


# Procedure file

Basic information		
CNS - Consultation procedure Decision	1995/0081(CNS)	Procedure completed
Industry and international industrial competitiveness: Community action programme		
Subject 3.40.14 Industrial competitiveness		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy	PSE <a href="#">KUCKELKORN Wilfried</a>	31/05/1995
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>BUDG</b> Budgets	PSE <a href="#">TAPPIN Michael</a>	01/06/1995
Council of the European Union	<b>ENER</b> Research, Technological Development and Energy	ELDR <a href="#">PLOOIJ-VAN GORSEL Ely</a>	25/04/1995
	<b>CONT</b> Budgetary Control		
	Council configuration <a href="#">Agriculture and Fisheries</a>	Meeting <a href="#">1940</a>	Date 25/06/1996
	Industry	<a href="#">1880</a>	07/11/1995

Key events			
30/03/1995	Legislative proposal published	COM(1995)0087	Summary
22/09/1995	Committee referral announced in Parliament		
17/10/1995	Vote in committee		Summary
17/10/1995	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0248/1995</a>	
26/10/1995	Debate in Parliament		
27/10/1995	Decision by Parliament	T4-0526/1995	Summary
22/02/1996	Modified legislative proposal published	COM(1996)0031	Summary
25/06/1996	Act adopted by Council after consultation		Summary

	of Parliament		
25/06/1996	End of procedure in Parliament		
06/07/1996	Final act published in Official Journal		

### Technical information

Procedure reference	1995/0081(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	EC before Amsterdam E 130-p3
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/07113

### Documentation gateway

Legislative proposal		COM(1995)0087	30/03/1995	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0248/1995</a> <a href="#">OJ C 308 20.11.1995, p. 0004</a>	17/10/1995	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0526/1995 <a href="#">OJ C 308 20.11.1995, p. 0467-0470</a>	27/10/1995	EP	Summary
Committee of the Regions: opinion		<a href="#">CDR0377/1995</a> <a href="#">OJ C 126 29.04.1996, p. 0028</a>	15/11/1995	CofR	Summary
Economic and Social Committee: opinion, report		<a href="#">CES1296/1995</a> <a href="#">OJ C 039 12.02.1996, p. 0001</a>	22/11/1995	ESC	Summary
Modified legislative proposal		COM(1996)0031 <a href="#">OJ C 136 08.05.1996, p. 0012</a>	22/02/1996	EC	Summary

### Additional information

European Commission	<a href="#">EUR-Lex</a>
---------------------	-------------------------

### Final act

<a href="#">Decision 1996/413</a> <a href="#">OJ L 167 06.07.1996, p. 0055</a> Summary
---

## Industry and international industrial competitiveness: Community action programme

The draft decision seeks to draw up an action programme with a view to improving the competitiveness of European industry, which will provide the basis for economic growth and employment creation and will contribute to economic and social cohesion. The four objectives of the programme were as follows: 1) To promote intangible investments: vocational training; more intensive research; promotion of quality; better integration of vocational training actions in other policies; development of clean technologies and financial incentives; new ways of organizing work and improving the fiscal environment of SMEs; improving the dialogue between the two sides of industry; rational use of statistics. 2) To develop industrial cooperation. - at horizontal level: removal of legal and fiscal obstacles; development of new tools; support for the development of transnational initiatives focused on the key markets by using the structural funds; enlisting the support of the directors-general group to facilitate commercial operations and the search for information and suitable business partners; joint approach to European investment abroad; greater technological cooperation; - central and eastern European countries and the CIS: examination of solutions based on the concept of partial investment guarantees; support for private-sector investment; support for standardization and certification; expertise in international financial engineering and compensation schemes; support for energy potential; - Latin America and the Mediterranean countries: participation in the Fourth Framework Programme for Research and Technological Development and in the development of the information society; creation of business networks; - Asia: cooperation programmes; projects for scientific and

