



Protecting the European taxpayer

by Anita Gradin, Member of the European Commission

To achieve real free movement of people we have to combat efficiently organized crime, applying credible border controls to third countries and effective judicial cooperation. We also have to fight fraud and crime in the Union's policies.

Rigour and fraud-fighting

Europe is going through a period of economic rigour and restraint. European citizens are witnessing zero-growth national budgets, cuts in welfare and other belt-tightening policies aimed at achieving a more healthy economy in Member States. Fraud at European level is therefore, more than ever, unacceptable to public opinion.

The Santer Commission has from the outset taken the view that taxpayers' money must be spent in an efficient and fraud-proof manner. The Sound and Efficient Management 2000 programme which was launched two years ago is now resulting in new financial control and auditing. Our aim is to get rid of the 'spending' culture and to move to an 'evaluation and performance' culture. For the first time, the Commission put forward a zero-growth budget for 1997, reflecting the hard decisions taken at national level.

The Commission has brought all its fraud fighters under one roof within UCLAF, the fraud-fighting unit. It has nearly 130 people working full time on investigations into policies ranging from agriculture to regional and social aid, not overlooking the income side which includes VAT and customs duties.

A very small number of the investigated cases account for about half the defrauded amounts. This confirms, in my view, that organized crime is involved. Italian, Spanish and German/Vietnamese syndicates are active in cigarette and alcohol smuggling. Another example is organized crime of Russian and Polish origin, involved in alcohol smuggling with obvious links to trafficking in drugs and human beings. These organizations operate according to the lowest-risk principle. They target the different parts of their operations, such as transport, document printing or money laundering, to the particular Member State where the risk is lower. And they exploit the differences in penalties and administrative structures among Member States.

More judicial cooperation wanted

A request for judicial assistance often runs into difficulties. Procedures are time-consuming. The Commission is of the opinion that more should be done to develop judicial cooperation. The regulation and the Convention on the Protection of the Financial Interests of the Community agreed in 1995-96 are showing the way. A second regulation dealing with on-the-spot checks focuses on complex, serious or transnational cases of fraud. The Commission has also proposed a protocol on the liability of legal persons, money laundering and cooperation in criminal law.

Separate instruments criminalizing the corruption of civil servants have been agreed. A Convention on Mutual Assistance and a Convention on the Transmission of Acts in Civil and Commercial Matters are on the Council's table. The two Conventions on extradition will facilitate enquiries and prosecutions.

Many Member States have now created specialized anti-fraud units copied on the model of UCLAF which will deal with fraud affecting the Community budget. Networks of magistrates, police and customs officials and other specialists from Member States are being set up. We have established multiannual programmes called OISIN for police cooperation and Grotius for cooperation in the legal field. The programmes provide for information exchange and network building.

European citizens demand a relentless fight against organized crime and fraud. This has been recognized by Heads of State or Government at numerous meetings of the European Council. I hope the European institutions and the Member States can all work together and develop security and justice for our citizens.

■ 'Television without frontiers' returns

The European Parliament and Council of Ministers reached agreement on 16 April on updating and clarifying the 1989 'television without frontiers' directive, which allows the free circulation of television programmes within the EU. The new version of the directive, now awaiting its official adoption by the two bodies, will come into force in early 1999. It defines more clearly television advertising, teleshopping and European works. Such works are entitled to a majority proportion of broadcasting time whenever feasible, but not on channels broadcasting in a non-EU language. The new version also clarifies what is meant by independent producers, who are entitled to at least 10% of programme budgets. In addition, television channels cannot broadcast new films outside the period agreed with the right-holders. Finally, each Member State ensures that the broadcasters under its jurisdiction do not deprive the general public of the transmission of such events as the Olympic Games and World Cup football.

■ More light on government deficits

Government deficits are one of the criteria which will be used to decide, in a year's time, which European Union countries will take part from 1999 in the euro, the last stage of economic and monetary union (EMU). To ensure better comparability in the assessment of EU Member States' deficits, Eurostat, the European statistical office, clarified three accounting questions on 30 April: the treatment of State-guaranteed export insurance, of certain bonds and the financing of public infrastructure run by the private sector. These decisions complete 13 others, taken in January, February and March, covering both deficits and the national debt. Eurostat has now concluded that financial transfers linked to export insurance must be treated as non-financial operations which affect government deficits; State-guaranteed export insurance concerns all EU countries. For Eurostat, as regards linear bonds issued in several tranches, the difference between the face value and issue price of the tranche issued 12 months after the first affects government deficits; the Fifteen must comply with this decision, which is of direct interest to Belgium, Finland, Portugal and Sweden. Finally, in a specific case of infrastructure financing in the UK, Eurostat takes the view that only the annual payments by the State to the enterprise affect government deficits.

