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EDUCATION: European study programmes off to a quick start

The first inter-university exchange programmes under ERASMUS are launched.

Some 900 applications were received and 240 projects were chosen. The figures alone are evidence, according to the European Commission, of just how successful the inter-university exchange programme, ERASMUS, has turned out to be. Beginning with the academic year 1987/88, some 2,000 students will be able to spend some time studying in another Community country, while roughly 500 institutions of higher learning will be able to organize programmes in common and exchange students, teachers and managerial staff.

A mere four months after the European Community's education ministers had approved the ERASMUS programme, the European Commission is in a position to award the first series of scholarships and grant awards to universities for the year 1987/88. The Commission will choose a second series of projects at the end of 1987, to be implemented during the coming academic year.

The 1987/88 academic year will be used, to begin with, to set up a network of European universities prepared to work together. Besides, only students belonging to these institutions will be in line for ERASMUS scholarships and grants. The sum budgeted for the first year is ECU 10m.*, rising to ECU 30m. for 1988/89 and ECU 45m. for 1989/90.

Of the 240 inter-university cooperation projects, each of which was prepared by at least two universities located in different countries, 50 deal with business studies and management science, 44 with languages and 33 with engineering technology. Other subjects covered include the natural sciences, the social sciences, law and architecture, if to a smaller extent.

The countries with the largest number of projects are Britain, France and Germany, followed by Spain and Italy. The European Commission has announced that the second series of projects will give it an opportunity to arrive at a more balanced distribution between not only the subjects but also the countries and regions of the Community.

The Commission takes the view that the large number of worthwhile applications shows that ERASMUS meets the genuine need felt by European universities to move outside their national frontiers and work at Community level.

In three years ERASMUS will have made it possible for the European Commission to grant scholarships and grants to more than 20,000 students and 4,000 teachers or managerial staff and to extend financial aid to some 2,000 institutions of higher learning.

* 1 ECU = UK£ 0.70 or IR£ 0.77

SPORTS: An important breach in the internal frontiers of Community football

The Court of Justice has decided that a Belgian trainer has the right to train a French club.

Football's problems have to do not only with the somewhat outdated regulations of the various national federations but also with the member states themselves. Mr Heylen, a Belgian football coach with the Lille Olympic Sporting Club in northern France since the 1984-85 season, has found this out to his cost.

On 8 January 1985 France's Ministry of Youth and Sport refused to accept his Belgian trainer's diploma as equivalent to the corresponding French sports diploma. No appeal was possible from the French decision. What is more, the Ministry's ultimatum was accompanied by the threat of legal proceedings should Mr Heylen continue in his job as trainer. And the Ministry began legal proceedings against him for good measure.

When the case finally came before the high court in Lille, the court asked the Community's Court of Justice to give a ruling on the question of whether the need to be in possession of a French diploma, or its equivalent, amounted to a restriction on the free movement of workers.

On October 15 the European court answered in the affirmative. It held that a national authority does not have the right to refuse to recognize the equivalence of a diploma held by a Community national. Hereafter such a decision will have to be founded, and the door left open for an appeal.

What is of even greater interest is that the Court's ruling is not limited to the field of sports but is equally valid for all occupations. The obligation to allow for an appeal implies, moreover, that in future national courts will be led, more than in the past, to verify the legality of the national measure in relation to Community law in this matter.

The ruling equally is a significant step towards the mutual recognition of the equivalence of degrees and diplomas. This is the subject, in fact, of a Commission proposal, which is with the European Community Council of Ministers.

Clearly Mr Heylen has scored a goal, which the European Court of Justice has been quick to uphold.

FRAUD: The Community's "incorruptibles"

The European Commission sets up a team to deal with fraud more effectively.

A team of 10 officials, under the direct responsibility of the European Commission President, Jacques Delors, will be given the task of fighting fraud within the European Community. The Brussels executive in fact has decided to set up a new administrative unit, which will coordinate the work of its existing anti-fraud cells in the various Commission departments and those to be set up in the departments without one at present.

The EC's Court of Auditors and the European Parliament had asked the Commission to reinforce the means at its disposal to fight against fraud. In reaching its decision the Commission also based itself on a report which points to fraud in the agricultural, and possibly other, sectors.

Differences exist, however, as to the size of the problem. In the European Parliament it has been put at 10% (that is, between ECU 3 to 4 billion*), on the basis of a study made by a German economist. The Commission maintains, however, that there is no reliable basis for this figure.

