

## The results of the Europartnership programme

With the completion of the single market by the end of 1992, the centre of gravity of markets will shift from the national to the European plane. Only companies which have anticipated the change and adapted to it will be in a position to meet this challenge and seize the opportunities offered them. It is obvious that companies located in regions that are disadvantaged or on the periphery will have to redouble their efforts to overcome their handicap and fit into the new European dynamism.

The European Commission, conscious of the value of cooperation as a strategic response to 1992, has stepped up its efforts to encourage companies in different Member States to cooperate with each other. It is largely through such cooperation that the companies will be able to enlarge their product range, add to their resources and look for complementarities in order to integrate themselves into the changing world of industry.

In this context the Europartnership programme aims at stimulating cooperation between SMEs located in regions which have fallen behind or are experiencing industrial decline and their counterparts in other parts of the 12-nation Community. The programme facilitates the conclusion of agreements of commercial, technical and financial cooperation and encourages companies to embark on the path of transnational cooperation in order to carry out their development and diversification programmes.

The first Europartnership '88 operation was launched in Ireland. It was a pilot operation, and it took place between November 1987 and June 1988. The final stage — a European encounter of inter-company cooperation — took place in Dublin on 23 and 24 June and was attended by some 800 persons, representing the business community and the civil service. A catalogue, giving a description of some 120 Irish firms and their cooperation proposals, was sent to 7 000 industrial and professional bodies in the 12 European Community countries.

The final stage of Europartnership '88 unfolded in Dublin in very good conditions and the Irish firms taking part expressed their satisfaction as regards the business contacts they were able to make. Some 250 people, representing 186 companies and consultancy organizations based outside Ireland, took part in the activities in Dublin, and 600 business contacts were established.

The Irish Industrial Development Authority (IDA) sent out a questionnaire to the Irish companies that took part, with a view to making a preliminary evaluation of the event. The response rate was a high 60%. Some 46% of the companies described their contacts as positive and 6% as very positive, while 36% described them as negative and a further 12% as very negative. All the available evidence indicates that a score or so of transnational cooperation agreements will be concluded in the near future. The early results of

the pilot operation, Europartnership '88, are therefore positive. But as its effects are not yet over, a second evaluation will be undertaken.

Europartnership '89 is currently under way in Andalusia, the southernmost region of Spain. A catalogue containing 221 cooperation projects, submitted by Andalusian firms, is available in four languages. The European inter-company encounter will take place in Torremolinos on 22 and 23 June 1989.

## The Euro-info Centres project is expanded

The Euro-info Centres project, launched by the European Commission in September 1987, is designed to provide information of a Community nature to small and medium-sized enterprises (SMEs) in the perspective of the 1992 single market. To this end, 39 decentralized information centres have been set up by the Commission in the offices of bodies offering help and guidance to companies.

The evaluation of the first phase of the project has disclosed notably: a high level of activity as soon as the Euro-info Centres were set up; a high level of participation by companies at colloquia and seminars organized by the Euro-info Centres and a lively preoccupation with the challenge of the single market on the part of SMEs. Other surveys and analyses of the Euro-info Centres project have shown that the Commission's initiative has been very well received by SMEs, who would like to see existing Centres strengthened and new ones opened.

The expansion of the project is foreseen, therefore, with the agreement of the Member States. It should be possible, as a result, to guarantee that the various socio-economic zones of the 12 EC countries will be more widely covered. This will be done while holding down the project to a manageable size and ensuring its coherence with projects of regional policy.

The expansion is under way. A public appeal for candidates brought in some 800 replies; the relevant information was assembled on more than 400 candidates. Those who have been selected will be known after the meeting of the EC Council of Ministers on 29 May 1989. The new Euro-info Centres could be set up as from September.

## 'EC International investment partners' — finance for joint ventures in developing countries

Set up in 1988, 'EC international investment partners' is a financial instrument designed to encourage investments by European Community companies in joint ventures, with local partners, in the developing countries of Asia, Latin America and the Mediterranean basin.

In such operations the Community acts exclusively through existing financial intermediaries: development banks of the Member States, private sector investment banks and international financial institutions. The extent of the Community's financial support varies from project to project, and is made only on the basis of co-financing.

