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# EUROPEAN COMMUNITY: The EC is back on the rails since Edinburgh The prospects for the years 1993 to 1999.

The uncertainty which threatened 1993 and subsequent years has been ended. The European Community can tackle the economic recession, its confidence restored, with fresh financial means. It can also make preparations for a single currency, with the participation of 10 Member States - or perhaps 11 - or perhaps all 12 of them.

After more than six months of drift and worry, sparked off by Denmark's "No" of 2 June 1992 to European union, EC heads of state and government found solutions acceptable to all their countries on December 11 and 12 in Edinburgh.

Almost a year to the day after the Twelve had agreed to the Maastricht Treaty of Union, the building of Europe was on course again after the Edinburgh summit. Denmark secured the right to abstain from taking part in the single currency and defence policy. The Danes will make known their views on these points through a referendum, to be held at the end of spring. If they vote "Yes", as appears probable, the Treaty of Maastricht on European Union could come into force during the course of this year. It has already been ratified by 10 countries, and Britain is expected to follow suit shortly.

Thus the EC can envisage a single currency by the year 1999. Britain, which had already secured a special status for itself at Maastricht, will be able to decide, when the time comes, whether or not it wants to take the plunge. As for Denmark, it retains the possibility of adopting the European currency and defence policy one day - if it so desires.

For the time being, in order to deal with the economic crisis which has either struck or threatens millions of Europeans, the Twelve have decided that the Community will mobilize more than ECU 30 billion\* over some years. It is a question of reinforcing the actions taken by the EC governments by lending a European hand. In practice the Twelve have provided for the following: a new lending facility of ECU 5 billion, in order to speed up the financing of major transportation, telecommunications and energy projects; a European Investment Fund of ECU 2

billion which would extend guarantees to public or private projects, for up to ECU 20 billion of projects in all; a Cohesion Fund, already decided on in principle in Maastricht in December 1991, to contribute, with ECU 15 billion of funds over the period 1993 to 1999, to projects in the fields of the environment and transport infrastructure in the Community's less prosperous countries - Ireland, Greece, Spain and Portugal.

Even so, the Cohesion Fund represents only a very small part of the roughly ECU 176 billion to be provided by the Twelve to reduce regional and social disparities within the EC during the period 1993 to 1999. In all, problem regions and social categories will receive over this period nearly twice as much aid as was paid over the years from 1988 to 1992. This aid will continue to benefit the less prosperous areas of the Community situated in the south and the west as well as the former East Germany, declining industrial regions and the long-term unemployed as well as the unemployed young people.

All this will be possible because at Edinburgh the Twelve also reached agreement on the overall financing of the Community until the end of the century. Thus the Community budget will receive in 1999 up to 1.27% of the EC's gross domestic product (GDP) - that is, the total riches produced - instead of 1.20% in 1993. The EC will spend more than ECU 80 billion in 1999, as compared to ECU 65.9 billion envisaged for 1993.

Finally, in order that the citizens of Europe be as closely involved as possible in its construction, the Twelve decided on three major types of measures. In the first place, the Twelve and the European Commission resolved not to harmonize where it was not strictly necessary, even if it means abandoning projects already under discussion. As a result, there will not be European license plates for motor vehicles. Under a second series of measures the EC will try to work in as open a manner as possible; thus the EC Council of Ministers, which adopts "European laws", will make public voting by Member States and a part of its meetings. Finally, the Twelve and the Commission undertook to draft these "European laws" in plainer language.

<sup>\* 1</sup> ECU = UK£0.81 or IR£0.75

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ENERGY: The EC adopts a programme to develop renewable energy

The aim is to stabilize CO<sup>2</sup> emissions in the year 2000 at their 1990 level.

In order to fight against global warming, caused by the greenhouse effect, the European Community's energy ministers decided some three years ago to stabilize carbon dioxide (CO<sup>2</sup>) emissions at their 1990 level in the year 2000 and to reduce them by 180 million tonnes in the year 2005.

One of the ways of reaching this target is by encouraging the development of renewable or alternative energy, in relation to the more traditional types, such as coal and oil, which are more polluting. To this end the European Commission drew up a 5-year programme (1993-97) called ALTENER, the aim of which is to encourage the development of solar, wind and other forms of renewable energy in the EC. EC energy ministers have now given the programme the green light and a budget of ECU 40 millon\*.

Under the ALTENER programme action to develop energy will be taken at four levels. In the first place the European Commission will set out the high quality standards which will have to be met by the various installations for the production of renewable energy - solar, wind, tidal, geothermal and from plants.

Other actions will be at the financial and economic levels and could include, for example, the introduction of a "green" tax on polluting forms of energy; financial aid from the EC for setting up a fund to provide cover against the financial risks linked to the development of certain sources of renewable energy - such as geothermal, where such risks are high - or support for local plans for developing renewable energy.

The Commission will also support publicity measures aimed at the general public as well as training programmes in the use of renewable energy. Emphasis will be put on the training of architects in the field of passive solar energy: siting buildings properly or using glass correctly can reduce energy consumption sharply at little or no extra cost.

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Finally, it is proposed to associate developing countries and the countries of Eastern Europe and the former Soviet Union, which often are very favourably placed as regards renewable energy, with the EC's action programmes. The European Parliament must now give its opinion in a second reading, after which the ALTENER programme can be formally launched, perhaps this spring.

\* 1 ECU = UK£0.81 or IR£0.75

<u>VOCATIONAL TRAINING:</u> Essential for workers ... and the unemployed The European Commission sends the Twelve a recommendation on continuing vocational training.

