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This newsheet is published in six languages (English, French, German, Dutch, Italian and Spanish) by the Directorate-General for Information, Communication and Culture of the

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Rue de la Loi 200 - 1049 Brussels - Belgium.
Tel.: 2351111 - Telex: 21877 COMEU B

Its contents do not necessarily reflect the official views of the Community institutions.



ECONOMY: Grasping the nettle of unemployment

For Europe, unemployment is not a foregone conclusion. In the next two years, the Community will have a good chance of cutting its progress back in a major way. What is needed is for national governments to better coordinate their policies, and for each country to encourage basic agreements between management and staff. So concludes the Commission in its annual economic report.

In this review of the year's situation, the Commission warns that without new action, more than 10% of people of working age will still be unemployed in the year 1990, a possibility it describes as "unacceptable". For the Twelve, the jobless rate this year will be 11.9% (10.8% for the Ten, i.e. without Spain and Portugal). The latter figure, the Commission says, could be brought down to 7.1% by 1990, if member states follow a strategy of cooperation.

Europeans have to rely on themselves for any substantial creation of jobs, the Commission says. The fall of the dollar, the Third World debt and all the other difficulties of the world economy do not, however, bring great encouragement for expansion outside to Community industry.

Demand within the Community has, then, to be stimulated, the Commission says, with stress laid on investment in private and public sectors. The share of investments in the GNP of the Community is still below 1960s levels, the report shows, illustrating the need for a boost. Consumption could be stimulated by reducing tax on income.

It is also necessary to reduce the rise in real wages, according to the report. If present trends continue, real rises will reach 1.9% by 1990. The Commission says this must be held at 1.1% for the Ten. Such an aim has to be pursued at a national level between bosses and unions, as well as governments. Social charges should also be reduced.

Most member states have succeeded in reducing inflation. The economy, and the profitability of business, have benefited from the lower oil price. Some countries, like Germany and Luxembourg, have more of a breathing space, but for the whole Community, it's now or never.

TELEVISION: Agreement with Europa stepping stone for future

The signing of an agreement for financing between the EC and Europa-TV is important for the future direction of television in Europe, according to culture commissioner Ripa di Meana.

Europa, a joint venture television experiment operated by stations in Portugal, the Netherlands, Germany, Ireland and Italy, broadcasts multilingual and multinational programmes on European subjects. The venture will now receive financial assistance from the Community.

The pioneering work of Europa was important, the commissioner said, because it went some way to filling a gap on the European level which was in danger of being taken over by "others". As an example he cited the case of the US Cable News Network, which was already being received by satellite in Europe. He hopes that in future European cooperation will involve private broadcasting stations. To date, the European Broadcasting Union only involved public stations.

"The political will of the Commission", he said, "aims at the creation of a unified European audiovisual space, in which a healthy and well-balanced industry can maintain competition with the industries of other parts of the world".

In another speech, internal market commissioner Lord Cockfield told a meeting on the future of European television that the Commission had formulated its audiovisual policy after recognising "that a fragmented European industry could not, in the long run, compete with the gigantic resources available to its competitors". As well as promoting the cultural cooperation needed in programme-making, the Commission has started work on technical standards for the whole of Europe. "The Commission is determined not merely to keep up with the game in broadcasting hardware, but to get ahead of it", he said.

RESEARCH: Innovation and transfer of technology programme

The Community's development plan for encouraging innovation and technology transfer across boundaries, the experimental phase of which expires at the end of the year, should be replaced with a two-year plan with a budget of 11 million ECU*, according to a proposal sent by the Commission to the Council.

The programme, Strategic Programme for Innovation and Technology Transfer (known as SPRINT), aims to develop transnational cooperation between national and regional services to assist innovatory businesses, especially small and medium sized enterprises. In addition, on a Community level, the target is a beneficial environment for innovation, with better production and distribution of innovative products and services, by strengthening and extending the services presently available.