Seventeen conventions for financing joint ventures in developing countries have already been concluded with the development banks of the various Member States. Others are being drawn up.

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Commission of the European Communities

Directorate-General Information, Communication and Culture, and Directorate-General XXIII

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## '1992' + fixed exchange rates = monetary union

### THE CONCLUSIONS OF THE DELORS COMMITTEE

On 17 April there appeared a 38-page report on economic and monetary union in the European Community. It was neither the humdrum work of yet another working party nor a technocrat's musings. The fact is the report, the work of a committee chaired by the President of the European Commission, Jacques Delors, proposes nothing less than to change the way Europeans live by creating a single European currency. For the man in the street this no doubt will represent the most important 'European revolution' after the elimination of the Community's internal frontiers under the '1992' programme. A story told by Jacques Delors clearly illustrates the significance of the Committee's proposal. As Commission President he was trying to explain the role and aims of his institution to a shopkeeper in central France. 'I'll believe you,' his listener exclaimed, 'the day you pay me in ecus!'

Certainly the Delors report is not the first instruction manual for setting up a European monetary union. The former prime minister of Luxembourg, Pierre Werner, had drafted just such a report in 1970. But even now, some 20 years later, the Londoner who takes the boat train to Brussels or the Dubliner who flies to Paris must remember to change money. . .

Even so, these 20 years have witnessed numerous changes. The Delors report has appeared when the Community is half way to the single market. And according to the definition contained in both the Werner and Delors reports, the single market of 1992 once completed, will fulfil two of the three conditions necessary for the existence of a monetary union. The first is the guarantee that currencies will be fully and irrevocably convertible between each other; in other words, that there will be no exchange controls. The second is the total liberalization of capital movements, accompanied by the integration of money and financial markets.

The third condition obviously is also the most difficult to fulfil. It is the elimination of the bands within which currencies can fluctuate and the introduction of fixed exchange rate parities. In other words, the French franc would no longer fluctuate in relation to the Deutschmark, nor the lira in relation to the florin . . .

The Delors report, which carries the signatures of the Community's financial leaders, sets out the three stages leading to economic and monetary union. The first could begin on 1 July 1990, the date for the liberalization of capital movements among eight Community countries (the Twelve less Greece, Ireland, Spain and Portugal). The second and third stages would imply a further reform of the 'European Constitution', the Treaty of Rome.

The Community's Heads of State or Government must now take a stand and set a timetable if they wish to go forward. The matter will be discussed by them at their summit in Madrid at the end of June. Commission President Jacques Delors would like them to take a decision before the end of the year, at the summit to be held in France in December.

What will be the follow-up to the Delors report? The pessimists will have noted that on the very day it was released Britain's Chancellor of the Exchequer, Sir Nigel Lawson, declared he was opposed in principle to the proposal contained in the report. They will add that London will refuse to countenance any further changes to the Treaty of Rome and that both Germany and Luxembourg have reservations as to the report's conclusions.

The optimists will point out that the report has been favourably received in Paris, Brussels, the Hague, Rome and even Bonn. They will stress the fact that when the Single European Act, which has been in force since nearly two years, was being drafted, several governments were opposed to any changes to the EEC Treaty. Clearly the Community is moving ahead, slowly but surely.

'1992' on videotext — yet another way of keeping up to date on the single market. See page 2.

## Decisions

### ■ Safety standards at the workplace

From 31 December 1992 all places of work, whether new or renovated, and all newly installed machinery, will have to meet European safety standards, approved by the European Community Council of Ministers on 5 April. In the case of offices and factories, as well as machinery, already in use on 31 December 1992, employers will have until 1 January 1998 to comply with these rules. The new standards are embodied in two Community directives, one of which deals with the safe use of machinery and other equipment, the other with safety at the workplace and covers matters like lighting, emergency exits, ventilation and toilets. The Council also approved a third directive, which relates to the use of protective clothing, including helmets, special clothing, goggles, etc. These three directives represent the first specific social measures which complement the technical rules of the single market, following the adoption by the Twelve last December of the broad principles governing the health and safety of workers. They set minimum standards; national authorities are free to apply stricter standards.

