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SUMMARY

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"1992": The Twelve have approved nearly 60% of the programme

The European Commission draws up the balance sheet as of 3 January 1990.

Ministers of the 12 European Community countries had approved nearly 60% of the "1992" single market programme as of 3 January 1990. Of the 279 measures needed to complete the single market, the Twelve had definitely adopted 142, or nearly half the total, according to a balance sheet published by the European Commission at the beginning of the year. Ten measures have been partially adopted while another six await scrutiny by the European Parliament.

Since the Single European Act came into force on 1 July 1967, the Twelve have been working at a faster pace. The SEA modifies the Community's "constitution", replacing the need for unanimity in decision-making by majority voting in a number of fields. The European Commission, meanwhile, has nearly completed its task of drafting the necessary proposals, having already submitted 261 of the 279 texts to the Twelve. The work of the European Parliament was delayed by elections to it in June 1989 and the Euro-MPs must still examine over 60 proposals. As a result there has been a slowdown in the pace at which the EC Council of Ministers has taken decisions.

The "1992 Community legislation" already adopted covers the most varied areas: harmonization of technical standards, credit, insurance, mutual recognition of diplomas, road and air transport and television, to mention only some of them. After dragging their feet, the Twelve even made progress last year towards the elimination of border checks - on goods, not people, however.

Two difficulties remain: The free movement of persons and taxation. The Twelve have failed so far to find a way of eliminating checks on their citizens even while fighting effectively against terrorism, organized crime and drug trafficking at the Community level. Even the 5-nation Schengen group, consisting of Germany, France and the three Benelux countries, failed to set an example for the rest of the Community from 1990 onwards, as had been hoped.

As for taxation, it continues to pose serious problems, starting with the taxation of savings, which is resisted in Luxembourg, to the harmonization of VAT rates and the elimination of the

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duty-free allowances enjoyed by travellers within the Community, a move over which the Danes in particular have strong reservations. What is more, the Twelve have failed even to agree to the European Commission's proposal to simply double these duty-free allowances for the time being.

Even if all Community authorities were to redouble their efforts, the completion of the single market could still be held up by the national authorities. The fact is that nearly all the measures taken within the context of the 1992 programme must be incorporated into the laws of the Member States before they can have force of law within their territories. But the fact is that of the 88 pieces of Community legislation that came into force before the end of 1989, a mere 14 had been transposed in all 12 EC countries and only 24 in the nine older Member States - the EC less Greece, Spain and Portugal. The Commission had already drawn attention to this problem, and the Twelve have begun to speed up the necessary procedures. They will have to keep up the good work, given that 28 new "European laws" must come into force in 1990.

This does not mean that a piece of Community legislation which has not been transposed into national legislation cannot be enforced in the Member State in question. According to the European Internal Market Commissioner, Martin Bangemann, an enterprise can certainly try to invoke directly the European "law" in question, especially if it deals with a subject over which the national authorities have virtually no room for manoeuvre. The harmonization of technical standards is a good example of this.

Here is a tip for those with a personal computer which is linked to the national telecommunications network: Thanks to the INFO 92 databank set up by the European Commission, you can obtain up-to-date information on the adoption of the necessary legislation under the 1992 programme and its transposition into national laws. The cost of consulting the databank is ECU 10 per hour. For detailed information call Brussels 235-00-01 or 235-00-03.

UNEMPLOYMENT: Below 9% for the first time since 1982
November 1989 was a welcome month for the EC.

Unemployment in the 12-nation European Community fell below the 9%-mark, seasonally adjusted, for the first time since 1982, when it dropped to 8.9% last November, according to Eurostat, the Community's statistical office. The unemployment rate stood at 9.7% in November 1988.

Most EC countries recorded falls of this magnitude over the 12-month period. However, unemployment levels remained largely unchanged in France, Italy, Luxembourg and Portugal and rose in Denmark.

Unemployment rates were unchanged or static in nearly all Community countries last November. Only Germany and Denmark recorded a rise, attributed by Eurostat largely to the arrival of immigrants from Eastern Europe.