■ European studies in universities

The next academic year will see the creation of 57 Jean Monnet chairs in European integration. These full-time teaching posts are being set up under the Jean Monnet project, which is supported financially by the EU. In addition to the 57 chairs, there will be 63 new permanent courses, 61 European teaching units, 20 complementary initiatives (linked to the chairs) and nine grants for research projects. The European Commission selected the beneficiaries on 15 May — and launched a fresh initiative, involving the creation of 'European centres of excellence' in universities. These centres will bring together specialists in European affairs in each university. Their activities will not be limited to universities, however. They will more particularly take part

in public debates on Europe and in the media and adopt an advisory role in relation to public authorities. The 1997 selection brings the total number of new teaching activities supported by the Jean Monnet project to almost 1 500 in over 800 universities. Of these activities, 33% are in Community law, 28% in economics, 20% in political science and 8% in history.

□ BRIEFLY

The EU Council of Ministers adopted definitively on 12 May, following the conciliation procedure with the European Parliament, the directive creating a **single market in motorized two-wheelers**. By filling in the remaining gaps in technical harmonization, this directive opens the way to a European procedure for the authorization of new models of mopeds, motorcycles (with or without a side-car) as well as the very small cars which can be driven without a licence.

The official abbreviation of the euro, the EU's future currency, will be EUR. A decision to this effect was taken by the section of the International Standardization Organization (ISO) which has the task of fixing currency abbreviations. This decision will help companies and banks prepare for the euro at the technical level.

● Practical questions about the euro ...

As the deadline for the launch of the euro, set at 1 January 1999, approaches, fresh practical questions are being asked. At the European Council in Madrid, in December 1995, EU Heads of State or Government agreed on no more than the basic framework for the changeover: irrevocably fixed conversion rates for the participating currencies on 1 January 1999, the introduction of euro coins and notes on 1 January 2002 at the latest, and the exclusive use of the euro on 1 July 2002 at the latest. However, in order to ensure a smooth transition to the euro, the timetable can be completed and adapted. On 15 May, key people from all interested economic and social categories, as well as from the 15-nation EU as a whole, took part in Brussels, at the invitation of the European Commission, in a round-table discussion on the euro. Representatives of not only large companies but also consumers, shopkeepers, the disabled and many others examined possible solutions with the two European Commissioners who have a direct interest in the euro: Yves-Thibault de Silguy, responsible for monetary affairs, and Emma Bonino, responsible for consumer protection. A preparatory workshop, held on 21 March, and an issues paper drafted by the Commission, set the stage for the round table.

● ... with answers in the spring of 1998?

Most of the participants took the view that 1 January was not a very suitable date for the introduction of euro notes and coins. In any case, they saw no legal obstacles to bringing forward this phase of the process — to October 2001, for example. There was also a consensus in favour of a very short period of coexistence between the euro and the various national currencies. The six months envisaged by the Fifteen at Madrid seemed excessive. In addition, the cost to a bank's customers of converting national currencies into euros, after 1 January 1999, ought not to exceed the technical costs actually borne by the bank. Other questions were

EQUALITY = A PARTNERSHIP BETWEEN WOMEN AND MEN

Equal treatment for women and men is an integral part of democratic citizenship, a basic requirement of a democratic society.

Transforming it into legislation and practical reality is a major challenge for the European Union and its Member States today. It means taking a fresh look at how work, family and leisure are organized and shared between women and men.

EQUAL OPPORTUNITIES: AN ISSUE FOR SOCIETY

Equality in all policies: Promoting equality is not an issue that concerns women only. It also concerns men and society as a whole. It can be a motor for progress and a guarantor of democracy and pluralism. It touches every aspect of our life. Its success depends on building a partnership between women and men. It involves a promotion of equality in all activities and policies and at all levels. This is the principle of mainstreaming. This is how the EU has decided to go forward to achieve a more equal society. This means that policies and measures will be examined to see their impact on women's and men's lives and how the needs of each is taken into account.

Women in work: The last 30 years have been marked by a huge rise in the number of women in paid work and in higher education. Since the mid-1980s, women have accounted for the entire growth of the EU's workforce. This is a trend that will continue into the next century. Women's massive entry into paid work has been described as the motor of European employment growth.

