

Week of November 17 to 22

STATISTICS: A MAJOR NEW TOOL

The European Community's Statistical Office has just published a new volume entitled "General Government Accounts and Statistics 1970-1977". This document contains detailed data on the expenditures and revenues of central and local administrations and social security systems in the nine member states of the European Community. Up to now, only the national figures had been available, which did not permit comparative studies of these facts. Another innovation of this new product lies in the fact that the figures are presented in a uniform manner. In addition, the data concern the 1970-1977 period, which allows examination of the evolution of national accounts.

This new publication, which will be regularly up-dated, therefore, already represents a precious working tool for all those who want to study in a systematic way the structure of public financing in the various European Community member countries.

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Young scientists and researchers are having a hard time finding a job in Europe. It is feared that, more and more, they will be tempted to export their talents...

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AGRICULTURE: Looking ahead to the coming ten years...

As of January 1 next year, the European Community will be enlarged to include Greece; this will be followed by Spanish and Portuguese membership of the European Community. Membership of these three countries will have a definite impact on certain aspects of the EEC's economy, and particularly the agricultural sector.

In a report published recently, the European Commission analyses the probable evolution of EEC agriculture in the coming ten years, and the major problems it will face, especially as a result of Community enlargement. In 1990, the number of European consumers (in 12 EEC countries) will total 323 million. Of the 64 additional consumers compared with the existing Community, 55 million will live in the new Member States - Greece, Spain and Portugal - the remainder being the result of a slow increase in EEC population.

However, as agricultural production will continue to grow at higher rates than consumer demand, the present trend for agricultural surpluses is expected to be maintained, particularly for certain Mediterranean products like wine and olive oil. How should this problem be tackled? Exports are expected to face increasing competition from third countries, and better marketing techniques will therefore be required. Moreover, the persistence of surpluses will mean ever-higher expenditure on market support measures. This is why higher public expenditure in the agricultural sector can be expected in the 1980s.

As regards price trends for agricultural inputs, the Commission report forecasts a fall in prices for seeds and animal feed, but an increase in energy prices, including electricity.

The area devoted to agriculture will total about 147 million hectares, including the three new Member States. The Commission believes that agricultural area will, in fact, be reduced by 1990. On the other hand, wooded zones, currently totalling 55 million ha will increase.

There will be about 13.6 million agricultural workers in the 12-member Community, which will represent 11 % of the total working population. The Commission predicts that some 3.5 million people will quit agricultural work by 1990, that is about 2.3 % of the population every year. This figure covers older farmers who are expected to reach retirement age, and will probably not be replaced.

The trend towards larger and fewer farm holdings will continue. The average area covered by farm holdings is expected to increase to 24 ha from the current 17.2 ha. At the same time, the number of holdings will fall to 6.6 million from the current 9 million.

One of the main points made by the Commission report is that the importance of the agricultural sector in the EEC's economy will continue its current downward trend in the 1980s. In 1990, this sector will represent only about 4.5 % of the gross domestic product, compared with 7 % today, and will employ only 7 % of the total work force, compared with 11 % today. On the other hand, the importance of the agricultural input and the food-processing industries (which currently process about two-thirds of the agricultural products) will increase.

POLLUTION: Prevention is better than cure

The ways and means of reducing industrial pollution were studied by a seminar organised in The Hague from November 4 to 7 by the European Community and the Dutch Ministry for public health and environmental protection. The meeting was attended by some 250 participants from the EEC and third countries. The industrial sectors reviewed by the seminar included the chemical industry, steel and metal works, food, the paper and glass industries.

Whereas in the past experts have focussed essentially on how to treat waste in the final stages of industrial production, the recent trend is to prevent the formation of such waste from the start of the manufacturing process. New technology has the added advantage of reducing pollution while allowing for energy and raw material saving.

FISHERIES: Review of market organisation

The European Commission has just forwarded a series of proposals to the EEC Council of Ministers on the organisation of the European fisheries market. No major organisational changes have been made in this sector since 1970, despite the fact that there have been a series of modifications in the market itself. These changes include the growth of the frozen and processed goods market, increasing competition from cheaper imports, the introduction of enlarged fishing zones, etc, which have a direct affect on the Community's supply of fishery products. This sector has also been influenced by the increase in energy prices. The Commission's proposals relate to fishermen's organisations, the sector's price arrangements (taking into account the real situation rather than looking for mathematical solutions) and relations with third countries.

COMMERCE: The creation of a Community trade-mark

What is a trade-mark, most persons might ask? Basically, it is a distinctive sign that allows consumers to be certain of the identity and origin of products or services. But a trade-mark also bestows an undeniable business advantage to its proprietor. As proof, one only has to look around at such names as Bic or Kleenex whose labels have become synonymous with a whole range of products that go well beyond the original one.