Although the budget of 11 million ECU proposed is admittedly small, the Commission says, it is as much as the present financial situation can support. In any case, experience has shown that the Community can achieve good results for low cost when it takes the role of catalyst in bringing together national programmes, paid for by national budgets.

Innovation, the Commission states, is one of the prime conditions for ensuring and maintaining the competitiveness of the Community in the world, both in traditional industries and in new sectors. Technology transfer, on the other hand, is a necessary mechanism for taking local efforts and successes - on a regional or national scale - and spreading the benefits to the rest of the Community. By enabling licencing, for instance, small businesses will be able to market their innovations throughout the EC without needing the complex infrastructure of a multinational company.

* 1 ECU = UK£ 0.72 or IR£ 0.76.

RESEARCH: Major breakthrough on sleeping sickness

European Community researchers have announced a major research breakthrough in the treatment of trypanosomiasis, better known as sleeping sickness. A team of molecular biologists from the Université Libre in Brussels, working under the EC development aid research project, have made an important discovery about the reproduction of the parasite responsible for the disease.

Sleeping sickness is endemic in large parts of Africa, rendering some six million square kilometres unusable for agriculture. The disease, which affects humans and cattle, is carried by the tsetse fly, and can often be fatal.

The ULB researchers have discovered that the life-cycle of the parasite includes a sexual reproduction phase, which will now lead to a new direction in research aimed at eradicating the pest by genetic and biological manipulation.

RESEARCH: Two major killers targetted for research funds

Prevention, early diagnosis and treatment of two major killer diseases - cancer and AIDS - will be the targets of a new budget of 37 million ECU* proposed for medical research by the Commission.

Although the budget is relatively small, the Commission says, its main aim is to coordinate the research already being done and paid for by national authorities, to lend a European dimension to the various efforts. Some 70 programmes will be covered, accounting for 6000 to 9000 scientists in the member states. This represents a quarter of all the health research in the Community.

1 ECU = UK£ 0.72 or IR£ 0.76.

RESEARCH: RACE gets off to 800 million ECU start

A budget of 800 million ECU* has been proposed by the Commission for the main phase of the Community's RACE telecommunications research programme, to run from 1987 to 1991. The programme takes over from the definition phase of RACE, which expires at the end of this year. Funds will be used to finance up to 50% of research project costs in precompetitive research, and a total of 10,000 man years of work will be paid for.

RACE (Research and Development in Advanced Communication Technologies in Europe) aims at strengthening the Community telecommunications industry by establishing a leading position in world competition in the field of broadband communications. This would lead to the development of the technology to transmit voice, data, and images through the same communications medium, enabling complex communications to be sent at high speeds and low cost. At present, different signals use different transmission media, and mixed communications cannot be sent together.

A secondary aim of this establishment of an Integrated Broadband Communication (IBC) would, the Commission says, be the boost it would give to regional development within the Community, as distance from major centres would no longer be a disadvantage to business. Small and medium sized enterprises would also find opportunities to participate in supplying hardware, software and services.

The budget proposed represents 50% of the initial, pre-competitive and standard-setting research, the rest of which would be met by participating companies. The total of 1.6 billion envisaged would pay for 10,000 man years of ground-breaking work.

1 ECU = UK£ 0.72 or IRL 0.76.

SOCIAL: Cuts needed in shipbuilding capacity

Forty to forty-five thousand jobs need to be lost by the end of 1989 in the shipbuilding industry of the Community, which employed 107,000 at the end of 1985, according to the EC Commission. As part of an attempt to soften the blow of this necessity, the Commission is proposing a fund of 180 million ECU* for the conversion of shipworkers to other trades, as well as easing the social and regional impact of cuts, for the period 1987-89.