### ■ Cheaper air fares

The European Community's Court of Justice has ruled that most of the agreements between airlines setting fares for scheduled flights — usually on the high side — violate the EC's competition rules. Governments do not have the right either to encourage or approve such agreements; only public service obligations — flying an unprofitable route, for example — can justify such practices. The Court ruled in favour of two German travel agents who had sold air tickets at prices below those authorized by the German authorities. The two agents sold tickets for the Lisbon-Frankfurt-Tokyo flight at a price below the authorized price for Frankfurt-Tokyo, by taking advantage of Portuguese prices. Once again the Court's ruling clearly favours the liberalization of air travel. The EC's competition commissioner, Karel Van Miert, viewed it as an encouragement for the second stage of the liberalization programme, which should complete the measures taken at the end of 1987. For the international air transport association, which groups scheduled airlines, the 11 April ruling will accelerate the move towards cheaper air fares.

### ■ Television without frontiers

Television and the single market are moving ahead together. In two years' time cross-border television should become a reality throughout the 12-nation European Community, thanks to a Community directive which the EC Council of Ministers approved on 13 April — provided the text is not rejected by the European Parliament at the end of May. The directive provides a minimum of rules to ensure that programmes which follow them can be broadcast throughout the Community. The rules seek to protect children from violence and pornography and to limit advertising to 15% of air time per day, with a maximum of 20% per hour.

The directive also calls on television companies to reserve more than 50% of the time devoted to films for European productions. While this does not amount to a mandatory 'quota', as sought by the European Parliament, telecasters are required to transmit a percentage of European films at least equal to the percentage transmitted in 1988.

They need not limit themselves to EC-made productions, however: productions from other West European countries can be included, together, perhaps, with productions from certain East European countries.

### ■ Smoothing the path for company subsidiaries

Companies wanting to set up a subsidiary in another European Community country than their own will find it easier to do so, thanks to a directive adopted by the EC Council of Ministers on 14 April. It harmonizes the publication of certain information when a subsidiary is set up, thus removing a major obstacle facing companies.

## Initiatives

### ● '1992' on your VDU A new information service

From 1 June you will be able to keep up with the '1992' programme, thanks to INFO '92, a new information service on videotex devised by the European Commission. INFO '92 provides information on the 280-odd measures needed to complete the single market, through a series of increasingly detailed menus you can choose yourself.

The initial choice is between three major sections: the removal of (i) physical (ii) technical and (iii) fiscal barriers. Each section is divided into several chapters, which are further subdivided. The information provided by INFO '92 will be continuously updated.

During a 4-month period — from 1 June to 30 September this year — access to INFO '92 will be free of charge for sequences of 10 minutes each. From 1 October it will cost ECU 10\* (ECU 1 = £ 0.65 or IR£ 0.78) per hour on-line. INFO '92 will be available in English, French, German and Dutch from 1 June; by the end of June 1989, it will be available in all other EC languages except Greek, which will be added later.

To access INFO '92 you will have to follow your PTT's instructions for accessing your national data network, then call 429 121 if you are in Luxembourg or 270 429 121 if you are outside Luxembourg. Once the connection has been made, the message CNOI PLEASE ENTER NET COMMAND will be displayed. Enter the letter o. When the messages PLEASE LOGON followed by IDENTIFICATION are displayed, you must enter europe92. Every entry must be followed by carriage return or CR. For further information you can call the Help Desk in Brussels on 235 00 01 or 235 00 03.

INFO '92 will be available in a database version also. This method requires no additional equipment as compared to Videotex but allows: more flexible search methods; identification of recent advances and searches for all references to a given question: official publications, position papers from employers and trade unions, Community directives, etc. The charge for using the database version is ECU 45 per hour.