technological cooperation; actions to promote training and the dissemination of techniques; 3) To ensure fair competition. - external markets: solving the outstanding problems left by the GATT negotiations; combatting fraud; the application of international rules on competition; setting-up an Industrial Assessment Mechanism; improving the structure of the Common Customs Tariff; creation of a database on the obstacles to the smooth operation of the markets; improvement of trade-policy instruments; application of trade-policy and trade-protection instruments to the services sector; - the single market: reduction in public aid; adjustment of the aid control mechanism; re-examination of the acceptance criteria for aid; strengthening of the single market (gas, electricity and telecommunications); 4) To modernize public intervention measures: further deregulation; redefinition of public-service objectives; development of partnerships between big business and SMEs; simplification of legislation and administrative procedures; more intensive use of data communications networks to link-up the public services; support for industrial cooperation projects of interest to the Community; reducing the cost of applying the regulations. ?

---

## Industry and international industrial competitiveness: Community action programme

The Committee adopted the report by Mr Wilfried KUCKELKORN (PSE, D) on the implementation of an action programme for a policy on industrial competitiveness. The main aims of the action programme were: - to promote the intangible aspects of competitiveness - to free businesses (particularly SMEs) from all unnecessary legal constraints and administrative procedures - to ensure fair competition - to strengthen industrial cooperation. The Economic and Monetary Affairs Committee adopted 26 amendments. These focused on the importance of social relations and the dialogue between the two sides of industry and attached greater priority to promoting intangible investments. In this respect the promotion of human resources was put forward as one of the opportunities presented by the information society. There were also provisions for special attention to be paid to the employment of women and to the role played by SMEs. The introduction of structures for promoting dialogue, such as the participation of workers in the running of companies, was highlighted as an important element for sustainable economic growth. The Commission was criticized for the lack of priorities and absence of a financial assessment in its proposal and was called on to identify the priority actions together with the financial impact and the results which could really be anticipated from the measures being proposed. ?

---

## Industry and international industrial competitiveness: Community action programme

In adopting the report by Mr Wilfried KUCKELKORN (PSE, D) on a policy for industrial competitiveness, Parliament approved the Commission's proposal with the following amendments: - attention was focused on the importance of a social dimension which, in Parliament's view, was inseparable from industrial competitiveness. With this in mind, Parliament drew special attention to the importance of social dialogue between the two sides of industry; - attention was also drawn to the fact that the industrial competitiveness of companies was hampered by the cost and quality of public services; - the importance of promoting intangible investments was emphasized. In this respect, the promotion of human resources and the opportunities offered by the information society were put to the fore, as was the importance of professional training as added value for industrial competitiveness; - to the main programme objectives, Parliament added that State actions should be put on a more modern footing so that public authorities might continue to play a role in introducing new regulations; - the Commission was criticized for the lack of priorities and absence of a financial assessment in its proposal and was called on to identify the priority actions together with the financial impact and the results which could really be anticipated from the proposed measures (particularly regarding employment and respect for the environment); - everything should be done to minimize the risk of social dumping in the EU; - special attention was paid to employment in general, and to that of women in particular, as well as to the provision of support for SMEs (particularly by improving their fiscal environment, encouraging the enterprise culture, analyzing cooperation as a success factor, introducing targeted marketing for SMEs and providing more information to this sector); - all forms of dialogue were encouraged, such as workers' participation in the running of companies, as an important element for sustainable economic growth, as well as their contribution to the identification of training requirements; - measures were also put forward for the harmonisation of social issues which were still unresolved at Council level, while further actions were proposed for promoting the ratification of ILO conventions; - annual reports are to be submitted to Parliament and to the Council in order to assess the impact of the programme (particularly as far as jobs are concerned). ?

