

COMMISSION OF THE EUROPEAN COMMUNITIES  
 Directorate-General Audiovisual Media, Information,  
 Communication, Culture



## a newssheet for journalists

Weekly N° 39/93

29 November - 6 December 1993

### SUMMARY

- 2 CONSUMERS: To each his tongue and labels for all  
 European Commission clarifies the rules of the single market.
- 3 SOCIAL POLICY: Which policy for a Union in the grip of unemployment?  
 European Commission launches the debate by publishing a Green Paper.
- 4 CONSUMERS: Making it easier to obtain justice  
 A Green Paper on ways of achieving just this and on settling crossborder disputes.
- 6 CONSUMERS: Europeans do not live on bread alone  
 Families are spending an increasingly smaller proportion of their income on food.
- 8 CONSUMERS: Mail order sales remain national in Europe  
 The results of a study carried out for the European Commission.
- 9 RESEARCH: European Parliament wants a ban on cloning  
 Euro-MPs condemn the "manufacture" of human beings.
- RESEARCH: From corked wine to fast-growing trees  
 A colloquium and a programme which link agriculture and technology.

Mailed from Brussels X

The contents of this publication do not necessarily reflect the official views of the institutions of the Community.  
 Reproduction authorized.  
 200 rue de la Loi • T-120 7/56 • 1049 Brussels • Belgium • Tel.: 299.90.52 • Fax: 299.92.08

CONSUMERS: To each his tongue and labels for all

European Commission clarifies the rules of the single market.

Even within the single market you cannot ask a French housewife, out shopping, to decipher an inscription in English or German - or her English counterpart to learn French or Italian before going to the corner grocery or supermarket. Manufacturers - of foodstuffs in particular - will therefore have to make the effort needed to inform their customers in their own language, if only because the authorities in the Member States of the European Union can require them to do so.

Despite the existence of European rules, the situation in the shops as regards the labelling of consumer products is often unclear. National laws seem to be varied and often contradictory. It is not always clear what is possible or impossible, allowed or banned. Hence the European Commission's decision to clarify the situation.

In practice, each Member State can demand that all information required by law to be supplied with foodstuffs sold to the public be in the language of the country or in its official language(s). But governments do not have the right to ban the use of other languages of the European Union. The Twelve, in other words, must allow the use of expressions of foreign origin which are easily understood in their country - because they are in current usage, for example.

As the European Commission sees it, the future belongs to multilingual labels for all consumer products. Even if there is no European regulation which requires manufacturers to use all nine official languages of the European Union, the Commission takes the view that the use of multilingual labels must be encouraged.

SOCIAL POLICY: Which policy for a Union in the grip of unemployment?

European Commission launches the debate by publishing a Green Paper.

What should be the European Union's social policy at a time when more than 10% of people of working age are unemployed? The European Commission posed the question in a Green Paper in mid-November, soon after the Treaty of Maastricht had come into force and at a time when the current programme of social action at the EU level was set to end this December. The fact is the Treaty of European Union allows greater freedom of manoeuvre on the European social policy - to the 12-nation EU to a certain extent but mainly to the Eleven, in the "social chapter" which the British government turned down.

So far the EU's action in the social field has facilitated the free movement of workers from one Member State to another as well as equality between men and women at work and better safety at the workplace. The Community also devotes very substantial sums to training, including training for new jobs. Between 1989 and 1993 the European Social Fund granted more than ECU 21 billion\*, thus helping some 17 million people.

There is no shortage of challenges facing Europe in the coming years: unemployment, poverty, an ageing population, changes in production techniques and competition from countries with weak or non-existent social standards, to mention only the most striking among these challenges.

In its Green Paper the European Commission analyzes all these challenges in order to provide food for thought for all interested sectors: governments, employer organizations, trade unions, companies and bodies of all kinds. The Commission now awaits their comments and suggestions; the deadline for this feedback is 31 March 1994. But Pádraig Flynn, the Commissioner for social affairs, has made it quite clear that there can be no question of a retreat on the social front in order to improve economic competitiveness.

\* 1 ECU = UK£0.77 or IR£0.81

CONSUMERS: Making it easier to obtain justice

A Green Paper on ways of achieving just this and on settling crossborder disputes.

In a frontier-free area, which allows for the free movement of people, goods, services and capital, John Citizen must be able to do his shopping without worrying over his supplier's country of origin. But this is hardly the case at present. The European Commissioner with responsibility for consumer protection, Mrs. Christiane Scrivener, highlighted this sensitive issue when presenting to the press the Commission's Green Paper on making it easier for consumers to obtain justice and on the settlement of disputes involving consumers in the single market. "Goods as well as shoppers can move freely within the single market", she declared, "but the legal and judicial frontiers remain in place, making it more difficult to defend the interests of consumers who have been wronged or cheated."

