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### SUMMARY

- 2 FIGHT AGAINST FRAUD: The noose tightens  
The Twelve and the Commission want to strengthen controls and inspections.
  
- 4 POLICE: Europol's anti-drug unit exists on paper  
After the EC agreement, it only lacks headquarters ...
  
- FISHERIES: Fishing boats will soon be safer  
EC ministers adopt European standards.
  
- 5 ENVIRONMENT: A race against time to protect the ozone layer  
European Commission proposes that restrictions on the use of substances which destroy it be controlled more quickly.
  
- 6 CULTURE: Reorganizing the Kaleidoscope programme  
It will share, with other cultural projects, nearly ECU 4 million in financial support.
  
- 7 SOCIETY: More older people = less work  
An equation fraught with consequences for those over 60 years of age.
  
- 9 ENERGY: A European Community less greedy in 1992 ...  
... and slightly more dependent on outside suppliers.

Mailed from Brussels X

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FIGHT AGAINST FRAUD: The noose tightens

The Twelve and the Commission want to strengthen controls and inspections.

A masterly swoop in Italy, a resolution from European Community ministers and, finally, an announcement by the European Commission of new measures for the end of the year: within the short space of five days, in early June, those responsible for defrauding the EC had several occasions to tremble - or at the very least to turn pale. Just a few weeks after the publication of the latest annual report on fraud at the expense of the EC budget, the net seems to be closing in.

The fact is that at a time of budgetary restrictions, fraud which results in the EC and its taxpayers losing enormous sums of money has become increasingly unacceptable. Political leaders and civil servants from the 12 EC countries are pursuing those responsible vigorously.

On June 5, Italy's agricultural minister announced the discovery of fraud involving some 260,000 tonnes of phantom cereals, which supposedly had been stored in silos in southern Italy. The missing grain was worth more than ECU 77 million\* - as much in terms of subsidies to be paid from the European budget. The fraud was discovered on May 24, following an on-the-spot investigation, financed by the European Commission and carried out with the help of the Italian authorities.

The European Commission has set up six teams of investigators, in order to deal with fraud in the cereals sector. Their activities are not confined to Italy, but are conducted wherever there is a risk of fraud. The Commission in fact has asked all member countries with stocks of cereals likely to receive EC subsidies to carry out such investigations.

Action aimed at preventing fraud does not stop there, but extends to all sectors. On June 10, before a committee of the European Parliament, the EC's budget commissioner, Peter Schmidhuber, who is also responsible for the fight against fraud, announced fresh measures, to come into effect before the end of the year.

Reports by Member States will be harmonized, for example. These are the reports informing the Commission on the sums from the EC budget spent by Member States on agricultural subsidies and social and regional aid, as well as the customs receipts collected by them on behalf of the Community. This will make comparisons easier, given that all these figures end up in the same database.

The Commission will improve its existing databases, and use them more systematically to (1) identify areas which are particularly susceptible to fraud and (2) detect the methods used by those committing fraud.

In order to facilitate cooperation between its various departments, the Commission will be producing a "Guide to Fraud Prevention". It will also promote an exchange of information and experiences among European and national servants who have the task of fighting fraud in the various sectors, such as agriculture, regional aid and customs, for example.

Another innovation which is envisaged is a system of performance-related bonuses for investigators. The Commission will also reorganize its anti-fraud coordination unit, in order to be in a position to conduct its own investigations.

EC ministers, for their part, adopted on June 7 conclusions which stress "the importance of the fight against fraud, with a view to safeguarding the Community's financial standards ... and its reputation." The ministers, who have the power to adopt "European laws", declared themselves ready to simplify the rules which apply to EC agricultural, social and regional aid, in order to reduce the opportunities for fraud. They have encouraged the Commission to "exercise fully its responsibilities" and have asked it to submit proposals for March 1994 at the latest. Those seeking to cheat the Community have been warned ... .

\* 1 ECU = UK£0.78 or IR£0.80

POLICE: Europol's anti-drug unit exists on paper

After the EC agreement, it only lacks headquarters ... .

EC police forces will soon be able to exchange information on drug trafficking more effectively and systematically. EC justice and home ministers signed an agreement, in early June, to set up an anti-drug unit within the framework of Europol, the permanent body the EC is setting up to organize cooperation among its police forces. The anti-drug unit is almost operational; it will be able to start work as soon as the Twelve have found its headquarters. However, EC governments must reach agreement on the headquarters of several new European bodies, beginning with the environmental agency.

