal is to promote innovative and multisectoral projects, for example geared towards developing multimedia learning and teaching materials.

Finally, an accompanying measures action supports projects which contribute to the attainment of the Youth Programme's aims by promoting the development of collaborative ventures and partnerships, the training of youth leaders and youth information projects. Measures include seminars, workshops and training courses for youth workers, as well as sponsored traineeships for them in other countries and the development and publication of training materials for youth work. Other measures eligible for support include study visits and feasibility studies, since they pave the way for cooperation projects, as well as the construction of networks and the exchange of information between network partners. Support is also available for the development and distribution of suitably tailored information materials on subjects of relevance to young people, especially as the basis for future dialogue. Another important support measure covers research in the fields of youth policy and non-formal education.

The Youth Programme is essentially aimed at young people from ages 15 to 25, although EVS is for those aged between 18 and 25. The Programme is open to all young people from the participating countries and seeks in particular to attract those who would not normally have the opportunity to spend time in other countries. However, given the enormous interest that young people have shown, it must be stressed that participation cannot be guaranteed for everyone, since the budget available is limited.

The countries participating in the Programme are the 15 Member States of the European Union, the EFTA countries (Iceland, Liechtenstein and Norway), the associated countries of central and eastern Europe (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Slovenia) and Cyprus, Malta and Turkey. Certain actions are also open to a limited number of participants from third countries.

The Youth Programme is to a large extent administered by "national agencies" in the participating countries. These agencies play a key role in the running of the programme, providing advice and support, dealing with applications and signing project contracts. The European Commission also publishes "calls for proposals" in the Official Journal of the European Communities in relation to certain projects which, because of their size and importance, can better be dealt with at Community level rather than at national level; these may be multilateral youth exchange or voluntary service projects, EVS "special event" projects, large-scale training initiatives, information campaigns or projects focusing on cooperation with third countries.

More information and the Guidelines for Applicants and application forms are available from:

<http://europa.eu.int/comm/education/youth.html>



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