But women's influx into the labour market has not resulted in them breaking out of the few economic sectors they dominate or going up the promotion ladder to hold in large numbers executive and managerial posts.

The value of women's unpaid contributions to the economies of Europe through their caring functions, looking after the young, the ill and older people remains largely unrecognized.

Women dominate the low-paid, low-skilled jobs, often with less-favourable working conditions and security. In the majority of EU Member States, they remain more vulnerable to unemployment. Most work alongside other women in clusters and remain under-represented in many sectors of industry and the professions.

On average, in every Member State, women earn less than men. For manual workers, the difference is 15-35%. For non-manual workers, the gap is even larger, between 30 and 40%.

Women with the same educational levels as men are not finding the same opportunities or getting jobs which reflect their skills. Yet much of the potential of Member States' economies will be linked to the skill levels of their women citizens.

Sharing work and leisure: To achieve equal citizenship, women and men need to share work but also family and leisure time. This means promoting policies and measures which target women and men and allow each individual to plan his or her work, family and leisure time according to his or her needs. It makes demands on transport, school hours, care services, commuting patterns, work and leave patterns and on the organization of cities and rural communities.

Sharing decisions and responsibilities: If society is to benefit all its people, it must reflect the needs of its women as well as of its men. This means decision-making responsibility at all levels must be shared between the two sexes. The unbalanced representation of women in elected, administrative and advisory

SOME FACTS AND FIGURES

- Two out of five jobs in the EU are now held by women
- Unemployment rates amongst women in the EU continue to be higher than those of men
- Women account for between 49 and 82% of low-paid workers in Member States
- Some 28% of women work part-time. Only 4% of men work part-time
- Over a quarter of women in the Community are heads of household
- 20-30% of the 16 million small and medium-sized enterprises (SMEs) in the Union are managed by women, 25-35% of new businesses are created by women and in 60-80% of SMEs women carry out administrative and management functions without official status as assisting spouses

bodies, in the media, finance and public administration, shows a democratic deficit which should be further addressed and gradually removed.

Changing attitudes: Organizations, systems and attitudes have to change if the current rigidity of sex roles and stereotyping is to be challenged. Such a change needs broad political support. It includes the media, new communications and multi-media systems which are at the heart of reinforcing stereotyped images of women and of men as workers or carers, earners or dependants, productive or inactive. This is not just a question of showing a positive image of women. It requires a transformation of individual and collective behaviour and practice in the public and private domains. It presupposes the recognition of female and male identities, a balanced distribution of responsibilities between women and men and their active involvement in all aspects of work, family and life.

Building the future: Equal participation of women and men in the economy and society is a crucial factor for lasting growth and democracy. It symbolizes the level of political maturity of a society. In preparation for the 21st century, a new partnership between women and men must be built to ensure that both participate fully on an equal footing in all areas of economic, political, social, family and cultural life and that the benefits of progress are evenly distributed between them. This is a necessary step to building the European Union of tomorrow.

ACHIEVING EQUAL OPPORTUNITIES

The European Union has been one of the driving forces in changing the status of women in society. It has done this through European law but also through a number of measures and actions.

The Treaty: The 1957 founding Treaty of Rome guarantees in Article 119 the principle of equal pay for equal work without discrimination based on sex. It is the basis of all EU equality legislation.

The law: The first European equality directive — an EU law to be transposed into national law — covering equal pay was passed in 1975. This was shortly followed in 1976 by a directive on equal

treatment in access to employment, training, promotion and working conditions. Other directives followed on equal treatment in statutory social security systems (1978), in occupational social security schemes (1986), for the self-employed and their spouses (1986), on maternity leave and pay and adequate health and safety conditions at work for pregnant women and nursing mothers (1992), on parental leave and leave for family reasons (1996).

Recommendations and resolutions: A number of recommendations and resolutions proposed by the Commission and adopted by the Council of the Union encourage good practice and support EU and national action in areas such as education and vocational training, childcare, combating sexual harassment, positive action, updating protective legislation affecting women and getting more women into work and into decision-making posts.

Action programmes: Usually adopted for a five-year period, these programmes give a framework for action and cooperation on equal opportunities. They support pilot projects, information campaigns and expertise.

FOURTH ACTION PROGRAMME ON EQUAL OPPORTUNITIES FOR WOMEN AND MEN

A fourth action programme on equal opportunities for women and men was launched in 1996. It builds on the success of the three previous programmes. The third programme focused on improving women's position legally, in the workforce and in decision-making.

