



The European Union needs more democracy

■ by Klaus Hänsch, President of the European Parliament

It is already more than 40 years since the great task of unifying the States of Western Europe was launched, starting with the European Coal and Steel Community and leading to the European Union of today. The inevitable consequence of the collapse of the Soviet Union and its empire in the East, as well as the changes which have taken place in the West in the course of the last 49 years, is that nothing will resemble the last 40 years. This is also true of the European Union, whether we like it or not. This is not to say that we must start all over again; rather that we must change and perfect the heritage of Jean Monnet, Robert Schuman, Konrad Adenauer and Alcide De Gasperi, if we want to preserve it.

Winning people's hearts and minds

We will not win people's hearts and minds through debates on institutional reforms, nor in trying to find out if recourse to a hard core will result in the fusion or division of Europe. We can win people's hearts only if, through our European policies, we can remove some of their fears and worries, if we can link the task of European unification to their dreams and hopes. We cannot create or maintain any organization of European States, however well thought-out, if we are unable to associate the European Union at least, and to begin with, to some major projects aimed at environmental protection, reducing unemployment, fighting organized crime, or to a common foreign and security policy which ensures peace.

What the European Union needs is more parliamentary democracy rather than greater powers. To begin with this implies, although not exclusively, the reinforcement of the rights of the European Parliament going beyond what is provided for in the Maastricht Treaty. Quite simply, whenever Council decisions can be taken on a basis of a majority, Parliament must be able to share in the decision-making on the basis of equality of rights and responsibilities. Let me make myself very clear on this point: we do not want a European Parliament that is the sole decision-making authority. All European decisions must always have a twofold legitimacy.

However, there is yet another challenge confronting the European Union.

To deepen or dismantle

A refusal by the European Union to cooperate ever more closely with the new democracies and market economies of Eastern Europe will lead to its break-up — as will any attempt to rigidify cooperation. This is why the choice facing the Union is not to 'enlarge or deepen', nor, as has been claimed more recently, 'to concentrate in order to enlarge'. The choice rather is between 'deepening or dissolution'.

The European Union will never be coterminous with Europe. One cannot imagine a Union stretching from the Shannon to the Boug and from the White Sea to the Black Sea — and even less a Union stretching from Killarney to Vladivostok.¹ There will always be States which are, or feel, European and which nevertheless do not wish to, or cannot, or even should not be full members of the European Union. In such cases sectoral agreements must be negotiated, covering areas of common interest. As for the inclusion of the East, we must draw up new integration mechanisms which are flexible and make a distinction in terms of timing, structures and geography — when the time comes.

The fact is that there can be no question, in all that we undertake, for us to create a European superstate. The Union can both remain a Union of its Member States and at the same time become a Union of its citizens, so that tomorrow both the people and States will be able to see themselves in it. It has often been said, and with reason, that Europe's weakness lies not in the multiplicity of its peoples and their languages, cultures, traditions, their independence as well as their occasional stubbornness. In fact herein lies our strength, whenever we succeed in combining our energies, jointly exercising our sovereignties and replacing our previous differences with a new cooperation.

¹ The Shannon and Killarney are in Ireland; the Boug is the river which marks the frontier between Poland and Belarus and the Ukraine.

■ At last — European works councils!

By 22 September 1996 at the latest all European Union countries, with the exception of the UK, will have in place legislation under which it will be possible to set up European works councils in multinational companies. After several years of debate the Council of the European Union adopted definitively on 22 September the European Directive which provides for informing and consulting employees in Community-scale companies and groups of undertakings. This 'law' will make it possible both to inform and consult employees on relocation projects, plant closures and collective lay-offs, for example. It will apply to enterprises and groups which employ at least 1 000 people in the 11 countries in question, with at least two establishments, each of which employs 150 people, in two EU countries. The procedure will be set in motion whenever at least 100 employees from two different countries — or their representatives — request it. The information and consultation system will take the form of a works council or other body, if employees and management agree. This is the first Directive adopted under the provisions of the Maastricht Treaty on social policy, which was signed by 11 EU countries, the UK abstaining.

■ Equal pension rights for men and women

Supplementary occupational pension schemes must treat men and women alike. This principle, which had already been affirmed by the European Court of Justice on 17 May 1990, in the *Barber* case, was both confirmed and clarified by several rulings which the Court handed down on 28 September. Thus under the terms of the *Moroni* ruling all occupational social security systems must respect the equality of men and women, so that the age at which one is entitled to a supplementary pension must be the same for both sexes. Under the terms of the *Coloroll* ruling, the administrators of trusts are required to respect the equality of the sexes. In any case, even when it comes to pensions including that paid to the surviving spouse, employees can invoke this principle only as regards periods of employment after 17 May 1990, the date of the *Barber* ruling. However, methods of calculating pensions, based among other things on life-expectancy rates, can remain differentiated on the basis of sex.