---

## Industry and international industrial competitiveness: Community action programme

The Committee of the Regions noted the Commission's views and put forward specific comments on the suggestions made in the communication. It stated that when implementing the actions account should be taken of the needs of the local and regional authorities within the Member States. In this context, the strengthening of human resources was of great importance to industrial competitiveness and should therefore play a greater part in overall European industrial policy. The Committee called for an industrial policy angled more towards sustainability, sustainable management and consideration of environmental issues. The harmonisation of national legislation and the application of the principle of mutual recognition were important instruments for the realisation of the internal market, bearing in mind however that a high level of protection should be ensured in areas of public interest such as health and consumer protection and environmental protection. The Committee considered that efforts in the research and technological training area should be steadily increased not only in the EU, the Member States and in industry, but also at regional level, in order to enable firms to adapt quickly to new technologies and markets and to permit the application of appropriate strategies. It recommended therefore that a suitable campaign to promote communications technologies for SMEs be launched within the framework of the action programme. As regards the action programme, the Committee held fast to the basic condition that the action programme should be carried out with due regard for the principle of subsidiarity, should strengthen human resources and should promote sustainable industrial production.

---

## Industry and international industrial competitiveness: Community action programme

The ESC supported the central idea of the Commission's industrial policy, which was to set clear and predictable conditions for the optimum allocation of resources via the market, accelerating the process of structural adaptation and boosting the competitiveness of European firms. The public authorities should play the role of catalyst and pathbreaker for innovation, and firms could expect them to provide not only clear and predictable conditions but also the right prospects for their activities. The main responsibility for industrial competitiveness lay, however, with

firms themselves. The ESC felt that Article 130 of the EC Treaty provided a coherent legal basis for a horizontal Community industrial competitiveness policy. With regard to the competitiveness of European industry, the ESC supported the strategic line of the White Paper on Growth, Competitiveness and Employment, which identified a technology-intensive, highly productive and profitable industry as the backbone of a European economic development model. The Community's priorities for industrial policy action in its Opinion, the ESC concentrated on the Commission's industrial policy action programme of March 1995. It felt, however, that the priorities were broken down into too many individual measures and that existing EU policy areas had been dispersed. Finally, it was also unclear how the roles were to be allocated between firms and the State and between the Community and its Member States. There was a lack of clarity over the allocation of objectives and measures if the industrial policy communication was compared with the action programme (COM(95)87). The ESC supported the (two-year?) priorities for action put forward in the Commission's action programme: development of the internal market, greater consideration of industry's needs in research policy, establishment of the information society and promotion of industrial cooperation. It was surprising, however, that other, no less important priorities were mentioned only in passing or were indeed entirely omitted. The Commission had submitted an action programme with objectives and programmed measures and an indicative timetable for the implementation of the industrial competitiveness policy. As in its industrial policy communication of September 1994, the Commission set out four priorities for action, reflecting the need for technological change and guiding the future approach to industrial policy. Promotion of intangible investment: vocational training, modernisation of the forms of labour organisation, development of environmentally-friendly technologies. Promotion of industrial cooperation: the ESC unreservedly shared the Commission's view that there were still no suitable legal instruments for cross-border organisation and cooperation for EU firms. It was now time to offer firms European legal vehicles. The European Company proposals were particularly relevant here. The ESC supported the initiatives listed concerning closer cooperation with the associated Central European states and the independent republics of the former Soviet Union. Guarantee of fair competition: the Commission's intention of seeking multilateral competition rules and effective control mechanisms aimed at achieving greater openness of foreign markets deserved support. The Committee feared, however, that plans such as competition rules with binding arbitration procedures were at that stage unrealistic. The Commission should, as a first step, improve cooperation between the existing competition authorities of the main trading partners in order to achieve convergence of administrative practice. With regard to the internal market, the ESC regretted that in the field of competition policy the Commission had concentrated purely on subsidies. With the exception of merger control, the Community's procedures in matters of competition dated from the early 1960s and had been designed for six Member States. The ESC unreservedly welcomed the Commission's announcement that it would reconsider its policy on monitoring national subsidies. Modernisation of the role of the public authorities: the ESC welcomed the Commission's initiative to redefine the responsibilities of the public authorities. This would include the further, targeted development of the instruments with which the State carried out its many policy tasks. For the Commission, the continuation of the process of deregulation was an integral part of its action programme. The ESC considered that too many unduly complicated provisions, guided too seldom by economic criteria, risked weakening the market's self-regulatory forces and threatening the necessary flexibility, especially in the small/medium business sector. At the same time the ESC stressed that the flexibility that firms needed to have should not jeopardise workers' social protection. In relation to the report on legislative and administrative simplification submitted by an independent group of experts, the ESC supported the proposal that all new draft laws should indicate the expected positive or negative impact on employment and competitiveness, costs and innovation. The Commission intended to support and accelerate industrial change with the help of structural policy financial instruments, in particular by making improvements to the new programmes for Community initiatives, promoting partnerships between large firms and SMEs, and establishing networks and clusters. The ESC appreciated these plans but pointed out that official influence going beyond this catalytic function would be out of place. It felt that further expansion of the objectives of the Structural Funds should not be allowed to place an excessive burden on the system. The Commission should therefore constantly review its list of measures qualifying for support (timely evaluation) and set more priorities. The ESC also felt that the individual Funds should be more closely coordinated than in the past. Timetable for the action programme The ESC regretted that the Commission's timetable for its numerous initiatives was incomplete. Above all, in relation to certain important actions to strengthen industrial competitiveness, there appeared to be no plan as to the steps to be taken or the timetable. The ESC hoped that the report on the progress of the industrial policy measures, and possible adjustments to the action programme, which the Council asked be drawn up for 1996, would be used by the Commission to fill the gaps in the programme. Coordination of industrial policy activities The ESC shared the Commission's concern that the public decision-making centres shaping industrial activity were growing in number and exercising their powers without any real overview or constant coordination and reminded the Commission that Article 130(2) of the EC Treaty stipulated that the Member States should consult each other in liaison with the Commission and, where necessary, should coordinate their action (on industrial policy). The ESC felt that there was an urgent need for harmonisation and coordination of national industrial policies with each other and with corresponding Community initiatives. As a result, the Council should adopt the Commission's proposal for a decision on the implementation of a Community action programme to strengthen the competitiveness of European industry. The Commission and Member States should implement these priorities for action without delay.

