



The enlargement of the European Community and the nationality question

■ by Peter Schmidhuber, Member of the European Commission

Five countries have asked to join the European Community so far. They are Turkey, Austria, Malta, Cyprus and Sweden. Others will follow in all probability. The question that is being asked is just how a Community of 24 or 30 members could operate. An enlargement on this scale seems to be neither desirable nor feasible in the foreseeable future. Keeping the Community going is a precondition for future membership policy; but it is equally necessary to look at other aspects of enlargement. I regard three such aspects as of particular importance.

- There must be a direct geographical link with the territory of the Community. This means that Hungary, for example, cannot be allowed to join before Austria.

- The economy of the country seeking membership must be sufficiently strong, in principle, to face increasingly strong competition within the single market. Of course there can be temporary derogations for certain sectors; but the candidate for membership must be both willing and able to take part in all the future stages of the deepening process — economic and monetary union and political union.

- The country seeking membership must be have the will to fit into the Western community of values, which represents a common ideological platform for the Member States. In this connection, it is not so much the attitudes of the respective governments which are involved but rather the main ideas held by their populations as a whole.

The Community's ability to absorb new members is not unlimited. For reasons of organization and negotiating techniques it would be necessary to accept countries seeking membership in groups of two or three. If the Community's membership were to double once again, changes would be necessary not only as regards the Community's structure but also its aim. Another question arises in this connection. How is the Community's identity to be preserved? It is naive to assume or to hope that the contradictions of European history can be eliminated through a merger of States, on a continental scale, within the Community framework; what is more, it is at variance with history. The limits to the parallel which has been drawn with the United States of America are also evident at this point. An integration strategy based on the American conception of the melting pot would betray the diversity of Europe's cultural heritage.

Similarly, the phenomenon of nationalities, or rather of nations, is also of considerable significance. Two trends, in appearance contradictory, can be seen at present in political and economic matters:

- on the one hand there is a tendency to join with others to create larger units and a growing need for international cooperation, as shown by the development of the European Community; and

- on the other hand there is a tendency on the part of regions to maintain their autonomy and their own identity and capacity to decide for themselves — all of which can lead to manifestations of nationalism on the part of peoples and ethnic groups that have been oppressed hitherto.

It is advisable to bring together these two tendencies in an orderly relationship. The Community's future development, as well as the political and economic restructuring of Eastern Europe, including the former USSR, and peace in Yugoslavia depend on it.

The 'order' which the Soviet Union had imposed on Central and Eastern Europe has disintegrated. The result is the resurgence of old nationality conflicts so typical of Eastern Europe. Here population movements during the Middle Ages left behind such a blend of peoples and cultures that it was impossible and this is the case even today — to separate them neatly by State, nation and territory. This is dangerous heritage and a challenge for the European idea as it has developed since 1945, following the tragedy of the Second World War experienced by both victors and vanquished. It is a major political task for the advocates of the European idea, both in the East and the West.

DECISIONS

■ Alcohol, tobacco and petrol are freed

As from 1 January 1993 Europeans will be able to buy alcoholic beverages, cigarettes and other tobacco products and petrol wherever they like in the Community and to bring them home without let or hindrance. These three categories of products, which are subject to excise duties, will be able to move freely within the single market, thanks to an agreement in principle on a European system reached by the EC Council of Ministers on 16 December 1991. The 'European law' embodying this system, which awaits definitive adoption, sets out the conditions governing the payment of excise duties, the free movement of the products in question and the rules designed to prevent fraud. At the heart of the system is a Community-wide network of interlinked warehouses, operated by importers and wholesalers for example, between which these products will be moved free of excise duties. The system should reduce the paperwork for companies. At the same Council meeting the Twelve adopted definitively the Directive ('European law') establishing VAT for the European Community as a whole for the period 1993-96. It will make it possible to eliminate checks at the Community's internal borders on all goods subject to VAT (see *Target 92*, No 1-1992).

■ At last, the single market for cars ...

