

EUROPE

IN FIGURES

DEADLINE
1992



OSCE: 22 D

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EDITION**


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WITH A FOREWORD BY THE RT HON SIR LEON BRITTAN QC AND RAY MAC SHARRY



Foreword

The development of a united and prosperous European community is one of the most significant and valuable assets our generation can pass on to the young people of today. However, relationships between nation states are only truly meaningful if they are founded on a sound knowledge of each other's affairs, and underwritten by the personal commitment of the individual citizens, young and old alike.

Europe in Figures provides over 60 pages of data on how the Community functions and its socio-economic situation. Europe's position is thrown into relief in a broader context by comparison with data from the United States and Japan.

It gives us great pleasure to introduce this book, which is published in all the countries of the European Community and many others besides. We trust that it will help the young people of Europe to understand and appreciate both the ideals and the realities of our community of nations. With the achievement of the internal market in 1992 moving ever closer and the exciting opportunities this offers to both trade and employment (and indirectly to increased social and cultural interchange by us Europeans), we must all be aware that the more we understand about our Community the more we shall enjoy its benefits.

The Rt Hon Sir Leon Brittan QC
Vice-president, Commission of the European Communities

Ray Mac Sharry
Commissioner, Commission of the European Communities

EUROPE IN FIGURES

Second edition

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LIBRARY

This brochure has been designed for educational purposes. Its contents do not necessarily reflect the official opinions of the institutions of the European Community.

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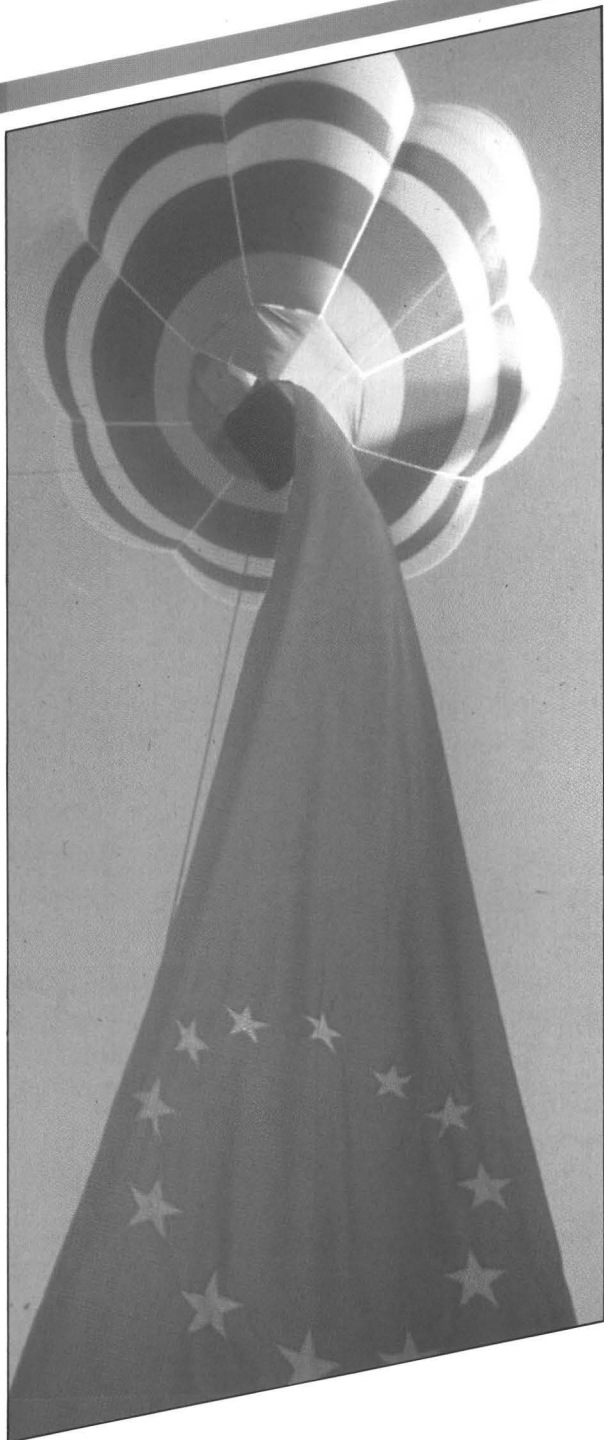
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1

THE BUILDING OF EUROPE



The European Community is over 30 years old. On 25 March 1957, in Rome, the representatives of six countries (Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands) signed two Treaties establishing the European Economic Community and the European Atomic Energy Community (Euratom). The adventure was about to begin.

The dream of a united Europe is an old one, but it took the destruction of the Second World War to prompt the Heads of State or Government to take steps towards achieving that aim. Plans foundered on the rocks of 'supra-nationality' and the various countries balked at delegating authority. In 1949, the Council of Europe was set up in Strasbourg, but it was not given the authority to cope with the urgent political and economic matters of the time.

It was Jean Monnet's idea to build Europe brick by brick, by modest but concrete achievements which would lead to real solidarity bet-

ween countries. Instead of being created by decree, Europe would be constructed stage by stage.

The French Minister for Foreign Affairs, Robert Schuman, took over the idea. On 9 May 1950, he put the proposal to all the countries concerned and negotiations began. On 18 April 1951, in Paris, the 'Six' signed the Treaty establishing the European Coal and Steel Community, the ECSC. This was the 'leap into the unknown' in the building of Europe.

In 1957, the 'Six' completed a further stage by deciding to develop all economic activity on a joint basis. On 25 March, in Rome, they signed two Treaties giving birth to the European Economic Community (EEC) and Euratom. The long-term objective was the union of the peoples of Europe. But first of all, a 'common market' had to be set up, where workers, goods and capital could circulate freely.

Just over 10 years later, on 1 July 1968, the customs union came into being. All customs duties bet-

Photographs:

(1) On 9 May 1950, in the Salon de l'Horloge at the Foreign Affairs Ministry in Paris, Robert Schuman launches his challenge.

(2) On 27 January 1972, the EEC is enlarged. Prime Minister Edward Heath signs the Treaty of Accession of the United Kingdom in Brussels.

(3) On 28 May 1979, in Athens, the Greek Prime Minister, Mr Karamanlis, signs his country's accession. Now they are Ten.

(4) On 12 June 1985, in the Royal Palace in Madrid, King Juan Carlos and the Prime Minister, Felipe Gonzalez, bring Spain into the EEC.

ween the six countries were abolished and a common tariff was adopted to be applied to other countries. The previous year, an identical system of taxes on goods and services, VAT (value-added tax), had been introduced in all six countries.

Then came enlargement. In 1973, the Europe of Six became the Europe of Nine with the arrival of Denmark, Ireland and the United Kingdom. In 1981, they became Ten, when Greece joined, and on 1 January 1986, Twelve, with the entry of Spain and Portugal.

At the same time, joint activities were launched in new sectors. The common agricultural policy was set up in 1962, followed by action in the fields of energy, re-



search, the environment, education, consumer protection and the Community fisheries policy.

The European Social Fund (European fund for employment and vocational training), set up in 1960,

was followed in 1975 by the ERDF (European Regional Development Fund), designed to help regions in difficulty. In March 1979, the EMS (European Monetary System) was created to introduce a degree of currency stability. This gave rise to the ecu (European currency unit), the European unit of account. Finally, in June 1979, the European Parliament was elected for the first time by universal suffrage.

But new boundaries had still to be crossed. In February 1986, the Twelve signed the 'Single European Act', to enable the Community to meet the challenges of the future.

The basic aim of the Single Act is to create a vast unified internal market in a Europe without frontiers by 1992. The implementation of this major project, which is currently under way, has revitalized the process of building a true European Community. In the words of Jacques Delors, 'The single internal market is the real driving force behind European economic integration.'

We have come a long way since Robert Schuman started the process. Jean Monnet has won his bet: step by step and from one concrete decision to another, the European Community is growing stronger and achieving solidarity.

The growth of the Community

1958 = EUR 6



F



I



L



D



NL



1973 = EUR 9



DK



IRL



UK



1981 = EUR 10



GR



1986 = EUR 12



E



P



2

THE SINGLE EUROPEAN ACT



In December 1985, the European Council (the Heads of State or Government) meeting in Luxembourg, decided to give new impetus to European integration by drawing up a 'Single European Act', which was signed in February 1986 and came into force on 1 July 1987.

The Single Act is a new Treaty which modifies and supplements the Treaties of Paris and Rome (which established the three European Communities: ECSC, EEC, Euratom). Its aim is to bring the Community into line with the needs of the 1990s and to shape it into one large economic unit, a truly frontierless internal market with a population of 320 million: the biggest in the world.

Acting on the fact that Europe's lack of integration is proving expensive to the citizens of the Community (costing between ECU 125 and 190 thousand million per year according to studies carried out by the Commission), the decision-makers in the Member States have decided to do everything possible to create, by 1 January 1993, a 'vast single market'. Citizens of the Twelve will be able to live and work in the country of their choice, regardless of what job they do. Tourists and travellers will be able to travel without frontier checks and use their credit cards in all the countries of the Community. Businesses will have a far wider market, leading to greater profitability from investment and the creation of employment – in short, an area in which there will be total freedom of movement for persons, goods and capital.

The creation of such a unit demands the dismantling of barriers and obstacles erected by the Member States. These barriers cause time and money to be wasted and development opportunities missed, and thus stifle economic growth, social progress and

the welfare of the population, reduce competitiveness in the international market place, and hamper the fight against unemployment, which affects 16 million workers in the Community. To achieve the necessary harmonization of legislation and regulations, the European Commission has put forward 279 concrete measures, around 47% of which had been adopted by the end of 1988.

The most important measures tackle the removal of frontiers:

- (i) physical frontiers: eliminating border checks on people and goods and replacing them with increased cooperation between police forces and harmonized regulations;
- (ii) technical barriers: harmonizing national legislation regarding freedom of establishment for the professions, mutual recognition of diplomas, mobility of students and cooperation between universities and colleges of higher education; the opening up of public contracts to tenderers from all the countries in the EC; freedom of services, which play such an important role in the modern-day economy; freedom of movement and investment of capital;
- (iii) tax barriers: the harmonization of the various rates of VAT (value-added tax) and excise duties (a considerable challenge; the Commission is proposing two rates of VAT in the 4–9% bracket and the 14–20% bracket); these taxes are no longer to be collected at border posts between Community countries.

These measures for creating the vast internal market form only part of the whole range of decisions taken or pending, which will lend consistency and efficiency to the building of Europe. Further examples include:

- (i) measures for strengthening the economic and social cohesion of the Community, particularly those which aim to reduce the difference between the more privileged regions and the depressed or economically underdeveloped regions;
- (ii) action concerning social policy, especially the harmonization of rules governing the workplace, the health and safety of workers, and the promotion of dialogue between employers and unions;
- (iii) the intensification of technological research and development by setting up research and development programmes, promoting cooperation between researchers, providing training programmes and ensuring mobility within the Community;
- (iv) protection of the environment by preventive measures and Community regulations on the 'polluter pays' principle;
- (v) the strengthening of cooperation in monetary policy: the Single Act is firmly in favour of the Economic and Monetary Union, the European Monetary System and the ecu, although there is still a lot of work to be done before the ecu becomes a true European currency.

The Single Act makes finding solutions for all these problems much easier by making the decision-making process more efficient and more democratic through:

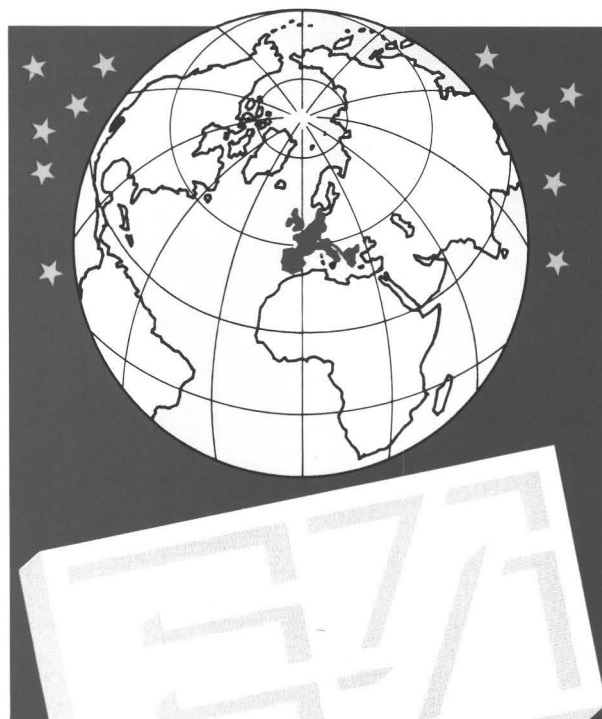
- (i) extending qualified majority voting in the Council to a whole range of policy areas (but unanimity is still required on tax questions);
- (ii) strengthening the administrative power of the Commission;
- (iii) involving Parliament more closely in decision-making by the 'cooperation procedure';
- (iv) setting up a Court of First Instance at the European Court of Justice for actions brought by individuals.

Finally, the Single Act sets the Twelve on the path of closer cooperation in the area of foreign policy in the sense of improved cooperation, harmonization of their points of view, and a joint policy on major international problems; it also provides for increased cooperation in areas of security. A legal framework has thus been set up for political cooperation, but a true European foreign policy is still a long way off, as each country retains complete freedom and sovereignty in this area.



