



a newssheet for journalists

Weekly n° 30/88

19 - 26 September 1988

S U M M A R Y

- P. 2 A PEOPLE'S EUROPE: The state of play
Mr. Ripa di Meana explains the European Commission's report to the European Parliament to its members.
- P. 3 ENVIRONMENT: A hothouse of poisoned fruit
The greenhouse effect could prove disastrous.
- P. 4 SOCIAL: A contended worker is a better worker
The new, 4-year programme of a Dublin-based European work foundation.
- P. 5 SOCIAL: For a single market which benefits everyone
The European Commission puts forward a policy for 1992 and beyond.
- P. 6 TRANSPORT: Paper gives way to electronics
The launch of projects for the computerization of links between transport companies.
- P. 7 UNEMPLOYMENT: Down slightly in the EC
But the trend is very different from one country to another.
- COST OF LIVING: Higher in Europe than in the U.S.
In only three EC countries are living costs lower than in the U.S.
- P. 8 INDUSTRY: Doing well
Production rises by 3.2% in the first five months.
- ECONOMY: Off to a good start
It could mean a high growth rate during the first semester.
- P. 9 BRIEFLY: 42 regional and local voices join the European concert - Over half the NCI IV loans have already been extended to SMEs - The Twelve launch the RENAVAL programme - The European thermonuclear programme is approved.

Bureau de dépôt: Bruxelles X

europaforum

A PEOPLE'S EUROPE: The state of play

Mr. Ripa di Meana explains the European Commission's report to the European Parliament to its members.

The citizens of Europe must play a key role in the run-up to the unified Europe, set for 1992. The European Commissioner for a people's Europe, Carlo Ripa di Meana, stressed this point when he elaborated on the Commission's report to the European Parliament at its plenary session in Strasbourg.

Mr. Ripa di Meana expressed satisfaction at the interest which Euro-MPs have shown in the subject. He insisted on the need to build a People's Europe day after day, and in this context invited Parliament to work more closely with the Commission.

The European Commissioner felt the activities undertaken so far had had a positive effect. To this end the Commission had listed a series of priority guidelines, ranging from efforts to achieve a better understanding of European citizenship to citizens' rights and social problems.

Action at the cultural level had to be strengthened if the first objective was to be met. This implied a new audiovisual strategy and an up-grading of the role of information, without which Europeans cannot play their full role in the building of Europe.

As for citizens' rights, the European Commission had announced that it was making a special effort to make the Community's own services more accessible to the man in the street and to ensure that he was better informed about his rights under the EC treaties, Community regulations and the rulings of the EC Court of Justice.

The European Commission was quite ready, in fact, to study the advisability of a charter of citizen's rights in agreement and consultation with the European Parliament. The most important step in this direction had already been taken, in Mr Ripa di Meana's view, with the draft directive on the voting rights of EC nationals in municipal elections in the Member States in which they were resident. This important political decision would restore certain political rights to some four million of the Community's nationals, who have been deprived of them up to now.

The European Commissioner told Euro-MPs that the Commission's report also drew their attention to the major problems arising from very rapid economic and social changes and the progress in science and technology. The problems related to all aspects of European society and daily life in the Community, and had to be examined in the light of a new reality and new rights to which the report opened the way.

(Contd.)

(Contd.)

The establishment of a People's Europe was not possible without the reform of education and vocational training as well as the fight against such forms of exclusion as racism and xenophobia and the attempts to marginalize the old and the sick. A People's Europe also required the results of scientific progress to be extended to everyday life, as was happening in the case of organ transplants, for example.

The 1989 elections to the European Parliament have drawn much closer, the European Commissioner noted. He thought the problems raised by the European Commission in its report were of interest to European voters and could be a source of motivation.

ENVIRONMENT: A hothouse of poisoned fruit

The greenhouse effect could prove disastrous.

The spaceship earth is becoming warmer - and dangerously so. Forty years from now the temperature could have risen by between 1.5° to 4.5°C, according to estimates by scientists. This would result in far-reaching changes in the climate on a global scale. Polar ice would start melting and the subsequent rise in the level of the oceans could wipe out not only coastal cities but also entire regions.

This greenhouse effect is the result of industrialization, widespread deforestation and a growing concentration of gases such as carbon dioxide in the earth's atmosphere which, by acting as a blanket, keep in the earth's heat.

A solution to the problem will require a coordinated effort, involving the Community's policies in agriculture, industry, forestry, energy and development. The European Commission has therefore decided to set up an interdepartmental working group to study the scale of the problem.

The European environment commissioner, Stanley Clinton Davis, underlined the key role which the Community can play. "We must begin to think now at the global level about what needs to be done", he said. Otherwise the waves might be washing over Venice and Amsterdam, Lisbon and Hamburg

SOCIAL: A contended worker is a better worker

The new, 4-year programme of a Dublin-based European work foundation.

