



**euro**

*Recent Developments in the European Community*  
January 1994

**MEMO**

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European leaders hold first summit as European Union....the first European Council summit since entry into force of the Maastricht Treaty and European Union (EU) was held in Brussels on December 10-11. Meeting against a back-drop of record unemployment, the leaders of the 12 EU member states issued a communique in which they agreed to allocate 20 million ECU a year until 1999 to ensure completion of job-creating trans-European transport, energy and information networks. They also greenlighted the immediate start-up of a new Europol Drugs Unit to combat drug-trafficking, and agreed to launch a diplomatic initiative known as the "stability pact" to prevent ethnic violence in Central and Eastern Europe.

In its discussion on employment, the European Council endorsed the European Commission's White Paper on Growth, Competitiveness and Employment. Prepared especially for the summit under the leadership of Commission President Jacques Delors, the 200-page document outlines concrete proposals for reducing Europe's record unemployment (currently 17 million) which it traces to high indirect costs of labor and the rigid regulation of the European labor market. The White Paper will serve as a discussion document for the G-7 jobs conference expected to take place in Washington in early spring.

Enlargement and its implications for the composition of EU institutions was also on the agenda. Leaders agreed that the number of members of the executive Commission (currently 17 including the President) will increase by 1 for each new member state. Austria, Finland, Norway and Sweden are presently conducting accession negotiations with the EU and could be members in 1995.

In an address to EU heads of state and government at the start of the summit, European Parliament President Egon Klepsch said the entry into force of the Maastricht Treaty had substantially strengthened the role of Parliament, and urged the institutions to take full advantage of the Union's new impetus in meeting the economic, social and political challenges facing Europe. He also discussed post-Maastricht inter-institutional relations, the budgetary procedure, and the Parliament's next direct elections in June 1994.

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European social policy....European social policy is entering a critical phase, according to the Green Paper on Social Policy: Options for the Union. Issued in November following Maastricht's entry into force, the Paper identifies changes in family structure, tax structure, technology, and demography as the main pressures affecting Europe's post-war socio-economic model. Like the December White Paper on Growth, Competitiveness and Employment (see above), the Green Paper aims to trigger debate about possible new policy directions for the Union's social and economic development until the end of the century. The Green Paper also reviews the EU's achievement of a social dimension (safeguarding the interests of workers in the European labor market) and describes the challenges policy makers face in determining the future of the welfare state if unemployment continues, the feasibility of full employment in a hi-tech world, and the role of work in society. Annexes list external contributors to the Paper (mainly national governments), as well as existing European social legislation and European social programs and networks.

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**Making the most of the internal market.....**when the 1992 single market became a reality on January 1, 1993, 95 percent of the legislation abolishing internal obstacles to the free flow of good and services among the member states was in place. Although only a few legislative loose ends remain, Internal Market Commissioner Raniero Vanni d'Archirafi believes the work is far from done: "The establishment of a genuine single market is not a matter of once-and-for-all enacting legislation within a deadline. It is a continual process of ensuring that, as far as possible, a single legislative framework governing economic activity is enforced and, where necessary, developed in a coherent way within a changing environment." This statement introduces the **Commission's Strategic Program: Making the Most of the Single Market**, which was issued mid-December after the White Paper on Growth, Competitiveness and Employment and the Green Paper on Social Policy (above). The result of six months of work involving all the Community institutions, the document sets out the priorities the Union must pursue to ensure the single market's practical success. Completion of the 1992 legislative program is top priority, followed by regular evaluation of its implementation, and administrative cooperation with the member states. Future priority areas concern the deepening of the market through completion of the trans-European energy, transport and information networks and stimulation of European standards and quality policy.

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**EU boosts ties with former Soviet Union.....**the EU and the Russian Federation signed a Joint Political Declaration on Partnership and Cooperation during a December 9 visit by Russian President Boris Yeltsin to Brussels. The declaration commits both sides to completing a far-reaching trade and cooperation agreement as soon as possible, and to establishing a permanent political dialogue on a whole spectrum of issues of mutual interest. The EU is by far the biggest Western aid provider and trading partner for the ex-Soviet republics and the new democracies of Central and Eastern Europe. According to a background paper entitled **Trade and Aid in Relations between the European Union, the Countries of Central and Eastern Europe, and the Countries of the Commonwealth of Independent States (CIS)**, the EU has provided 65 percent of all Western aid to the CIS since the collapse of the Soviet Union, and 60 percent of all Western aid to Central and Eastern Europe. As a trading partner, EU imports from the CIS increased 17 percent since 1989, and a startling 83 percent from Central Europe over the same period. The EU has also provided 55 percent of all Western technical assistance through the TACIS program, which was launched in 1991 to help the ex-Soviet Union reform their public and private sectors. The **TACIS Progress Report: January-July 1993** summarizes the program's progress in promoting enterprise support services, agriculture and food distribution, human resources development, and energy and nuclear safety in the CIS. The Report also explains legal and operational aspects of TACIS, which is being implemented under difficult and often rapidly changing circumstances.