The Single Act is the first step of a new phase in the building of Europe; it is the instrument Europe needed to respond to the numerous challenges facing it on the eve of the third millennium. It is however not just the actors on the political and economic stage who need to make this response, but each and every one of the citizens of Europe.

Qualified majority voting in the Council of Ministers		
	<i>Country</i>	<i>Votes</i>
D	<i>Germany</i>	<i>10</i>
F	<i>France</i>	<i>10</i>
I	<i>Italy</i>	<i>10</i>
UK	<i>United Kingdom</i>	<i>10</i>
E	<i>Spain</i>	<i>8</i>
B	<i>Belgium</i>	<i>5</i>
GR	<i>Greece</i>	<i>5</i>
NL	<i>Netherlands</i>	<i>5</i>
P	<i>Portugal</i>	<i>5</i>
DK	<i>Denmark</i>	<i>3</i>
IRL	<i>Ireland</i>	<i>3</i>
L	<i>Luxembourg</i>	<i>2</i>
Total		76
Qualified majority		54



3

THE INSTITUTIONS

The European Community is more than just another international organization. At the same time as Member States have kept their identity and their authority, they have created the means of dialogue and decision-making: the Council of Ministers, the Parliament, the Court of Justice, the Economic and Social Committee and, most original of all, the driving force: the European Commission (see next chapter).

The Council of Ministers is the essential decision-making body of the Community. It comprises the 12 Ministers for Agriculture, Foreign Affairs, Finance, etc. depending on the subject under discussion. In turn, each Member State assumes the Presidency of the Council for six months. The Commission takes part in the work of the Council and may at any time amend or withdraw its proposal.

The Council of Ministers lays down Community policy in all fields. Its most important decisions must be unanimous, but some may be by qualified majority.

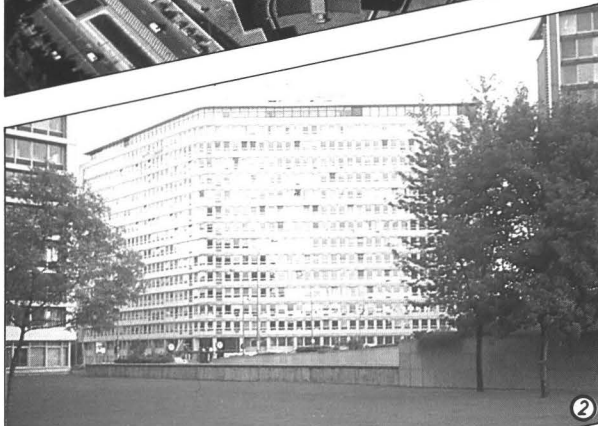
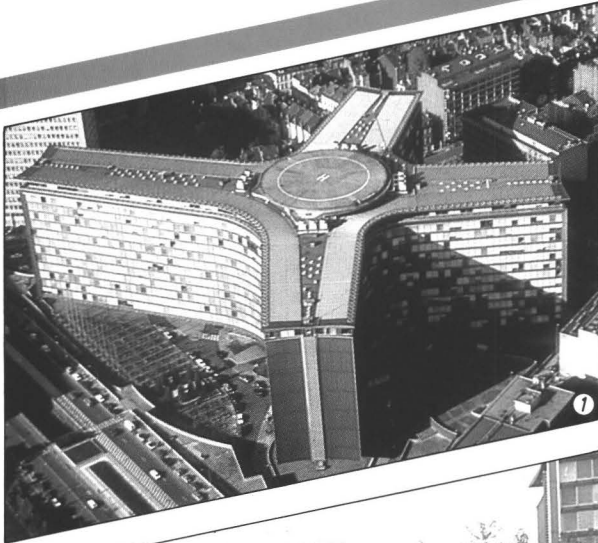
The Ministers' work is prepared by Coreper – the Committee of Permanent Representatives – which comprises the ambassadors of the Member States to the Community, together with their advisers. Coreper is a key element in discussions between governments of Member States and with the Commission. It is the Council's factotum.

The European Council sets the broad guidelines for Community policy. It comprises the Heads of State or Government of the Member States (assisted by their

Ministers for Foreign Affairs) and the President of the Commission, and meets at least twice a year. It is the European Council which provides the real drive: the creation of the European Monetary System, the Single Act, etc.

The European Parliament has been elected by direct universal suffrage since 1979. It comprises 518 Members (MEPs) elected from the 12 Member States by a system in which account is taken of relative population. MEP groups are formed by political tendency and not by nationality.

In comparison with national parliaments the powers of the European Parliament are limited. However, since the Single Act came into force, Parliament may, on certain conditions, amend the Commission's proposals to the Council of Ministers, thus influencing European law.



Photographs:

(1) The Berlaymont, Brussels, headquarters of the European Commission.

(2) A few steps from the Berlaymont, the Charlemagne building houses the Council of Ministers.

(3) The Court of Justice in Luxembourg.

(4) The Secretariat of the European Parliament in Luxembourg.

In addition, Parliament has a certain amount of control over the budget: it may increase certain expenditure in the budget submitted for approval by the Commission, but it cannot enact new sources of revenue.

The Court of Justice of the European Communities is based in Luxembourg. Its task is to interpret the European constitution and other European enactments in case of dispute. The Court comprises 13 judges and six advocates-general appointed for six years by common agreement of the Member States. Their independence is guaranteed.

European judges may request the modification of national decisions and legislation which are incompatible with the provisions of the Treaties.

Any State, Community institution or individual may appeal to the Court. The Court can also rule in cases submitted by national courts when litigation involves Community law. Its judgments are binding on all courts in all Member States.

The Economic and Social Committee, which is made up of representatives of trade unions and professional bodies, gives its opinion on the proposals made by the Commission.

The Court of Auditors monitors the execution of the Community's budget.

A procedure known as the 'cooperation procedure', in force since 1 July 1987, exists for decisions taken by qualified majority by the Council in the areas of the internal market, social policy, economic and social cohesion and research, and is used to bring a proposal amended by the Commission and approved

by the Council before Parliament for a second reading; Parliament then has three months to accept, reject or amend it. This procedure allows Parliament to directly influence the decision of the Council, which has the final decision-making power.

4

THE COMMISSION

The European Commission is the Community's powerhouse, and its executive. Independent of Member States' governments, it is answerable only to the European Parliament in its power to initiate and execute policy.

There are 17 Members of the Commission: two each from France, the Federal Republic of Germany, Italy, Spain and the United Kingdom, and one from each of the other Member States. They are totally independent of their country of origin and are appointed for four years. Each Member has particular responsibilities, but the Commission's decisions are collegiate. Its current president is Jacques Delors.

The Commission's role in initiating policy makes it the only Community institution capable of drafting Community laws. Its proposals are submitted to the Council of Ministers, the Parliament and the Economic and Social Committee. In 1987 the Commission submitted 699 proposals to the Council of Ministers, covering agriculture, energy, research, etc.

The Commission implements the decisions reached by the Council of Ministers, and the various Community policies. In coal and steel, nuclear energy and competition it also has additional powers laid down in the Treaties. With a mandate from the Council of Ministers the Commission can negotiate trade agreements with non-member countries, and manage agricultural markets.

The Commission draws up the budget, which it submits to the Council of Ministers and to Parliament, and manages the Community funds and common policies (agriculture, regional development, and employment). The Commission's administrative departments are located in Brussels and Luxembourg.

Lastly, it is the Commission's task to ensure that the Community rules and the principles of the common market are respected. It is the watchdog of the Treaties, and can take to the Court of Justice any Member State which fails to fulfil its obligations.



The Commission, shown here at one of its meetings, is the driving force for Europe.

Special responsibilities of the Members of the Commission

Frans Andriessen **

External relations and trade policy
Cooperation with other European countries



Martin Bangemann **

Internal market and industrial affairs
Relations with the European Parliament



Sir Leon Brittan **

Competition policy
Financial institutions



Carlo Ripa di Meana

Environment
Nuclear safety
Civil protection



António Cardoso e Cunha

Personnel, administration and translation
Energy and Euratom
Supply Agency
Small and medium-sized enterprises, craft industries, commerce, tourism
Social economy (cooperation-mutual aid)



Abel Matutes

Mediterranean policy
Relations with Latin America and Asia
North-South relations



Peter M. Schmidhuber

Budget
Financial control



Christiane Scrivener

Taxation and Customs Union
Problems concerning compulsory levies (Fiscal and social levies)



Bruce Millan

Regional policy



Jean Dondelinger

Audiovisual and cultural affairs
Information and communication
Citizen's Europe
Office for Official Publications



Ray Mac Sharry

Agriculture
Rural development



Karel Van Miert

Transport
Credit and investment
Protection and promotion of consumer interests



Vasso Papandreu

Employment, industrial relations and social affairs
Human resources, education and training
Relations with the Economic and Social Committee



Filippo Maria Pandolfi **

Science, research and development
Telecommunications, information industries and innovation
Joint Research Centre



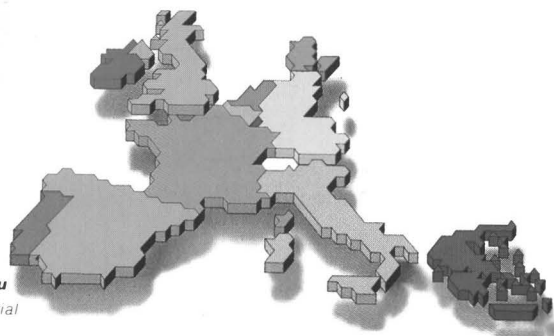
Manuel Marín González **

Cooperation and development
Fisheries policy



Henning Christophersen **

Economic and financial affairs
Coordination of structural Funds
Statistical Office



5

THE BUDGET

Growth in expenditure 1979-88
Payment appropriations (nominal growth rates)

(Million ECU)

40 000

30 000

20 000

10 000

0

1979 80 81 82 83 84 85 86 87 88

+ 16.86 %
+ 12.01 %
+ 13.91 %
+ 19.26 %
+ 13.99 %
+ 8.73 %
+ 4.35 %
+ 23.71 %
+ 2.83 %
+ 21.16 %

Is Europe expensive? In 1989, its budget stood at ECU 46 000 million, almost 95 % of which was redistributed among the Member States; and it is impossible to put a figure on the political, economic and commercial advantages which the existence of the Community brings to European citizens, industrialists and businessmen.

In 1989 the budget represented a contribution of ECU 142 for each citizen. By comparison, he paid 30 times that amount to his country's national budget. The EC budget amounts to only 3.5 % of the total of all the Member States' budgets, which represents 1.1 % of gross domestic product (GNP). In 1973, the European budget was only 0.5 % of GNP. The doubling of this percentage by 1985 is a reflection of the development of common policies. In 16 years Europe had grown, taking on an increasing share of its Member States' policies – and their financing.

Where does Europe's money come from? VAT (value-added tax) provides more than half its receipts (61.6 % in 1989), by means of a levy on each Member State's gross value-added.

Customs duties on imports into the Community are the second largest contributor to Europe's income, accounting for 23.4 % in 1989. Levies on agricultural products imported from non-member countries account for a further 3 %. The Community also imposes levies on sugar and certain types

of glucose (2.8 %) to encourage producers to limit surpluses.

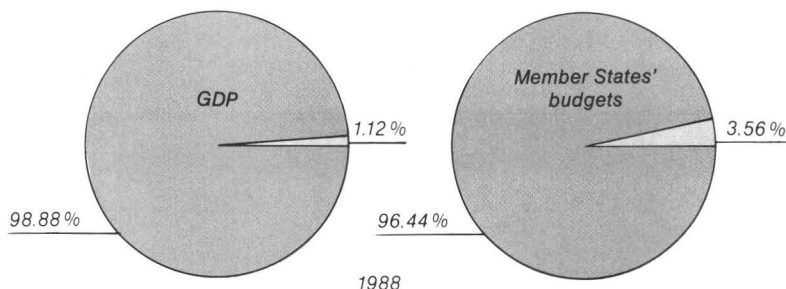
In 1988 the European Council decided to establish a fourth source of income: this is based on the GNP (gross national product) of each Member State, and so takes account of exactly how much each of the Member States of the Community can contribute. In 1989, this amounted to 9.2 % of budget receipts.

What does it do with its money? Agriculture and fisheries account for 62 % of the budget, 57.6 % being spent on guaranteeing farm prices (see Agriculture section). This – at first sight disproportionate – share of the Community budget taken by 'green Europe' (the cost of which represents, however, less than 3 % of Europeans' expenditure on food) is explained by the fact that it is in this area that Community financing has taken over most clearly from national financing.

Three major Funds exemplify the Community's political will to consolidate this economic and social cohesion by means of appropriate structural policies.