The Dublin-based European Foundation for the improvement of living and working conditions has set itself an ambitious work programme. The main areas of research and information include the development of a social dialogue and industrial relations; the reorganization of working life; the promotion of health and safety; protection of the environment, the workers and the general public; increase in living standards as well as the quality of life for everyone and the study of tomorrow's technologies

The recent meeting in Dublin of the Foundation's governing body was presided over by the European Commission's Vice-President, Manuel Marín. During the course of the meeting the Foundation adopted a new, 4-year work programme, which should make it the most influential forum for discussions of the social consequences of the completion of the single European market in 1992.

The programme will include research into the six major themes listed above and the spread of information on them. The research will be contracted out to international, multidisciplinary teams by the Foundation, which will also organize round tables and seminars. The results will be made available to the four groups that make up the Foundation's governing body: the governments of the Member States; employers' organizations; the trade unions and the European Commission.

The new programme, according to Commissioner Marín, will help provide the information needed by all who must take decisions aimed at facing up to the social consequences of the single market, whose key objective is to give a fresh impetus to economic growth and job creation.

SOCIAL: For a single market which benefits everyone

The European Commission puts forward a policy for 1992 and beyond.

The European Commission has set two major social policy objectives before the Twelve. They are the creation of a genuine common market for jobs and help for the Community's disadvantaged groups and regions. The objectives are set out in a document on the "social dimension" of the single internal market, which was presented by the Commission Vice-President in charge of social affairs, Manuel Marín, in Brussels on September 7.

The Commission considers that the completion of the single market, set for the end of 1992, must lead to an improvement in the working and living conditions of all Europeans. The Community's heads of state or government said as much when they met in Hanover at the end of June 1988.

Given this, the free movement between the 12 EC countries must benefit not only companies and banks but also enable salaried workers and the self-employed to move freely from one Member State to another and to take up residence in another Community country. The Commission has therefore proposed the elimination of the remaining obstacles in this field.

But it would like to go further and encourage the creation of a unified European employment market, within which job seekers could thumb their noses at national borders. The Commission thus proposes to extend the mutual recognition of the degrees and diplomas awarded by institutions of higher education, now almost complete, to professional qualifications.

The Commission takes the view that European workers, in any case, will have to move about within the Community in search of employment. While parts of the 12-nation Community are threatened with a loss of population, other parts cannot provide employment for all who live there. In addition, new jobs are not always created in areas which have witnessed the disappearance of jobs.

The Commission recognizes that the completion of the single market will itself result in job losses, even if it will lead, on the whole, to large-scale job creation. It holds that the Community must do all it can to reduce the negative impact of redundancies - by seeing to it that they are spread out over time, for example. Governments would also have to adopt measures to stimulate the creation of new jobs, with the Community's financial assistance.

The other major social policy objective which the European Commission envisages for 1992 and beyond flows from this: provide help for the social groups and regions which are particularly handicapped for one reason or another. It will be necessary to ensure that the various Community funds, such as the European Regional Development Fund and the European Social Fund, contribute as effectively as possible to this goal, in the Commission's view.

(Contd.)

(Contd.)

Regional aid should make it possible for the Community's disadvantaged regions to stand up to the competition from the more favoured regions of the single internal market, by encouraging investments and creating the conditions needed for the generation of new jobs. The social funds will aim at helping those unemployed for over a year find jobs. Should this prove insufficient, it will be necessary, the Commission believes, to strengthen the institutions of solidarity, the ideal being a guaranteed minimum wage for all citizens.

The Commission is not proposing the harmonization, from Denmark to Portugal, of social laws and conditions of work. Its reply to those who fear that firms will locate in areas with relatively low wages, or that the single market will benefit companies with little or no social conscience, is that the capacity to compete effectively in the market place is the result of a number of factors, of which the social is only one.

The Commission nevertheless considers it necessary to have workers who are better trained throughout the Community and to harmonize, to some extent, the minimum standards of safety and hygiene at the workplace.

TRANSPORT: Paper gives way to electronics.

The launch of projects for the computerization of links between transport companies.

Were the computer to replace paper for good in transport in Western Europe, the sector's total costs could fall by 3% to 4%. And such a fall is likely to come about, thanks to a series of pilot projects launched at the beginning of September.

Their aim is to test a system for the electronic exchange of information between transport companies, developed by European researchers in the framework of the European programme for cooperation in research in science and technology, COST.

The system allows companies to designate all their operations in standardized messages sent by computer. Those in the transport industry should be able to communicate with each other in this way, whatever the equipment, the software and the telecommunications network that is used. It is estimated that paperwork accounts for 3.5% to 7% of the total cost of transport in Western Europe.

UNEMPLOYMENT: Down slightly in the EC

But the trend is very different from one country to another.

The number of unemployed fell slightly in the 12 months to July 1988 in the European Community as a whole. The number of persons registered at employment exchanges was 15.6mn. at the end of July, a fall of 0.1% as compared to a year ago.

