

Week of September 14 to 19

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TELECOMMUNICATIONS : The new space race

As more and more attention is cast on the amazing advances in the field of teleccommunications and microelectronics, more thought is also being given to ways of improving the competitive stance of Europe's industry in this important sector.

Hardly a week goes by without news of some dramatic breakthrough in this revolutionary technology or of plans for further research and expansion. For instance, in virtually every European country there is growing interest in new forms of communications, ranging from broadcasting via space satellites to a reduction in the size and space taken up by new electronic components of all types. Most of these innovations have a number of important social and economic implications which are being examined more seriously.

It's not only the new gadgetry, which provides new forms of entertainment and leisure-time activity, that is represented in this field. It could also expand information techniques through improved communications and automation, and spawn entirely new industries and activities.

The impact on employment is also vast since some of these new products will make certain jobs or techniques obsolete. On the other hand, new employment, skills and capacities will be needed. But many of these new jobs and revenues will depend on how this new technological race is waged. A number of European authorities have been concerned about the fact that Europe is lagging behind the United States and Japan in the production of much of the equipment in these fields and are urging a common cooperative effort to make the European industry more viable.

As a dramatic example of the stakes involved, a member of the European Parliament recently noted that the large Dutch-based international electronics firm Philips had laid off some 26,400 workers in Europe in four years while at the same time investing in the United States, where it created 9,700 jobs, and in Asia.

Addressing a recent European communications conference in Strasbourg, the European Commissioner for Industry Etienne Davignon also underlined the gravity of the situation. He said that the destiny of the people of the Community for the next two decades depends on their ability to meet the challenge of the telematics revolution. He noted, for instance, that Europe's share of the world integrated circuit production is only 6 percent while it represents 25 percent of the world market for these products. He and other Community officials have been working on a plan for the past few years to enhance Europe's competitive posture in a number of these fields by improving the investment, marketing and development climate in the Community. Experts from the national Governments in the Council of Ministers have reportedly reached an advanced stage of discussion on a 1980 Commission proposal to encourage research and development in micro-electronics. Similar work has also gone forward in teleccommunications, but faster progress is needed.

EMPLOYMENT : Absolute priority given to combatting unemployment

After their two month vacation, the 434 members of the European Parliament got back to work in Strasbourg on Monday, September 14. Their debates focussed on a particularly high-priority issue : the ways and means of fighting unemployment in the European Community.

This is not the first time that the question has been discussed by the European Parliament. In January 1980, the Parliament pleaded in favour of a reduction in working time and underlined the need to help the small and medium-sized businesses in their attempts to create new jobs, etc. But the different suggestions have not produced the desired result : i.e. the reduction in the EEC's unemployment figures. Unemployment has, in fact, continued to rise; there are an estimated 8.5 million unemployed persons in the EEC today. This is an absolute record. All forecasts point to a deterioration of the current situation in the coming months. The main victims of the new upsurge in unemployment will be young people (under 24 years) and women.

Three reports, covering the different problems linked to employment issues, have been submitted for study to the Parliament. For the first time, the reports stress that the fight against unemployment should take priority over anti-inflation measures.

This is clearly because unemployment is definitely the major problem confronting EEC citizens who feel that the situation is unacceptable. All political observers agree that it was above all to deal with the unemployment crisis that the French voted a Socialist government into power. The recent demonstrations in Britain, where the main reason for youth rebellion was frustration and unemployment, also illustrate the increasing social problems which can stem from lack of jobs.

It is against this background that European parliamentarians will attempt to define a viable anti-unemployment strategy. Such a policy must be global because it is closely linked to the elaboration of a Community-wide industrial policy, which requires, for its part, the introduction of an energy policy. The problem is a complex one and miracle cures are difficult to find.

The European Parliament feels, however, that economic growth and improvements in the employment situation are possible. This conviction stems from the belief that the current slow-down in growth rates is not the result of a saturation of demand or of lack of technical progress, but the outcome of economic, social and political obstacles which can be overcome.

One such obstacle is the contradiction existing between the need to accept technical innovations and the current, rather hardline, approach to defending existing jobs. This can be overcome by associating workers with wide-ranging innovations, as well as by encouraging professional mobility and permanent training.

