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SUMMARY

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EMPLOYMENT: A European defense against the worst abuses

The Twelve adopt a "law" limiting working time.

A working week limited to a maximum of 48 hours on average, overtime included; night work limited to eight consecutive hours on average; four weeks' paid holiday per year at the very least; a minimum rest period of 11 consecutive hours per day and one day per week and the right to a break when the working day exceeds six hours - these are the principal measures contained in a directive ("European law") which the Council of the European Union has adopted definitively, after three years of discussions.

At first sight, these measures do not represent a major advance; they will result, however, in small improvements over a wide area, given that virtually no Member State of the European Union is currently implementing all of them (see Eurofocus N° 21/93).

The directive provides for derogations in specific cases, such as hospital work and seasonal employment. Here the workers in question will be entitled to special rest periods by way of compensation.

The directive will only come into force in November 1996; in fact the four weeks of paid holidays per year will not become obligatory until November 1999. What is more, while the European Commission had originally proposed that this "law" cover all workers, EU ministers finally excluded the transport sector, people working at sea and doctors undergoing training. It must be added that at the British government's request, the text authorizes Member States to allow people to work more than 48 hours a week, if that is what they want ... .

The directive amounts in fact to a minimum aimed at preventing the worst abuses. According to an amendment introduced by the European Parliament, employers or governments will be unable to use this "European law" as a pretext for reducing national social standards.

<u>CONSUMERS: Complete information for timeshare purchasers</u>

The Twelve agree on a "law" protecting purchasers.

The purchase of flats and houses on a timeshare basis offers crooks a splendid opportunity to exercise their talents. But the end is in sight for them: timeshare purchasers will be more effectively protected in just over two years' time. The Council of the European Union agreed in November on the text of a directive ("European law") aimed at ensuring that potential buyers get the information they need and are given time to make up their minds.

The directive will apply to all timeshare contracts, concluded for a minimum of three years, which allow the purchaser to acquire the right to use a flat or a house during a specified period of the year, which may not be less than one week.

Much of the disappointment experienced by purchasers is due to language problems, the directive points out. The contract and the document describing the property in question must be drawn up in the language of the country in which the buyer resides or, if he so desires, in the language of the country of which he is a national. In this case, account will be taken of only the official languages of the European Union - English, French, German, Danish, Italian, Greek, Dutch, Spanish and Portuguese. In addition, the seller will have to provide the buyer a translation, which is true to the original, of the contract in the language of the country in which the flat or house is located, in order to prevent any deception.

The buyer will have the right to change his mind within a period of 10 days, without being obliged to give reason for it. The directive in fact even forbids the seller from asking for a down-payment before the end of this 10-day period.

The directive cannot be adopted definitively by the Council of the European Union until it has come before the European Parliament. The Council has stipulated that the new "law" will come into force three years after its publication in the "Official Journal" of the European Communities; but it has undertaken to implement it after only two years. In any case, each of the Twelve can now keep in force or adopt national legislation which is more favourable to timeshare purchasers.

FRONTIERS: Two proposals for abolishing identity checks

European Commission wants to take advantage of "Maastricht" to move ahead.

The sooner the Twelve are in agreement on the surveillance of the European Union's external frontiers, the sooner they will be able to eliminate identity checks at the EU's internal frontiers. Everything hangs together. The European Commission has decided to take advantage of the entry into force of the Maastricht Treaty on November 1 to reopen the issue. The fact is that the free movement of persons within the European single market, set for 1 January 1993, is still awaited.

The elimination of identity checks between the nine countries belonging to the Schengen group - the Twelve less Britain, Ireland and Denmark - could take effect from next February 1, if all goes well. After several postponements, the nine agreed on this date at their October 18 meeting.

But the Twelve are not doing as well. A convention on crossing the EU's external frontiers nearly saw the light of day in June 1991. It was blocked, and remains so, by the quarrel between Britain and Spain over Gibraltar.