Mrs. Scrivener has sought to build on the fact that four Europeans out of five want better protection for consumers. She is therefore asking the Twelve to find the means to reach this goal by making existing procedures simpler, quicker and cheaper, particularly in the case of disputes in which the sums involved are relatively small.

The amount involved in such disputes averages ECU 1.800\*. As a result, consumers are reluctant to embark on a course of action which is not only long and costly but also risky: the game is simply not worth the candle. Such a situation clearly is to the benefit of the manufacturers and/or the shops, and it leaves the door open to all kinds of abuses.

If the problem is already a relatively serious one at the national level, it is virtually insoluble in the case of crossborder operations. If a citizen resident in one Member State of the European Union is cheated when purchasing goods, or entering into a sale or rental contract, in another Member State, he must lodge a complaint with the courts in his country of residence. If the court rules in his favour, its judgment must be implemented in the other country - with all that this involves by way of difficulties and delays.

... / ...

At the national level, most Member States have taken steps in the right direction. Where the dispute is a minor one, the procedure has been simplified, through recourse to a justice of the peace or an ombudsman, for example, or to the small claims scheme. The procedure for submitting the case to the courts has also been simplified. The aim in all such cases is to ensure that every citizen can obtain justice readily. But these attempts to simplify procedures, which are being made at the national level, cannot unfortunately be extended beyond a country's national frontiers. As a result, a number of extra-legal procedures for settling disputes involving consumers have been developed recently, at the initiative of banks and insurance companies, for example, as well as the public authorities. This is the case as regards the arbitration of disputes in Spain and Portugal. But even such initiatives do not offer a concrete solution to the problem of cross-border disputes.

The European Commission is therefore calling for a thorough-going debate on the measures that could be taken at the Community level. Its Green Paper in fact lists all the legal and extra-legal procedures in use in the various Member States, and sets out the numerous difficulties that individuals could come up against in the event of a crossborder dispute. To begin with, the judge who is competent to handle the case is not based in the country in which the buyer resides. Next, judicial investigative acts must be asked for in a country other than that of the judge handling the case, and service be effected in a country which is not that of the plaintiff. Finally, as already mentioned, the judge's decision must be executed in a country other than the one in which it was pronounced. In addition, the proceedings must often be translated, both parties must attend in person, lawyers must be hired - there seems no end to the problem to be faced.

The Green Paper does not confine itself to an analysis of the situation; it also contains a number of proposals. They include: (1) an end to illicit crossborder practices, such as misleading advertising and unfair clauses; (2) making available the necessary financial means to allow consumer organizations and professional bodies, as well as the public authorities, to envisage crossborder legal action; (3) a mechanism to allow crossborder complaints to be followed up, so that the problems met with in practice can be listed; (4) an evaluation of the various mediation systems (ombudsmen, for example), which have the task of settling disputes

and of the codes of conduct at Community level and (5) increased relations between the various arbitration bodies and the eventual creation of a crossborder network.

These proposals clearly are not exhaustive - which is why the European Commission has invited all interested parties to submit their own suggestions before 31 May 1994 and to take part in a forum and meeting in Brussels on consumer protection during the first quarter of next year, when the contents of the Green Paper would be debated.

\* 1 ECU = UK£0.77 or IR£0.81.

#### CONSUMERS: Europeans do not live on bread alone

Families are spending an increasingly smaller proportion of their income on food.

In 1977 European families devoted 25.2% of their income to food, drink and tobacco; but this figure has fallen steadily over the years, to stand at 20.5% in 1991. All Member States have been affected by this decline, which reflects the general rise in living standards in the European Union. The more individual incomes increase, the smaller is the proportion of it which is spent on essentials. This is true of all industrialized countries: thus expenditure on food fell from 16.4% to 13.1% in the United States and from 27.5% to 20.7% in Japan over the same period.

There can be substantial differences, of course, within the European Union. If expenditure on food in the Netherlands and Germany is close to the American level at 15.4% and 16.2% respectively, Greece, with 37%, and Ireland (36.4%) are well above it still. But in the Ireland of 1977 expenditure on food accounted for 43.3% of total family income. The most dramatic falls have been reported in Italy (from 31.7% to 20.2%), Britain (from 30.1% to 21.9%) and Spain (from 29.5% to 20.9%). Greece is the exception, with a drop of just 1.9%.

This downward trend has also affected, if to a smaller degree, expenditure on clothing (down from 8.5% to 7.7%), although there has been a rise in Spain and Ireland, and on furniture and household articles (down from 9.1% to 8.2%), except in Ireland, Italy and Luxembourg.