European Parliamentarians have also come out in favour of a reduction in the financial burdens on employers, increased investment aids, a drive against illegal labour and a reduction in working time.

One report drawn up by the Parliament's committee on social and employment affairs underlines that the challenge posed by unemployment constitutes a turning point which could be the precursor of new ideas and political instruments. The survival of democratic institutions and values on which the European Community is based is at stake, concludes the report.

EDUCATION : Ecology, a "European science"

Only a few years ago, an ecologist, as far as the general public was concerned, was a dreamer, an idealist who had his head in the clouds and his feet nowhere near the ground.

This image has changed. Ecology is recognised as a science and ecologists, every one knows, have in-depth knowledge of geography, geology, chemistry, physics, economics and other very serious sciences.

It is not surprising, therefore, that a system of post-university European studies on the science of the environment has just been introduced. This transnational programme has been set up through the collaboration of seven universities from four European Community countries : Belgium, Luxembourg, France and the Federal Republic of Germany.

The programme, lasting at least two years, includes a period of general training given by the Luxembourg University Foundation at Arlon, and a choice of one or other option allowing for specialised training at Saarbrücken, Trier, Kaiserslautern or Metz, according to the subject chosen. The programme will enter into force during the 1981-82 school year for students having completed their university exams. For further information contact the Luxembourg University Foundation, 140 rue des Déportés, 6700 Arlon, Belgium.

THIRD-WORLD : A small step in favour of the poorest

At a time when Europe finds itself in the grips of a major economic crisis, it is difficult to bring home to people the developing world's plight.

People are primarily concerned about their own future and what governments can do for them. It is nevertheless impossible to shut out completely the problems of millions of human beings who did not have the luck to be born in a rich country and who as a result suffer hunger and the most abject poverty. These people are not concerned about fighting for a fifth week of vacation or some new social benefits, but for their very lives. Their misery is a permanent insult to our comfort and conscience.

Despite innumerable information campaigns and action programmes, the gap that separates the industrialised and the poorest countries widens every day. Nevertheless, one positive step was taken at a major world conference sponsored by the United Nations on the world's least-developed countries which was held in Paris from September 1 to 14. Thirty-one countries, according to United Nations experts, can be categorised as "least-developed". This definition takes into account their level of industrialisation, gross national product and literacy. Nine among them have no direct connection with the European Community or its vast system of trade and aid known as the Lomé Convention.

Together, these 31 countries encompass some 280 million residents, which is about the equivalent of the total population of the 10 Community countries.

At the end of the Paris meeting, most of the industrialised countries committed themselves to increasing their financial aid to these least-developed countries to a level equal to 0.15 percent of their gross national product. But no deadline was set for this goal, which in the Community - is currently achieved by only four countries : Denmark, the Netherlands, Norway and Sweden.

In 1979, the member states of the Community spent close to 0.08 percent of their GNP on bilateral aid to the least-developed countries, or a total of 1.84 billion dollars. This amount, it should be underlined, is vastly superior to the sums granted by the United States, Japan, the Communist countries or members of the OPEC group. But it remains, nevertheless, grossly short of the immense needs of these states. That's why the Community is resolved to intensify its action and has urged other countries to do the same.

ENERGY : An end to the anarchy in taxes

Energy saving has been a topic on everyone's lips in recent years. There is virtual unanimity on this need in view of the staggering amount paid by European countries for their oil. Government policies on this subject, however, have not always been logical since they don't always encourage efforts to conserve energy.

Most specialists on the question agree that it is easier to conserve energy in the first place than to replace fossil fuels by alternative sources of energy. But taxes on oil products are concentrated on petrol and diesel while other forms of fuel oils are not heavily taxed. This means, of course, that such fiscal policies don't have the maximum dissuasive effect and are not the most advantageous for economic planning and performance.

In addition, there are major differences between the excise taxes levied in the various member states of the European Community, especially on diesel fuel, variations that lead to distortion of competition which run counter to the idea of the Common Market.

In addition, there are a number of different exemptions in the member states which are not always economically justified.

As a result, there is a certain amount of anarchy in the taxing of oil products, according to a communication just prepared by the European Commission for the Community's Economic and Finance Ministers.