The fourth action programme, to run from 1996-2000, has six global objectives:

- building partnerships for equality and promoting a change in attitudes at national, regional and local level and integrating equality in the European social dialogue between employers and trade unions;
- promoting equality in the economy through actions to desegregate the labour market, putting value on women's work and encouraging women's entrepreneurship;
- combining work with household and family life and promoting an individualization of social benefits;
- promoting a gender balance in decision-making;
- better enforcing European law and providing information on equal opportunities;
- reinforcing the monitoring and evaluation of the action programme.

'ANIMA,' a technical assistance office, has been set up to support the Commission in its work to promote, develop and review this fourth action programme.

The annual report: An annual report on equality, published by the Commission as from 1996, provides an appraisal of EU and national progress in achieving equal treatment for women and men.

The Structural Funds: These funds provide money for infra-structural development, skills training for the unemployed and local regeneration for the EU's less-developed and rural areas as well as those hit by industrial decline.

In 1993, equal opportunities was added as one of the priorities of the funds and one of the principles to be respected in all measures financed by them. This priority is one of the main objectives of the fourth action programme.

New ideas for women's training and employment developed in the context of the four-year Community initiative aimed at supporting new opportunities for women (NOW) have been continued by the initiative Employment — NOW (1994-99).

INFLUENCING EQUAL OPPORTUNITIES

EU policies are not made in isolation. They are the result of a complex consultation process.

The European Commission: As the Commission has the sole right to initiate EU law and policies, it proposes legislation and action programmes in the field of equal opportunities. A group of Commissioners on equal opportunities for men and women and women's rights chaired by the Commission President, is one of the instruments created to integrate the principle of equality in all European policies and programmes. Once policies are agreed, the Commission is responsible for implementing them on an EU level, for encouraging exchanges of experiences between Member States and for monitoring progress in the Member States to transform these policies into everyday life.

Created by the Commission and comprising representatives from each country's official equal opportunities bodies, from government departments and from the European employer and trade union federations, the Advisory Committee on Equal Opportunities advises the Commission.

The Management Committee on Equal Opportunities, made up of representatives of Member States of the EU and chaired by the European Commission, assists the Commission in the implementation of the fourth action programme.

Non-governmental associations and organizations play a role through their participation in a number of activities. They are also consulted by the Commission through the European Women's Lobby and a series of other European networks focusing on equality.

The Council of the European Union: The Council of Social Affairs comprising Member State employment ministers is primarily concerned with equal opportunities.

The European Parliament: Members of the European Parliament, directly elected in each Member State, oversee EU policies. Through its various committees and more particularly the Committee on Women's Rights set up in 1984, the Parliament is a key promoter and watchdog of equal opportunities on a European level.

The Committee on Women's Rights plays a leading role in the elaboration and adoption of EU equality legislation. It also presses for effective monitoring and implementation of existing legislation. Through its opinion on the annual budget, given in preparation for the final vote by Parliament, the Committee seeks to maximize the resources available to women not only in the multiannual action programmes for equal opportunities but also by ensuring that the gender perspective is integrated into all EU policies and activities.

The European Court of Justice: Based in Luxembourg, the ECJ has played an important role in promoting equal opportunities through its case law. Individuals can have their cases taken to the European Court through their national courts. They can also take complaints directly to the Commission, which, after examining their case, can instigate proceedings against Member States. This can also lead to the case being heard before the European Court.

The Economic and Social Committee: This Committee, comprising representatives of employers, workers and other interest groups, is consulted by the Commission and gives its opinion on Community policies, including equal opportunities.

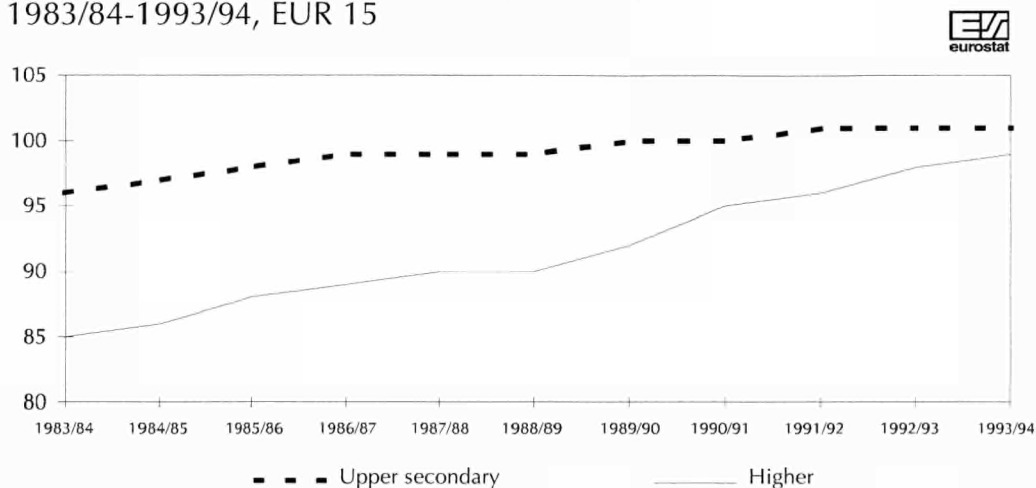
Social dialogue: Employers and trade unions play an important role in shaping equal opportunities through the social dialogue, which entails talks at European level between the two sides of industry and the Commission.