Complaints by company managers of the shortage of trained workers are frequent. The problem basically has to do with the teaching of youngsters in school; but there is also a problem that those already on the labour market lack the necessary qualifications. A computer expert who was hired 10 years ago has been overtaken by developments in his field unless he has been able to undergo further training at various points in his career.

This lack of qualifications has meant that among the unemployed are people who could easily return to the labour market after a period of vocational training. The European Commission has therefore submitted a recommendation to the Member States, inviting them to guarantee workers access to vocational training during

their working life. Such training should lead to recognized qualifications and be carried out with the aid of modern methods of self-education, such as distance learning.

The Commission has made it clear that such training must not be prerogative of a certain "elite"; on the contrary, the Twelve must encourage unqualified workers, the long-term unemployed, people under 25 years of age, women and disabled people to undergo such training. The Commission also takes the view that all workers should be able to have their qualifications and training needs assessed individually.

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CONSUMERS: Home banking in all its electronic glory

A study carried out for the European Commission.

Queuing in banks will soon be a thing of the past. More and more Europeans can now manage their current account without leaving home, thanks to the telephone, computer or a combination of the two. Home banking is available in eight EC countries for individual customers - Britain, Ireland, Belgium, Denmark, France, Germany, the Netherlands and Spain - according to a study carried out between February and August 1992 on behalf of the European Commission.

The European Consumers' Organization (BEUC), which carried out the study, the results of which were published in early December, regards home banking as a step forward; but it takes the view that new legislation should accompany new techniques, so that bank customers may be protected against disagreeable surprises.

The most widespread form of home banking in the European Community works with push button telephones. Using one of these telephones bank customers ask for their bank balance or make a payment. Only in Britain, for the moment, customers can transmit simple messages; the bank responds to the sound of certain words.

Another system, which is available in France and Germany in particular, allows the customers to connect his personal computer to the bank's computer, via a telephone line or by means of a videotext terminal.

It is very difficult, however, to compare the costs of the various systems, according to BEUC. They do not all offer the same services and telephone charges vary from country to country.

In any case, there is no Community law aimed specifically at home banking. BEUC admits it has never received complaints from consumers on this subject. But what happens if a payment order given through a home banking system is not executed? Or if a customer overdraws his account because the information given him over the telephone was incorrect? BEUC is pressing for a Community regulation covering the issue of responsibility in such cases. The European Commission is looking into the matter but does not think it will be necessary to go so far.

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## <u>UNEMPLOYMENT:</u> A further rise in October ...

... to 9.8% for the European Community as a whole.

Unemployment has continued to rise in the European Community. In October the unemployment rate stood at 9.8% as compared to 9.7% in September, according to figures published in early December by Eurostat, the EC's statistical office. The last time the unemployment rate for the EC as a whole reached this level was in June 1988.

In the 12 months to October 1992, unemployment in the Community rose from 9% to 9.8%, while the number of those out of work increased by 1,260,000 people, to reach a total of 14.6 million, following the definition of the International Labour Office (ILO). In 12 months the number of jobless rose by 450,000 in Britain, by 390,000 in Spain and 200,000 in West Germany.

Of the 12 EC countries it is Spain which has the highest rate of unemployment (18.8%), followed closely by Ireland (18.2%). Then come Britain (11.2%), Italy (10.6%) and France (10.1%). Below the Community average are to be found Denmark (9.6%), Belgium (8.4%) and the Netherlands (6.6% in September). The lowest unemployment rates are those of West Germany (4.9%), Portugal (4.6%) and Luxembourg (2%).

### SOCIETY: 3,000 lobbies are now based in Brussels

The European Commission is putting them between covers and in a databank.

The European Commission wants to know better the 3,000 pressure groups or lobbies that haunt its offices, promoting the most varied interests. They include bodies representing manufacturers of all kinds of products, trade unions, consumer organizations and environmentalists, to mention only a few.

These lobbies, which employ some 10,000 people, can help the Commission with technical information. The lobbies themselves are interested in taking part in drafting the legislative proposals submitted by the Commission to the Member States. The Commission therefore announced in early December that it would prepare both a yearbook of lobbyists and, with the European Parliament, a databank.

#### AN IMPORTANT MESSAGE TO OUR READERS

Your answers to our questionnaire, sent out with issue N° 37/92 of Eurofocus, are beginning to come in. While many of you are taking the trouble to give us your views, we would remind all our readers - and more specifically those in Britain, Italy, Spain and Portugal, who seem to be holding back - that your answers will help us meet your requirements better. They will also tell us whether you want to continue to receive Eurofocus.

We are repeating our questionnaire, in the event that you have mislaid it - or the post has mislaid your reply. Thank you for helping us.

### **QUESTIONNAIRE**

Please return to EUROFOCUS Commission of the European Communities Directorate-General for Audiovisual, Media, Information, Communication and Culture 200 rue de la Loi - T120 7/56 B-1049 Brussels, Belgium

1.	Do you find EUROFOCUS useful?	YES	0	No	0
2.	Do you make use of our articles on a regular basis?	YES	O	No	Ο

3. Most of the articles distributed by EUROFOCUS at present provide information on subjects of general interest.

We plan to complement them with short articles giving background information, to help readers understand the EC better. Here are some examples:

What is GATT? What is its importance for the Community and its Member States? (This article would appear during the GATT negotiations.)

Who decides as regards the European Community's budget? (To appear at the time of the budgetary discussions.)

What is a European directive? How is it adopted? What are the consequences at national level of such a directive? Who sees to its implementation?

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8. Please send us two copies of your latest issue containing material drawn from Eurofocus.