■ Transport of dangerous goods: EU checks

Police in all European Union countries will follow uniform procedures as from 1 January 1997 when checking on the transport of dangerous goods by road. The aim is both to improve road safety and eliminate barriers to the free movement of certain goods within the single market. The Council of the European Union adopted on 26 September a Directive which sets out European procedures for carrying out such checks. The checks themselves will apply to a representative proportion of the transport in question and cover an extensive portion of the road network; they could also be carried out at the premises of undertakings. Member States will have to help each other to facilitate the application of the European rules in this matter, which are contained in another Directive adopted recently. These two European laws must still come before the European Parliament.

■ Social security and neighbouring States

When the government of a European Union country implements its social security regulations, it must take account of what is happening in neighbouring EU countries. It must take care, above all, not to penalize those whose place of work is in another Member State. This is the message contained in a ruling handed down by the European Court of Justice on 5 October. The case in question involved Simon van Munster, a retired Dutchman who had worked as an employee in the Netherlands for 37 years and in neighbouring Belgium for eight. When his wife began to draw her Dutch retirement pension, Mr van Mun-

ster's own Dutch pension was reduced, so that the couple's income remained unchanged. Then, without taking into account the couple's exact financial situation, Belgium's State pension fund reduced Mr van Munster's pension, on the grounds that his wife was in receipt of a pension herself. Mr van Munster took the Belgian pension fund to court, finally obtaining satisfaction, thanks to the European Court of Justice.

■ ECU 1 billion for industrial redeployment

The regions of the European Union which have been hit by the crisis in the coal, steel and textile industries will receive nearly ECU 1 billion in all (ECU 1 = UK£ 0.79 or IR£ 0.80) from the Community budget between now and 1997 for their redeployment. The European Commission drew up a list on 12 October of the regions in question and the division of the funds among the 10 interested countries — the Twelve with the exception of Denmark and Ireland. The UK and Germany will each receive roughly 40% of the ECU 400 million earmarked for Rechar, the programme aimed at coal mining regions, while France, Spain and Belgium will share most of the balance. Of the ECU 500 million for Resider, the programme in favour of regions with a steel industry, Germany will receive 38%, Italy nearly 17% and France and Spain roughly 12% each. As for the ECU 94.6 million set aside for RETEX, which covers textile regions, 63.7% of the total will go to Germany, 19.2% to Italy and 9.8% to France. RETEX had already received ECU 430 million from the Commission last year for five years.

■ Liberalizing communications by satellite

European Union countries in principle will have liberalized by next August the market in satellite communications equipment and services. The European Commission, which adopted a Directive along these lines on 14 October, is prepared to allow countries which are not fully equipped in this sector until 1 January 1996 to liberalize. The elimination of national bans and restrictions should result in a 10-fold increase in the volume of satellite communications in the European Union by the year 2000, by which time the number of VSAT (very small aperture terminals) antennas could reach 80 000 units. The new Directive will make both interconnections at the European level and trans-European networks in this field easier.

□ BRIEFLY

The Council of the European Union reached agreement on 26 September on two Directives aimed at **adapting rail transport to the single market**, particularly for the international combined transport of goods. The first 'law' regulates the delivery of European licences to railway undertakings, while the second provides for the allocation of infrastructure capacity and the charging of infrastructure fees.

The common organization of the market for bananas, introduced by means of a European Regulation of February 1993, does not contravene any of the relevant European rules. With this conclusion, contained in a ruling it handed down on 5 October, the European Court of Justice rejected a submission of the German Government against the 1993 Regulation, which provides for the free movement of bananas within the single market.

The authorities of a European Union country have the right to **assimilate a television or radio station established in another EU country to a national organism** if it is the target of its programmes. This is the substance of a ruling which the European Court of Justice handed down on 5 October in a case involving the television company TV 10, established in Luxembourg by Dutch nationals with the primary purpose of serving the Netherlands, and the Dutch authorities.

INITIATIVES

● Single market: monitoring sanctions

In order to improve the operation of the single market, the European Commission has undertaken a study of the sanctions applied in the various member countries for similar violations of European legislation. An announcement to this effect was made by the European Commissioner responsible for the single market, Raniero Vanni d'Archirafi, on 23 September, during an in-

TWO COMMISSION INITIATIVES TO SUPPORT SMALL AND MEDIUM-SIZED ENTERPRISES

BUSINESS COOPERATION CENTRE

One of the measures taken by the European Commission (Directorate-General XXIII) to promote international cooperation between small firms was to set up the Business Cooperation Centre with the aim of helping small firms both in the Member States and in many non-member countries who are looking for partners to increase their competitiveness.

