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EUROFORUMS

FIGHT AGAINST FRAUD: Better results in 1989

The Twelve are tackling the problem with greater determination.

The fight against "European fraud" is being stepped up. The number of cases discovered last year was much larger than in 1988, and the European Community was able to recover a higher proportion of the sums of which the Community had been defrauded. This good news is contained in the first annual report which the European Commission has devoted to this sensitive and expensive problem. The Commission claims this improved state of affairs is due to the much better cooperation between its anti-fraud department and the Member States.

Agriculture remains the prime target, because of the scale of Community aid to the farm sector. Agricultural fraud amounted to at least 0.19% of the sums paid by the European Agricultural Guarantee and Guidance Fund (EAGGF) between 1980 and 1987, and involved tens of millions of ECUs* per year, according to Commission estimates. In the first nine months of last year 352 cases of fraud were discovered, for a total of ECU 58mn., as compared to 388 cases and ECU 122mn. for all of 1988. The EC was able to recover ECU 12mn. during the first nine months of 1989, as against ECU 5.5mn. in 1988.

This increase in the number of cases brought to light does not mean that fraud is on the increase. The Commission in fact believes that it reflects the effectiveness of the new forms of cooperation with the Twelve. The Member Governments have also contributed to the fight against fraud by simplifying the Community's beef regulations. Exporters receive refunds which represent the difference between European and world prices, calculated according to the category of meat in question. The number of such categories has been reduced from 254 to 164 and the Commission is determined to do more along this line.

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There has been an improvement as regards customs fraud also. In 1989 the Community uncovered 71 new cases of fraud, as compared to 50 the previous year. Here, too, cooperation played a key part. The European Commission now forwards to all Member States the reports it receives from any of them. This has made it possible both to trace the hidden ramifications of cases already unearthed and to uncover fresh cases. The more one knows about the tricks used to defraud the Community the easier it becomes to counter them.

Fraud is to be found wherever there is money and the Community's structural funds - regional and social - are no exception. Here, too, the Commission and the Twelve have adopted new rules to deal with the problem. Governments must now provide the Commission detailed information on all cases of fraud uncovered by them, together with details of the proceedings, legal or other, begun against the guilty party. To forestall fraud involving these funds, the Twelve must now designate the departments responsible for checking every ECU of Community aid and keep the Commission informed.

The Commission considers there has been progress on nearly all the 45 (!) points of the anti-fraud programme it launched nearly a year ago. It does not intend to stop there, however. This year it will better coordinate the work of its anti-fraud departments; conduct enquiries into "high risk" areas of agriculture; obtain powers to control and impose penalties and, finally, see to the implementation of any new code of conduct for the structural funds.

The Commission's report maintains that the key to success remains cooperation - between the Community's institutions (Commission, Parliament, Council of Ministers, Court of Justice), between the Community and the Twelve and between the Member States themselves.

* 1 ECU = UK£0.72 or IR£0.77

WORKERS' RIGHTS: Three urgent measures for the 1992 single market

From redundancies to keeping workers informed when mergers take place.

The representatives of the various social and professional groups in the 12-nation European Community want to speed up the realization of the social dimension of the single market. The Economic and Social Committee (ESC), on which are represented employers, workers, the self-employed and consumers from all 12 Community countries, asked the European Commission on February 1 to have the Twelve adopt, as from this year, three measures aimed at guaranteeing workers' rights in the Europe of 1992. Commission President Jacques Delors duly received the message, and declared he accepted the suggestions.

The ESC is seeking European legislation covering the dismissal and subcontracting of cross-frontier workers and the unfair exploitation of their non-typical terms of employment.

The ESC is also asking for measures aimed at giving workers the right to be kept informed and consulted in the event of company mergers or reorganizations, both of which are becoming more frequent as 1992 approaches.

Finally, the ESC wants measures which guarantee that existing social legislation and collective bargaining agreements will apply in the case of public procurement contracts. Here the aim is to ensure that the authorities of a given Community country do not award contracts to firms from other Community countries in order to avoid having to meet their social obligations under their own legislation.

The ESC wants the Twelve to adopt these measures by majority vote, on the grounds that they directly concern the internal market; it maintains that unanimity is not required, as for most social harmonization measures. This makes a substantial difference at the political level, given that the British government is opposed to much European social legislation of this kind, referred to in the European social charter adopted by the 11 other Community countries at the Strasbourg "summit" last December.