Education in the European Union Towards equality of opportunity ...

In 1993/94, there were 72 million pupils in pre-primary, primary and secondary education and a further 12 million in higher education in the European Union. There are 101 girls to every 100 boys in upper secondary education, compared with 96 10 years ago

The lowest rate of female participation in higher education is in Germany (73 girls to every 100 boys). The reverse applies in other countries. In Portugal, for example, there were 132 girls to every 100 boys in 1993/94.

Trend in the number of girls to every 100 boys, 1983/84-1993/94, EUR 15



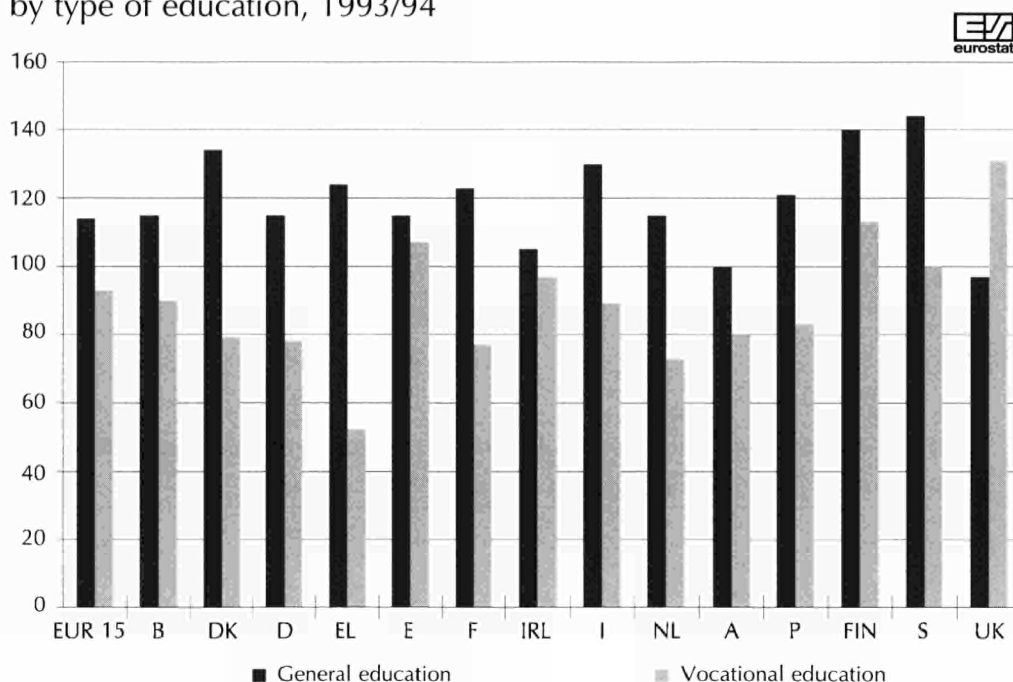
Number of girls to every 100 boys in upper secondary and higher education, 1993/94

	EUR 15	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK
Upper secondary	101	97	101	85	93	111	96	103	99	84	84	111	125	114	115
Higher	99	97	105	73	88	104	120	93	106	86	89	132	113	120	100

Girls tend to opt for general rather than vocational education. In 1993/94, there were 114 girls to every 100 boys in general education, compared with just 93 in vocational education

There are wide variations between individual Member States. The United Kingdom, Finland, Sweden and Spain all have more girls than boys in vocational education (131 girls to every 100 boys). Greece is at the other end of the spectrum, with just 52 girls to every 100 boys.