The main features of this Centre are its network-based structure, user-friendliness, non-confidential nature, wide geographic coverage and direct access for companies. Because of its special features, the BCC stimulates cooperation as well as offering a forum for contacts between economic operators.

The operation of the BCC is based on a network of correspondents (private, public or semi-public bodies) located throughout the countries of the European Union and in many non-member countries, representing the BCC and transmitting and circulating offers of and requests for cooperation at regional, national or international level.

The network of correspondents

A BCC correspondent's role includes promoting the Centre, assisting companies in their search for partners, circulating BCC opportunities, and participating in activities linked to the organization and running of the network (such as attending the various meetings, drafting an annual activity report, etc.).

Whether the correspondent is a private or public body, its tasks include:

- promoting the system and assisting companies in its area that are looking for a partner in another region or country via the BCC, notably by drawing up and monitoring cooperation profiles;
- publicizing the opportunities transmitted by the BCC;
- assisting businessmen, where necessary, in the negotiation of cooperation agreements once the initial contact has been made;
- taking part in the network stimulation activities.

Correspondents promote the BCC among firms in their area. This promotion might, for example, take the form of seminars, existing publications partly concerned with the BCC, new publications devoted more specifically to the BCC, newspaper articles, ongoing contacts with businessmen in their area of activity and any other measure designed to circulate information to the largest possible number of firms.

They also deal with requests for information from their clients and refer them to the BCC whenever they wish to

make direct use of the services offered by the central unit in Brussels.

Looking for a partner

If a company is interested in the possibility of cooperating in the technical, financial or commercial field with a company in another country, it sends the BCC central unit a 'cooperation profile' describing itself, its activities and what it is looking for, and stating the geographical area in which it hopes to find a partner.

The central unit acknowledges receipt of this profile, allocates it a serial number and records the details in its database. At the same time it prepares a notice setting out the cooperation opportunity and the serial number and sends it to the correspondents' network in the target countries.

On receiving the notice, the correspondents publish it widely through their own channels (the specialist press, magazines, bulletins, databases, etc.). If a firm is interested in a notice it contacts either its local correspondent which published the notice or the BCC central unit for details of the company offering the cooperation opportunity.

Each cooperation opportunity is valid for six months, with the possibility of an extension for a further six months. The BCC's services are free.

Geographic coverage

The BCC is currently represented in all the Member States of the European Union, and also in:

- Norway, Sweden, Finland, Switzerland, and Austria;
- Slovenia, Poland, the Czech Republic, Slovakia, Hungary, Romania and Bulgaria;
- Morocco, Algeria and Tunisia;
- Turkey, Malta, Cyprus, Lebanon, Israel and the Occupied Territories;
- the USA and Canada;
- Mexico, Jamaica, Costa Rica, Colombia, Venezuela, Peru, Chile, Brazil, Uruguay and Argentina;
- Pakistan, India, Bangladesh, Sri Lanka, Thailand, the Philippines, China, South Korea and Japan.

For cooperation forms and further information, please write to:

European Commission, Directorate-General XXIII, Business Cooperation Centre,
200 rue de la Loi, B-1049 Brussels
Tel. (32-2) 295 91 17/295 67 95; fax (32-2) 296 41 72/
296 60 48

BC-NET: ONGOING ASSISTANCE IN DEVELOPING YOUR PARTNERSHIPS

As part of their development strategy, successful companies may consider the possibility of entering into trading, industrial, technological, or financial partnerships, to strengthen their position in the face of international competition.

In practical terms, if you wish to:

- find a distributor for your goods,
 - reduce your costs by sharing logistical infrastructure, sharing purchases, etc.,
 - grant or acquire licenses under patents,
 - create, extend or join a franchisee network,
 - penetrate a new market,
 - acquire a brand image,
 - adopt or transfer a new technology,
 - buy shares in another company,
 - link your skills with those of other companies to respond to an invitation to tender,
 - take part in Community programmes,
- BC-Net is for you.

What is BC-Net? The Business Cooperation Network (BC-Net) — a network of advisers and intermediaries set up at the initiative of the European Union — assists small and medium-sized enterprises in their search for partners at regional, national, Community and international level. BC-Net helps identify potential partners quickly, in response to a specific cooperation proposal which may cover any sector of activity and any type of cooperation (financial, commercial, industrial or technological). The search may be conducted with a degree of confidentiality appropriate to the needs of your company. The human dimension of the network, which is assisted by computer, helps make BC-Net an effective instrument for partnership.