### ● Continuing vocational training on the cards

It is necessary to encourage continuing vocational training throughout the European Community, in order to ensure that company reorganizations required by the completion of the single market do not lead to a sharp rise in unemployment. In a resolution to this effect, adopted on 5 April, the Community's employment ministers have asked the Member States to encourage continuing vocational training at the national, regional and local level, and more especially in disadvantaged regions and for small and medium-sized enterprises (SMEs). The ministers also called on the European Commission to submit to it a Community action programme aimed at increasing awareness among companies, especially SMEs, and to help disadvantaged regions organize the services needed for continuing vocational training and monitor professional qualifications at all levels, so as to facilitate their mutual recognition by the Twelve.

### ● Quality and the single food market

The French Government has set two objectives for the food sector before its 11 European Community partners. They are: quicker approval of European standards and a Community policy as regards quality. The objectives are set out in two documents submitted in early April. The French, who will chair all meetings of the EC Council of Ministers during the second half of this year, want to make it easier to take decisions in this sector through the systematic use of majority voting.

So far progress towards the 1992 target has been very slow in the agro-food sector, largely because of recourse to procedures which require a unanimous vote. The French are proposing four lines of attack in order to speed up matters. (i) An extension to the agro-food sector of the new approach to the harmonization of standards that has been adopted for industrial products. It requires the EC Council of Ministers to adopt only the basic principles; the task of translating them into technical standards is left to the experts. (ii) The task of harmonizing standards in the agro-food sector would be entrusted to a new European body, which would take into account regional and national dishes. (iii) A Community policy on quality would be prepared, together with (iv) measures to protect natural products against their synthetic substitutes.

The French Government would like to apply this method to 16 kinds of products, ranging from fresh foods prepared from vegetables to cheese and game. The three Benelux countries have also come out in favour of (a) a Community policy as regards the quality of foodstuffs and (b) faster progress towards the completion of the single market in this sector. Their views were set out in a joint memorandum published on 6 April.

### ● Veterinary controls and the single market

The Italian Government suggested measures in early April aimed at facilitating the free movement of livestock and meat in the single market to its 11 European Community partners and the European Commission. The move was prompted by the need to make up for the delay in harmonizing national veterinary laws. Rome would like all governments to refrain from adopting national measures between now and 1992, in areas where there has been no harmonization so far, and to recognize the technical agreements entered into by each of them with third countries.

In the Italian Government's view it is equally necessary to set up a European veterinary inspection service, which would carry out

checks at the Community's external frontiers, as well as at ports

and airports. The inspectors would receive a similar training. The Italian memorandum also envisages the creation of a European veterinary fund, which would meet part of the costs borne by the Twelve in meeting Community standards.

## BRIEFLY . . .

● The heads of the European Community's national railways and the 12 EC governments have joined forces to prepare the railway network for the single market. They set up a working group to this end in Madrid on 3 April. Its members will include representatives of the railways and the ambassadors of the Member States to the Community.

● The European Commission proposed on 13 April that the rates charged by the European Community's hauliers be decontrolled from 1 January 1990. The present system of mandatory tariffs is hardly compatible with the single market, in the Commission's view.

● The creation of a European Transport Agency, to facilitate decision-making and the financing of equipment, is proposed in a report published on 20 March by the European Round Table of Industrialists, to which some 40 of the largest West European companies belong.

The flow of capital into Greece from other European Community countries, to finance takeovers, mergers and similar operations involving Greek companies, amounted to some ECU 76 million. (ECU 1 = £ 0.65 or IR £ 0.78) during the first two months of 1989. This was more than two-thirds of Greek capital imports during all of 1988.

● The European Commission's press and information office in Dublin organized the first of its '1992' lunches in early April. They will be held once a month, and will bring together the heads of some 15 industrial and service companies for an exchange of views.

● A free telephone line — line 06 — will be installed in the Netherlands before the summer, to provide callers information on the 1992 project. If the expert is unable to answer the question put to him, he will connect the caller to the ministry concerned.

● 'Europe in Britain' was the theme of an information day, devoted to the single market, which the European Commission organized in London on 31 March. Those who attended came from all over the country, and were able to take part in debates dealing with a wide range of subjects, including trade and industry; the professions; finance; the regions; social affairs, etc.