Come the single market in 1993 registering a car bought in another European Community country will no longer be an obstacle. In order to be driven anywhere within the 12-nation Community, a new car will need only one Community authorization or homologation. After all kinds of incidents, the EC Council of Ministers adopted on 19 December 1991 the last three Directives ('European laws') which make this Community homologation possible. These three Directives complement the 41 which have already been adopted. They set out the technical characteristics to which tyres and safety glass must conform as well as the weight and size of motor vehicles. The latest Directives must be examined by the European Parliament before they can be adopted definitively. Most of the EC countries which protect their domestic market for cars have agreed to open their borders to vehicles originating in other Member States because of the guarantees they have received from the European Commission as regards their distribution.

■ ... with dealers being maintained

With a decision regarding a specific case (Peugeot v Ecosystem) and a general memorandum, the European Commission spelled

80 % OF '1992 MEASURES' ADOPTED

Agreement has now been reached on more than 80 % of the measures needed to complete the single market. Out of a total of 282 measures, 232 had been adopted by the Twelve by 18 December 1991. A number of decisions were even reached in subsequent days. The European Commission regards this state of affairs as positive on the whole. It nevertheless is of the view that the EC Council of Ministers and European Parliament must give priority to ending border checks if the 1992 programme is to be realized on time. The Commission proposed to the Twelve on 18 December 1991 a work programme to this end. It consists of 25 measures dealing notably with the movement of people, animals, plants and dangerous goods. These measures should be adopted between now and September 1992. The Commission thus hopes to be able to spot quickly eventual blockages in order to be able to submit them to arbitration by the Twelve and at the highest level, if necessary.

... AND 77 % OF THEM TRANSPOSED

Of the 232 measures for the single market already adopted by the Twelve, 173 are already in force; 136 of them need to be transposed into the national legislation of each Member State in order to be applied in practice. On average, 77 % of these 136 measures had been transposed by the Twelve as of 10 December 1991. However, only 49 measures were being applied in all EC countries without exception. If Denmark has transposed more than 90 % of the measures in question, Italy's score is just over 50 %.

out on 4 December 1991 just how far middlemen can go without falling foul of the 'European law' of 1985 on the marketing of motor vehicles. The memorandum in fact ensures that the single market will not result in a flood of Japanese cars into those EC countries which most protect their market for cars. An arrangement reached between the EC and Japan provides for self-restraint on the part of Japanese exporters until 1999. According to the Commission, a middleman doing business in one EC country has the right to buy cars in another Member State on behalf of clients located in his own country. But he must meet certain criteria. (i) He must follow the written instructions of a clearly identified customer; the services he offers and their listing must be capable of verification. (ii) Neither his offices nor his advertising must give the impression that he is the dealer for a specific brand; he must not display cars for sale. (iii) He must not maintain a special relationship with dealers nor enjoy special discounts. The European Commission would view with suspicion the fact that a dealer realized more than 10 % of his sales through a middleman. Under these conditions the latter can obtain for motorists cars at lower prices or models which are not sold within the country. But manufacturer's agents remain responsible for the marketing of cars, provided they agree to sell to customers throughout the European Community.

■ Cross-border training

In the 1993 single market opticians, physiotherapists and technicians belonging to a regulated profession will be able to exercise their activities in the 12 European Community countries after having trained in any one of them. The EC Council of Ministers reached agreement on 19 December 1991 on a system of mutual recognition of vocational training at both the secondary and higher levels, but for less than three years in the second case. The European Parliament must look at the system before it becomes a 'European law'. It is of interest to both the self-employed and salaried staff engaged in the professional activities in question, and complements a 'European law', adopted in 1989, dealing with training which is given in institutions of higher education and lasts more than three years. The new system will also apply to individuals who have practical experience but no diploma.

■ A green label for Europe

For a single market a uniform green label. Following this logic, the EC Council of Ministers reached agreement on 12 December 1991 on a European system for granting such a label. The system will take the form a 'European law' when it is definitively adopted. The label will reward products which do not harm the environment during their entire life cycle — from raw materials to waste. It will be symbolized by an E-shaped flower surrounded by 12 stars and on a stalk bearing four leaves. The label will be awarded by the relevant national body in the country of manufacture or import on the basis of European criteria. The label will be awarded for a limited period of time, approximately three years, and the conditions governing its use will be set out in a contract between the national body and the company in question. At least once a year, the European Commission will publish in the Community's Official Journal the list of products which have been granted the label, together with the expiry date. The green label will not be awarded to food-stuffs, drinks and medicines.