One must not forget, however, that action by the European Commission has always been sharply limited by the powers of the member states, who alone have authority to intervene materially. Statistics therefore can only be built up on the basis of information supplied by the member governments, who must inform the Commission of all cases of fraud uncovered by them. This perhaps explains the very small number of cases that have been officially confirmed. In the field of agriculture, the known cases of fraud have involved no more than ECU 160m. over a 15-year period (from 1972 to 1986), although Community spending on agriculture now exceeds ECU 25 billion a year.

The European Commission's "incorruptibles" will have their hands full. They will have to examine all the information relating to fraud which the senior officials concerned will pass on to them systematically; to study the methods of work, staff training, including closer relations with government departments in the member states and optimize the use of existing legal provisions and strengthen them in order to remedy any legal inadequacies which may come to light. Finally, they will also represent the Commission in matters relating to fraud with the member states and Community institutions, especially the European Parliament.

* 1 ECU = UK£ 0.70 or IR£ 0.77

ENERGY: Specialized companies to finance energy savings

ECU 110 billion* for a 20% improvement in energy efficiency by 1995.

Service companies specializing in the energy sector finance, install, operate and maintain energy conservation equipment on a turnkey basis. They share with the owners of the company in which their equipment has been installed the profits from the resulting savings in energy costs. At the expiry of the contract the company using the equipment can either renew the service contract or buy the equipment on favourable terms.

Nothing could be simpler. This formula is being used in the United States with growing success since 1980. Now that the method of financing by an outsider has been largely perfected, the European Commission favours its adoption by the Community in order to reach the ambitious goal of improving energy efficiency by 20% between now and 1995, thus continuing the effort undertaken since the first oil shock.

This implies, among other things, economies of 52m. tonnes oil equivalent (TOE) in the building and services sectors and of 42m. TOE in industry. The total investment needed to achieve economies on this scale having been estimated at ECU 110 billion; but it is obvious that it is not always easy to find financial resources on this scale. Even if the new technologies are economically and technically viable now, potential users stay away from them because they lack the necessary funds.

It was to be expected, therefore, that the European Commission would show an interest in the method of financing by third parties. The Energy Commissioner, Nicolas Mosar, even organized a symposium on this subject. It was held in Luxembourg on October 8 and 9 and was attended by some 180 persons, representing industry, public utilities, national and local governments and the banks.

The debate made it possible to assess the European situation in the light of American experience. In the United States some 150 companies shared between them over \$350m. worth of investments in energy conservation in 1984. The possibility of adapting this method of financing to European requirements was also discussed at the symposium and the European Commission will take their discussions into account when drawing up model contracts and guidelines for use in the context of the European Community.

* 1 ECU = UK£ 0.70 or IR£ 0.77.

TRAVEL: A green light for cheap holidays

The Community's judges condemn agreements between travel agents and tour operators - and the laws protecting them.

Cheap package holidays and air tickets at very attractive prices are already a growth industry in the European Community. They should multiply even faster thanks to a recent judgment of the Community's Court of Justice. At the beginning of October, the Court clearly ruled against agreements between travel agents and tour operators which ban discounts, as well as the national laws and regulations which compel those in the tourist trade to abide by them.

The parties to the dispute were an association representing Flemish travel agents in Belgium (VVR) and a Belgian organization which looks after the social welfare of public service employees. The VVR sought, in effect, to prevent the welfare department from selling cheap tours to public service employees in Brussels and the Flemish region of Belgium.

The VVR thought it was on solid ground when it tried to put an end to what it saw as excessively high discounts. In its view the welfare department's rates contravened the provisions of a 1966 Belgian regulation establishing a code of conduct for the country's tourist trade.

The regulation in question requires travel agents to respect the prices and rates set by the trade or the Belgian government. It also forbids them to share their commissions with their customers. This regulation, which embodies the terms of an agreement between the associations representing tour operators and travel agents, goes even further: failure to respect its provisions can lead to the withdrawal of the necessary authorization.

The court in Brussels felt the case had a European dimension and therefore sought a ruling from the Court of Justice in Luxembourg. The latter was in no doubt that the Belgian regulation violates the competition rules of the "European Constitution", given that it requires compliance with an agreement limiting competition. The Court added that the agreements in question affected trade between Community countries. After all, the package holidays sold by Belgian travel agents, the customers and, very often, the destinations themselves were in other European Community countries.

SMALL BUSINESSES: The first Community information centres open their doors.

Four cities now offer businessmen information with a European flavour.