Number of girls to every 100 boys in upper secondary education, by type of education, 1993/94



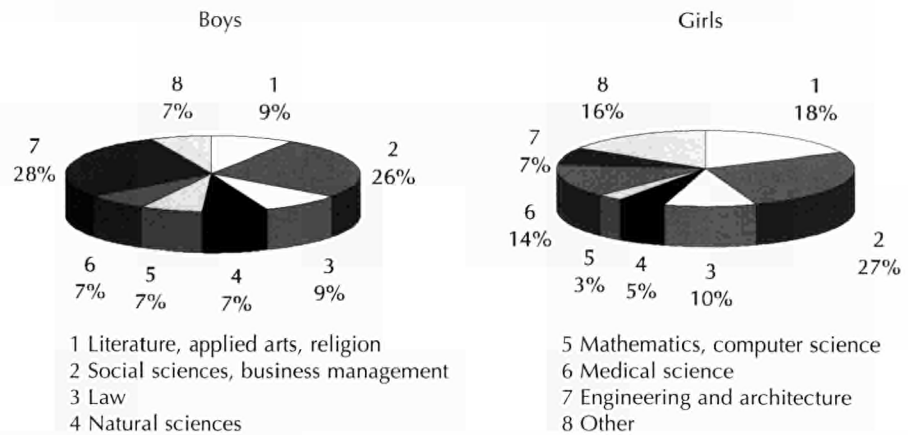
Number of girls to every 100 boys in upper secondary education, by type of education, 1993/94

	EUR 15	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK
General education	114	115	134	115	124	115	123	105	130	115	100	121	140	144	97
Vocational education	93	90	79	78	52	107	77	97	89	73	80	83	113	100	131

In terms of subjects studied at institutes of higher education in the EU, it is generally the case that girls continue to favour literature and applied sciences, whereas boys tend to prefer natural sciences and mathematics

The most marked differences are in engineering and architecture studies, which attract four times as many boys as girls in the EU as a whole (in Finland, 41% of boys take these subjects, compared with just 6% of girls).

Choice of subjects in higher education, EUR15, 1993/94



Choice of subjects in higher education, EUR15, 1993/94

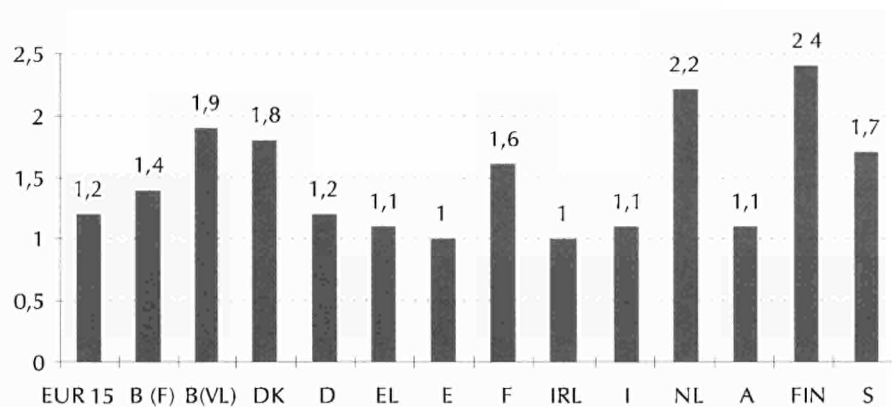
	1	2	3	4	5	6	7	8
Boys (%)	9	26	9	7	7	7	28	7
Girls (%)	18	26	10	5	3	14	7	16

- 1 Literature, applied arts, religion
- 2 Social sciences, business management
- 3 Law
- 4 Natural sciences
- 5 Mathematics, computer science
- 6 Medical science
- 7 Engineering and architecture
- 8 Other

General secondary pupils in the European Union learn an average of 1.2 modern foreign languages⁽¹⁾. The most popular is English (about 88%), followed by French (32%) and German (18%)

In most countries, more than 90% of pupils learn English. The percentages are lowest in Greece (64%) and Italy (71%), although English is still the most popular language in those countries. The only exception is Francophone pupils in Belgium, a majority of whom (70%) learn Dutch.

Average number of foreign languages taught in secondary general education, 1993/94



The most commonly taught foreign languages⁽¹⁾ in secondary general education, 1993/94 (%)

	EUR15	B (W)	B (FL)	DK	D	EL	E	F	IRL	I	NL	A	FIN	S
English	88	60	70	94	93	64	94	95	-	71	93	96	99	99
French	32	-	98	18	23	45	8	-	70	34	57	9	11	17
German	18	5	23	61	-	2	0	28	27	4	69	-	33	45

⁽¹⁾ Percentage of pupils learning the language in question.

AFTER THE PROBLEMS OF 1996 ...