The logical consequence of these falls is a rise in the share of income devoted to "other goods and services", such as tourism, health services and meals in restaurants. The average for the 12 Member States as a whole has risen from 11.8% to 15.1%, with Spain showing a record rise from 14.7% to 25.3%. Also remarkable are the increases recorded in Britain (from 12.2% to 18.5%) and Italy (from 13.2% to 17.1%). The smallest increases are to be found in Luxembourg (from 13.6% to 14.3%), Germany (from 8.8% to 9.9%) and France (from 12.9% to 14.1%).

Housing's share in total consumption has also risen (from 15.6% to 17.2%), except in Ireland and Spain, where it has fallen by 0.7% and 2.8% respectively. But there are substantial differences from one Member State to another. Thus housing accounts for 12.5% of the family budget in Greece, as compared to 27.7% in Denmark. Expenditure on transport and communications has risen also (from 13.8% to 15.1%), except in Ireland, where it has fallen by 0.2%.

Expenditure on leisure, entertainment and education has held more or less steady, both in the European Union as a whole and in most Member States: it amounted to 8.5% of total household expenditure in 1977 and 8.6% in 1991. Here the biggest spenders are the Irish (11.1%), the Dutch (10.5%) and the Danes (10.2%). The Luxembourgers spent the smallest percentage (4.2% of total expenditure), followed by the Greeks (5.7%), the Spanish and the Belgians (6.6%).

These figures show that Europeans do not live by bread alone - and live better as a result.

CONSUMERS: Mail order sales remain national in Europe

The results of a study carried out for the European Commission.

"For mail order companies the single market is a mirage". This is the sad conclusion reached by the European Consumers' Organization (BEUC), after it had carried out a study this summer on distance selling in four countries of the European Union in which mail order houses are well-established: Britain, Belgium, France and Germany. In a report published for the European Commission and published in mid-November, BEUC notes that mail order companies, particularly the largest of them, continue to organize their activities on a purely national basis, thus preventing consumers from taking advantage of "borderfree" shopping.

BEUC's researchers asked 28 mail order companies, located invariably in a neighbouring country to send them 45 catalogues. They received just 16 of them, of which only 11 were sent by the firm which had been contacted; the others were mailed by the subsidiary located in the country from which the enquiry had been received.

There was worse to come. Of the 34 "borderfree" orders placed by the researchers, for a total of 88 items, only 9 items arrived at their destination, including three sent by the firm which had been contacted and six by a local subsidiary. Five of these six items were invoiced at the usually higher price in force in the country of destination. Finally, only five of the 88 items ordered gave full satisfaction!

In practice, the attitude of most mail order companies prevents consumers from buying at the lowest price. The fact is prices vary greatly from one country to another. The study notes that the same firm priced the scale model of a motor vehicle at ECU 123 in its Belgian catalogue and at ECU 99 in the catalogue distributed in the U.K. A shirt priced at ECU 15 in a German catalogue was priced at ECU 12 in the catalogue distributed in Belgium by the same firm. Prices differed, in other words, by some 20%, although differences in VAT rates did not exceed 4.5% in the countries in question!



RESEARCH: European Parliament wants a ban on cloning  
Euro-MPs condemn the "manufacture" of human beings.

The European Parliament is anything but happy over the "manufacture" of a human embryo, carried out recently for the first time by American researchers. For Euro-MPs, experiments of this kind are a violation of human rights; what is more, they could well provide arms to apprentice sorcerers wanting to "improve" the human species through genetic manipulations. Parliament therefore adopted a resolution at the end of October calling for a total, Community-wide ban on cloning experiments. The German Parliament had already voted a similar resolution.

The European Parliament asked the European Commission at the same time to assess the situation within the EC, to find out whether such experiments can be conducted in the Member States and, if so, whether they are allowed under the various national legislations. The Euro-MPs in fact favour an international agreement banning cloning throughout the world.

RESEARCH: From corked wine to fast-growing trees

A colloquium and a programme which link agriculture and technology.

Eliminating the taste of corked wine is something gourmets dream about. Not surprisingly, perhaps, scientists from six European countries are trying to do just this, by first trying to find out what causes it. Another team of European researchers is trying to replace, in certain regions, surplus farm products by trees which are growing relatively fast and provide good quality wood. Other scientists are working on "ecological" farming or the production of diesel fuel from vegetable oil.

All this research, and a good deal more, is funded from the European budget to the tune of ECU 377 million\*, in the framework of the 1991-1994 AIR research programme, devoted to agriculture, agro-industry and fisheries. Early in November the European Union's top specialists met in Brussels to see what technology can contribute to farming.

\* 1 ECU = UK£0.77 or IR£0.81.