Some 10.4% of the Community's workforce was jobless at the end of this July, as against 10.6% in July 1987, according to Eurostat, the EC's statistical office.

The situation varied sharply from one Member State to another, however. If the seasonally adjusted unemployment rate has been falling for more than a year in Britain, Spain and Portugal, it has continued to rise in Italy and Denmark. It has stabilized itself in Germany and the Netherlands, but has begun to rise, if only slightly, in Belgium, France, Ireland and Luxembourg, after falling at the end of last year and the beginning of this one.

More women are unemployed in the 12-nation EC than men. While female unemployment rose from 13.7% to 13.8% in July, male unemployment has stood at 8.2% since May of this year.

As for those under 25 years of age, 20.4% of them were jobless at the end of July, as against more than 22% in the spring of 1987.

COST OF LIVING: Higher in Europe than in the U.S.

In only three EC countries are living costs lower than in the U.S.

The cost of living is much higher in the 12-nation European Community than in the United States as measured by purchasing power parities. A trolley-load of consumer products and services which cost the American housewife just \$100 and the Canadian housewife under \$104 in June, cost European housewives far more - as much as \$164 in Denmark.

Living costs were lower, however, in three Community countries, according to Eurostat, the EC's statistical office. They were Greece, Spain and Portugal. In three others - Britain, Italy and Luxembourg - the trolley-load cost less than \$110. In Ireland it cost \$115 and in the Netherlands \$118. The cost was \$120 in Belgium, \$126 in France and \$135 in Germany.

INDUSTRY: Doing well

Production rises by 3.2% in the first five months.

Industrial production in the 12-nation European Community rose by some 3.2% during the first five months of this year, as against 1.5% during the same period in 1987. Ireland was in the lead, with a rise of 13.2%, followed by Luxembourg (10.6%) and Portugal (7%). Only the Netherlands recorded a decline; production fell by 4.1%, largely because of a sharp fall in natural gas output, down by 20% during the first four months of the year.

Industry in the United States and Japan recorded growth rates of 6% and 11% respectively over the same period. The EC index of industrial production, seasonally adjusted, stood at around 110.5 in May.

ECONOMY: Off to a good start in 1988

It could mean a high growth rate during the first semester.

Economic growth in the 12-nation European Community remained strong, on the whole, during the first quarter of this year. France recorded a growth of 4.5% and Germany one of 5.6%, despite a certain slowdown in German exports. A fall in exports was responsible for Britain's poor economic performance; it managed a meagre 0.2%. A sharp rise in investments is mainly responsible for the current recovery.

Economic recovery seems to be the order of the day, however. The U.S. economy is growing at an annual rate of 3.6%, which is close to the high growth rate recorded for the last quarter of 1987. The pace of growth has even accelerated in Japan; it is running at an annual rate of 10.8%, as compared to 8% during the second half of 1987. Rising domestic demand is responsible for the good results achieved by both the U.S. and Japan.

BRIEFLY ...**42 regional and local voices join the European concert**

In the 12-nation European Community the last word is often with the member governments. However, the voices of 32 regional and local representatives will be heard in the consultative council of regional and local bodies, whose creation was approved by the European Commission at the end of July. The Council can be consulted on the regional and local implications of all Community policies, including the regional, of course.

The 42 will be appointed by the Commission, on a joint proposal from the three organizations of regional and municipal representatives. Each of the Community's Big Four will be entitled to 6 councillors. Spain is to have 5, Luxembourg 1 and the others 2 each.

Over half the NCI IV loans have already been extended to SMEs

Of the ECU 750mn. of Community loans that have been specifically earmarked for small and medium-sized enterprises (SMEs) under NCI IV, more than ECU 422mn. had been granted by 30 June 1988. Over two-fifths of the loans went to Italian SMEs and more than a quarter to Spanish SMEs.

The fourth allocation of the New Community Instrument, dubbed "NCI IV", was approved by the EC Council of Ministers in March 1987. The funds were raised on the capital market by the European Commission, acting on the Community's behalf. The European Investment Bank (EIB) will lend SMEs an equivalent amount from its own resources. In both cases, national or regional banks act as intermediaries.

The Twelve launch the RENAVAL programme

The programme of Community aid for areas hit by the crisis in the shipbuilding industry, RENAVAL, was formally adopted by the EC Council of Ministers on July 26. Its aim is to facilitate the reconversion of these areas by means of improvements to their infrastructure, the development of new activities and the creation of small to medium-sized enterprises.

The European thermonuclear programme is approved

Community thermonuclear research, which has given Europe a lead in the development of the "energy of the 21st century", is to receive ECU 735mn. for the period from January 1988 to March 1992. A decision to this effect was taken by the EC Council of Ministers in July. The European Commission, while regretting that the programme is to take longer than it had proposed, has indicated it will try to reduce delays to a minimum.