Who are the advisers? The BC-Net advisers are private or public organizations specializing in cooperation between companies: consultancy bureaux, chambers of commerce and industry, professional organizations, law firms, banks, etc. They sign with the Commission an annually renewable agreement setting out the terms of their task. They undertake to respect a professional code of practice which lays down the principles to be followed when processing a cooperation opportunity. Some of them have a vast organization in contact with companies. Being accustomed to international contacts, they can — in addition to helping with technical, legal and administrative aspects — be of assistance in overcoming the cultural and linguistic problems associated with transnational cooperation.

What advantages does BC-Net offer? • It is a network of advisers specializing in assisting small firms, and provides ongoing support for the development of your partnerships. • Its size makes it the leading network for finding European and international partners. Each adviser thus has access to a large number of partners on five continents. • The system offers cooperation proposals categorized according to sector of activity, nature of service, type of cooperation sought and geographical location. • BC-Net operates in such a way that it is possible to conduct a search in the strictest confidence or not, since it offers different degrees of confidentiality to suit your company's needs. • Computerization makes for a rapid search and a swift response, with a daily comparison of thousands of proposals to find the most suitable partner. • Every adviser has undertaken to provide a high-quality service in his own field.

What does BC-Net cost? According to their role, their aims and the request from the company, advisers offer a varying range of services to help companies at the various stages of their search for a partner:

- analysis of the company to identify the type of partnership required;
- the actual search for a potential partner through the network and the various means available;
- assisting and advising the company during negotiations leading to the conclusion of a cooperation agreement.

Ask your adviser about BC-Net rates; these vary according to the role of the adviser and the type of service offered.

To add to the range of services available, each adviser may refer a client company to other members of the network, depending on the expertise it requires.

How does BC-Net work? The search is made up of a number of stages:

Stage 1: Preparation. When your company contacts a BC-Net adviser looking for a partner, the adviser runs through with you your strong points and weak points from the point of view of your cooperation objectives. If BC-Net is the type of service you require, your adviser draws up a document setting out key information concerning your company and a 'cooperation profile' describing the type of cooperation you are looking for.

Stage 2: Comparison of cooperation requests and search within the network. Your cooperation profile is then sent to the BC-Net central unit where it is compared — by computer — with thousands of cooperation requests still outstanding, using the following three criteria: type of cooperation, sector of activity and geographic area.

Your adviser may also circulate your request in the form of the more specific 'flash profile'. This is sent to BC-Net advisers operating in the geographic areas in which you are interested. These flash profiles may be distributed within the network or on a broader basis according to the requirements of your company. If necessary, they can also be put into a documentary database for consultation.

Whatever the method used, a clear description of your requirements is essential!

When a possible match is found, your adviser and the adviser of the potential partner are notified direct.

Stage 3: Follow-up. Your adviser processes the various replies (matchings or replies to an active search) by selecting those which correspond most closely to your requirements, and informs you of the opportunities available. He may then organize with you a face-to-face meeting with your potential partner.

Stage 4: Assistance with negotiations. The BC-Net adviser can help you with negotiations and contacts aimed at concluding your cooperation agreement, or refer you to other advisers for legal, tax or technical advice. In view of the complexity of some cooperation agreements, this personalized service can prove to be a decisive factor in the success of the operation.

How is a successful partnership achieved? There are a great many factors which help transform a positive reply into a partnership: proper preparation for cooperation, a desire for partnership on the part of the manager of the company, an active search for potential partners, choosing the ideal partner from those identified, prompt contacts and meetings with potential partners, systematic monitoring of existing cooperation, appropriate assistance from experts during negotiations, making use of recognized professionals in this field.

Do not hesitate to contact your nearest BC-Net adviser for further information.