In 1988, the European Council decided to remodel the structural Funds, to double by 1993 the amount allocated to them in the budget and, through multiannual programmes, to make them more effective instruments in the fight against regional and social disparities. These funds are:

General budget in relation to the total of the Member States' budgets and to the Community GDP



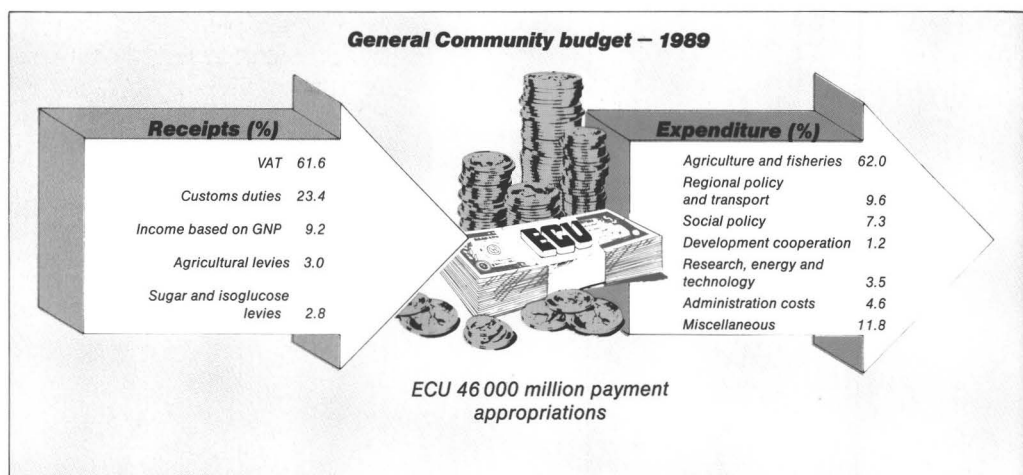
- (i) The Regional Fund (9.7 % of the budget in 1989)
- (ii) The Social Fund (7.3 % of the budget)
- (iii) The EAGGF-Guidance Section (3.1 %)

According to its specific areas of application, each of these Funds contributes towards achieving the five objectives set by the reforms in force since the beginning of 1989. These objectives are:

- (i) to promote the development and structural adjustment of underdeveloped regions;
- (ii) to redevelop regions which have been seriously affected by the decline of industry;
- (iii) to fight long-term unemployment;
- (iv) to facilitate the vocational integration of young people;
- (v) to speed up the modernization of agricultural structures and to promote the development of rural areas.

Development cooperation accounted for 2.7 % of expenditure, i.e. ECU 1 240 million, intended primarily for food aid and for the countries of the Mediterranean, Asia and Latin America. In addition, the Lomé Convention provides for financial and technical assistance to 66 African, Caribbean and Pacific countries, totalling ECU 8 500 million between 1985 and 1990. This assistance is financed outside the budget by the European Development Fund, to which the countries contribute, and by means of loans from the European Investment Bank.

The sectors of research, energy, technology, nuclear safety, the information market and innovation took 3.5 % of total expenditure, a figure which clearly does not match the requirements of the



Growth of Community expenditure in relation to the Member States' total budgets and to the GDP of the Community					
Payment appropriations					
Year	Expenditure (in millions of ecus)	Expenditure per head (in ecus)	Year	In % of the MSB ¹	In % of the Community GDP
1988	43 820.40	135.41	1988	3.56 ⁽²⁾	1.12
1987	36 168.40	111.99	1987	3.14	0.98
1986	35 174.10	109.13	1986	3.08	0.99
1985	28 433.20	88.43	1985	2.70	0.92
1984	27 248.60	84.95	1984	2.90	0.98
1983	25 061.10	78.29	1983	2.70	0.96
1982	21 984.40	68.80	1982	2.50	0.86
1981	18 434.00	57.83	1981	2.40	0.81
1980	16 182.50	50.97	1980	2.70	0.80
1979	14 447.00	45.69	1979	2.70	0.83

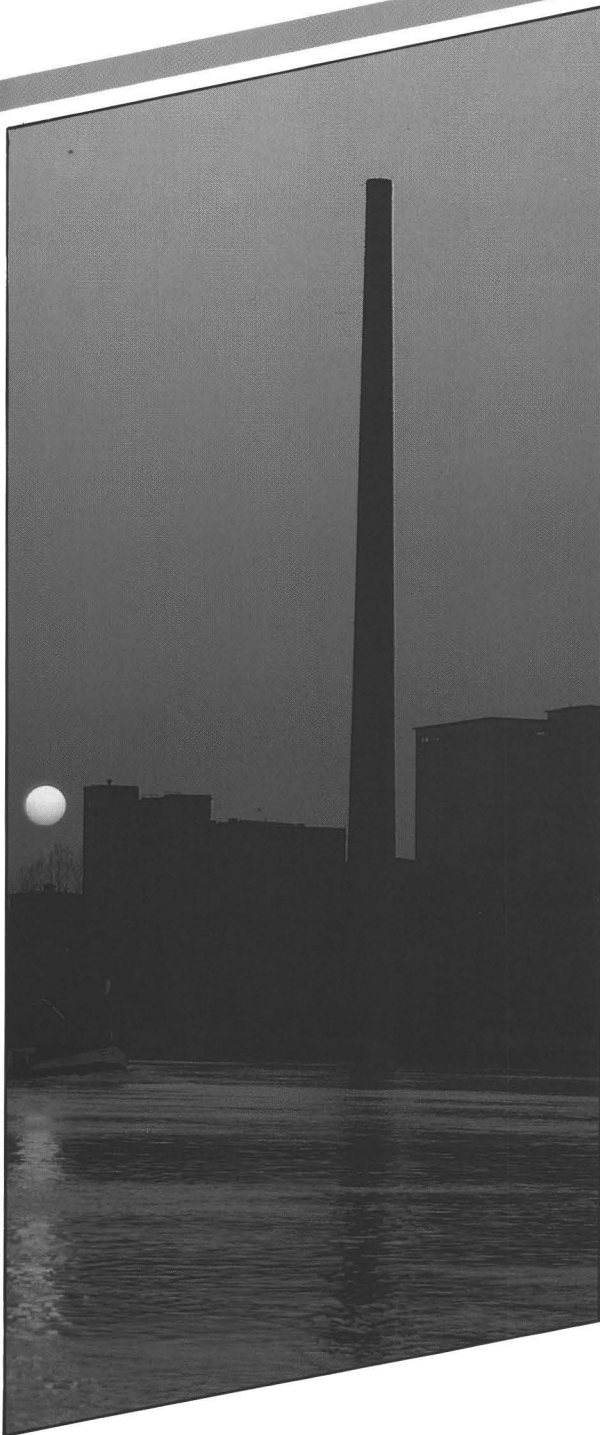
¹ MSB: Member States' Budgets: major States.

² Estimate.

European economy, especially in the context of the completion of the large internal market, but is a step in the right direction when compared to previous budgets.

Finally, the administrative costs of the EC amounted to 4.6 % of the budget, or ECU 2 150 million, in 1989. Europe runs with around 23 000 officials, fewer than the number of local authority employees of a city such as Birmingham, half as many as those employed by the city of Paris and no more than the Belgian Ministry of Finance.

REGIONAL POLICY



In every country of the EC there are differences in the level of development of the various regions. These regional disparities are linked to an unequal distribution of economic activity (agriculture, industry, services).

The less prosperous regions of the EC can be divided into two groups:

1. Underdeveloped regions, whose economy still depends for the most part on agriculture and which have relatively low levels of income, high unemployment, and a poorly developed infrastructure (roads, railways, water supply, etc.). These regions are to be found on the periphery of the EC;
2. Regions in the process of redevelopment, whose economies were formerly based on industries that are now in decline, such as coal, steel, shipbuilding and textiles. These regions are blighted by the closure of a large number of factories, ageing and outmoded infrastructures and a high rate of unemployment. There are many such areas in England, Scotland, Wales, France (Nord, Lorraine), Belgium (Wallonia), the Federal Republic of Germany (Saarland, Ruhr), and Spain (in the North and North-East).

Despite the actions taken by the various governments, with the support of the EC's regional policy since 1975, the gap between the prosperous regions and the poorer regions is still as wide, and the economic crisis of the last few years has only served to exacerbate the situation.

This is why the Single European Act recommended revising and developing the EC's regional policy with an eye to the vast internal market.

During 1988 many major decisions were adopted by the European Council and the Council of Ministers which, by 1993, will lead to a doubling of financial aid paid into the structural Funds in comparison to 1987, and to a reform of the regulations defining the framework and conditions of their use.

The Community has set itself five main objectives which can be achieved by coordinated action between the following bodies: the European Regional Development Fund (ERDF), which is the major instrument in achieving the first two objectives, the European Social Fund (ESF), which is used especially in the fight against long-term unemployment and in the vocational integration of young people, but also contributes to regional programmes, the European Agricultural Guidance and Guarantee Fund (EAGGF) through its Guidance Section, the European Investment Bank (EIB) and the other existing instruments of finance; the ECSC (European Steel and Coal Community) and the New Community Instrument (NCI).

These aims are:

1. to promote the development and structural adjustment of underdeveloped regions (Objective No 1);
2. to redevelop regions, frontier regions or areas within regions, including local labour markets and urban communities seriously affected by the decline of industry (Objective No 2);
3. to fight long-term unemployment (Objective No 3);
4. to facilitate the vocational integration of young people (Objective No 4);

5. with regard to the reform of the common agricultural policy, to speed up the modernization of agricultural structures (Objective No 5a) and to promote the development of rural areas (Objective No 5b).

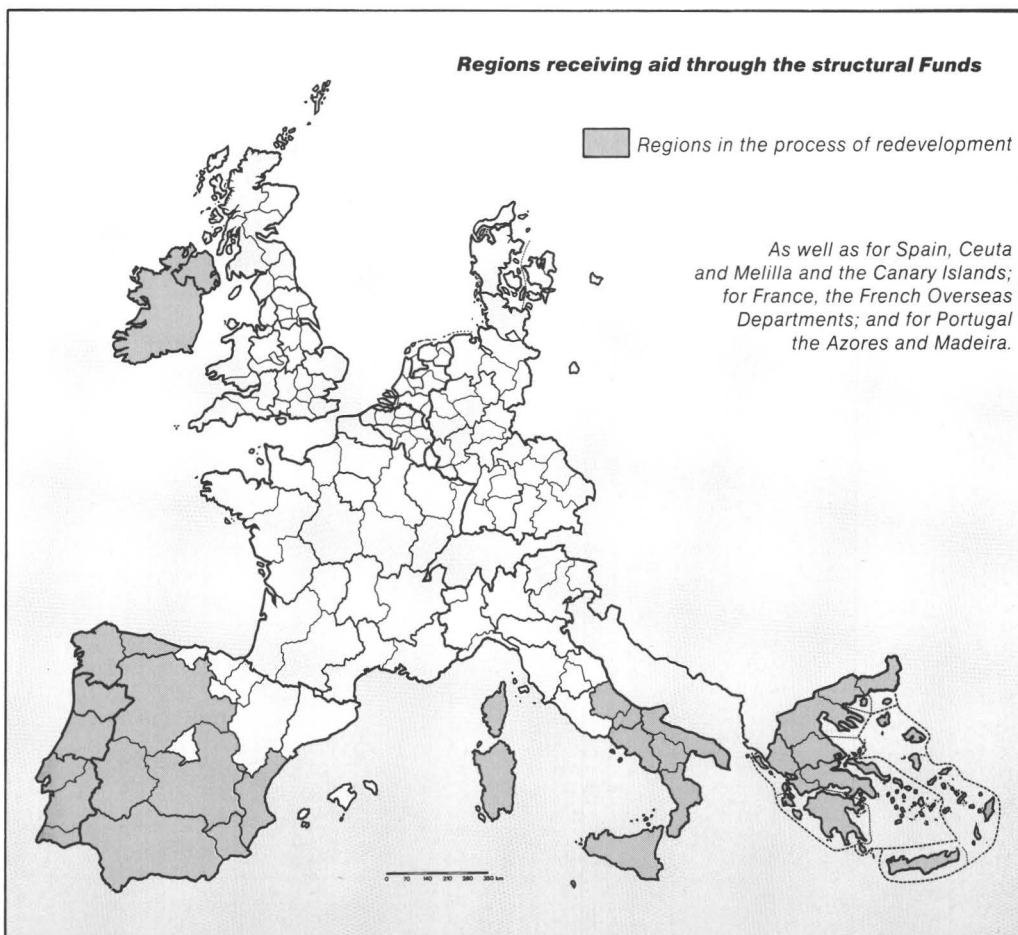
Objectives Nos 1, 2 and 5b are the only ones of a specifically regional nature, but the others do have some relevance to regions with social and economic problems.

Objective No 1 covers those regions whose GDP per head of population is less than 75 % of the Community average, based on data for the last three years. These are peripheral regions with relatively little industry, and are indicated on the map opposite. (For the names of these regions, see the map at the end of Chapter 15.)

Objective No 2 covers first and foremost industrial areas in decline which fulfil each of the following criteria:

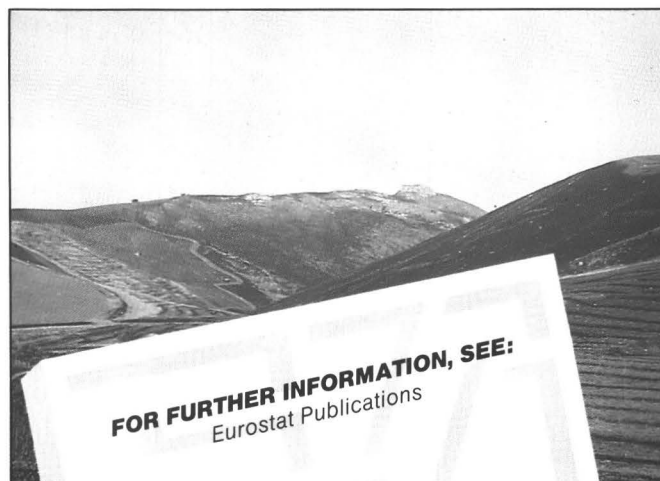
- (i) a rate of unemployment higher than the Community average over the last three years;
- (ii) a ratio of people in industrial employment to the total of those in employment which is equal to or higher than the Community average;
- (iii) a decline in industrial employment.