## Industry and international industrial competitiveness: Community action programme

---

The Commission's amended proposal for a Council decision takes account of most of the amendments adopted by Parliament. The effect of the amendments to the draft decision is to clarify the scope and aims of the decision, in particular as regards the interested parties, the level of investment in intangibles, the contribution by the internal market and that of the policy on economic and social cohesion.?

## Industry and international industrial competitiveness: Community action programme

---

The Council adopted the Decision on the implementation of the programme.

## Industry and international industrial competitiveness: Community action programme

---

OBJECTIVE: To draw up an action programme with a view to improving the competitiveness of European industry, which will provide the basis for economic growth and employment creation and will contribute to economic and social cohesion. COMMUNITY MEASURE: Council Decision 96/413/EEC on implementation of a Community action programme to strengthen the competitiveness of European industry. SUBSTANCE: The main objectives of the action programme are to: 1. Promote intangible investments (vocational training; research; promotion of quality; new ways of organizing work; improving the dialogue between the two sides of industry, etc.); 2. Develop industrial cooperation at horizontal level while also taking account of the situation of the: - Central and Eastern European countries and the CIS; - Latin

American and Mediterranean countries, - Asian countries, - ACP countries. 3. ensure fair competition both inside and outside the Community; 4. modernize the role of the public authorities (e.g. further deregulation, redefinition of public service objectives, development of partnerships between big businesses and small firms, simplification of legislation and administrative procedures, etc.); 5. pave a smoother way for the 'learning society' (promotion of vocational training); 6. intensify and deepen relations between the EU and the US, particularly via support for the Transatlantic Business Dialogue; 7. establish a data base on the barriers encountered by European businesses in non-Member countries on a market-by-market basis; 8. examine the question of the scattering of industrial activities and services and report to the directors-general for industry; 9. improve the operation of the internal market, in particular with a view to speeding up the process of standardization; 10. upgrade the complementary nature of industrial activities and the related services; 11. draw up an annual report on trends in the competitiveness of European industry. ?