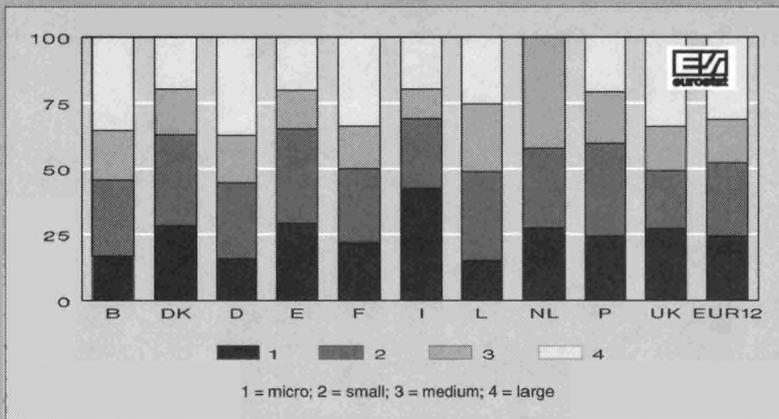
BC-Net is administered by the European Commission, Directorate-General XXIII, BC-Net Secretariat, 200 rue de la Loi — AN80 6/24, B-1049 Brussels

Tel. (32-2) 295 94 21/296 04 53; fax: (32-2) 296 25 72

Enterprises in the European Union

Structure of employment by size of enterprise, 1990 (1989 in I), in percentage terms: micro: 1-9 employees; small: 10-99; medium: 100-499 (100 or more in NL); large: 500 or more

Enterprises and employment



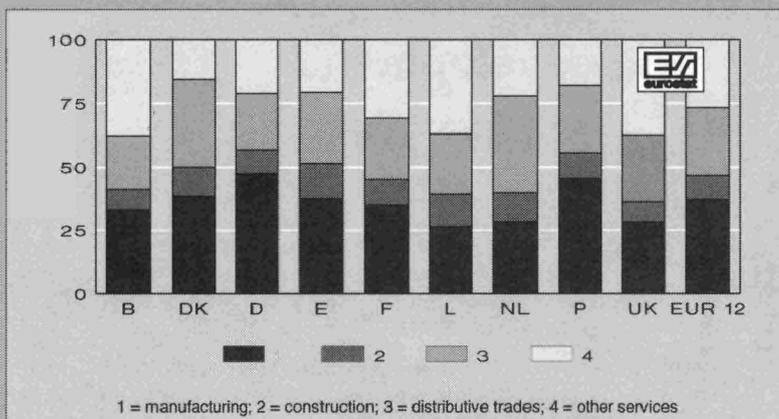
Small and medium-sized enterprises (SMEs) provide approximately 45% of jobs in the European Union, with large enterprises accounting for more than 30% and micro-enterprises just under a quarter. SMEs account for the largest percentage of jobs in Luxembourg and Portugal. In Italy it is micro-enterprises which provide most jobs, while in Germany and Belgium it is large enterprises which account for most jobs.

Structure of employment by size of enterprise, 1990 (Italy: 1989), in percentage terms (NL: medium = 100 or more employees)

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR 12
Micro	16.9	28.3	15.9	-	29.2	22	-	42.5	15.1	27.4	24.3	27.1	24.3
SME	47.9	52.1	46.9	-	50.7	44.3	-	37.9	59.5	72.6	54.9	39.2	44.4
Large	35.3	20.1	37.2	-	19.7	33.7	-	-	25.4	19.7	20.8	33.8	31.4

Structure of employment in enterprises by sector of activity, 1990, in percentage terms

Employment by sector



It is the services sector («distributive trades» and «other services») which throughout the European Union, with the exception of Germany and Portugal, accounts for most jobs. The services sector dominates the job market mainly in Luxembourg, the United Kingdom and the Netherlands.

In Germany and Portugal manufacturing is the main employer.

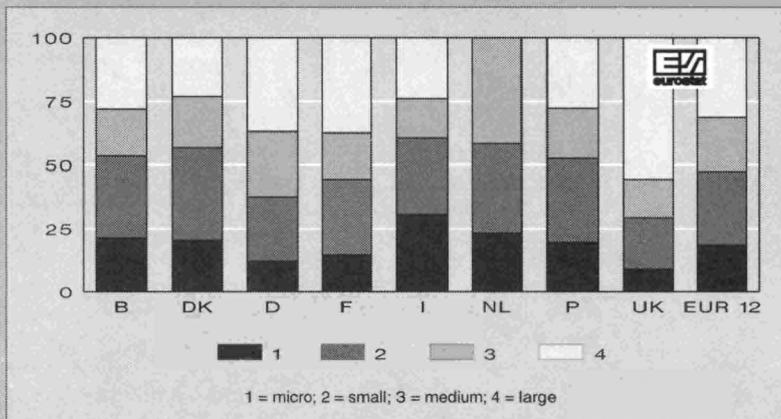
The largest percentage of jobs in the construction sector can be found in Spain and Luxembourg.