The anti-drug unit should foreshadow cooperation among Europe's police forces in other areas of international crime. It could thus become a "European FBI" for the border-free Community represented by the single market.

FISHERIES: Fishing boats will soon be safer

EC ministers adopt European standards.

Among European workers, fishermen employed on large, sea-going vessels are the most vulnerable to fatal accidents at work: each year, there are between 300 and 600 such accidents. In order to reduce the risk associated with this dangerous occupation, EC ministers adopted in early June a directive ("European law") establishing safety standards which all Community shipowners will have to meet.

The directive, which has yet to come before the European Parliament, will apply to all new vessels at least 15 metres in length and to existing vessels of at least 18 metres. It will require shipowners to see to it that all defects likely to threaten the safety of seamen are removed and that vessels are regularly cleaned, and to ensure that safety equipment is in working condition. The vessels in question will have to be checked periodically by the competent national authorities.



ENVIRONMENT: A race against time to protect the ozone layer

European Commission proposes that restrictions on the use of substances which destroy it be introduced more quickly.

The European Commission sent the Twelve in early June a draft regulation restricting the use and production of two substances which destroy the ozone layer. They are hydrochlorofluorocarbons (HCFCs), used in the manufacture of foam plastic, insulating panels and refrigerants, and methyl bromide, a powerful disinfectant used in agriculture. Methyl bromide could be responsible for 5% to 10% of the total loss of ozone, according to a study by the U.N. Environment Programme (UNEP). As for HCFCs, while some 20 times less powerful than the CFCs, whose production will be totally banned in the EC from 1 January 1995, they are not altogether harmless, for all that. A 10% reduction in the ozone layer will result in 1.6 to 1.8 million<sup>more</sup> cases of cataract and 300,000 cases of skin cancer world-wide, according to the UNEP study.

The draft European regulation seeks to reduce progressively the use of HCFCs in the EC, with a total ban on their use as from 2014. The Montreal Protocol, signed in 1992, provides for a total ban from the year 2030. As for methyl bromide, the Commission is proposing a freeze on production as from 1 January 1995 and a 25% reduction exactly a year later. The Montreal Protocol does not envisage a 25% cutback before the year 2000. With this new proposal the Community remains in the vanguard of the global fight against the destruction of the ozone layer.

The EC Environment Commissioner, Ioannis Paleokrassas, noted that the stratospheric ozone layer is thinning more rapidly than envisaged, according to recent studies. Even if the Montreal Protocol were to be implemented by all countries, the deterioration of the ozone layer will continue, because of earlier emissions of harmful products which are continuing to break down slowly in the atmosphere. It was essential, therefore, to propose new measures aimed at limiting fresh emissions of substances which are destructive of the ozone layer.

CULTURE: Reorganizing the Kaleidoscope programme

It will share, with other cultural projects, nearly ECU 4 million in financial support.

Set up in 1990, the Kaleidoscope programme is designed to encourage the public to find out more about the culture and history of the peoples of Europe. It is also designed to promote artistic and cultural cooperation among professionals. The European Commission has sought to contribute, in this way, to the flowering of the cultures of the EC's member states, even while respecting their national and regional diversity, but at the same time turning the spotlight on their common cultural heritage.

The Kaleidoscope programme was reorganized recently along three distinct lines of action, the first of which is support for cultural activities, which was at the origin of its creation. This line of action has to do with cultural events on a European scale, involving the participation of three Member States at least. The priority has been given this year to the promotion of theatrical events. The programme's second line of action is represented by the encouragement of artistic and cultural works, particularly projects in support of artists and others active in the cultural sector. The third line of action is concerned with helping cultural bodies, in order to support cross-border cooperation between them.

The European Commission received 1,493 requests for aid. A jury of independent experts, appointed by the Member States, selected 135 projects, which have been given a total of ECU 2,936,200\*. Some 93 projects have to do with cultural events while another 18 seek to encourage artistic creation. Twenty-four projects are designed to promote cooperation between cultural bodies.

The Kaleidoscope programme is not alone in being supported by the Commission, which also contributes to such prestigious activities as Europalia, the European Community Youth Orchestra, the Baroque Orchestra of the European Community, as well as certain projects carried out in the context of the European city of culture. The Commission has also helped fund activities aimed at pre-

servicing Europe's cultural heritage; these include grants in favour of institutes restoring works of art as well as in support of books and reading, in the form of grants to schools for translators. The total contribution amounts to ECU 968,000.