● Some 58% of German firms believe they are ready for the single market, according to a survey in which more than 15 000 companies took part. It was commissioned by the country's Conference on Trade and Industry (DIHT) and published on 12 April. Companies which already export were more optimistic, on the whole.

## Seen from abroad

### ► Vienna wants to join

The Austrian Government adopted a report on 17 April which favours the opening of negotiations for the country's eventual membership of the European Community. The report nevertheless lays down several conditions for Austria's entry into the Community, of which the most important are that Austria's neutrality and its social security system must be safeguarded. The Socialist Party, to which Chancellor Franz Vranitzky belongs, had come out in favour of entry negotiations on 4 April.

### ► Malta draws closer

The government of Malta would like to harmonize its own legislation with that of the European Community and cooperate more closely with it in a variety of areas, including the monetary field. The country's prime minister, Ugo Mifsud Bonnici, and his colleagues told the Twelve as much during the EEC/Malta ministerial level meeting in Brussels on 20 March.

### A European Company Statute and crossfrontier cooperation

Parliament shares the Commission's view that a European Company Statute would represent a significant step towards the achievement of the internal market. Instead of being faced with 12 different sets of legislation, companies involved in crossborder trading would be able to register under just one piece of legislation.

But the Commission's last proposal foundered on the question of worker participation.

### Worker participation

Member States such as the Netherlands and Germany, whose co-determination is standard practice, accept such provisions at EC level but other countries which rely on a voluntary approach to industrial relations, such as the UK and indeed Unice, the employers' representative, are opposed to EC legislation in this area and indeed Unice does not see the adoption of a Company Statute as a prerequisite for the completion of the internal market.

In order to accommodate these opposing views, Jacques Delors has told Parliament that the Commission's next revised set of proposals will include an option on this question, to take into account the different practices in the Member States.

When Parliament debated the issue in March, while deciding to withhold its final opinion pending the Commission's proposal, it did reaffirm certain principles including that of employee representation.

### Works Council

In fact it called for the Commission's new proposal to include references to 'The European Works Council' as stipulated in the previous 1975 proposal. It also wants the statute to be relatively simple to implement and agrees that the proposal must offer companies a choice of options. But the Legal Affairs Committee spokesman, Willi Rothley (G, Soc), found it difficult to go along with the Commission's view that worker participation need not be introduced if the workforce is opposed to it. The Commission argued that the system could not be made to work without the support of the workforce but Mr Rothley felt this approach carried with it the danger of hidden pressures on employees. He did accept, however, the need for both sides of industry to agree on the appropriate model.

### Legal base

Another question raised by Mr Rothley was that of the appropriate legal base for the Commission's proposal.

Previous proposals were based on Article 235 of the EEC Treaty but the Single European Act includes a commitment to the creation of the internal market by removing barriers to trade leaving open the possibility of using new Articles 100(a) and 54(3), where Council decisions can be taken by majority vote, after two readings by the European Parliament, as a basis for legislation.

### Impact on small firms

The effect of the proposal on small firms will depend on the threshold at which it will apply. In previous discussions, suggestions have varied between a company employing 1 000 or 5 000 and this is the kind of detail that can be expected to be raised when it eventually comes before Parliament.

### VAT and tax harmonization

Small businesses involved in crossborder trading will be more than concerned about pending proposals for VAT harmonization and the proposed clearing house to settle intra-country transactions. While the Commission still strongly believes that some kind of alignment is necessary post-1992, if only to safeguard against the risk of fraud, certain Member States, especially the UK and Denmark, have strong misgivings. Denmark, with its high tax rates, is worried about potential loss of revenue as a result of lowering taxes, while the UK is adamant on the need to keep the zero-rate for basic goods such as food and children's clothing and, indeed, when the issue was debated in Parliament in April there was support from many British and Irish members for the retention of the zero-rate.

The new Commissioner responsible for taxation, Christiane Scrivener, said that she would be consulting with all interested parties before publishing her new proposals. She accepted concerns about abolishing the zero-rate but added that if it was to be continued then its application should be restricted.

On the question of harmonizing excise duties on tobacco and alcohol, she recognized that the original proposal would have meant reducing rates on cigarettes and drinks in some countries such as the UK, and that in view of health concerns, this was impractical.