There are rules known as laws of industrial and commercial property that are designed to assure the respect of trade-marks against counterfeiting. The exclusive right is not subject to time limitations, but rather to territorial limits.

In fact, there are mostly national trade-marks currently in existence among most of the European Community countries, with only the Benelux countries offering regional protection. Considering that this situation is an obstacle to free competition or the free circulation of goods inside the European Common Market, the European Community Commission in Brussels has just proposed the creation of a unified legal system of trade-mark protection and the establishment of a new European Community trade-mark as well inside the member countries.

This proposed law foresees the narrowing of all national differences concerning the conditions of registration and observation of trade-marks, the use of such names or symbols and the settlement of possible conflicts. The European Commission hopes that through such a new system there would be a reduction of barriers to trade inside the frontiers of the Community. Since all differences and barriers could probably not be completely eliminated, it proposes the creation of a parallel Community system that would allow for the acquisition of a trade-mark valid throughout the entire European Community through only a single application in accordance with unified regulations.

The aim of the proposed regulation is also the creation of a European Community Trade Mark Office which would be a new autonomous organ with special powers and duties in this field.

The establishment of the Community trade-mark system would allow consumers to choose anywhere in the nine countries from a vastly increased range of similar products identifiable by the same brand or symbol. It would represent another major step in the fulfillment of a true common market inside the nine countries.

TOURISM: tackling package tour problems

The last few years have seen an enormous growth in all forms of tourism. Not only are more people taking holidays, but they are going further away from home in search of adventure and new scenery.

Tourists today also have a vast range of types of holidays to choose from. They can either go camping or caravanning, tour privately, choosing to stop over in hotels, or choose "package tours" either by air, road, or sea. The development of air "package tours" has been the most visible manifestation of the growth in the tourist activity in recent years.

It is estimated that some 20 million organised travel tours are booked annually in the EEC States.

As a result, tourism today is a very active, creative and competitive business. It is also full of risks for customers.

Speaking at the Killarney Chamber of Commerce in Ireland recently, European Commissioner responsible for consumer policy, Richard Burke, noted the main problems which can arise between customers and tour operators. These included inaccurate or incomplete descriptions of holidays offered in brochures, inadequate price information, exaggeration of the quality of services offered, misleading descriptions of services offered, etc.

Problems can also relate to the contract itself and include price variations, penalties connected with cancellation, unsatisfactory conditions of transport, unsatisfactory accommodation, to name but a few.

Thirdly, there are problems which arise after the contract, and relate to complaints and redress.

These problems and some others are covered by the Brussels Convention of 1970 on group travel. An OECD resolution also calls for improved consumer information and protection in relation to package tours by air.

Commissioner Burke noted, however, that "neither of these measures have been applied with particular vigour or consistency throughout the Community".

The European Commission is now ready to tackle the problem. Basing its work on existing EEC legislation in such areas as road transport, improvement of air services, advertising, etc., the European Commission is considering the possibility of solving tourism problems at a European level. This will involve the clarification of contractual relationships involved in package tours, whatever mode of transport is used. The results of a special study on the European package tour market will also be released shortly by the European Commission.

BUSINESS: Small is beautiful

While the giants of industry are more likely to get the most attention, additional interest is currently being displayed for the small and frequently forgotten entrepreneurs who may in fact be the backbone of Europe's economies.

It's the big names on products that are seen everywhere, every day in television and newspaper advertising or in the news that are remembered. Their weight is felt and should not be ignored because they produce goods and jobs on which millions are dependent. But it is also likely that behind most large companies and their products, there exist dozens or even hundreds of unknown small sub-contractors, retailers and distributors. These may be virtually cottage industries, small jobbers or relatively modest contractors who make only a small piece of the total economic picture but it is being slowly recognised that these small and medium-sized companies actually provide more jobs than the giants. They have also problems which are tending to bring them out of the shadows.

Just about every country has begun to orient specific programmes to assist or protect these smaller firms. There is now recognition that they respond more rapidly to financial and other stimulus than the larger competitors. But there is also built-in discrimination in a system geared to companies with larger, specialised staffs necessary to conduct the countless aspects of the modern business and administrative world.

But just recently, members of the European Parliament indicated it was also time that the European Economic Community starts looking at the problems of the small and medium-sized enterprises more specifically.

The outcome is a preliminary report prepared by the European Commission in Brussels that provides an overview of the measures undertaken at both the national and Community level that can assist these smaller firms. Nationally, there are a number of aids and services that are often made available through banks, management firms, or export agencies. Specific operations such as hotels are also signed out for aids and cooperative pools for other small firms have also been created.