The zones covered by Objective No 5b are determined by how rural they are, by the number of people working in agriculture, by the level of economic and agricultural development, and by how near they are to the periphery of the Community. The three Funds mentioned above provide aid in these areas. The EAGGF (Guidance Section) distributes aid to support rural de-



velopment, promote modernization and diversification of agricultural production, and provide investment aid to programmes dealing with the processing and marketing of agricultural products.

The Community action is intended to complement corresponding national programmes or contribute to them. It is set up through close cooperation between the Commission, the Member State concerned and the competent authorities appointed by the Member State at a national, regional, local or other level. All the parties in the programme can be seen as partners working towards a common goal. This concerted action in the form of a partnership covers the preparation, financing, implementation and assessment of the operation.



FOR FURTHER INFORMATION, SEE:
Eurostat Publications

Regions – Statistical Yearbook

7

POPULATION STRUCTURE

The population of the European Community in 1987 stood at 323.7 million, 6.4 % of the world population.

Four Member States, the Federal Republic of Germany, the United

Kingdom, Italy and France account for 71 % of the Community's inhabitants. These high-density areas correspond to industrial regions or administrative centres such as Madrid, Lisbon and Naples. The low population density regions are not necessarily the poorer upland areas, but sometimes,

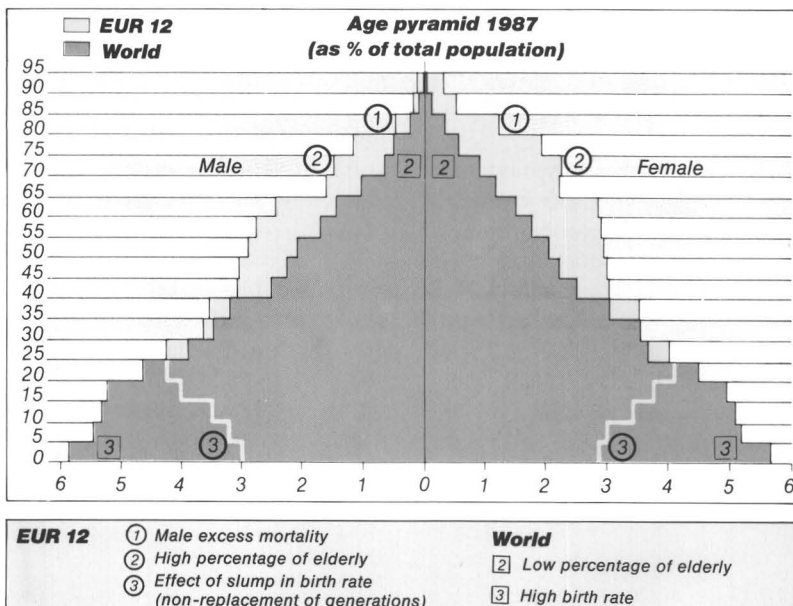
Population, area and population density in 1987			
Country	Population (x 1 000)	Area (1000 km ²)	Density (persons per km ²)
B	9 870	31	324
DK	5 127	43	119
D	61 199	249	246
GR	9 990	132	76
E	38 832	505	77
F	55 630	544	102
IRL	3 543	69	50
I	57 345	301	191
L	372	2.6	143
NL	14 665	42	349
P	10 250	92	111
UK	56 930	244	233
EUR 12	323 700	2 250	144
USA	243 800	9 400	26
USSR	283 100	22 400	13
JAPAN	122 100	372	328
World	5 024 000	135 800	37

land to the industrial regions of northern Italy, passing through southern Holland, northern Belgium and the Rhine-Ruhr area of Germany. The Ile-de-France and the Paris conurbation, surrounded by comparatively low-density regions, lie off this diagonal.

Kingdom, Italy and France account for 71 % of the Community's inhabitants.

The density map shows that the most densely populated regions of the Community stretch along a diagonal line from north-west Eng-

The low population density regions are not necessarily the poorer upland areas, but sometimes,

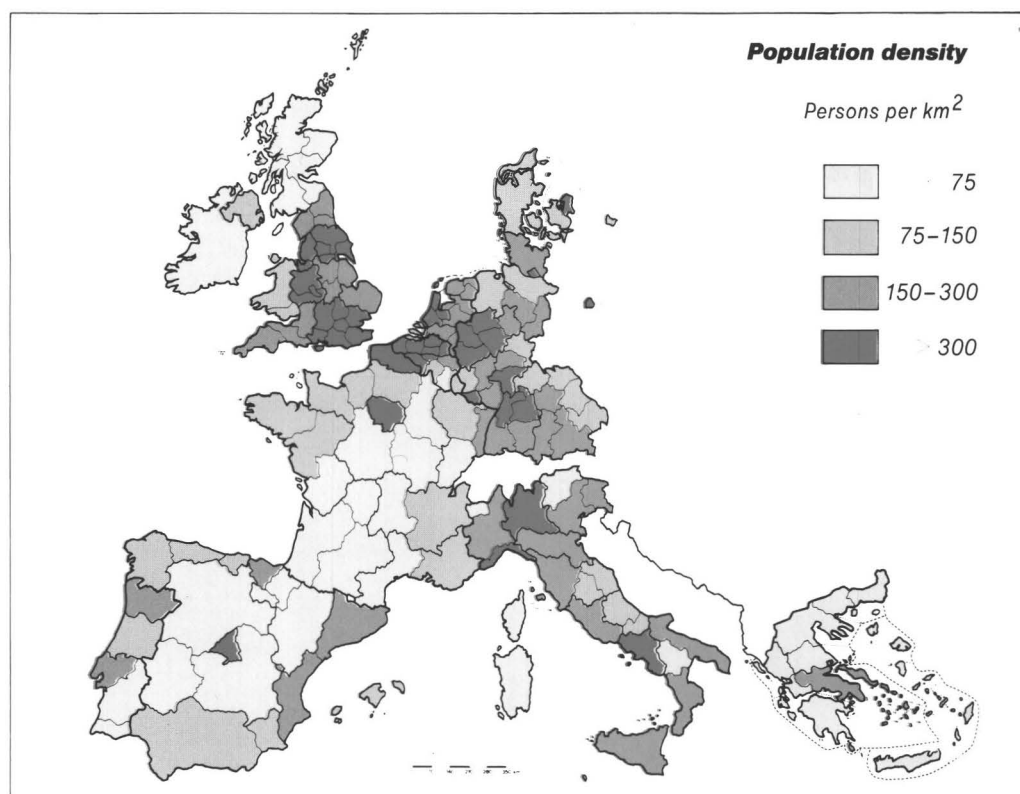


as is the case in Champagne, regions which include vast, highly-mechanized and highly-efficient agricultural estates. It should be noted that population, particularly in Spain, has a tendency to concentrate in coastal areas where tourism and related activities have soaked up the rural labour seeking employment in the 1960s. Lastly, a somewhat special case, the French and Italian Rivas owe much of their above-average population density to the attraction of the sun.

Comparing the populations of the major European cities in a manner which is statistically valid is not as easy as one might think. Each country has its own ways of circumscribing administrative areas. The table showing the population of the big towns and cities, based on census data collected around 1981, can only permit approximate comparisons. The population of the conurbation is sometimes much greater than that of the administrative area which constitutes its centre. An example is the Paris conurbation, which has 8.7 million inhabitants, while the city of Paris has only 2.2 million.

In the Rhine-Ruhr area of Germany, nearly 8 million people are concentrated in 17 towns, the suburbs of which merge to form a vast and more or less continuous urban area.

One of the vast conurbations in the EC does not exist as such as an administrative area. This is the 'Randstad' Holland, a 'megapolis' (= enormous town) in the shape of a horseshoe with a 30 km radius, which contains more



Main conurbations (number of inhabitants)			
	x 1000		
Bruxelles	1 268	Lyon	1 221
København	1 372	Marseille	1 110
Rhein-Ruhr	7 792	Lille	936
• Köln	961	Dublin	915
• Essen	638	Milano	2 877
West-Berlin	1 870	Roma	3 094
München	1 483	Napoli	2 608
Hamburg	1 624	Torino	1 568
Athens	3 027	Genova	827
Paris	8 707	Rotterdam	1 025
		Amsterdam	994
		London	7 678
		West Midlands	2 356
		Manchester	2 339
		Glasgow	765
		West Yorkshire	1 478
		Tyneside	782
		Liverpool	753
		Madrid	4 120
		Barcelona	2 701
		Valencia	850
		Lisboa	1 329

than 40 % of the population of the Netherlands (6 million out of 14.5 million inhabitants) and includes the towns of Amsterdam, Rotterdam, The Hague and Utrecht.

FOR FURTHER INFORMATION, SEE:
Eurostat Publications

Demographic statistics

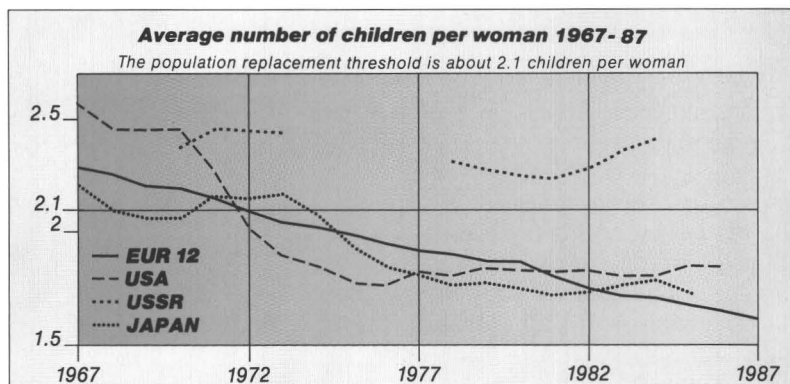
8

DEMOGRAPHIC TRENDS

Population trends in the European Community are giving demographers, economists and politicians cause for concern: the fact is that since the middle of the 1960s the birth rate has slumped.

This trend affects all the developed countries. However, whereas over the past few years the situation has been levelling off in the United States and the Soviet Union, the birth rate of Europe continues to decline.

Allowing for a certain number of children who die before reaching the age at which they could procreate, the zero growth (population replacement) threshold stands at 2.1 children per woman and is achieved in only one member of the Community (Ireland). The Federal Republic of Germany has the extraordinarily low figure of 1.38 children per woman, which means that each new generation in that country is therefore far



Rather than use the birth rate to show drops in the number of children born, demographers prefer to use the artificial 'fertility index' which represents the average number of children per woman of childbearing age, as this takes better account of demographic realities and explains the future age pyramid.

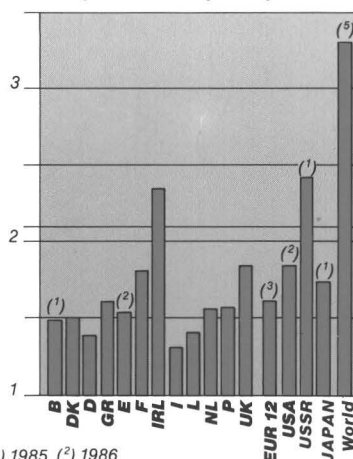
smaller than that which procreated it, the number of children not even reaching two-thirds of that of the parents. For the EC as a whole, the figure stood at 1.61 children per woman in 1987.

A number of theories can account for the fall in fertility in the developed countries: changing mentalities generated by industrialization and urban growth, rising standard of living, the crisis affecting the family as a unit, female employment, birth control.

The infant mortality rate is considered to be a sound indicator of the health of a nation. It is calculated by dividing the number of children dying before reaching the age of one year by the number of children born alive.