A British Conservative, Ben Patterson, calculated that only 4-8% of price differences between countries could be accounted for by VAT differences, although some consumer durables, especially luxuries, were VAT-sensitive. But items like electricity or water could not possibly distort competition. Therefore, there was justification for maintaining the zero-rate.

An Irish member, Paddy Lalor, in supporting the zero-rate for food, said the impact of the Commission's proposals would cost the Irish exchequer ECU 500-600 million in lost revenue. Some compensation would be needed if this was to come about.

A British Socialist, Ken Collins, said he did not believe a case had been made for bringing rates into line. As he put it, differences in rates are not going to influence the habits of someone wishing to buy a newspaper in Barcelona or Bonn. Another speaker in support of the zero-rate, he argued against a tax on knowledge, whether it be on books or newspapers.

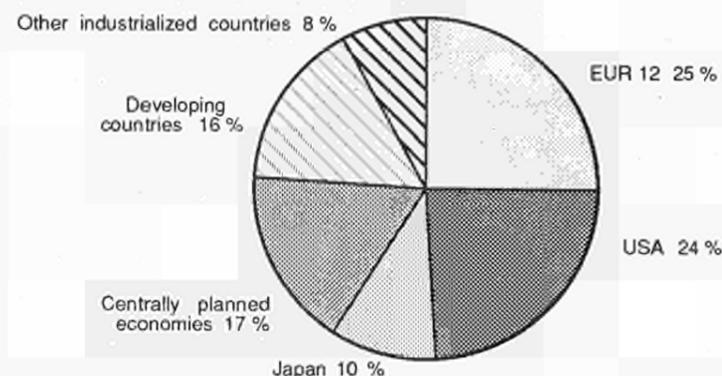
Another British Conservative, Peter Beazley, wanted to know if charities would continue to be exempt and Mrs Scrivener reassured him on this point.



# Key figures

Statistical office of the European Communities, L-2920 Luxembourg, tel. 4301-4567

Community share of the world economy in % 1987



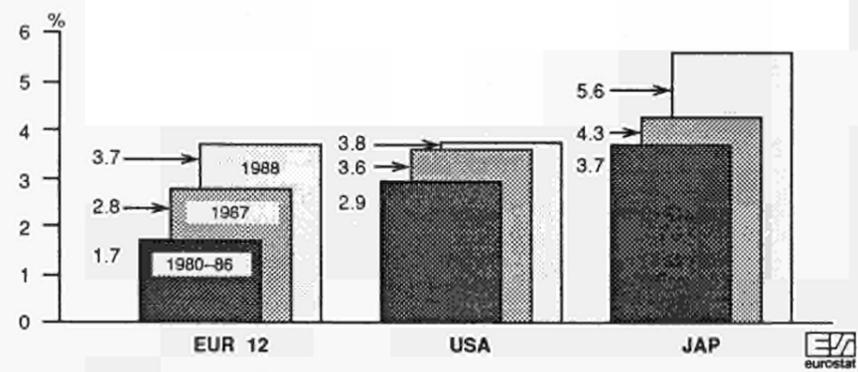
## The Community and the world economy

The Community is now the world's largest economic power and the major economic force amongst the industrialized countries. The Community alone produces one quarter of the world's economic wealth.

Member States' % share of the Community economy (EUR 12 = 100)

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
1987	3.1	1.8	21.6	1.7	8.9	18.8	0.7	18.5	0.1	4.7	1.6	18.5

Growth rate of GDP at 1980 prices (in %)



## The development of real GDP

Measurement of economic performance by the growth rate of real GDP (gross domestic product at 1980 prices) confirms the vitality of the Community economy.

It must nevertheless be pointed out that, on a Community level, this growth rate has remained lower than those of our two main trading partners, the USA and Japan.