Unemployment rates for the under-25s declined more rapidly than for the working population as a whole over the 12 months to last November, falling from 19.1% to 17.1%. Only in Denmark was there a rise in youth unemployment.

SOCIETY: Food aid for the Community's poorest will continue ...
... despite a fall in surplus stocks.

The European Community had budgeted ECU 150mn.* for food aid for its poorest citizens this year. This is the same amount as in 1989, and it will be used to buy foodstuffs for free distribution through the charities prepared to undertake this task. The European Commission stressed before the end of last year that the considerable fall in the Community's agricultural surplus would not lead to a reduction in food aid.

In 1989 more than 24,000t. of beef and nearly 15,000t. of butter were distributed, mainly in France and Spain as well as in Britain, Italy, Greece and Portugal.

* 1 ECU = UK£0.74 or IR£0.77

COMMUNITY BUDGET: Thanks to its quick approval by the European Parliament ...
... it is easier to help East European countries.

Euro-MPs wasted no time in adopting the European Community's budget for 1990, thus making it possible for the European Commission to release ECU 300mn.* for Eastern Europe.

Under the terms of the cooperation procedure introduced by the Single European Act, all that remained to be done, once the European Commission and Council of Ministers had given the go-ahead, was for the European Parliament to signify its agreement, for the 1990 budget to be definitively adopted. The total amount of the budget is ECU 46,700mn.

The rapidity with which the budget was adopted enabled the Community to quickly release ECU 300mn. in aid to Poland and Hungary. This aid is aimed at strengthening their economies and is in addition to a number of emergency measures already taken by the Community.

* 1 ECU = UK£0.74 or IR£0.77

DRUGS: No laundering of ill-gotten gains in the Community
The European Commission acts to prevent such activities.

The European Community will not leave the door open to money from drugs; on the contrary, it will take a series of measures aimed at combating the laundering of money from the traffic in drugs, according to Sir Leon Brittan, a European Commission Vice-President. But to be effective, action must be taken at the international level, according to the Commission.

It is already taking part in the task force set up by the 7-nation Western summit in Paris last July to combat the cancer which is undermining the international financial system. At the Community level the Commission plans to take measures aimed at giving the Member States the possibility of quickly identifying suspicious financial transactions and promoting effective cooperation between their financial institutions, police and judiciary.

The Commission also envisages cooperation between the Twelve and third countries.

COMMUNICATIONS: Towards European networks

The Twelve give priority to the development and interlinking of the EC's communications infrastructure.

The single European market, to begin with, is the free movement of persons, goods and services and capital. But in order to bring this project to fruition it is necessary to improve and extend the communications network, and develop it where it does not exist at present. The fact is that the Community's infrastructure, although the world's most effective, is handicapped in two ways: communication between its various parts is not easy and these parts are geared to meeting national needs for the most part.

To remedy this state of affairs the Twelve have adopted a resolution which outlines a plan to create European networks. It is with this in mind that the EC Council of Ministers has asked the European Commission to present it, before the end of this year, a work programme as well as proposals for suitable measures, taking into account the possibility of extending these actions to the Community as a whole.

The Commission already had the intention of organizing its work programme around a certain number of points. To begin with it will be necessary to check if intervention by the EC is justified; it may be that the projects should be taken in hand by other public or private bodies. It will then be necessary to draw up a timetable, identify obstacles and eventual insufficiencies, assess financial problems and, finally, if needed, provide for a consultation procedure prior to the execution of the projects.

To have an idea of the magnitude of this programme, it is enough to point out that the European networks in question cover air traffic control; energy distribution; transport, especially the most efficient forms, such as high-speed trains (TGV) as well as telecommunications networks, notably the links between the Community's main urban centres using wide-band telecommunication services, and the implementation of various training programmes.

In concrete terms, the main lines of future action will deal mainly with the following points:

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(a) the setting up of a telecommunications system interlinked to the integrated services digital network (ISDN) and a trans-European integrated network for voice, pictures and text, to replace the various compartmentalized, incompatible national systems. It is also a question of catching up with the United States by creating a European electronic data interchange system, which will make it possible to exchange contracts and invoices in a standardized, electronic form; for example.