The infant mortality rate in Europe (9.1 per 1000) is one of the lowest in the world (53 per 1000 in 1950). Japan's is even lower (5.6 per 1000). This rate reaches 10.4 in the USA and, for a developed

Average number of children per woman (1987)

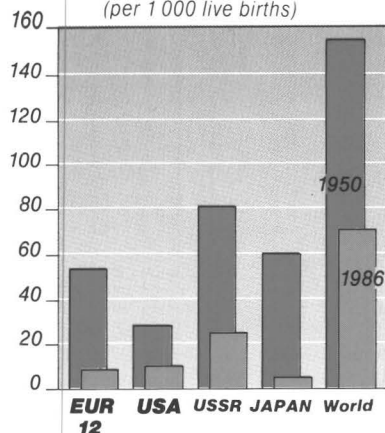


(¹) 1985 (²) 1986

(³) 1984-1987 (⁴) 1982 (⁵) 1985-1990

Infant mortality rate (1950- 86)

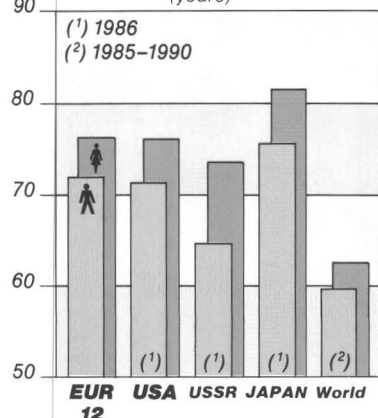
(per 1 000 live births)



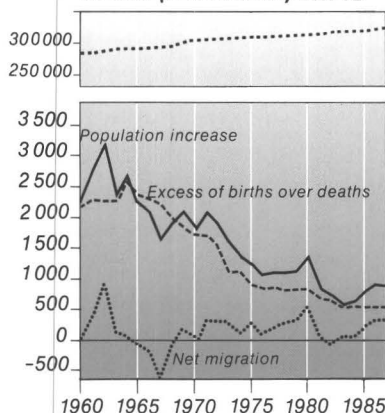
Life expectancy at birth (1986)

(years)

(1) 1986
(2) 1985-1990



Population change from 1960 to 1987 (in thousands) EUR 12

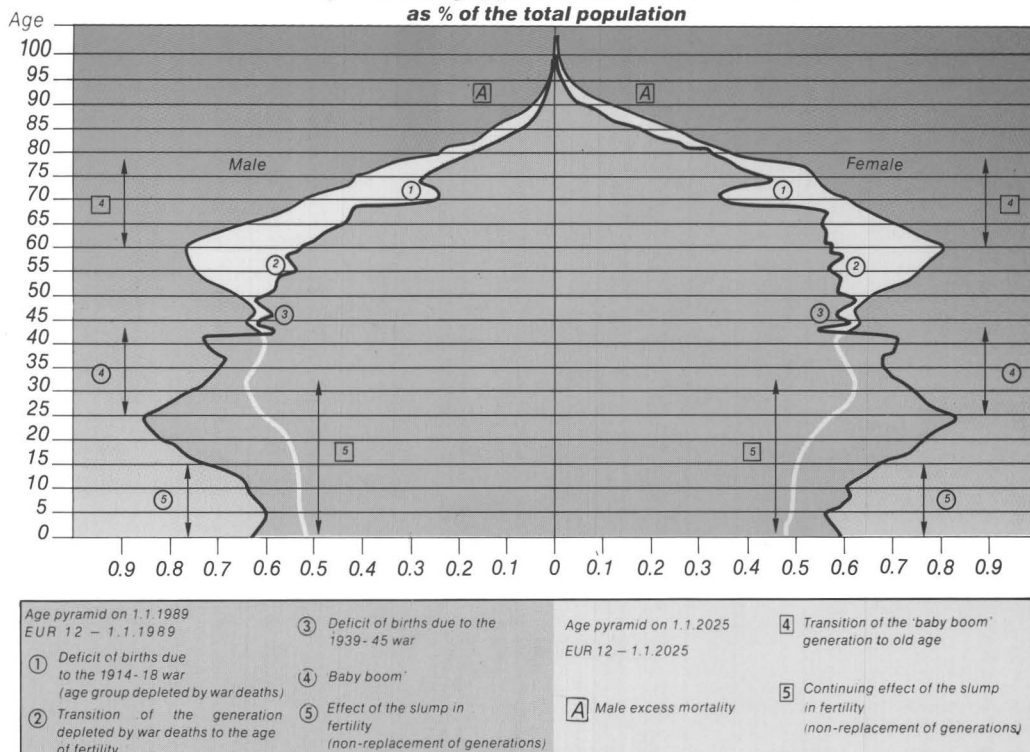


country, is comparatively high in the USSR, where it stands at 25.6.

The infant mortality rate for the world as a whole is much higher (71 per 1 000).

A further indicator of the health of a nation is the life expectancy at birth. It is highest in Japan at 75.4

Comparison of age pyramids in EUR 12: 1989-2025 as % of the total population



years for men and 81.3 years for women. In Europe, it stands at 72.1 years for a man and 78.4 for a woman, well above the world average (59.7 and 62.6 respectively).

Population growth in the EC is low: less than one million per year in 1986 and 1987 (3 per 1 000). Only 60 % of this is caused by natural increase (more births than deaths), the other 40 % being due to net migration (the difference between the number of foreigners entering and leaving the Community). In certain countries, like the Federal Republic of Germany and Belgium, demographic decline is already under way: the population is decreasing.

This decrease in the population, due to the slump in fertility, is accompanied by the ageing of the population, due to the increase in life expectancy. The age pyramid for 2025, according to forecasts based on current data, clearly shows this general ageing of the population.



FOR FURTHER INFORMATION, SEE:
Eurostat Publications

Studies on population projection
Demographic statistics
Regions - Statistical Yearbook

9 EDUCATION

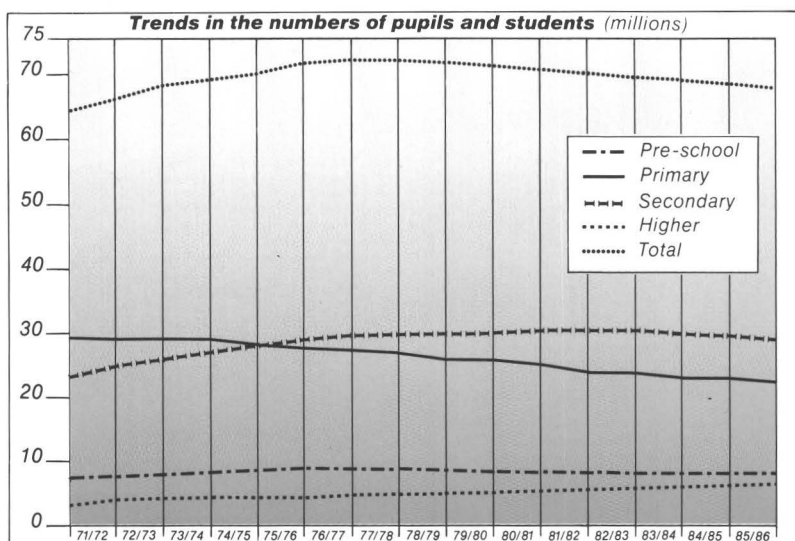


There are fewer children at school in Europe now than there were 10 years ago, but they are tending to stay at school longer and a growing proportion of girls are staying on at school and going on to higher education.

The number of children at school (at all levels from nursery school to higher education) peaked in 1977-78 at 71.8 million, falling to 68.4 million by 1985-86. In the same year the United States had a total of 59.4 million children at school and university, compared with 26.6 million in Japan and 60.5

The declining school population in the Community is due to the declining birth rate from the mid-1960s (see previous pages). Primary education was of course the first to feel the pinch after its peak of 29.5 million children in 1971-72. In lower secondary education, the peak was not reached until 1977-78 (19.7 million).

The fall in the birth rate has not been so obvious in upper secondary education, as young people are tending to stay at school longer. More than a quarter of all young people in Europe (26.6 %)



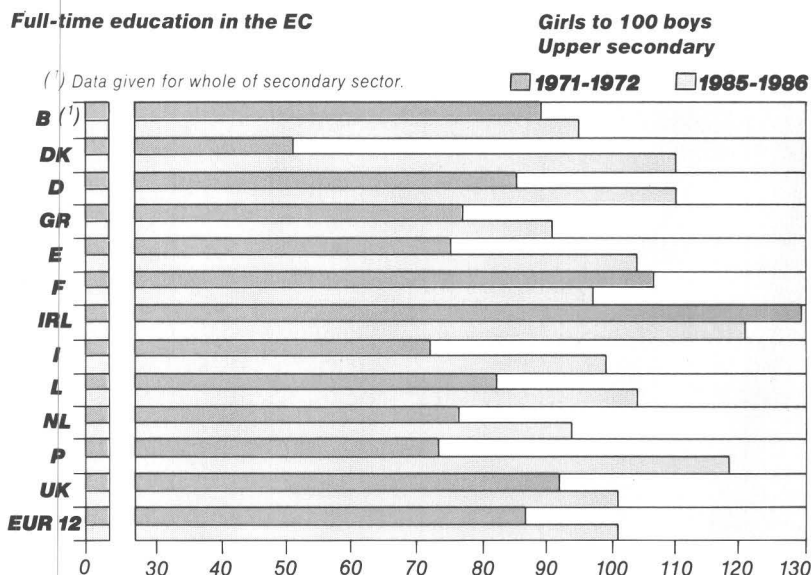
Number of pupils and students 1985-88 (millions)				
	EUR 12	USA	Japan	USSR
Pre-school	8.5	6.3	2.1	11.5
Primary	23.1	26.9	11.1	23.6
Secondary	30.3	14.0	11.1	20.3
Higher	6.5	12.2	2.3	5.1
Total	68.4	59.4	26.6	60.5

million in the Soviet Union. This represented 21% of the total population in the Community, 22% of the population in Japan and the Soviet Union, but 25% in the USA.

were still at school at the age of 19 in 1984-85, compared with only 18.8% in 1970-71.

The most striking development has been the increase in the number of girls in higher levels of secondary education and in universities and other higher education establishments between 1970-71 and 1984-85. The proportion of girls at secondary school at the age of 15 has jumped from 62% to 94%, and at age 16 from 45% to 71%, the proportion of 17-year-olds being up from 32% to 56% and of 18-year-olds from 23% to 39%. From being under-represented in certain countries, girls have now caught up with

Full-time education in the EC



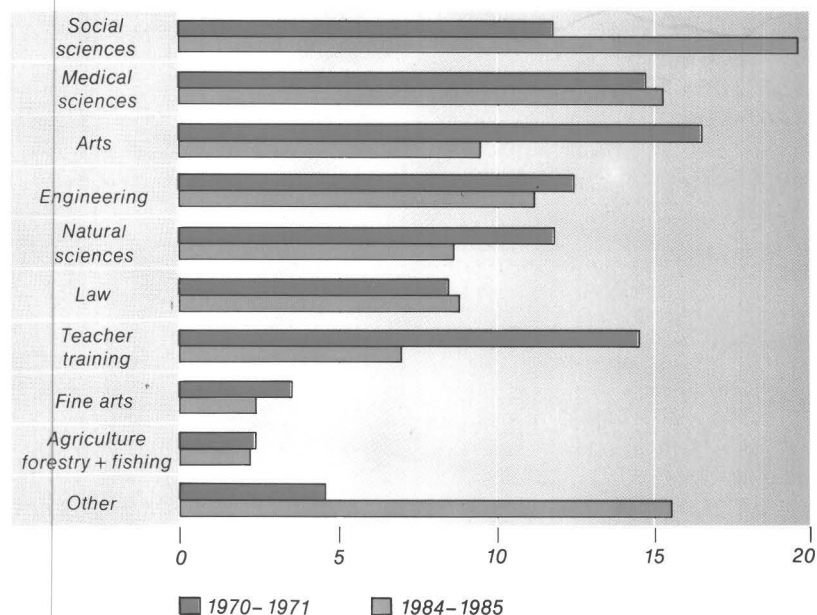
boys and have even, in some cases, passed them.

The most spectacular development has been in Spain, where there were only 40 girls to 100 boys at university in 1971-72, but where the figures were almost in balance (96 girls to 100 boys) in 1985-86.

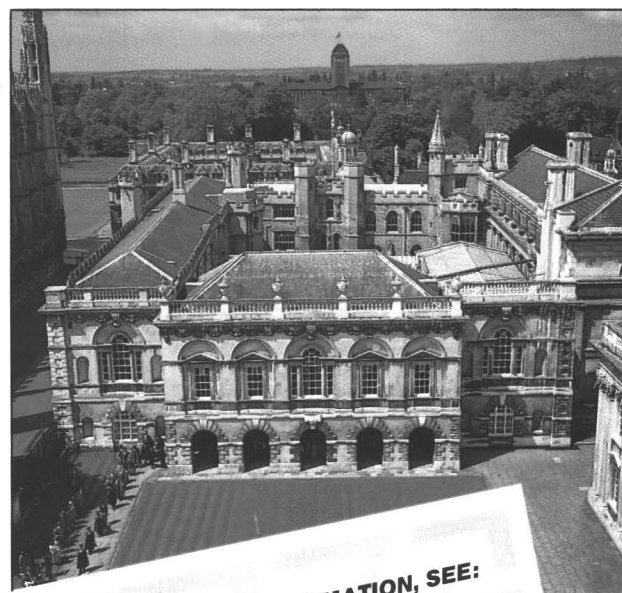
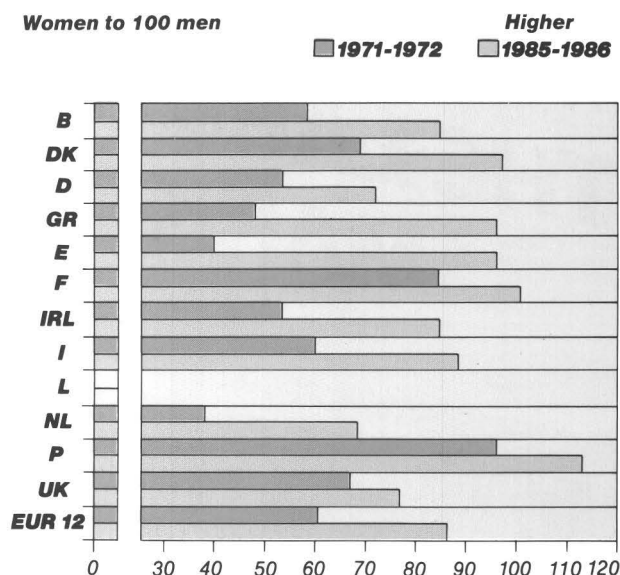
The fact that, in some secondary classes, there are more girls than boys can be put down largely to boys tending to follow an apprentice-type education, which is not included in the statistics.

Overall, the number of students has risen steadily, from 3.8 million in 1971-72 to 6.5 million in 1985-86, an increase of 71 %. The choice of subjects has changed, though. Whereas medicine and the technical subjects attract roughly the same proportion as before, the social sciences have leapt from 11.8% to 19.6% and have taken over at the top of the league table from arts subjects, which have fallen by 7 percentage points. The main difference, however, is that only 7 % of students are aiming for a career in teaching, compared with 14.6 % in 1970-71.