But the European Commission, as a first step to designing specific measures for these firms, also made an inventory of its policies and programmes in a different light, with a view towards seeing how small firms could benefit. It found some measures especially designed to help these businesses, such as exemptions from requirements aimed at larger companies. But it also noted that small companies can benefit from regional, energy, financial or social funds. The Community's Business Cooperation Centre, better known as the Marriage Bureau, has also helped match countless small partners to expand their activities. Research and development programmes and grants also aid these. But for the future, it feels a more determined effort will have to be made to design assistance programmes for these, especially with the prospects of more small firms entering the Community when Greece becomes the 10th member in January.

SCIENCE: Another "brain drain" in the offing

Europe may be on the verge of another "brain drain" similar to the widely publicised emigration of scientists and technicians which received so much attention about a decade ago.

A growing scarcity of jobs for young scientists accompanied by an ageing of the existing scientific community and leading to a deterioration in the quality of research are the worrisome findings of a top-level group in the field made public recently. This study, conducted by the European Science Foundation and delivered to a recent conference on the future of European science policy sponsored by the European Commission in Strasbourg, received little attention outside the scientific establishment itself. Yet it has widespread impact on all segments of business, industry and society.

In competitive international economic environment, one of the main assets of a raw materials-poor society like Europe is its brain power. A greater accent than ever before is being placed on the discovery of new products and processes rather than on merely the production. But in many areas of importance to future research and technology --and consequently jobs-- such as micro-electronics, bio-technology or aerospace, Europe is lagging behind its main competitors in the United States and Japan.

In commenting on this trend, another panel of European research experts at the Strasbourg conference also noted that "the regional focus of the global economy is shifting from the Atlantic to the Pacific... Europe should therefore set out to use the resource that is relatively most abundant: its technological and scientific knowledge, which has to be translated into effective innovation of the European products, processes and services". This report also noted that conditions are already present that suggest a "second industrial revolution" with deep and far-reaching impact in fields such as micro-electronics and bio-technology.

But, as the study by the European Science Foundation observes, there could very well be a deterioration of the quality of European research in the future if the present trend of ageing and lack of opportunities for young scientists persists. A high percentage of the current crop of scientists and researchers was recruited during the rapid expansion period in the 1950s and 1960s. As a result, the median age of these people is now between 40 and 45 and they may be expected to remain in their posts for another 20 to 25 years, leaving few openings for new incoming workers unless there is a substantial expansion of financing for such activities. Unless remedial action is taken quickly to halt this possible irreversible loss of talent, the study notes, European research, and with it the whole future potential of Europe, will face a serious crisis.

The aim of this Strasbourg conference was to hold a wide-ranging discussion about future trends and policies in European Community research spending. Many of the top names in the European scientific and research community, including Nobel prize winners and university presidents, attended the gathering to air this important subject. Their attention was focused on European research activities in general, but also on the specific research programmes conducted or funded by the European Community to coordinate or supplement other programmes carried out at the national or private level. The meeting and its reports came just a few months after the representatives of the member states in the Council of Ministers had approved a budget of £466 million for the four years ending in 1983.

While this current Community programme and future ones are likely to continue the pattern of past years, which concentrated spending on energy and a few other main areas, the Community scientific authorities nevertheless wanted to have a review of possible modifications and options available or even necessary. They felt that the first phase of the development of a joint Community R&D policy was perhaps coming to an end and what was needed were fresh new perspectives covering the period between 1985 and 1990. During the period from 1981 to 1985, 80 percent of Community R&D expenditures will be concentrated in fields of absolute priority in the sectors of energy, raw materials, the environment, agriculture and certain industrial sectors. The remaining 20 percent will be devoted to other fields of Community interests, some of which fall in the priority areas and others, such as medical research, research into textiles, urban development and fisheries, which do not.

Some of this research is conducted by the 2000 odd members of the staff of the Community's Joint Research Centre and other projects are handled by other entities or institutions throughout the member states, with either partial or full funding by the Community budget.

At the moment about two-thirds of this total budget is devoted to improving energy supplies as a direct response to the acute energy problems of Europe. This represents about a 50 per cent jump in energy research funding by the Community expenditure over a few years ago. Projects in this field are either aimed at nuclear energy output or safety or alternative (to oil) sources of energy ranging from coal to solar power. Other important areas of Community research activity include projects in development or recycling of raw materials, environmental protection, weather studies and modification, efficient agricultural techniques and the new fields of micro-electronics and bio-technology, which are said to hold out so much promise for the future. But previous studies and experts attending the Strasbourg conference underlined the fact that Europe is behind the United States and Japan in many of these latter two areas and that this lag must be overcome to keep European industry and competitiveness from being jeopardised.