Growth rate of GDP in the Member States (in %)

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
1980-1986	0.9	2.7	1.4	1.3	1.7	1.6	1.8	1.9	3.1	1.2	1.5	2.1
1987	2.0	-1.0	1.9	-0.4	5.5	2.2	4.1	3.1	2.5	1.3	4.7	3.8
1988	3.8	0.2	3.4	3.3	4.9	3.4	2.6	3.8	3.2	3.0	4.2	4.1



## EUROPEAN PARLIAMENT

### A message from Lord Plumb, President of the European Parliament

Compared to national Parliaments, the European Parliament is but a stripling, with only 10 years' experience in its present form. But just as national Parliaments have acquired their role and influence over a period of time, through many struggles and out of many crises, the European Parliament is moving forward to occupy the role which I believe it is destined to play on the European scene.

We in the Parliament can legitimately exercise democratic control on behalf of the public over the European Commission and its policies. We can give, by voicing the opinion of our electorate, a genuinely European dimension to the great issues of the day. And we can represent the citizens of the Community before the Council of Ministers, who are composed of the Member State governments.

This is why the European Elections of June 1989 are so important. The fundamental political element of all the members of the European Community is political freedom, guaranteed through regular democratic elections. The European Community can afford no less than a good turn-out at the European elections.

#### What difference will your vote make?

It is important to realize that Community policies in agriculture, industry, research and development, tax, financial services and social and regional investment, among others, are determined by a democratic process, in which the part played by ordinary people would be disabled by a low turn-out in these crucial elections.

The European Community is on a path of progress: progress towards a single market of 320 million consumers; progress towards a more open, free and caring society throughout Western Europe. The Community is a major player on the world stage. It needs no less than a major turn-out in the June European elections to guarantee its public support and encouragement for its aims.

#### 1992 and SMEs

The European Parliament has, for some time, been concerned to see small and medium-sized enterprises gain the maximum benefit from the single market in 1992 and in recent months has amended legislation in the Community's research programme with a view to encouraging SMEs, especially those located in the peripheral areas of the Community, to participate.

The interests of small firms were also taken into account when Parliament voted on the legislative proposal to open up the market in public supply contracts. It persuaded Council to accept changes, raise the threshold at which the directive would apply from ECU 1 million to 5 million and thus protect the interests of many small firms that rely on the public contracts market.

#### Business Innovation Centres

Parliament supports the idea of helping small firms through business and innovation centres set up across the Community and in the light of Parliament's amendments the Commission has now revised its proposal for business and innovation centres so that it is now set to run for four years from 1988-91 with a ECU 15.5 million contribution from the Community's budget.

Parliament wants to see the scheme used as a means of strengthening economic and social cohesion and as a means of reducing regional disparities. This means that the idea is now to concentrate the location of the centres in industrial areas entitled to assistance from the European Regional Development Fund or the European Coal and Steel Community and, indeed, in areas benefiting from the Community's special programme for Mediterranean regions.

The aim of the centres is to provide a link with the European Business and Innovation Centre Network (EBN) and to provide advice and assistance for small firms wishing to diversify. In addition, help would be given in choosing appropriate new technology and at the same time the idea is to act as advice centres in the managerial, legal, taxation, commercial and financial fields.

The criteria to be used for the selection of the location of the centres will take into account such factors as existing training facilities, the communications network, labour force potential and local sources such as Chambers of Commerce, development agencies and higher education facilities.

Preparations for opening 39 information centres are now nearing completion.

#### Burden of paperwork

Another concern of Parliament has been the burden of paperwork imposed on small firms, and in response to this the Commission has announced that it intends publishing proposals to simplify existing accounting directives and to set up a consultative committee with a mandate to work towards the simplification of legislation applicable to small businesses.

#### New proposals

Next month Parliament is due to pass judgement on the Commission's latest proposals for improving the business environment of small firms. This involves a proposed budget of ECU 135 million for the four-year period 1990-93, of which ECU 93 million would cover information and assistance and ECU 29 million on promoting cooperation and partnership. In addition, a statistical databank providing comparable Europe-wide company information would be established.

An Italian Communist, Aldo Bonaccini, will be presenting Parliament's reaction in the form of a report and minor amendments to the draft Council decision on behalf of the Economic and Monetary Affairs Committee.

He will confirm Parliament's support for the proposal, which he sees as strengthening the Community's commitment to SMEs rather than a major new initiative. But he is likely to seek to extend the scope of the programme to include cooperatives.