■ European passport for insurance policies

From July 1994 (end 1998 in Greece and Portugal) both companies and individuals based in the European Community will be able to take out an insurance policy (except life insurance) in the Member State of their choice. At the same time insurance companies will be able to offer their services throughout the 12 EC countries without benefit of a local office. The EC Council of Ministers reached agreement on 19 December 1991 on the third and last Directive ('European law') for this sector. The 'law' puts an end to controls on premiums and institutes a single approval granted by the Member State of origin. This will allow the insurance company to operate throughout the single market. The new 'law' must come before the European Parliament before it can be definitively adopted. On the same day the Twelve adopted definitively two other insurance

MAASTRICHT'S MAIN ACHIEVEMENTS

- The transformation of the Community into a European Union.
- A single currency — the ecu — for 1 January 1999 at the latest.
- A cohesion fund to help protect the environment and modernize transport in Spain, Greece, Ireland and Portugal from 31 December 1993.
- In principle, as from 1 January 1993:
 - Union citizenship for EC citizens;
 - a consumer protection policy;
 - a social policy — but without the UK;
 - a foreign and defense policy which can lead to joint defence;
 - Community competence in the field of energy and public health;
 - an extension of the fields in which unanimity is no longer required in decision making by the Twelve, notably as regards social and environmental issues; and
 - an increase in the powers of the European Parliament, especially as regards the environment, research and major infrastructure projects.

'laws'. The first harmonizes company accounts, thus making inter-country comparisons easier, while the second sets up an insurance committee, already in operation since this January. Its task is to monitor the implementation of these 'European laws' and anticipate future legislative needs.

BRIEFLY

In the single market **operators of buses and coaches** based in one European Community country will be able to offer their services in all of them without discrimination. The EC Council of Ministers adopted on 16 December 1991 a 'European law' which eliminates the need for prior authorization for occasional trips and transit. This 'law' lays down European rules for the authorization of regular journeys.

The EC Council of Ministers agreed on 19 December 1991 to impose the use of European standards on **direct broadcasting by satellite**. The 'European law' provided for under this agreement will replace a 1986 'law', which expired at the end of last year. The standards will apply to high-definition television (HDTV).

Contracts for public services, such as the provision of transport for schoolchildren, will be thrown open to Community-wide competition in 1993. The EC Council of Ministers reached agreement on 19 December 1991 on a 'European law' which institutes Community procedures for public procurement contracts for at least ECU 200 000 (ECU 1 = UK £ 0.72 or IR £ 0.77). It concerns all contracts except those covering supplies and public works, as these two categories have already been liberalized on a Community-wide basis. The new 'law' now goes to the European Parliament for examination.

In the 1993 single market **motorized bikes and motor cycles**, with or without a side-car, will be subject everywhere to the same rules of manufacture. They will need only a single authorization, however, in order to be marketed throughout the Community. The EC Council of Ministers adopted a 'European law' on these lines on 19 December 1991; it must now be looked at by the European Parliament.

Homeopathic medicines will be marketed freely, like other medicines, in the single market. The EC Council of Ministers adopted on 19 December 1991 a 'European law' making it possible for each EC country to accept medicines authorized for sale in the other EC countries.

The European Commission decided on 18 December 1991 to set up its own **veterinary and phytosanitary inspection office**, within its Directorate-General for Agriculture. The office will have the task of guaranteeing that Community legislation dealing with animals, plants and their products, such as meat, fruit and vegetables, is implemented correctly and in a uniform manner throughout the 12-nation EC.

New heavy-duty trucks, buses and coaches will have to be fitted with **speed limiters** from 1 January 1994; older vehicles will have to wait a year or two longer. Under a 'European law' adopted in principle by the EC Council of Ministers on 17 December 1991, these devices will limit the speed of trucks to 90 km/hour and of buses and coaches to 100 km/hr. The standards which determine the design and installation of the limiters were adopted by EC ministers on 19 December 1991.