Structure of employment in enterprises by sector of activity, 1990, in percentage terms

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR 12
Manufacturing	33.1	38.3	47.4	-	37.4	34.9	-	-	26.3	28.2	45.5	28.2	37.2
Construction	7.9	11.7	9.2	-	14.1	10.2	-	-	12.9	11.5	9.9	8	9.4
Distributive trades	21.1	34.5	22.3	-	27.8	24	-	-	23.7	38.2	26.7	26.3	26.7
Other services	37.8	15.5	21.1	-	20.7	30.9	-	-	37.1	22.1	17.9	37.6	26.7

Turnover by size of enterprise, 1990 (Italy: 1989),
in percentage terms: micro: 1-9 employees; small: 10-99;
medium: 100-499 (100 or more in NL); large: 500 or more

Breakdown of turnover



SMEs account for the largest share of turnover throughout the European Union, except in the United Kingdom, where large enterprises account for the largest share of turnover. In France, too, large enterprises account for a major share of turnover.

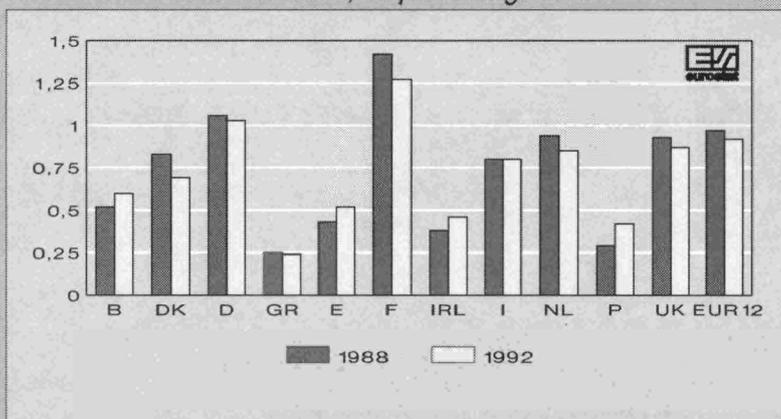
The percentage share of turnover of micro-enterprises is highest in Italy and the Netherlands.

Turnover by size of enterprise, 1990 (Italy: 1989), in percentage terms (NL: medium = 100 or more employees)

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR 12
Micro	21.4	20.4	12.1	-	-	14.6	-	30.6	-	23.3	19.6	9.1	18.6
SME	50.5	56.5	51	-	-	48	-	45.6	-	76.7	52.6	35.3	50.1
Large	28.1	23.1	36.9	-	-	37.4	-	23.9	-	-	27.8	55.7	31.4

Total public expenditure on research and development,
1988 and 1992, as percentage of GDP

Research and development



The European Union devoted a little under 1% of GDP to research and development in 1992. The figure was below the levels for France and Germany and had gone down since 1988.

Greece, Portugal and Ireland are the countries which devote the smallest percentage of their GDP to research and development. The percentage has nevertheless increased since 1988 (except for Greece, where it has remained stable).

Total public expenditure on research and development, 1992, as percentage of GDP

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR 12
Total (ECU billion)	1.0	0.8	15.4	0.1	2.3	13.0	0.2	7.6	-	2.1	0.3	7.0	49.8
% on civilian research	99.8	99.4	90.0	98.5	85.3	65.4	100	92.9	-	96.3	99.6	57.4	79.9

formal meeting of the Council of the European Union. The Commission will also accelerate and simplify the handling of the complaints that it receives from enterprises which feel they have suffered injury because of barriers to free movement. The Commission is also publishing a guide to help enterprises lodge their complaints. According to Mr Vanni d'Archirafi, the Commission has a better idea of the successes and problems of the single market, thanks to the 'internal market weeks' organized in all EU countries from May to November of this year (see below). It intends keeping a closer watch on the application of the principle of mutual recognition, given that governments often tend to add their own requirements to those of European law.

● Towards cross-border consumption

The first European consumers' forum, which brought together producers, distributors, consumers and public bodies, was held in Brussels on 4 October, at the initiative of the European Commission. Its two themes were guarantees and after-sales services, on the one hand, and consumer access to the courts on the other. The European Commissioner responsible for consumer protection, Mrs Christiane Scrivener, drew a number of conclusions, of which the more important related to the mutual recognition of national consumer organizations so as to allow them to engage in cross-border legal action; the development of legal assistance for consumer affairs and better 'European' training for lawyers working in this field. As for guarantee-related problems, Mrs Scrivener suggested a minimum legal European guarantee, coupled with the requirement to inform consumers as regards trade guarantees. The Commission intends to increase the number of cross-border consumer information centres, of which there are 10 at present, to 20 by 1997.