The ESC takes the view that the measures it is proposing, some of which are contained in the Commission's programme for 1990, would demonstrate to increasingly worried trade unions and Euro-MPs that the single market will not be achieved at the expense of workers. Refusal by the Twelve to adopt such measures would result in "a serious crisis", Jacques Delors has warned.

TRANSPORT: Putting road traffic on the railways

The European Commission strongly favours combined road-rail transport.

The European Community's road network is nearing saturation. The 75mn. tonnes of goods carried by road in 1987 should double within 15 years; but it is clear that the international road network will be unable to absorb this increase unaided. Combined road-rail transport is the only solution, although in 1987 it carried a mere 14mn. tonnes of goods.

The technical report drawn up by the firm A.T. Kearney, on behalf of the European Commission and the Community of European Railways, is clear on this point, and the thousand or so participants at the "Euromodal 90" conference in Brussels got the message. An international road-rail transport network already meets customer requirements as regards speed and competitiveness; it should replace at least some road traffic by the end of the century. Although existing regulations favour road traffic, it is being steadily hampered by traffic jams and social and ecological pressures.

Very substantial investments will be needed, of course - roughly ECU 2.6 to 2.9bn.* over the next 15 years. But there is virtually no alternative. Other countries could follow in the footsteps of Switzerland and Austria in the near future and take stringent measures to limit road traffic in order to protect the environment. But the effects could be disastrous for European trade and economic growth.

The European Commission takes this view; it envisages two urgent actions in favour of combined road-rail transport in Europe. The first is the preparation of the main guidelines of a coherent network covering the Community and neighbouring countries, on the one hand, and the adoption of concrete measures aimed at increasing the commercial attractiveness of this method of transport, on the other.

"Several factors favour increased recourse to combined transport", according to the European Transport Commissioner, Karel Van Miert. "The increase in traffic due to the completion of the single market to begin with, but also the opening to Eastern Europe, with increased trade within the Community as well as with third countries. Combined road-rail transport alone can offer an answer to the restrictions imposed by transit countries. Finally, there are environmental preoccupations, which in fact underlie the current problems of transit through Switzerland and Austria. We shall have to pay greater attention to environmental problems, such as noise, air pollution, the ascendancy acquired by road transport over other forms, saturated networks and road safety."

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Where it can be physically and economically justified, shifting traffic from roads to the railways is a step in the right direction. Thanks to combined transport it is possible to take advantage of both the flexibility of road transport and the environmental advantages of rail transport.

The European Commission has already reduced a certain number of legal, economic and technical obstacles to the development of road-rail transport, not forgetting the use of waterways. But a good deal remains to be done. Border crossings still entail considerable delays and there are the problems arising from the great variety or incompatibility of certain equipment. The Commission, which has already sent the Council of Ministers a proposal for the liberalization of initial and final road journeys, will turn its efforts to eliminating all the constraints which raise the cost of combined road-rail transport, reduce the quality of the service and, by this very fact, limit its development.

* 1 ECU = UK£0.72 or IR£0.77

SPORT: Slaves with golden chains

Outdated regulations continue to bind European football players in their clubs and countries of origin.

The European Commission has been trying for the last 10 years to convince football organizations in the 12 European Community countries of the existence of the Treaty of Rome, and more especially of the Article dealing with the free movement of workers. Under the Treaty, any European football club can field 11 players from the other EC countries, not counting reserves. Being workers, like any others (although better paid on occasion, it must be said), football players have the right to exercise their skills anywhere in the Community, as the European Court of Justice ruled many years ago.

The national federations have invoked the special character of football; in other words, they have turned a deaf ear to the Commission, although giving ground now and then. Thus Italy, which has always been the most hostile to opening up the Community's internal frontiers to football players, accepted two "foreign" players to begin with, then three. Strangely, these "foreign" players have often turned out to be genuinely "foreign" - from Brazil, Argentina, Yugoslavia But the European

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Commission is not concerned about them: what it is pressing the sporting authorities to do is to open their frontiers to players from other Community countries.

With 1992 drawing closer even the venerable UEFA, or Union of European Football Associations, has become aware of the real problem. During its recent meeting in Stockholm it agreed to work out a compromise, in the hopes of calming the guardians of the Treaties in Brussels and tempering their zeal for ensuring respect for Community law.

But under the iron rule of the Italians it has proved once again to be a case of much ado about nothing. The proposal, to be submitted to the European Commission, envisages that, as from 1 January 1993, a club can simultaneously field three "foreign" and two "assimilated" players - i.e. foreign players who have played five years in the country in question, three of them in youth teams. At the demand of the Italian sports authorities this proposal, if accepted, will not apply to the entire professional sector but only to first-division championships.