(b) the elimination of physical frontiers, so as to make possible cooperation between police forces; the joint management of customs regulations and the organization of compatible, computerized systems of medical treatment;

(c) the development of high-performance transport networks, starting with the coordination of air traffic control: there are some 42 control centres in Europe, as compared to 20 in the United States, which handle three times as many flights - hence the numerous delays, which are estimated to cost several billion ECUs. The growth in traffic is no longer compatible with the costly and ineffective juxtaposition of national systems. As for rail transport, the European network of high-speed trains must be developed, both by making better use of the existing, under-utilized infrastructure and building the missing links, such as the Channel tunnel. Finally, there is a need to set up a system of road traffic, safety and information to deal with the increase in road accidents and minimize the management of road traffic;

(d) the interlinking of energy networks. It is necessary to set up a network of pipelines for the transport of natural gas in Greece and Portugal and ensure an interconnecting network between the Italian mainland, Corsica and Sardinia, as well as between Spain, Portugal and France;

(e) the revaluation of training through programmes such as COMETT, ERASMUS and LINGUA, for example. If the European Community does not invest in its present and future workforce, it will witness a fall in its capacity to innovate and compete.

SOCIETY: Living abroad after taking early retirement

What health insurance for workers who live in another EC country after taking early retirement?

Existing EC legislation on social security contains no provisions, as regards reciprocal agreements on health care for European Community citizens resident in another Member State, for workers who have taken early retirement and settled down in another Member State. Under the terms of the regulation currently in force they are treated as retired persons only after they have reached the official retirement age in their own country; meanwhile they fall in the category of persons not gainfully employed and as such are not covered by the existing provisions.

Concerned by their plight, the British Euro-MP, Bryan Cassidy, asked the European Commission what measures it intended to take to remedy this state of affairs. In her reply Ms Vasso Papandreou, the European Commissioner responsible for social affairs, reminded Mr Cassidy that several years ago the European Commission submitted to the EC Council of Ministers proposals dealing with "the export of those taking early retirement" for workers who changed their residence, and the extension of them of the right to health insurance. She went on to point out that under the directive recently adopted by the Twelve, the right of residence (from June 1992) is made dependent on having a disability, early retirement or old-age pension or a pension arising from an accident at the workplace or an occupational disease. What is more, those receiving a pension also take out health insurance.

EMPLOYMENT: In industry the future belongs to trained workers

The results of a survey by the European Commission.

European industry will increasingly require skilled workers. Firms in the European Community are planning, on the whole, to create jobs requiring trained workers and to eliminate those for which no special qualifications are needed. And they are already having difficulty filling all vacancies, because of a shortage of qualified workers - which was not the case even five years ago.

These are among the findings of a survey carried out by the European Commission last year among company managers in 10 European Community countries - the Twelve less Denmark and Luxembourg. At present 35% of Community workers are employed in industry. 63% of them are trained, although the proportion varies a great deal from one EC country to another. Thus, if 80% of workers in French industry are skilled, and almost as high a proportion in Italy and the Netherlands, this is true of only 50% of their colleagues in Portugal and no more than 38% in Britain.

Only half (51% to be exact) of the women employed in industry are in skilled occupations, as against more than two thirds of their masculine colleagues. The highest proportion of trained women workers - 70% and over - is to be found in France, Italy and the Netherlands; the lowest is to be found in Britain - 24%. The corresponding figure for Belgium, Germany and Ireland is around 60%.

In addition, a higher percentage of women is to be found in part-time work - in industry, 15% as compared to 2% for men.

The heads of European companies plan to increase the number of jobs requiring trained workers. The trend seems very clear in the case of full-time jobs, much less so for part-time jobs. This is the case in the 10 countries studied, and especially in the Netherlands, Italy and Belgium. At the same time employers envisage reducing the number of unskilled jobs, whether full- or part-time, except in Greece, Ireland and Portugal. But already 62% of the companies surveyed considered the absence of qualified candidates an obstacle to hiring new workers. Only 43% of them faced this problem in 1985.