The Commission visualises a series of gradual actions aimed at achieving a better coordination of national fiscal policies and at more openness in pricing structure. It proposes, for instance, the setting of a scale of relationship between prices of different petroleum products and national energy goals that would be better suited to realise the economic potential in the Community. It also recommends that member states jointly establish "target zones" for taxes on such products, gradually eliminate exemptions, subsidies or rate reductions which are not justified.

Although the ball is now in the court of the member states and their Ministers, in the past they have shown themselves to be extremely sensitive and cautious about abandoning any of their independence and national sovereignty over taxation policy.

ENVIRONMENT : Holding back the black tides

When French port authorities this summer immobilised a substandard cargo ship entering their waters, they were merely displaying the increasing concern of Europeans about combatting maritime pollution.

The spectre of recent shipwrecks, such as the disastrous one of the Amoco Cadiz off the coast of Brittany, has made national and European authorities especially vigilant against the ever-present threat of oil pollution. They are also seeking to ensure that, while some remedial measures proposed in Europe and elsewhere are being considered, they deploy efforts to prevent new catastrophes that endanger wildlife, tourism and the fishing livelihood of coastal communities. That's why inspectors in ports all over Europe are on the lookout for any possible threat not only from substandard "tramp" cargo ships but also the mammoth supertankers that run aground or break up on reefs near the coasts. The main threat from such vessels is the discharge of oil, either when they break up or when they just dump their excess oil in the sea, thereby polluting the entire environment.

In recent years, surveillance has been stepped up and joint cleanup exercises have been undertaken between France and Britain, among others, to add substance to the many conferences and declarations on maritime pollution. One such measure being implemented is the setting up of port facilities for ships to discharge their surplus oil rather than dumping it at sea. Baltic ports have had such equipment since May 1981 and studies are underway for similar installations in the Mediterranean. The European Commission has decided to provide a financial contribution to this latter project when the studies are completed. The Community countries' Environment Ministers also agreed in June 1981 in principle to a Community system of information and inventories on the means of combatting maritime pollution. The Community's Council of Ministers is also working on the details of applying the standards in international conventions and treaties concerning the security and inspection of ships. In a statement to the European Parliament, the Council said it is awaiting the outcome of another study underway on inspection procedures in ports before actually deciding on the application of these standards. Some of these have to do with the training and qualifications of crews as a step towards cutting down on the threat of pollution accidents arising from lack of proper training. The end result of this activity will hopefully be to lessen or even eliminate the constant risk to the environment and to maritime communities from such accidents and oil spills.

REGIONAL POLICY : Poor EEC regions suffer most in Seventies

The "state of crisis" which dominated the European Community's economic performance in the Seventies and which is continuing was most acutely felt by the EEC's poorest regions, according to the sixth annual report on the activities of the European Regional Development Fund, published recently by the European Commission.

The report stresses that the situation of the Community's less favoured regions deteriorated considerably during the Seventies. Regional imbalances have become increasingly marked when measured by differences in Gross Domestic Product per head, market prices and current exchange rates. The report points out that "while this trend in regional economies is due partly to national trends in the economic development of member states, it derives also from aggravated productivity gaps between the developed and less favoured regions within the Community".

The general increase in unemployment within the Community has had particularly serious consequences for the weaker regions notes the Commission report. The situation is not expected to improve in the near future. The next five years will see a greater number of young people (some one million annually) appearing on the labour market. This increase will be felt especially by many less developed regions : the Mezzogiorno, the regions of the west and north of France, Ireland and Northern Ireland. The Regional Development Fund has been working to narrow the gap between the Community's rich and poor regions. In 1980 alone, the European Commission adopted 390 grant decisions for investment projects totalling 1.2 billion ECU, an increase of some 17% on credits granted in 1979. The main aim of these projects is to create new jobs or preserve existing ones.

Industrial and service investment projects received about 26% of total Regional Fund assistance in 1980. Infrastructure projects accounted for 74% of total assistance.

Industrial projects receiving aid included the automobile industry, followed by chemical industries, engineering, food, beverages, tobacco, rubber and plastic processing.

Road construction and water supply projects received priority in the infrastructure chapter.