The **statistics on industrial production** in the EC countries will become European, thanks to a 'law' adopted by EC ministers on 19 December 1991. Hereafter, in all the Member States, statistics will be gathered from companies which account for at least 90% of national output. The figures will cover all firms employing at least 20 people. At the same time the nomenclature will be unified.

The EC Council of Ministers adopted definitively on 19 December 1991 a 'law' ending **customs formalities and checks on the luggage of persons** travelling between two Community countries, whether by air or by sea. (See *Target 92*, No 8-1991).

EC ministers adopted on 19 December 1991 **energy-efficiency standards for new oil and gas-fired boilers**. They are embodied in a 'law' which has yet to come before the European Parliament. Manufacturers of boilers which conform to these standards will be able to market them throughout the Community. Boilers which are the most environmentally friendly and the most energy efficient will be entitled to a quality label.

After 31 December 1992 the **exports** of each of the 12 EC countries to their Community partners will be entirely free. EC ministers embodied this principle in a Community regulation, which was modified on 19 December 1991. In practice, the Twelve have already done away with most export restrictions which are incompatible with the single market.

There will be no restrictions on the marketing of **ornamental plants and their seeds** throughout the single market, thanks to a 'European law' which EC ministers adopted on 19 December 1991. This 'law' harmonizes health and quality standards. Another 'law' adopted the same day provides for Community-wide protective measures against organisms harmful to plants, so as to make it possible to eliminate border checks.

INITIATIVES

● *Parlez-vous Lingua?*

Two of the aims of the Community Lingua programme are to make it easier for people working in businesses to learn European Community languages and to promote those which are least widely used. The programme was introduced in July 1989 for a five-year period and given a budget of ECU 200 million. As a result, in 1991, universities, language teaching companies and professional bodies received financial help from the Community for various projects: teaching in small businesses, the preparation of dictionaries of commercial terms, etc. Applications for 1992 must be sent to Bureau Lingua, 10 rue du Commerce, B-1040 Brussels, Belgium; tel.: 511 42 18; fax: 511 43 76. Last date for applications: 15 March 1992.

○ BRIEFLY

With a view to **making salaries more fair within the 12-nation European Community**, the European Commission has suggested better information and statistics which are comparable between EC countries and means of ensuring that national laws are respected and verifying that they are adequate for the purpose. The Commission's proposals are contained in a project adopted on 11 December 1991.

The European Commission launched on 9 December 1991 a study which seeks to assess the impact of the single market on two professions which are related to border formalities: **customs and forwarding agents**. The study, to be carried out by a professional European body, will look at job losses and retraining possibilities.

SEEN FROM ABROAD

► **Associating Budapest, Prague and Warsaw**

By joining the EC in signing on 16 December 1991 the first European association agreements, Czechoslovakia, Poland and Hungary have undertaken in particular to guarantee that their future legislation conforms to 'European laws'. These European agreements have been concluded for an indefinite period of time, and refer to the future entry of the three countries in question.

► **'1992' is good for the United States**

'A market of 340 million consumers ... offers numerous outlets for American businesses', according to the US Chamber of Commerce in a report entitled *Europe 1992 — A Practical Guide for American Business*. Published on 18 December 1991 the report notes that the effects of the 1992 programme are positive for all sectors. American multinationals 'are particularly well placed to take advantage of the single market'.

◆ 23 to 27 March: European Business Week

To help small and medium-sized enterprises (SMEs) meet the challenge of the single market; to give greater publicity to the European networks set up to help SMEs and to encourage the latter to take part in European Commission programmes — these are the main aims of the European Business Week, to be held this year from 23 to 27 March. The week will be organized by the Community-wide network of Euro-Info Centres (SME information), BC-Net (network of inter-business cooperation) and BCC (Business Cooperation Centre) (cooperation between firms), in close collaboration with economic operators at the national, regional and local levels. The programme will include 'open-house days', seminars, talks, round tables, etc.