The industry in the Nine (EC excluding Greece, Spain and Portugal) has lost one-half of its capacity since the 70s. The table shows how jobs have fallen:

	<u>1975</u>	<u>1985</u>
Europe 9	206 517	83 577
Belgium	7 487	3 923
Denmark	18 630	10 200
Germany	46 839	22 260
France	32 500	15 058
Ireland	869	-
Italy	25 000	12 000
Netherlands	22 662	9 936
United Kingdom	54 550	10 200

In the eight member states which still have shipyards, employment has fallen 45% in ten years. In the UK it was worse, with more than 80% of jobs being lost.

In Greece, where 1975 jobs were just over 2,200, there was a rise until 1981, followed by a drop, finishing at 2,000 in 1985. In Spain, shipbuilding employed 18,000 last year, more than any other member state except Germany. In Portugal, 3,307 were employed in the sector in 1985.

To overcome the prolonged crisis facing the industry (see Eurofocus 32/86) and to bring it back to profit, the Commission says, shipbuilding has still to lose one-third of its capacity in coming years. To assist the workers affected by this, measures for promoting early retirement and mobility will be financed by the Community and the member states.

1 ECU = UK£ 0.72 or IRL 0.76.

SOCIAL: Quotas for the disabled

In almost every country of the Community, there are laws and regulations ensuring a reserved number of jobs for the disabled, aimed at giving these people some protection against unemployment, which might otherwise hit them harder than the able-bodied. In reply to a question from a Dutch Euro-MP, the Commission recently detailed the figures from these various national systems.

Country	public sector	private sector
Belgium	3% of new posts created	3% for clothing industry of over 20 people
Germany	6% for administrations employing more than 16	as for public sector
Greece	varies	
Spain	2% reserved for enterprises employing more than 50	
France	10% of vacancies	10% for enterprises of over 10 people
Ireland	3%	
Italy	15% for departments over 35 people	as public sector
Luxembourg	2%	2% if employ more than 50 people
Netherlands	2%	2%
United Kingdom	-	3% if employ more than 20 people

Denmark does not apply the quota system, and no figures are available for Portugal. Quotas, where they exist, are not always strictly adhered to. National laws often allow exemptions or reductions, and policing is not rigorous.

The Commission admits that the quota system is not ideal, and that there are better ways of integrating the disabled into the world of work. As well as adaptation and professional training measures, public authorities can subsidize jobs in industry or cooperatives, or give financial aid to businesses to adapt the conditions of some jobs.

The Commission also stresses the role of lodgings and transport, as well as laws protecting the disabled from discrimination.

SOCIAL: "Free movement" isn't always free

In theory, workers from any country of the Community (excluding Spain and Portugal for the time being) are free to travel and set up throughout the Community. In practice, however, it is not so simple, according to Manuel Marin, social affairs commissioner, speaking to the European Parliament. The existing rules are becoming, he said, harder and harder to implement, with new rules on migrant workers impossible to get adopted.

The Commission is presently preparing a series of measures to help migrant workers, as Mr Marin told MEPs. Brochures explaining workers' rights, and a manual containing all the legal texts for workers' advisors, are being supplied to give better information, and should be ready in 1987. The Commission also intends to create a "Migrants' Forum", to gather together all the representative organisations. Furthermore, the right to vote in local elections should be given to migrants, he said. The Commission will soon present new proposals on removing restrictions to free movement, and to eradicate racism and xenophobia in the Community.

ENVIRONMENT: Ten billion in the bottle bank balance

After ten years of the European programme of glass recycling, the bottle bank account is paying off with interest. In 1985 alone, three million tonnes of glass were recycled. This represents 10 billion bottles, or 100 for every European family. More than a quarter of last year's consumption of glass was recycled.

These were among the figures quoted recently by Stanley Clinton Davis, environment commissioner, on the occasion of the tenth anniversary of the recycling programme. The programme, he said, aimed not only at protecting the environment, but also at reducing the cost of energy and raw materials.

The results obtained, Mr Clinton Davis said, were due to collaboration between manufacturers, traders and users. However, some countries did better than others. The Netherlands recycled 53% of its glass in 1984, with Germany and Belgium both over 30%. Other countries, though, were far behind.