Negotiations between them are still going on; but the European Commission has no desire to intervene in them. It nevertheless proposed to the Twelve a new convention on the EU's external borders at the end of November, in conformity with the Maastricht Treaty, which contains all the points on which the Twelve were in agreement in 1991. At the same time the Commission has proposed to the Twelve a regulation ("European law") which lists all the countries whose citizens must obtain a visa in order to be able to enter the European Union. Under the two proposals each of the Twelve would accept the visas granted by its partners; as a result, visitors from non-EU countries would need only one visa in order to visit all 12 Member States.

The two proposals must be adopted unanimously by the Twelve. This will not be easy .... .

HEALTH: Avoiding the risks associated with blood transfusions

Euro-MPs and the European Commission have the same goal: self-sufficiency.

More than 1,000 people have died of AIDS in the 12-nation European Union, contracted either through a blood transfusion or the use of products derived from blood contaminated with the AIDS virus. This figure, given in a resolution adopted by the European Parliament in mid-November, shows the extent of a problem brought to light by the scandals in France and Germany. Another serious illness, hepatitis C, which is also transmitted through blood transfusions using contaminated blood, has resulted in the death of an unspecified number of Europeans.

What is to be done in a single European market in which medical products derived from blood, but not blood itself, must conform to a special "European law"? Both the European Parliament and the European Commission are pressing for the same goal: self-sufficiency in blood and products derived from blood obtained through voluntary unpaid donations. This would enable the countries of the European Union to do without imports of blood from non-EU countries, where it is not always collected in the most hygienic of conditions (see Eurofocus N° 32/93).

EU countries should try, therefore, to cover their needs by encouraging their citizens to donate blood. But what is the present situation? The European Commission is trying to quantify it with the help of national authorities, as Pádraig Flynn, the Commissioner with responsibility for social affairs and public health, pointed out in mid-November. At the same time the Commission has begun to examine questions regarding tests and control standards with the International Plasma Products Industry Association, with a view to seeing how to restore public confidence in blood transfusions and blood-derived products.

The European Parliament, for its part, is calling for a stricter implementation of the European regulation, the adoption of new rules which guarantee checks on blood quality and the creation of a European authority to ensure that blood is safe.

PUBLIC HEALTH: A new momentum, thanks to "Maastricht" ...
... but budgets are not expected to increase dramatically.

"Health care does not always cost money", was the reply given by the European Commissioner for social affairs, Pádraig Flynn, when asked about the resources which the European Union devotes to health care, and it conveyed the spirit of the actions the EU can undertake in this field. The Maastricht Treaty, in force since November 1, gives Community institutions fresh powers; but it leaves to Member States the task of financing and operating health systems. The task of the European Union will be one of information and coordination, with a view to prevention, according to the framework for action in the field of public health, adopted by the European Commission at the end of November.

In practice, the prevention of serious illnesses implies changes in habits and life styles, because it involves a fight against drugs, pollution, tobacco and alcohol; a more balanced diet and physical exercise. Before "Maastricht" the European Community had already undertaken activities aimed at alerting the population, through programmes such as "Europe against cancer" - costing ECU 55 million* over five years - and "Europe against AIDS", for which ECU 8 million have been provided for next year.

The Commission has selected a number of areas in which action could be taken. They include education and training, both of the public and health care workers, and the development of an EU-wide system of reliable and harmonized health data. As for the specific diseases to be fought, the Commission has designated cancer, AIDS and other contagious diseases, such as tuberculosis; illnesses due to pollution and, finally, rare diseases, for which information is essential on an EU-wide basis. The fight against drugs, mentioned in the Maastricht Treaty, and accident prevention are also among the priorities listed by the Commission.

* 1 ECU = UK£0.77 or IR£0.81

<u>VAT: 1993 is not a bad year, but 1997 will be even better!</u>
European businesses want a genuinely frontier-free system.

Some 61% of businesses in the European Union which buy or sell in other member countries are satisfied with the VAT reforms introduced on 1 January 1993, which do away with checks at internal frontiers. But 70% of them would like to move on to the system, already scheduled for 1997, under which all transactions between the Twelve are treated as domestic transactions. This is one of the key findings of a survey conducted through the 12-nation European Union by Deloitte & Touche, a leading international professional services firm, and published end November.

Since January 1 VAT is no longer paid at the EU's internal frontiers in the case of goods which are sold to buyers in another EU country; it continues to be levied in the country in which the goods are used. The Twelve envisage the introduction of the definitive VAT system as from 1997. Under this system VAT will be paid systematically in the country of origin, although the Council of European Union has yet to adopt the necessary "European laws".