\* 1 ECU = UK£0.78 or IR£0.80

SOCIETY: More older people = less work

An equation fraught with consequences for those over 60 years of age.

Just 10 years ago every eighth person in the EC's workforce was 60 years of age or older; in 1991 the proportion had fallen to one in 10. Yet during the entire period from 1983 to 1991 the number of older people continued to rise, so that by 1991 there were 65 million people aged 60 years or older, living in private households, as compared to 57 million in 1983. These are some of the findings of a Community-wide survey of the position of older people in relation to the labour market in the 1980s, carried out by Eurostat, the EC's statistical office.

Between 1983 and 1991 the number of older people (aged 60 years and over) rose by 13.5%, while the number of those under 60 years of age rose by just 1.4%. Over this same period the Community's workforce grew by some 12 million people, 8.7 million of whom were women and 3.3 million men. In 1983 some 6.7 million older people were at work in the EC; by 1991 their numbers had fallen to 6.4 million. In other words, the number of older people at work has fallen while, paradoxically, the total number of older people has risen. For Eurostat, this situation is largely due to (1) the rise in the number of people taking retirement, (2) the decline in the agricultural sector, which employs many older people, and (3) the fact that some older people, and older women in particular, are not especially well qualified.

In 1983 41.5% of those over 50 years of age who were employed at the time of the survey, but were in employment during the course of the three previous years, gave retirement in normal circumstances as the main reason for their inactivity. In 1991 this explanation was given by 45.1% of those in this same age group, an increase of some 700,000 over 1983. Another important reason for the fall in the number of older people still at work is to be found in the decline in agriculture, which provided employment to 1.2 million older people in 1991, 83% of whom were self-employed. The fall in agricultural employment affected older people more than younger ones, largely because the latter are physically stronger and thus better suited to certain physically demanding tasks. This also explains the small proportion of older people in the building and steel industries. Women over 60 years of age are under-represented in all industrial sectors; the proportion of older workers is markedly lower in technical and administrative jobs. Inversely, the proportion of older women engaged in housekeeping is twice as large as for younger women, a situation which is probably due to the lower level of training among older women. Similarly, older men are over-represented in care-taking and cleaning.

The situation of people aged 60 years or more varies greatly from country to country. In Belgium, Luxembourg, the Netherlands and France roughly every 20th person in this age group was in the labour force in 1991. At the other extreme, in Portugal, Ireland and Greece about every fifth to seventh older person was in the labour force in 1991. Italy is the only EC country in which there is relative stability, with roughly every 10th older person belonging to the labour force over the period 1983 to 1991.

It is difficult, in these critical times, with unemployment at record levels, to help older people find a place for themselves on a labour market under siege. Perhaps the expansion of part-time work will make it possible for some older people to continue working, without "taking away" jobs from young people, thanks to a better division of labour. After all, 1993 is the European Year of older people and solidarity between generations.



ENERGY: A European Community less greedy in 1992 ...  
... and slightly more dependent on outside supplies.

Last year energy consumption in the European Community fell slightly - by 0.5%, to be exact, according to Eurostat, the EC's statistical office. But this slight fall was not the result of extraordinary efforts by Europeans to save energy, even if there was a dip in per-capita consumption. The fall reflected, rather, the economic crisis in 1992, when Gross Domestic Product (GDP), which measures the production of wealth, rose by only 1.3% in the EC as a whole, while industrial production even declined by 1.2%. What is more, relatively mild weather meant that less fuel was needed to heat homes and offices. According to the experts at Eurostat, had climatic conditions been identical to those in 1991, energy consumption probably would have hardly fallen.

Consumption fell in the most populous countries - France, Italy, the U.K. and Germany in particular, because of a fall in the eastern part of the country. As for the different sources of energy, coal, and especially lignite - the "brown coal" mined especially in Eastern Germany - recorded a decline. But there was a rise in consumption of electricity from nuclear power and, even more, from petrol.

EC energy production fell by 1%. Production of coal and lignite fell sharply, as did hydroelectric production in Portugal. However, there was a sharp rise in Danish oil production, which is small in absolute terms.

Net imports rose by 1%. Crude oil imports rose by 4%, coal by 2.6% and natural gas by 1.9%. As a result, imports accounted for 50.7% of the EC's energy consumption in 1992, as against 49.9% in 1991 and 49.7% in 1990.