This initiative will provide greater exposure for the programmes and instruments instituted by the European Commission for the benefit of SMEs: the Euro-Info Centres, BC-Net, BCC, Europartenariat and Interprise (cooperation between regions). This 'Week' will also provide company managers an opportunity to find out more about more specific programmes: the training of SME managers in the run-up to 'Europe 1992'; access for SMEs to public procurement in the Community and to research and technological development programmes; activities in favour of craft industry, etc.

◆ European coops, mutual insurance systems and associations

The European Commission adopted at the end of last year proposals aimed at creating a European framework for the activities of cooperatives, mutual insurance systems, associations and foundations. The aim is to help this sector benefit from the single market.

The Commission is proposing the adoption of regulations ('European laws') setting out the statutes of the 'European cooperative', 'European mutual insurance' and 'European association'. Other 'legislative proposals' deal with the role of workers in these different entities. This system will confer on cooperatives, mutual insurance systems, associations and foundations a legal existence in a European framework, thus making it possible for them to develop crossborder activities, even while maintaining their own characteristics.

A European cooperative, mutual insurance system or association could be set up in one or two ways. It could be directly constituted, according to the modalities contained in each 'law'. Alternatively, a national cooperative, mutual insurance system or association could be changed if it had an establishment or a subsidiary in another Member State.

The statutes envisaged for the European cooperative, mutual insurance system and association are the subject of joint provisions in several areas: general meetings, organs, finance, accounts, winding-up and liquidation, insolvency and suspension of payments. Each text nevertheless sets out the rules specific to each of them. They deal notably with the capital for the Euro-

pean cooperative, the funds for setting up the mutual insurance company and, for the European association, the modalities of establishment, as well as the operation of the administrative organ.

The sector represented by cooperatives, mutual insurance systems and associations is of considerable importance for the Community. The fact is that it accounts for 10 % of the turnover of the retail trade and 17 % of the savings entrusted to financial institutions. It insures some 40 million families against the risk of illness. These organizations make a basic contribution to the dynamism of a democratic, pluralist society; they are to be found throughout the European Community.

◆ Helping women set up SMEs

Faced with the problem of long-term unemployment, women throughout the European Community are showing a growing tendency to go into business for themselves. In the framework of its third action programme for equality of opportunity for women, the European Commission, through its local employment initiatives, or LEI, programme, is providing financial backing for business enterprises or cooperatives set up by women.

The aim is to encourage the employment of women. The aid is therefore being given to women who set up businesses which offer jobs to at least two women. Subsidies of between ECU 3 000 to 7 500 are being granted for the creation of two full-time jobs (or four part-time jobs), for a maximum of five jobs. There is a provision of ECU 1 500 for every new job created.

The Commission is giving priority to projects which hold out the possibility of work for women who are immigrants, unemployed or handicapped. The technical management of the programme has been entrusted to the liaison office of the Italian Confederation of Craft Industries (CNA) in Brussels. A guide as well as application forms can be obtained from LEI Grant Management — 1, avenue de la Joyeuse Entrée — B-1040 Brussels, Belgium.

◆ Retex: help for textile and clothing SMEs

The European Commission gave its agreement, at the end of December 1991, to a regional action project baptized Retex.

Through Retex the Commission plans to speed up the diversification and modernization of companies located in regions heavily dependent on the textiles and clothing sector.

Retex will help SMEs based in these regions — including viable companies in the textiles and clothing sector — to improve their managerial and organizational skills, draw up modernization plans and improve staff training programmes.

Regions which can benefit from Retex are those which are heavily dependent on the textile and clothing industry and are in a position to receive help from the European regional development fund: regions lagging behind in economic development or facing industrial decline.

The Commission has earmarked some ECU 500 million, for Retex, over a five-year period. It will finalize the details after consulting the European Parliament and the Economic and Social Committee.

The contents of this publication do not necessarily reflect the official views of the institutions of the Community.

Reproduction authorized with reference to the source.

Commission of the European Communities

Directorate-General Audiovisual, Information, Communication and Culture, and Directorate-General Enterprise Policy,
Distributive Trades, Tourism and Cooperatives, Rue de la Loi 200 — B-1049 Brussels



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg

Catalogue number: CC-AI-92-002-EN-C