Last year the European Commission sent EU Member States 283 infringement letters, as against 218 in 1995. One-third of last year's infringement cases related to delays in transposing European 'laws' into national legislation (see p. 4), and a further one-third related to failure to respect the rules, as indicated in complaints to the Commission. The remaining infringement cases were discovered by the Commission itself, as is clear from its annual report, published on 29 April. Only Denmark did not receive a single infringement letter. The largest number was received by France, with Italy coming second. Greece was the country hauled before the European Court of Justice the most often. As regards the next stage in the proceedings, Belgium and Greece each received two letters from the Commission for failing to comply with the Court's ruling. In 1996 the Commission recorded 181 fresh obstacles to the free movement of goods, 55 of which concerned motor vehicles, more particularly imports by motorists; 33 related to foodstuffs and 17 to chemical products. In addition, the 'European' right to vote in local elections in the country of residence gave rise to 20 new cases of infringement, and the right of residence to 12 cases. The Commission also noted 103 further infringements as regards the recognition of professional qualifications, including 21 involving the legal profession and 13 the teaching profession.

A SINGLE MARKET ACTION PLAN: OBJECTIVE 1 JANUARY 1999

Faced with this inadequate implementation of single market rules, which affects its credibility, and the approach of the deadline for the transition to the euro — 1 January 1999 — the Commission has proposed an action plan to the Fifteen. Presented in broad outline on 30 April, the plan provides for a properly functioning single market before the introduction of the euro on 1 January 1999. The Commission planned to ask the Fifteen in mid-June for a formal commitment on this point, during the Amsterdam session of the European Council. The action plan centres on four key objectives, all equally important from the Commission's point of view.

Four major objectives

The first is to ensure the effective application of existing European rules. This implies the speeding-up of infringement proceedings, improved computerized communication between governments and the simplification of certain single market regulations. It is equally important that each Member State be in a position to deal rapidly with any 'single market' problem raised by another Member State or by the Commission itself. The second objective is to eliminate the key market distortions, which remain because of ill-adapted taxation and excessive State aid to companies. The action envisaged ranges from the introduction of a definitive VAT system to the adoption of a timetable for cutting back on State aid, and including an end to the double taxation of companies. The third objective is to remove sectoral obstacles to market integration, from investment and pension funds to electronic commerce, and the adoption of the proposed European Company Statutes. The fourth objective is to put a border-free area at the disposal of all Europeans. The action to be taken includes the elimination of checks on individuals at the EU's internal borders, as well as improvements to the right of residence and supplementary pensions, and simplifications in matters of social security. The Commission plans to publish, at least four times a year, a table showing in detail just where each EU country stands in relation to the completion of the single market.

raised at the round table, such as the use of cheques and payment cards in euros from 1999. On all these points, and more particularly on the exact timetable for the euro, Commissioner de Silguy as well as numerous participants took the view that the EU should announce its decisions next spring, along with the list of countries that will adopt the European currency in 1999. The Commission will organize yet another colloquium in November, when the work carried out by a discussion group on the problems facing consumers will be presented. The Commission will announce its own conclusions next spring. The round table also studied the educational methods to be used to alert consumers to the euro and prepare them for it.

● Fighting fraud across borders ...

Last year some 4 500 cases of fraud at the expense of the EU budget were detected. The sum involved totalled ECU 1.3 billion, as compared with ECU 1.1 billion in 1995. This increase, which is noted in the European Commission's annual report on the protection of the EU's financial interests, published on 6 May, does not necessarily imply that fraud is on the increase, according to Anita Gradin, the Commissioner responsible for financial control and the fight against fraud. What it does indicate is the increased effectiveness of the measures already taken by the Commission to fight fraud (see p. 1). These include freephone numbers, which the public can use in order to communicate any information it may have on fraud. The number for the UK is 0800 963595, and for Ireland 1800 553295. In any case, no part of the EU budget has escaped the attention of fraudsters; and nor have any of the Member States. To combat the fraudsters more effectively, the Commission adopted on 6 May a work programme for 1997-98, covering six areas of action. To begin with, EU legislation must be made 'fraud-proof' as far as possible. There is also room for administrative sanctions, in order to deter fraudsters. The work of detection must be improved, by reinforcing cooperation between the Commission and Member States. The Commission also plans to monitor and facilitate the recovery of the sums defrauded, as there is room for improvement here also. The Commission's programme also provides for judicial cooperation. Finally, as regards the countries of Central and Eastern Europe which have applied to join the EU, the Commission intends to prepare them to fight fraud.