Thanks to the first European Business Information Centres, firms in four regions of the European Community can now find out at first hand the opportunities the Community as a whole offers them. The centres have been opened in Arhus (Denmark), Bologna (Italy), Ratisbonne (Germany) and Bordeaux (France).

The centres, created by the European Commission in the framework of its action programme in favour of small and medium-sized firms, can provide enterprises all the "European" information they may need - from the completion of the single internal market to research programmes subsidized by the EC and including aid provided by the Community's regional and social funds.

The four centres opened in October are the first of a network of 39. All of them should be operational by the end of the year. They are located in the offices of bodies such as chambers of commerce and industry, regional development agencies and of municipal or regional authorities.

ENERGY: The EC, United States, Japan and the Soviet Union in agreement

The nuclear energy of the 21st century will be international.

From early next year specialists from the European Community, the United States, Japan and the Soviet Union will work together on the nuclear energy of the 21st century, which will be thermonuclear. An agreement to this effect was concluded by the four powers in Vienna on October 19.

Under this agreement they will jointly design an International Thermo-nuclear Experimental Reactor (ITER) by the end of 1990. The work will begin at Garching, in the Federal Republic of Germany. The choice of a West European centre was not accidental. So far it is the Community which has achieved the most promising results in this field, thanks to the Joint European Torus, or JET, at Culham, near Oxford.

According to the experts, thermonuclear energy could produce, with very little pollution, an almost inexhaustible supply of electricity from water. But the necessary research, as well as its translation into commercially profitable power stations, requires vast sums of money. Hence the decision to join forces.

ECONOMY: United we stand!

The European Commission's recommendations for 1988.

Despite a difficult international environment, the 12 European Community countries can raise the level of economic activity and create more jobs if they exploit their assets, and if each of them takes fully into account the effects of its own policies on the economies of its 11 partners. This, in a nutshell, is the message contained in the European Commission's annual economic report to the 12 member states.

On the basis of its latest forecasts (see Eurofocus 35/87) the Commission notes that economic growth in the 12-nation Community, which has slowed down this year, will not pick up next year if member states do not change their policies. Unemployment, consequently, will remain close to 12%.

The Commission makes it clear that the Twelve must not expect miracles from the rest of the world. Their exports will face difficulties in the United States, if only because the fall in the value of the dollar makes European goods more expensive for Americans. European exports face similar difficulties on the markets of the Asian countries whose currencies follow the dollar.

Developing countries are importing less because of their debt burden. To this must be added the gradual disappearance of the beneficial effects of the dollar's fall on consumer prices in the Community.

The European Commission has therefore concluded that the Community must become self-reliant. Its annual report points to a number of major strengths the Twelve can draw on: low levels of inflation in nearly all the member countries; an improvement in capital yields and the continuing restructuring of industry. In addition, several member countries* have done better economically than the Community average, thus stimulating trade throughout the EC.

The Commission believes the Twelve must reduce the economic disparities between themselves. Each of them, in its view, has a part to play in this. The countries that are well ahead of the others must ensure adequate growth rates while the others must make investments more profitable. The Community as a whole must back them up with increased "European" loans and other forms of aid.

The report notes that progress to date towards the single market, foreseen for 1992, has stimulated the Community economy. The Commission in fact would like the ministers of the Twelve to press the accelerator.

* Britain, Italy, Portugal and Spain.

FINANCE: Cash sans frontières

The major European banks have reached an agreement on credit cards.

You will soon be able to use your credit card at all the major European banks and not just your own. This is the main outcome of an agreement on credit cards signed on October 9 by the European Council of Payment Systems.

The use of credit cards has grown in spectacular fashion in recent years. The number of places at which they can be used, whether to pay for goods and services or make deposits and withdrawals, have multiplied - and continue to do so.

The advantages are obvious, so that the day when banknotes and coins will be no more than relics of a bygone age seems to be drawing closer. But there is a drawback to the use of credit cards: the different systems are not compatible with each other, so that the card issued by one bank will not be accepted by the others.

The European Commission, in a communication to the Council of Ministers this January, felt that credit cards issued in one member state should be valid throughout the European Community. With the agreement of October 9 the main obstacles have been removed and a major step taken towards making credit cards an almost universal system of payment. This is an important step towards the single internal market.

Of course, a number of problems remain to be solved. The European Commission will see to it that the Community's competition rules are respected. But just now it is the significance of the agreement of October 9, for the technical and technological integration of the Community's financial channels, which must be underlined.