● Cars: more balanced distribution

From next July the distribution of motor vehicles should become more 'European' and better balanced, even while keeping the present system of exclusive dealerships. This is what emerges from the preliminary draft Regulation adopted by the European Commission on 5 October. This draft foreshadows the 'European law' which the Commission will adopt in order to replace the present Regulation, which expires at the end of next June. Under the system envisaged by the Commission, dealers would be able to distribute more than one make, but from separate premises; obtain spare parts from elsewhere and advertise outside their sales territory. Methods of remunerating dealers which discourage cross-border sales would be banned, as would the French practice of changing the year of the latest models in the course of the year. The Commission would like to renew the authorization of exclusive distribution agreements for 10 years.

PAYMENTS: PROBLEMS REMAIN

It's best to use the post office if you want to transfer small sums of money from one European Union country to another. This was the advice given by the European Commissioner for consumer protection, Mrs Christiane Scrivener, in the light of the results of the second study on bank transfers to be made for the European Commission. The study was carried out between the end of April and early June of this year. The results, published by the Commission on 3 October, show that the cost of cross-border payments remains high and has even risen since last year. It now costs ECU 25.4 to transfer ECU 100, as against ECU 24. 'Non-urgent' transfers cost nearly ECU 20 on average. Besides, 'urgent' transfers are not quicker than the others: they all take about four working days to reach their destination. In addition, in the case of 36% of the 1 048 urgent transfers made for the purposes of the study (as against 42% in 1993), charges were debited to both payer and payee, even though the former had stipulated that payment was to be made in full. The study also found that the information supplied to customers remains insufficient, despite some improvement: only 50% of the branches visited provided written information on the conditions of transfer — as compared to 33% last year.

○ BRIEFLY

A report published by the European Union's Economic and Social Committee on 15 October has listed **62 barriers to the four freedoms of the single market**: the freedom of movement of people, goods, capital and services. The Committee brings together representatives of employers, trade unions and the self-employed.

On 10 October **the Spanish Government** submitted to the Council of the European Union a modified economic convergence programme for the years 1995-97. This programme should allow Spain to meet the conditions laid down in the Maastricht Treaty for participation in the economic and monetary union (EMU). All EU countries, except Luxembourg, are implementing such programmes.

The European Commission and Eurostat, the EU's statistical office, have already begun to prepare **the report on the impact of the internal market**, which the Commission must submit to the Union Council in 1996. It will be a question of finding out how enterprises have changed, and how they may have gained or lost out.

With a view to improving a 1977 Directive on **the protection of all those employed by a firm which is changing hands**, the European Commission proposed on 21 September a new 'law' which would apply to the public sector also. The Directive would define an employee's status more clearly and also take into account temporary and part-time workers.

The European Union should conclude **agreements with the United States and Canada** which provide for cooperation between their respective institutions of higher education, vocational training bodies and enterprises. A proposal to this effect was made by the European Commission to the Council of the European Union on 21 September, following two years of pilot projects in this field.

On 12 October the European Consumers' Organization (BEUC) announced that, together with other bodies, it was going to set up a **European association for the coordination of consumer representation on standardization**. The new body would defend the interests of consumers throughout Western Europe in European standards organizations.

Greece followed the example set by four other EU countries and organized an **internal market week** in early October. The questions most frequently put by callers using the special hot line set up for the occasion dealt with identity checks at frontiers, the transfer of retirement rights from one country to another and the mutual recognition of qualifications.

European Union ministers responsible for town and country planning have asked their experts to prepare the broad outlines of **town and country planning at the European level**. The aim is to envisage the development of the regions of the EU at the level of the EU itself — and even beyond. The ministers met on 21 and 22 September.

Seven **centres of aeronautical research, located in seven European countries** (Britain, Germany, France, Italy, the Netherlands, Spain and Sweden) signed an association agreement in Brussels on 11 October. The aim is to use available resources more rationally, to organize exchanges of researchers and develop joint research programmes, with the help of industry, governments and the European Commission.

SEEN FROM ABROAD

► The Finns say 'yes'

The Finns said 'yes' to membership of the European Union during a referendum held on 16 October. In all, 57% of those who took part voted for membership, which was opposed by 43%. The rate of participation was 74%. The referendum was 'consultative' in principle, and the Finnish Parliament must confirm the results by a two-thirds majority. Finland signed the Treaty of Adhesion to the Union at the end of June, as did Austria, Norway and Sweden. The results of the referendums to be held in Sweden on 13 November and in Norway on 28 November are now awaited. The four countries enter the EU next 1 January in principle — if enlargement is approved by the Parliaments of all 12 EU countries.