● ... especially through computerization

The customs system which applies to goods in transit makes it a particularly tempting target for fraudsters: over ECU 1 billion has been lost to the EU budget over the last seven years. Given that goods in transit cross the EU's internal borders with few formalities, the European Commission adopted on 30 April an action plan designed to make the system more dependable. At the heart of the measures envisaged by the Commission is the total computerization, between 1998 and the year 2000, of the system. The aim is to enable customs officers of 23 countries to follow the movement of all goods in transit in real time. The improved system will cover not only the 15 EU countries but also Switzerland, Liechtenstein, Norway, Iceland, Hungary, Poland, the Czech

Republic and Slovakia. The action plan also provides for the creation of a European investigative body as well as better training for customs officers and more information for companies.

● Food: a market, a policy

A European food policy which gives priority to consumer health is what the European Commission proposed to the Fifteen and the European Parliament on 30 April, in the wake of the 'mad cow' and transgenic maize crises. This policy, which Commission President Jacques Santer announced in February, has already been launched. The Commissioner responsible for consumer protection, Emma Bonino, has been given the task of consulting scientific experts and checking the effective implementation of European food 'laws'. The Commission, which has already added to its staff in this sector, has therefore asked the European Parliament and EU Council of Ministers for funds to recruit 97 scientific experts. It has also adopted a new

approach, aimed at guaranteeing the high quality and impartiality of, and easy accessibility to, the scientific advice provided to the EU. The Commission has also decided to reorganize the system of controls, in order to ensure that the food chain is monitored from 'the stable to the table'.

○ BRIEFLY

State aid to companies, which averaged ECU 95 billion per year between 1992 and 1994, can threaten the completion of the single market. This is the view taken by the European Commission in its fifth report on State aid, adopted on 16 April. The Commission plans to keep a tighter rein on such aid.

In order to prevent EU **banks and investment companies** from finding themselves at a disadvantage *vis-à-vis* their non-EU competitors, the Commission proposed on 16 April to modify the directive on the adequacy of equity capital. The aim is to introduce capital requirements more closely related to market risks.

Is there a need for a broad-based European 'law' on **foodstuffs**? Or is it a reinforcement of existing 'laws' or a procedural modification which is required? In a Green Paper published on 30 April the European Commission has asked all interested parties to give their views before 31 July.

Must **Internet telephones** be subject to the same rules as standard telephones in the liberalized market of 1998? The Commission would like all who are interested to answer by e-mail (Christian.Hoepied@dg4.cec.be) or fax (32-2 296 9819). The postal address is European Commission, DG IV — Directorate C — Office 3/48, avenue de Cortenberg 150, B-1049 Brussels.

THE SINGLE MARKET IN FIGURES

As of 20 May, the 15 EU countries had correctly transposed, on average, 94.8% of the 217 measures of the 1985 White Paper on the realization of the single market. This marks a slight improvement in relation to the 94.3% recorded in March and the 93.8% of November 1996. Denmark and the Netherlands remain in the lead with the highest transposition rate (99.1%), ahead of Finland (97.7%), Luxembourg (97.2%), the UK (96.8%), Ireland and Sweden (95.9%) and Greece (94.9%). Below the EU average are France and Portugal (94.5%), Belgium (94%), Spain (93.1%), Italy (92.6%), Austria (88.5%) and Germany (88%). As for problem sectors and areas, public procurement remains the biggest of them: only 67% of the relevant legislation has been transposed in the EU as a whole. The rate of transposition is limited to 74% in the case of technical obstacles to the free movement of people, and to 80% as regards the special arrangements for arms and cultural works. It stands at 83% for new technologies and the audiovisual industry, as well as for such specific controls as on fuel tanks for vehicles and waste. In none of these areas has the situation improved since March; it has deteriorated, in fact, as regards public procurement.

SEEN FROM ABROAD

► Integration as seen from Washington

'We have no doubt that an EMU that cements an open single market, and that sparks economic growth in Europe, will be good for the American economy', the Deputy Secretary of State, Strobe Talbott, declared in Washington on 6 May, during an EU-US conference on transatlantic relations. He added, 'If the EU emerges from this bold initiative able to play an even more active and constructive role on the world stage, that will be good for America too. A politically united Europe will be a stronger partner to advance common goals. An economically united Europe creates a much more attractive environment for American investment.' Mr Talbott showed himself an enthusiastic advocate of EU enlargement, to take in Central and Eastern Europe as well as Turkey. He concluded, 'We encourage our friends and allies in Europe to embrace the broadest, most expansive, most outward-looking, most inclusive

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