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**EU now the largest donor of humanitarian aid....**over the years the European Union and its member states have become the world's leading donors of humanitarian aid - in 1992 alone, it donated some \$1.4 billion in humanitarian aid to some forty countries throughout Africa, Latin America, the Caribbean, the Mediterranean, Central Europe, Asia and the Pacific region. Although it has been giving aid for more than twenty years, the pressure of the unprecedented crises that have erupted since 1991 - from the Kurdish refugee crisis to the civil war in the former Yugoslavia - force the Commission to streamline aid allocation procedures. In March 1992, a single department called ECHO (European Community Humanitarian office) was set up to take full responsibility for the preparation, financial management and follow-through of all the EU's aid operations. According to **ECHO's 1992 Annual Report**, the unit made 73 humanitarian aid decisions in its first 9 months of operation. The lion's share of that aid - which mobilized 900 aid operations - went to the victims of the crises in the former Yugoslavia and Somalia. The Report also explains how ECHO works together with the specialized agencies of the United Nations, national and international Red Cross societies and various non-governmental organizations to ensure swift intervention in emergencies and disasters. Colored illustrations and statistical annexes break down the aid by recipient country, source of financing (EU budget or EU member state), and type of aid (emergency or food aid). **Basic information leaflets on ECHO are also available.**

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**Combatting the problem of sexual harassment....**although sexual harassment is an age-old problem, the need to eradicate it has just recently become a policy priority in many countries. According to a recent study, sexual harassment in the workplace affects millions of Europeans, preventing the proper integration of women into the labor market, and generally dampening morale and productivity among its victims. To help prevent harassment and promote genuine equal opportunity at work, the European Commission has just issued a **Code of Practice on Measures to Combat Sexual Harassment at Work** which defines sexual harassment as "unwanted conduct of a sexual nature, or other conduct based on sex affecting the dignity of women and men at work". Accompanied by a **Guide** to its implementation, the Code also offers recommendations to employers, employees and trade unions for eradicating the problem and establishing a healthy, more equitable work environment.

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**Prosperity and international security....**in the past, global economic interdependence tended to mean a tripolar economy with the chief actors being the United States, Europe and Japan. This paradigm is now outdated, according to Sir Leon Brittan, the European Commission's External Economics Affairs Commissioner, who named the dynamic Asian economies as today's fourth major player. In a November 14 speech entitled "Towards Further Cooperation and Interdependence: Europe-Japan-Asia" Sir Leon warned that without their recognition of the rules of the multilateral trading system, Asia's great leap forward could create new inequalities and disorder welling from social discontent. "Considering this promising but also volatile picture, Europe's responsibility as the world's biggest market is to cooperate with our partners in preserving world security and promoting world economic growth....World security is indivisible." He also said he hoped Japan - Europe's closest ally in the East - it would help Europe establish real partnerships with the rest of Asia.

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**Note for Journalists:**

The Paris-based **Fondation Journalistes En Europe** is inviting applications for the 1994-95 Journalists in Europe Program. Completed applications must be received by **January 31, 1994**. The program is open to working journalists with a minimum of four years' experience, and aged between 25 and 35. Some 30 candidates will be selected from around the world to spend eight months researching, writing and participating in seminars designed to equip journalists with a working knowledge of the key issues facing Europe. The tuition fee is **FF 87,000**.

Interested journalists should contact: **Journalists in Europe, 33 Rue du Louvre, 75002 Paris, France**  
Fax: 011-33-1-44-82-20-02 Tel: 011-33-1-44-82-20-00

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**EC NEWS press releases issued during November and December**

- . **MAASTRICHT TREATY FREEZES THE COMPOSITION OF THE ECU, November 8, 1993**
- . **EC COMMISSION ECONOMIC FORECASTS FOR 1993-1995, November 10, 1993**
- . **STATEMENT BY SIR LEON BRITTAN ON U.S. HOUSE OF REPRESENTATIVES VOTE ON THE NAFTA, November 17, 1993**
- . **YELTSIN MEETS WITH EUROPEAN LEADERS IN BRUSSELS, December 9, 1993**
- . **EU LAUNCHES MAJOR EMPLOYMENT CREATION DRIVE: 15 MILLION NEW JOBS IS THE TARGET, December 9, 1993**
- . **POST-MAASTRICHT: EC NOW NAMED EUROPEAN UNION, December 13, 1993**
- . **EU FINANCE MINISTERS BACK SPENDING TO BOOST GROWTH, BEAT UNEMPLOYMENT, December 14, 1993**
- . **THE EEA WILL START ON JANUARY 1, 1994, December 14, 1993**