Percentage of students in higher education by subject area EUR 12



Women to 100 men



FOR FURTHER INFORMATION, SEE:
Eurostat publications
Social indicators – selected series
Education and training – selected series

10

THE LABOUR MARKET



In 1987, the EC had an active population (those persons working or wishing to work) of 142 million out of a total population of 323.7 million, giving a rate of activity (ratio of the active population) of 44%. This rate was higher in the USA (49.9%) and in Japan (49.8%).

The rate of activity was lowest in Ireland and Spain (37 and 37.8% respectively) while in Denmark it

and 43% for the USA. On the other hand, many men in Japan work beyond the age of 65, which boosts the activity rate for the male population to over 60% as against 57% in the USA and 55% in the EC, where Denmark alone has activity rates (for men and women) which are higher than those of Japan and the United States.

The activity rate for women varies considerably from one country to

Active population (x 1 000) – 1987

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR 12	USA	JAP
T	4 215	2 905	28 200	4 069	14 676	24 075	1 312	24 044	159	5 933	4 579	27 893	142 060	121 602	60 840
M	2 505	1 580	17 137	2 674	9 899	13 828	912	15 375	102	3 846	2 625	16 358	86 841	67 784	36 550
W	1 710	1 325	11 063	1 395	4 777	10 247	400	8 669	57	2 087	1 954	11 535	55 219	53 818	24 290

T = Total / M = Men / W = Women

Rate of activity 1987 (%)

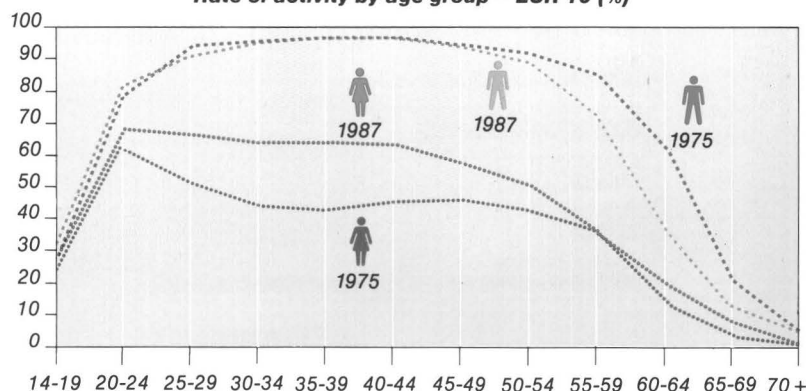
	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR 12	USA	JAP
T	42.9	56.7	46.1	40.7	37.8	43.3	37.0	41.9	42.9	40.6	46.9	49.0	44.0	49.9	49.8
M	52.1	62.5	58.5	54.4	51.9	51.0	51.5	55.2	56.4	53.2	55.8	59.1	55.2	57.0	60.8
W	34.1	51.0	34.7	27.5	24.2	35.9	22.6	29.4	30.0	28.2	38.7	39.4	33.3	43.1	39.1

[†] Active population as a percentage of the total population.

was over 56%. These differences are explained above all by the number of women on the employment market. While 33% of women are in employment or seeking employment in the EC, the corresponding figure is 39% for Japan

another within the EC; it is well above the Community average in Denmark, the United Kingdom and Portugal, but is well below in Ireland, Spain and Italy.

Rate of activity by age group – EUR 10 (%)



There was a spectacular influx of women on the employment market between 1977 and 1987: while the male active population grew by only 2%, the female active population leapt by 18.7%, a growth rate comparable to that of Japan (19%), but well below that of the USA (36%).

The rate of activity by age group reveals a peak of activity for men between 25 and 50 years old; an analysis of the figures for 1987 shows that, compared to 1975, there is a larger proportion of young people in work or looking for work, with a considerable drop in the rate of activity for those over 55 years old – the result of people taking early retirement in the agricultural sector and in certain hard-hit traditional industries. The rate of activity for women peaks at between 20 and 24 years old. Beyond that age, marriage brings the rate down, but much less so in 1987 than in 1975. This change is attributed to the smaller number of children per female and the desire

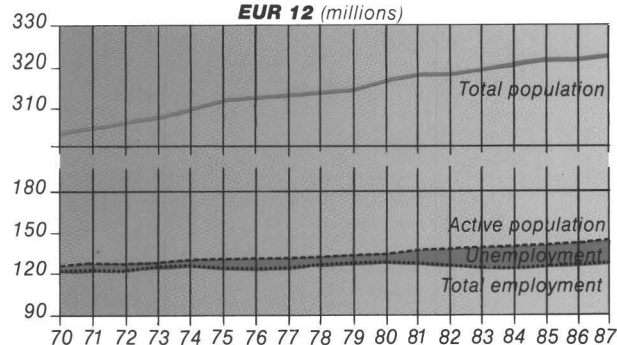
on the part of women to remain on the employment market.

Between 1970 and 1987 the population of the EC grew by 6.7% while the active population increased by 12%. This phenomenon can be explained by the age structure of the European population. The 1970s saw a large number of young people reaching the age of employment – these were children born just after the Second World War, at the time of the 'baby boom'. At the same time, the number of people retiring was particularly low (these were children born during the First World War). There were therefore more people of working age, but at the same time the employment market grew at a relatively low rate (2%) and the number of job opportunities (employment) was lower than the number of those seeking work (active population). The result is that a proportion of those who wish to work cannot find work: these are the unemployed, whose number has increased considerably – from 2.3 million at the beginning of the 1970s to 15.9 million in 1988, or 10.3% of the active population and almost 5% of the total population.

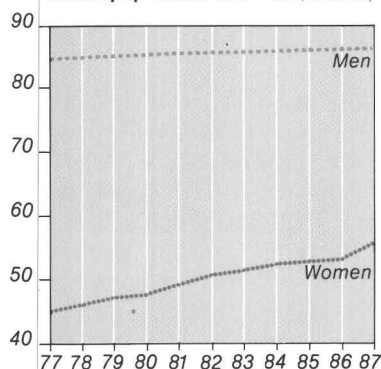
By looking at the age pyramid, it is possible to forecast active population trends for the coming years. The graph shows that the number of people joining the labour force each year has already begun to decline since the start of the 1980s and will continue to do so; the reason for this is, of course, the drop in the birth rate.

Population and employment 1970-87

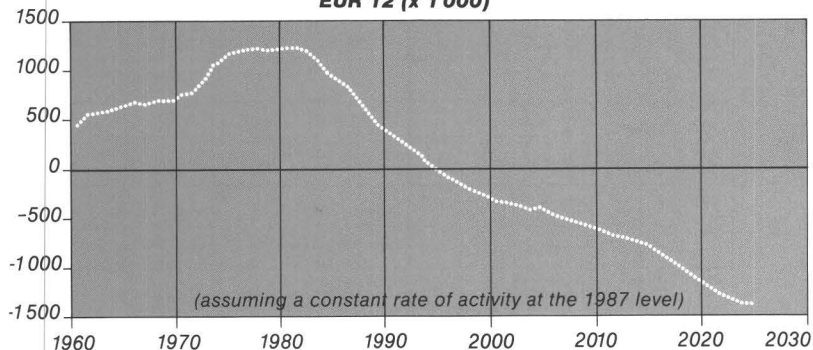
EUR 12 (millions)



Active population 1970-87 (millions)



Net entries to the labour market 1961-2025
EUR 12 (x 1 000)



FOR FURTHER INFORMATION, SEE:
Eurostat publications

Employment and unemployment –
Accounts and statistics

11 EMPLOYMENT



In 1987 the number of persons employed in the EC stood at 126.4 million, showing little change over the 1975 figure, which means that not many jobs (1.6 million) were created during this period. Over the same period 26 million jobs were created in the USA and 7 million in Japan.

In the Community there were 7.7 million fewer jobs in industry in 1987 than 12 years earlier. At the same time the Japanese and Americans were creating 1.2 million and 4.1 million jobs in industry respectively.

Employment in agriculture has declined in all developed countries: by 4 million in the EC, by 1.7 million in Japan and by 0.1 million in the USA. This was due essentially to increased mechanization, an area in which the Americans already had a head start, as even in 1975 relatively few people worked in agriculture.

The services sector created 13.4 million jobs in the EC between 1975 and 1987. The equivalent figure in Japan was 7.3 million, while the US figure shot up by as much as 22 million. This increase in services jobs is characteristic of the current economic situation in the developed countries, although it is worth pointing out that some of these jobs (especially in the United States) are part-time only and may not be particularly durable.

Women accounted for 38% of the 126 million jobs available in the EC in 1987, with Denmark being at the top of the table with women occupying 44.6% of all jobs. At the other end of the scale women occupied a smaller proportion of the available jobs in Spain, Ireland, Greece and Italy.

Young people occupy only a small proportion of jobs in Europe, with only one job in six being held by an 'under-25'. This is largely due to the inadequate number of new jobs being created. The relative figure for youth employment is

Total employment – 1987			
	Total (millions)	Women (%)	Young people under 25 (%)
B	3.712	38.3	13.7
DK	2.705	44.6	20.2
D	25.971	38.7	19.1
GR	3.782	32.7	10.5
E	11.727	29.6	16.2
F	21.529	41.1	13.6
IRL	1.081	32.1	22.4
I	21.212	33.3	13.1
L	0.170	34.1	18.6
NL	5.354	34.1	18.8 ⁽¹⁾
P	4.190	41.1	19.6
UK	24.988	42.6	21.4
EUR 12	126.421	37.9	17.0 ⁽¹⁾
USA	114.117	44.2	18.5
JAPAN	59.110	39.9	12.3

¹ Eurostat estimates.

Total employment by sector of economic activity – 1987							
		EUR 12		USA		Japan	
		x 1 000	% of total	x 1 000	% of total	x 1 000	% of total
Agriculture	1975	13 942	11.2	3 507	4.0	6 610	12.6
	1987	9 886	7.8	3 400	3.0	4 890	8.3
Industry	1975	48 395	38.8	26 288	29.9	18 730	35.9
	1987	40 630	32.1	30 475	26.7	19 970	33.8
Services	1975	62 453	50.0	58 229	66.1	26 890	51.5
	1987	75 905	60.0	80 302	70.3	34 250	57.9
Total	1975	124 791	100.0	88 026	100.0	52 230	100.0
	1987	126 421	100.0	114 117	100.0	59 110	100.0

Part-time wage-earners								
	Total x 1000		% of all wage-earners		Women working part-time as a % of all wage-earners		Women working part-time in the services sector as a % of wage-earners in service sector	
	1983	1987	1983	1987	1983	1987	1983	1987
B	231	311	8.3	11.0	20.7	26.5	23.9	29.8
DK	526	593	25.8	25.4	45.3	42.8	49.2	45.6
D	2 728	2 867	12.0	12.2	29.6	29.0	32.1	31.7
GR	83	71	4.9	4.0	8.5	8.0	10.5	9.8
E	—	380	—	4.8	—	12.8	—	14.7
F	1 580	2 065	9.0	11.6	18.7	22.5	21.2	25.3
IRL	48	59	5.8	7.3	11.9	14.0	13.4	16.1
I	513	684	3.5	4.7	7.5	8.7	7.3	8.0
L	8	10	6.2	7.3	17.1	18.1	17.8	18.5
NL	908	—	21.0	—	49.5	—	51.3	—
P	—	128	—	4.3	—	8.7	—	10.9
UK	4 033	4 918	19.5	22.7	41.8	44.5	46.0	48.8
EUR 12	11 100	12 088	12.1	12.6	27.6	27.3	32.0	30.6
USA			18.4	17.3	28.1	26.1		
JAPAN	4 580	5 250	11.0	12.0	27.4	30.5		

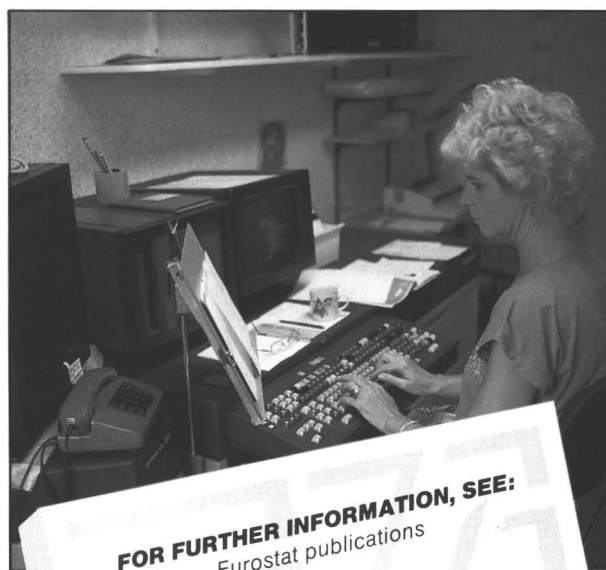
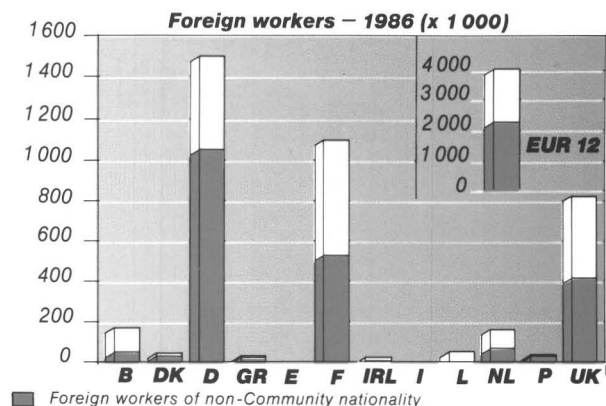
higher in the USA at 1 in 5, but lower in Japan (1 in 8), where formal education and vocational training last longer. In Ireland, 1 job in 4 is held by an 'under-25', owing to the high proportion of young people in the population.