◆ The integrated programme gets the green light

The European Union's Industry Ministers adopted on 28 September a resolution inviting the European Commission to implement the initiatives contained in the integrated programme in favour of small and medium-sized enterprises (SMEs) and the craft sector, which was announced early in June. Ministers recognized that SMEs are still meeting obstacles that are both internal — of a financial and managerial nature in particular — and external — legal and administrative. These obstacles are a brake on their creation, growth and transfer. Ministers were therefore of the view that activities aimed at improving and simplifying the environment in which SMEs operate must be strengthened, even while taking into account the special difficulties facing the craft sector and mini-enterprises (fewer than 10 workers). To this end the Council invited the Commission to set up quickly a permanent system of consultation between Member States, in which professional bodies representing SMEs at the European level would take part. The Council also asked the Commission to organize exchanges between Member States of their experiences and best practices as regards the creation, growth and transfer of enterprises. The Council in addition invited the Commission to specify how EU countries can stimulate demand for existing services, on offer to enterprises from the regions, Member States and the EU itself.

This resolution recognizes, therefore, the utility of activities already undertaken by the EU and urges that they be continued and strengthened for mini-enterprises and the craft sector. It also embodies the undertaking of the Member States to enter into the processes of the Treaty of Maastricht, in order to improve the competitiveness of European companies, the SMEs in particular. On 15 September the Economic and Social Committee, which brings together employers, trade unions and the self-employed, sent out a similar signal. In its opinion on the integrated programme, it welcomed the fact that 'the Commission, so shortly after the release of its White Paper, should have attempted to take up, on the basis of an integrated approach, the problems with which European SMEs are confronted'. The Committee in fact asked the Union to go further and to give the Commission the means, notably institutional, to translate into acts its words in favour of SMEs. The resolution adopted on 28 September represents a first step in this direction.

◆ The craft sector and SMEs: the conclusions reached in Berlin

The theme of the second European Conference on the craft sector and small businesses, held in Berlin on 26 and 27 September, was 'The craft sector and small businesses, keys to growth, employment and innovation'. The Conference, which brought together 1 350 participants from 32 countries, proclaimed that Community policy in favour of SMEs can only gain in effectiveness and interest if it takes into account the special nature of the craft sector and small businesses, magnets for economic development and job creation in the coming years.

For the participants, it was advisable, among other things, to encourage small businesses to go international, particularly by way of instruments of information and cooperation. They felt it necessary to support cooperation with the organizations and enterprises of Central and Eastern Europe, without forgetting to keep an eye on the development of enterprises in border regions within the EU itself. It was also advisable to develop the qualifications of company managers, their collaborators and their joint co-entrepreneurs; to encourage youth exchanges and to improve the participation of small enterprises in European research programmes. As for the financing of businesses and their access to credit, the Conference came out in favour of better cooperation between banks and businesses, and for a strengthening of mutual guarantee systems. The participants also favoured an improvement in the tools and statistical information on the craft sector, and more in-depth studies of this sector at European level. Finally the Conference called for a speeding-up in the work of administrative simplification and the development of quality certification. The Council of the European Union has looked at the recommendations of the 28 September Conference. It has taken them over by inviting the European Commission to analyse them and to let it know, before the end of next year, the follow-up it has in mind, as well as the initiatives to be recommended to the Member States.

◆ A panorama of Community actions in favour of SMEs and the craft sector

The European Commission adopted in early September a report on Community activities in favour of SMEs and the craft sector. The report consists of two sections. The first deals with the actions carried out in the context of business policy and in the framework of the action programmes in favour of SMEs (1993-96). It describes the actions undertaken in 1993: on the one hand, the measures with regard to the business environment and, on the other, actions relating to information, support and, finally, the promotion of cooperation between businesses. The second section deals with the coordination of activities in favour of SMEs, carried out in the context of other Union policies. The aim of this coordination is twofold: (1) to see to it that greater attention is paid to the specificity of SMEs in the definition of Community actions, and (2) to increase the participation of SMEs in European programmes. The fact is that while business policy provides direct support for SMEs, notably through the information and cooperation networks (Euro-Info Centres, BC-Net, BCC), the major part of Community aid to SMEs is provided by the EU's financial instruments. This support is given either through the Structural Funds, in the form of cofinancing designed to reduce regional and social inequalities, or through the global lending of the European Investment Bank. Other programmes envisage measures which also benefit SMEs. They include programmes in the fields of research, vocational training, cooperation with third countries and the environment. The report, which covers the years 1991-93, examines in both qualitative and quantitative fashion the impact of other policies on SMEs; presents examples of projects which have benefited SMEs and the craft sector or have been implemented by this sector.

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