#### Bureaucracy

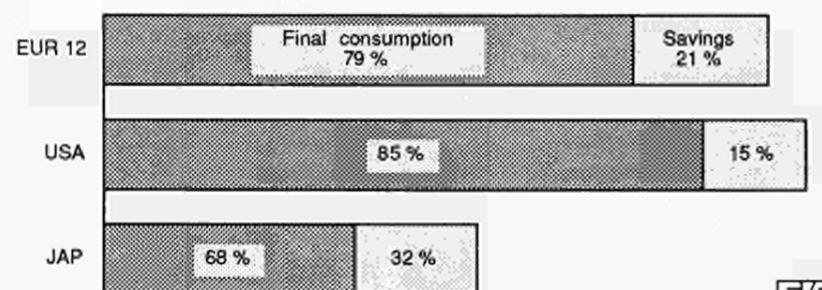
He will welcome the other aim of the Commission to remove unnecessary bureaucratic restrictions on business but once again is likely to point out that this should be seen in conjunction with progress on other EC policies such as the elimination of border controls, monetary integration, a European Company Statute and special provision for SMEs in EC taxation and competition policy.

#### Publicity

He is also likely to ask the Commission to be more precise in drafting its statements relating to the impact of EC proposals on businesses and appeal for clarity from the Commission when drafting proposals in general. Small firms do not have the resources available to larger companies to find out just what an EC proposal means in practice. The situation could be improved if the Commission were to give more publicity to its activities and use electronic means of communication.

Finally, he is likely to seek to insert a provision in the draft decision to make sure the European Parliament is involved in future decision-taking affecting the sector.

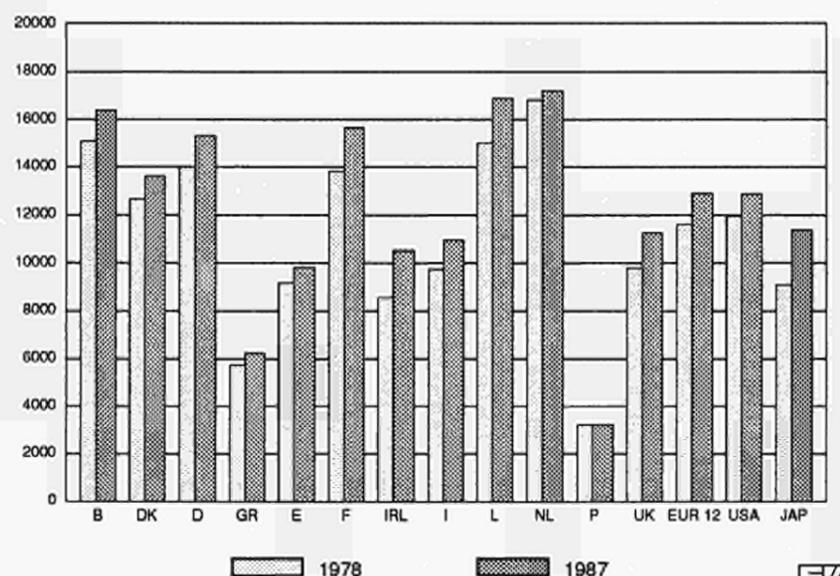
% share of final consumption and saving in national disposable income, 1987



% distribution of final consumption and savings in national disposable income

1987	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
Final consumption	82	84	76	83	78	80	80	79	57	78	75	84
Savings	18	16	24	17	22	20	20	21	43	22	25	16

Trends in real compensation per employee, in ECU



## National disposable income, final consumption, savings

National disposable income represents the total income from the various sectors of the economy. It is divided into spending on final consumption and savings. The percentage distribution of national disposable income in the Community stands at a level between those of its two main economic partners, the USA and Japan.

## Compensation of employees

In the course of the last decade there has been a considerable increase in real compensation per employee measured in ecu (= gross compensation of employees deflated by the GDP implicit price index). The level reached by the Community in 1987 was similar to that of the USA, and remained higher than in Japan. There are, however, great disparities within the Member States.