It is in the tertiary sector where most jobs are to be found in the EC (75 million or 60% of the total available); only one-third are now in industry (40.5 million) and agriculture has barely 8% (less than 10 million).

Jobs for women predominate in the services sector, with 45% in the EC and more than 50% in the USA. This sector includes what are traditionally regarded as 'women's jobs' especially in teaching. A large number of women also work in agriculture, especially in southern Europe, where small family farms are still predominant.

Part-time jobs have increased during the last 10 years in the EC: in 1987, part-time wage-earners accounted for 12.6% of total wage-earners. These jobs are mainly the preserve of married women, who occupied 7 out of 10, compared with no more than 2 in 10 of full-time jobs.

A certain number of jobs in the EC are filled by foreign workers – those jobs, in industry or agriculture, which workers from the country itself are unwilling to do. In 1986, there were 4.5 million foreign employees in the Europe of Ten. The greatest numbers of foreign workers are to be found in the Federal Republic of Germany (1 546 million in 1986), France (1 172 million) and the UK (820 000), but Luxembourg has the highest proportion of jobs filled by foreign workers at 35.5%! A proportion of the immigrant workforce comes from the EC Member States, mainly Spain and Portugal, with most of these working in France. Of the rest, most come from Turkey (560 000 in 1986, mainly employed in the Federal Republic of Germany), Yugoslavia (320 000, also mainly in the Federal Republic of Germany) and the Maghreb countries (450 000 in 1986, mostly in France). There are also immigrant workers of African, Asian and Caribbean origin in the EC.



FOR FURTHER INFORMATION, SEE:
Eurostat publications

Employment and unemployment –
Accounts and statistics
Labour force surveys – Results

12

UNEMPLOYMENT

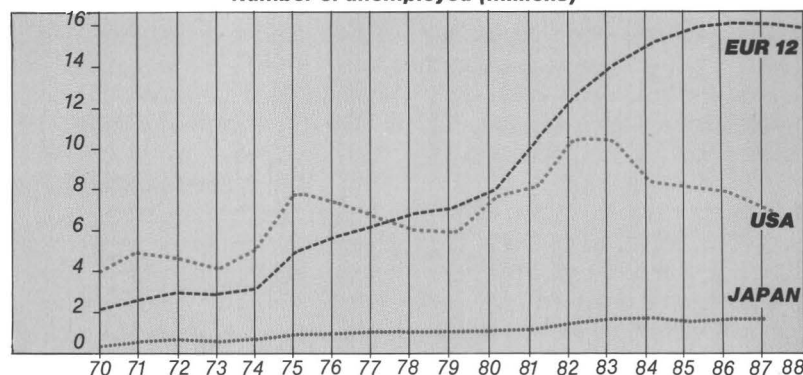


With 15.6 million registered unemployed in 1988 compared with 5 million in 1975, unemployment has become a major preoccupation in the European Community.

From 3.2% of the active population in 1975, the unemployment rate rose to almost 11% in 1986. Unemployment rates shot up particularly after the two oil crises (in 1973 oil prices quadrupled, and in 1979 they doubled) before the rate of increase slowed down again after 1983; and in 1987 and 1988 unemployment figures have shown a slight decrease – down from 16.1 million in 1986 to 15.9 million in 1988.

The countries and regions of the European Community are not affected evenly by unemployment. Luxembourg has a very low rate (2.5%), and in the Federal Republic of Germany unemployment has dropped to 6.4%, while the rates remain very high in Spain (19.8%) and Ireland (17.6%). Regions registering the highest unemployment rates are mostly found in the northern (Ireland, Northern Ireland, Scotland, Wales, northern England) and southern (Spain, the Italian Mezzogiorno) extremities of the Community, but regions where the traditional industries are undergoing a crisis also have very high rates.

Number of unemployed (millions)



Unemployment rate (%)

	EUR 12	USA	JAP
1970	1.5	4.8	1.1
1975	3.2	8.3	1.9
1981	6.7	7.5	2.2
1983	10.0	9.5	2.6
1986	10.8	6.9	2.8
1987	10.6	6.1	2.8
1988	10.3	5.4	2.5

In the USA unemployment reached a high in 1982; since, the figure has fallen to 5.4% in 1988, which is below the 1975 level. Japan's rate of only 2.5% unemployed is exceptionally low, but higher than in 1975 (1.9%).

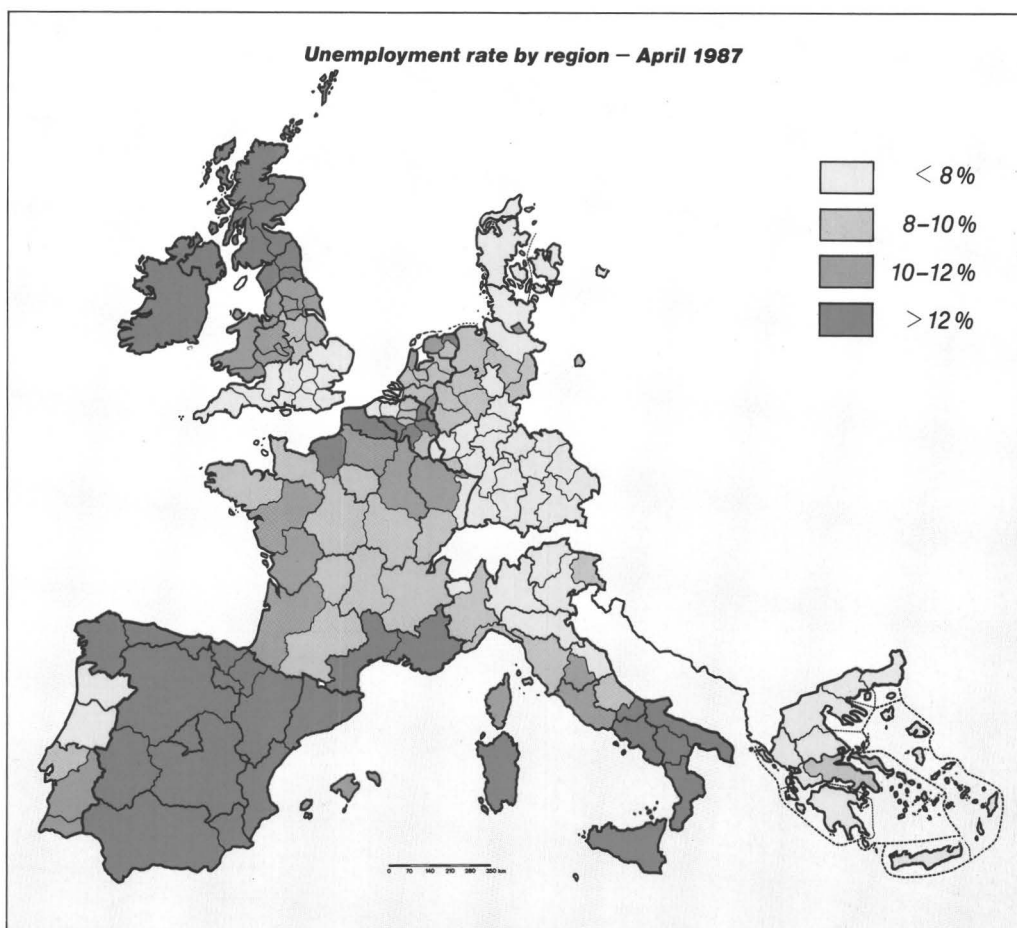
The rise in unemployment has been accompanied by an increasingly serious social problem: long-term unemployment. More than half of all those on the dole (56%) have been unemployed for more than a year, a third have been

without work for more than two years, and their situation all too often looks fairly hopeless. These figures are even worse in the United Kingdom, Italy, the Netherlands and France.

Unemployment affects young people and women more than men. Of the under-25s in the EC an average of 17.3% were unemployed at the end of 1988. The corresponding figure for young women was even higher at 22.7%.

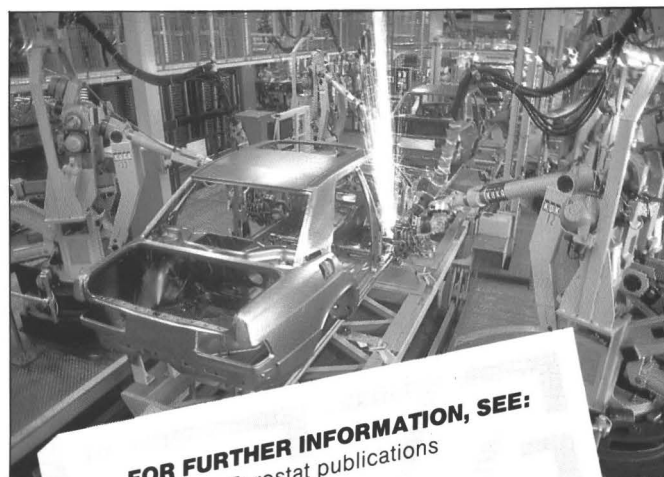
Whilst at the end of 1988 for the Community as a whole, 8.2% of men were unemployed, the corresponding figure for women stood at 13.3%, an increase over 1986. Out of every 100 people registered unemployed 52 were women (47 in 1986), but this proportion varies considerably from one country to another – it is low in Ireland (36.6%), but very high in Denmark (54%) and in Belgium (61.3%).

The European Community has focused its attention on the fight against the social scourge of unemployment and is trying to improve the labour market situation by such instruments as the European Social Fund, whose resources were increased in 1988 to promote training schemes and create job opportunities for the young unemployed.



Unemployment structure April 1987 (%)					
	Women	Young people ≤ 25	Length of unemployment ≥ 12 months		
			Total	Men	Women
EUR 12	48.1	39.6	55.9 ⁽¹⁾	54.8 ⁽¹⁾	57.0 ⁽¹⁾
B	60.2	29.5	74.6	72.2	76.1
DK	54.6	30.6	29.5	23.6	34.3
D	49.0	20.9	48.1	47.2	49.2
GR	55.6	43.9	45.8	35.4	54.1
E	43.2	48.0	65.7	60.8	71.8
F	54.9	33.6	49.4	47.0	51.4
IRL	34.5	35.7	66.1	70.2	58.2
I	54.7	60.4	66.3	63.6	68.4
L	54.2	43.8	(34.2)	(39.9)	(29.0)
NL	44.8	30.0	59.5 ⁽²⁾	:	:
P	54.8	51.0	56.7	50.6	61.6
UK	39.9	33.2	45.2	52.9	32.1

⁽¹⁾ No figures for NL. / ⁽²⁾ April 1986.

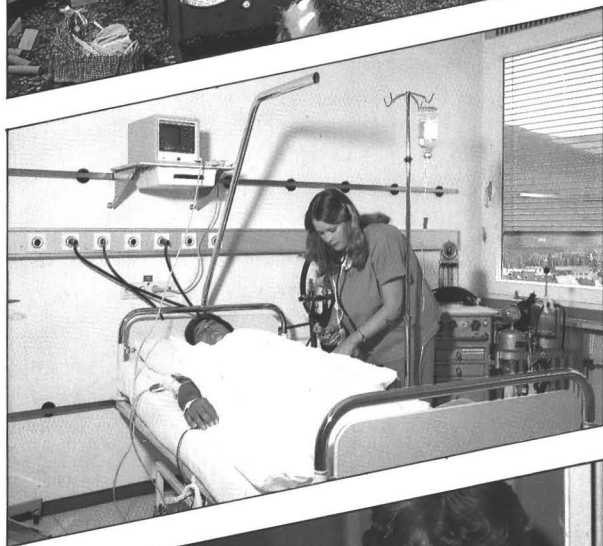


FOR FURTHER INFORMATION, SEE:
Eurostat publications

Unemployment – Monthly
Employment and unemployment –
Accounts and statistics
Labour force surveys – Results

13

WAGES AND SOCIAL INCOMES



Total income can be determined from national accounts, through such aggregates as GDP or 'compensation of employees', but we also need more details of workers' earnings, wages and 'social incomes', not only at national, but also at Community level, given the ever closer interrelationship between the economies and labour markets of the Member States.

The table of earnings, expressed here in PPS (= Purchasing Power Standards, see Ch. 14) to allow comparisons between the Member States, shows that the earnings of workers in agriculture (i.e.

and in Denmark, where the agriculture sector is technically very advanced, receive wages comparable to those in industry, and twice as high as in Spain.