Businessmen find that the present system offers a number of advantages: an end to VAT payments at the frontier (63%); less of a need to make use of intermediaries (52%) and more rapid transport (44%). On the whole, the problem of adapting to a new set of formalities posed greater problems for larger companies than for small and medium-sized enterprises (SMEs). Some 58% of the firms surveyed claimed their tax authorities had been helpful; but if the percentage of such firms was as high as 85% in the Netherlands, 83% in Ireland and 74% in Denmark, it fell to 20% in France and Italy, and to 25% in Germany and Greece.

As for the plan to introduce by 1997 a system whereby all sales throughout the EU will be treated as domestic transactions, it has been greeted enthusiastically by the Luxemburgers (100% in favour), Spain (95%), Italy (93%) and Germany (90%). Businesses which are the most lukewarm are to be found in Ireland (42%) and Denmark (63%).

EMPLOYMENT: Health care for cross-border workers

Bilateral agreements and conventions should soon lead to improved cross-border health care.

"Today, a cross-border worker can enjoy health care in the country in which he works - but not his family". The point was stressed by Belgium's social affairs minister, Bernard Anselme, at an informal meeting in November of the health ministers of the 12-nation European Union, which he chaired under the EU's rotating presidency. For Mr. Anselme, the situation had to be remedied; and he noted that Belgium and the Grand Duchy of Luxembourg would shortly conclude a bilateral accord on this subject.

It is precisely through conventions negotiated between themselves that the Twelve plan to deal with the question of widening access to health care. As a result, both the cross-border workers and the members of his family should have free access to health care in either the Member State in which he works or the State in which he lives. The Belgian minister in fact has also proposed that this right to health care be extended, gradually and under certain conditions, to those living on both sides of a common frontier between Member States.

The other important issue which ministers dealt with has to do with the simplification of administrative procedures, in order to make a reality of the free movement of persons and to bring Europe closer to its citizens. The Twelve however had certain reservations in the short term as regards the mutual acceptance of the social security cards issued by the various Member States and their Community-wide utilization. Some Member States in fact prefer for the moment to focus on improvements to Form E 311, in order to make its use by migrants easier.

The application of these health care regulations to those who are covered by non-Community social security, should they require urgent treatment while on a short stay in another Member State, poses a variety of legal problems, including that of the European Union's competence in the matter.

... / ...

The proposals discussed by the Twelve amount to a first step towards solving the problems of cross-border populations, an area which has seen little progress in recent times. As mentioned earlier, only cross-border workers benefit from a certain number of measures - and under certain conditions. Generally speaking, there can be no question of someone living near a border receiving treatment in a hospital located on the other side of it, even if it is particularly well equipped and closer than the hospital in the worker's country of residence. Consequently, there is no coordination between the various Member States over the investments, often substantial, which the most modern hospitals require. As a result, there are the inevitable cases of duplication, with expensive medical equipment being installed in hospitals which virtually face each other across a border shared by two Member States.

Without wanting to harmonize the social security systems in force in the various Member States of the European Union, it nevertheless is possible, as was underlined by the European Commissioner responsible for social affairs, to handle problems better, through better coordination and bilateral conventions.

INFLATION: Unchanged in October

3.3% over 12 months for the European Union as a whole.

Prices rose by only 0.3% in October in the 12-nation European Union - or by 3.3% on an annual basis, according to Eurostat, the EU's statistical office. This means that the annual rate of inflation has remained unchanged since September. It appears lower than a year ago: in October 1992, the rate stood at 3.9%. Not since the spring of 1988 has inflation dropped to such low levels.

Besides, on November 1, the date on which the Treaty of Maastricht on European Union came into force, six Member States of the EU met the Treaty's economic criteria dealing with inflation: Britain, Ireland, Denmark, the Netherlands, France and Belgium. In all six countries the rate of inflation was below the average for the EU as a whole. But these countries have other problems - budgetary deficits, public debt, high interest rates - which prevent them from meeting the other criteria laid down by "Maastricht" for participating in a single currency.