Even so, the European Commission has welcomed the news as "a measure which could lead in the right direction", according to its spokesman. But he was quick to add that, for a small step, it was some distance away.

The European Parliament's reaction is now awaited. It could well be vigorous, especially as only a few months ago Euro-MPs invited the Commission to take the matter to the European Court of Justice, in order to ensure that the sports authorities obeyed Community legislation. Incidentally, the resolution in question did not hesitate to liken professional football to "a modern form of slavery ...".

TOURISM: Selling Europe

The European Year of Tourism is officially launched in Dublin.

East and West must cooperate in order to sell Europe to American and Japanese - tourists of course. And it was with precisely this in mind that the European Community's Commissioner for

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tourism, Mr Cardoso e Cunha, envisaged a close and genuine cooperation between European countries that normally compete against each other. Speaking during the launch in Dublin of the European Year of Tourism (EYT), Mr Cardoso e Cunha declared, "Europe is small; an American or Japanese tourist wants to see as many countries as possible. We must therefore work together to ensure that tourists from other continents choose Europe as their destination as often as possible. To this end we must both improve the existing infrastructure and develop new tourist products."

Mr Cardoso e Cunha, who was accompanied by Mr Seamus Brennan, Ireland's Minister for Tourism and the current President of the EC Tourism Ministers Council, and Sweden's Under-Secretary of State for Tourism, Mr Lars Ljung, representing the six EFTA countries taking part in the EYT, took the opportunity to present the broad outlines of the Community's new programme in favour of tourism.

Under this programme the European Commission plans to promote relations between EC institutions and the tourist industry and foster meetings, by means of "cooperation fairs", between those operating in certain specific sectors of the industry and providers of services. The first of these fairs will be devoted to rural tourism and its role in rural development.

Transnational training and student exchanges are another element of the action programme proposed by the European Commission. Mr Cardoso e Cunha is of the view that information is vital for operators drawing up their medium-term business strategies. He will therefore be discussing with the tourist industry the possibility of setting up a tourism system at the European level, to provide rapid information on business developments to both the authorities and industry.

A third aspect of the new programme has to do with the integration of tourism into other major EC policies. The Commissioner mentioned environment policy and the protection of European heritage in this connection. The European Commission in fact is co-funding the development of a Celtic heritage trail through Ireland, Wales, England, France and Italy. Also envisaged is a programme of short courses on environmental improvement sponsored by the youth hostels in Germany.

The President of the European Parliament's group on tourism, Mr McMillan-Scott, backed the call by Commissioner Cardoso e Cunha. He, too, insisted that the two halves of Europe "join forces and work together to promote Europe as a whole to the rest of the world". The EYT should contribute to this rapprochement; it was time, in fact, for the tourist industry to think "Pan-European", and to develop air and rail passes and other products of this kind which take in Eastern Europe also. The European Parliament in fact is planning a special session this year devoted to various aspects of tourism.

EMPLOYMENT: Women and part-time employment

The winners in the employment stakes in the Community.

Most of the roughly 5.5mn. jobs created in the 12-nation European Community since unemployment began to fall in 1986, have been taken by women and are part-time, according to the results of a survey carried out by the European Commission and published in early February.

After rising sharply in the 12-nation EC between 1975 and 1986, unemployment began to fall steadily after 1986, thanks to the creation of 5.5mn. new jobs between 1986 and 1989 - the best results in 30 years, according to the European Commission.

But the new jobs do not always resemble those which have been lost - far from it. During the period from 1975 to 1986 numerous full-time jobs in industry, held by men, disappeared. However, more than three-quarters of the net additional jobs created in the Community between 1983 and 1987 have been taken up by women; some 60% of these jobs are part-time, often in the service sector.

What is more, nearly a quarter of the net employment increase was part-time male. Part-time employment thus accounted for over 70% of the net increase in total employment in this period. While part-time employment suits many workers, especially women, who prefer it, some 13% of part-time employment is involuntary.

In the 1980s most of the new jobs were in the service sector: the retail trade, computer services, legal and economic advisory services and financial services. Meanwhile employment in the manufacturing industry fell until 1987 and increased well under average after that.

The strong increase in female part-time employment suggests that more low paid jobs are being created. Growth of this type of employment should continue during the 1990s, according to the European Commission.