Although wages in industry are higher than in agriculture, the same disparities exist between Member States: the gap between Portugal and Denmark or Luxembourg (around 1 to 2.5) is very wide for both manual workers (workers bound by a contract of employment) and non-manual workers (administrative, technical and office staff, and foremen). The earnings of non-manual workers in

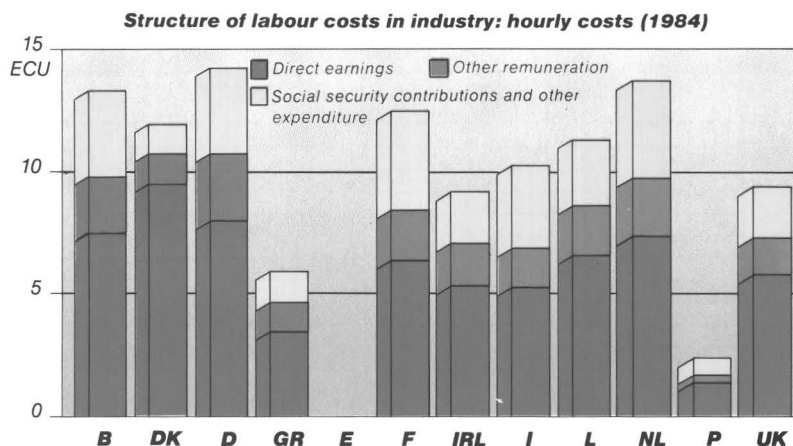
Earnings – October 1986 (current PPS)												
	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
Agriculture earnings per hour manual workers	6.07	7.50	6.92	3.95	3.80	5.49	4.86	6.18	6.03	7.50	:	5.94
Industry earnings per hour manual workers	8.17	9.18	8.48	5.01	6.42 (1)	6.46	7.58	7.28 (1)	9.03	8.54	3.53	8.40
earnings per month non- manual workers	2016	1816	2148	1221	1684 (1)	1831	1932	1749 (1)	2888	2100	1106	2096
Trade earnings per month non- manual workers	1559	:	1443	772	1057 (1)	1369	:	:	1557	1663	:	:
(1) Estimates.												

permanent non-family manual workers) throughout the EC are lower than those of workers in industry.

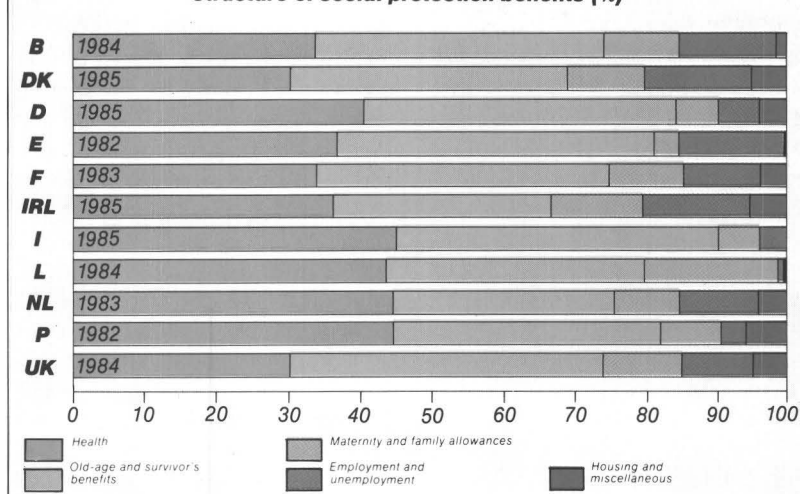
They are lowest in the Iberian peninsula and in Greece, whereas farm workers in the Netherlands

trade are on average lower than those of non-manual workers in industry.

Labour costs in industry represent the expenditure incurred by the employer on paying for the work done by his employees. This can be broken down into direct costs



Structure of social protection benefits (%)



(payment for work done plus any bonuses) and indirect costs, which comprise social security payments, the cost of vocational training and other expenditure of a social nature incurred by the employer (for the wage-earner this can be seen as a type of deferred pay, which he receives in the form of social benefits: sickness benefits, family allowances, pensions, etc.).

Hourly labour costs in industry are highest in the Federal Republic of Germany and in the Netherlands, and lowest in Portugal (ratio of 6 to 1 in 1984). At 31.9%, the amount paid by the French in social security contributions is the highest in the Community, whilst it is lowest in Denmark (7.6%), where social security contributions are funded by taxation, i.e. paid along with income tax. In all Member States, though, the employer pays a certain percentage towards social welfare protection.

The level of social security varies from one Member State to another, being high in the countries in the north of the EC and lower in Spain, Portugal and Ireland.

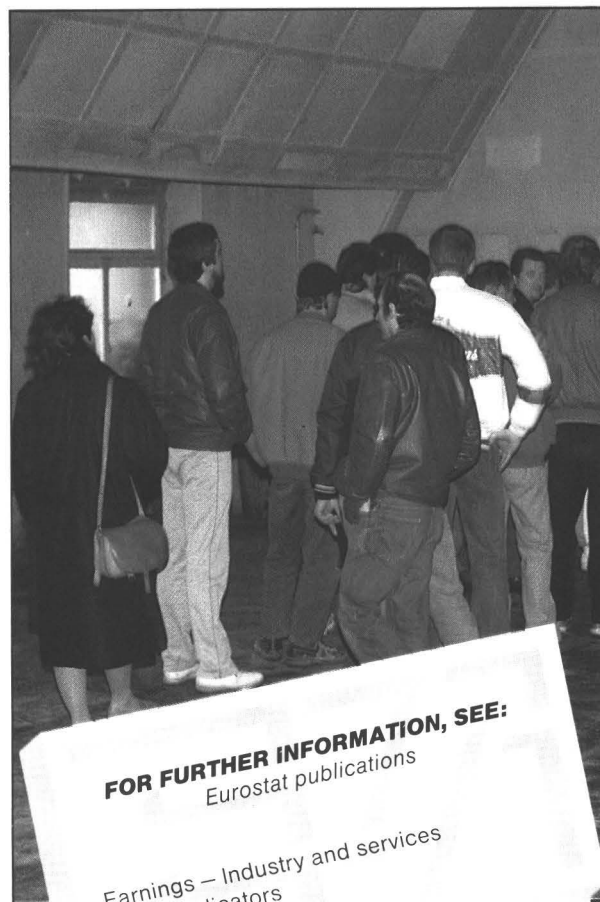
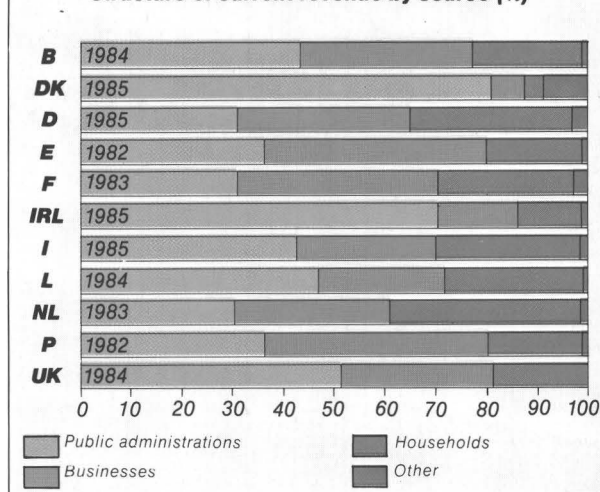
Two sectors, old age and health, account for the lion's share of the benefits (around 75–80% of the total). This is due, on the one hand, to higher expenditure on pensions and better care schemes for a higher number of elderly people (due to the increase in life

expectancy) and, on the other, to higher expenditure on health due to better health insurance cover and the use of more expensive treatment and new technology.

The amounts paid out in family and maternity allowances and on housing benefits vary from country to country, but unemployment benefit has increased in most countries, except Luxembourg (which is a special case with its very low rate of 2.5% unemployment) and Portugal, where the number of persons registered unemployed and receiving benefit is very low.

Expenditure on social welfare protection is covered by contributions from public administrations (70–80% of the total in Ireland and Denmark, where this revenue comes from taxation, but only about 30% in the Netherlands, the Federal Republic of Germany and France), businesses (30–40% of revenue, except in Ireland and Denmark), and contributions from insured persons or households (30–35% in the Federal Republic of Germany, Italy and the Netherlands, less in the other countries).

Structure of current revenue by source (%)

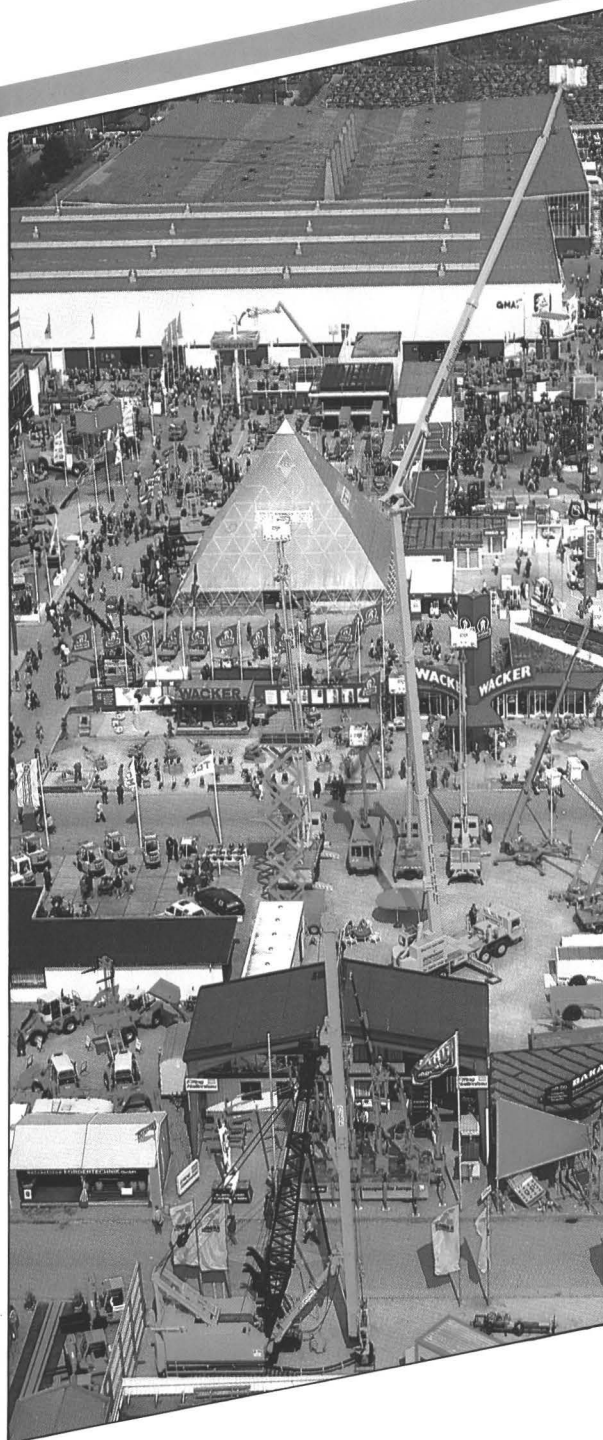


FOR FURTHER INFORMATION, SEE:
Eurostat publications

Earnings — Industry and services
Social indicators

14

GROSS DOMESTIC PRODUCT



Gross domestic product (GDP) can be defined as all goods and services resulting from economic activity and destined for final use. It is the total amount of value-added produced by 'economic agents' within the economic territory of a country, regardless of their nationality. (GNP of gross national product, another indicator used to measure a country's income, is the total amount of revenue produced by the nationals of a country, whether they reside in their country of origin or not.)

Per capita GDP is a means of comparing GDP between countries of different sizes, but it has to be calculated in the same unit, (ecus for the EC, the dollar for the rest of the world), and so the different currencies can be converted into ecus or dollars. The problem here is that exchange rates do not necessarily reflect the real purchasing power of a currency within the country, so using them for GDP does not give a fair indication of the volume of goods and servi-

ces destined for final use in the different countries. This is why, to draw comparisons, it is not the ecu which is used as the unit of denomination for GDP, but the 'purchasing power standard' (PPS), to eliminate distortions due to price levels, to give GDP in real value and to allow fair comparisons between one country and another. The PPS also eliminates the influence of exchange-rate variations in comparisons over time in ecus or dollars. The table below shows the divergences between GDP expressed in ecus and in PPS (substantial in the case of Denmark, the Federal Republic of Germany, France, Portugal, Greece and the United Kingdom). In the space of 25 years the European doubled his income, having twice as many goods and services at his disposal in 1985 as in 1960.

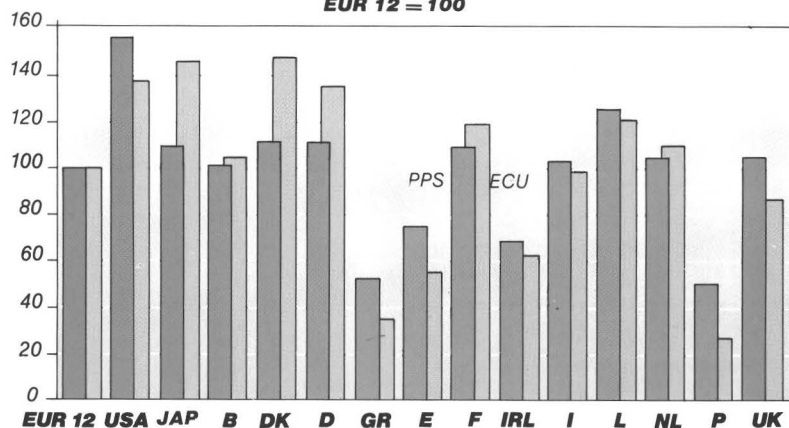
Over the same period, per capita GDP increased by 60% in the USA, while in Japan it quadrupled. From 1986 to 1987 the growth rate of GDP in the Europe of

Gross domestic product - (1987) ('000 million ECU)



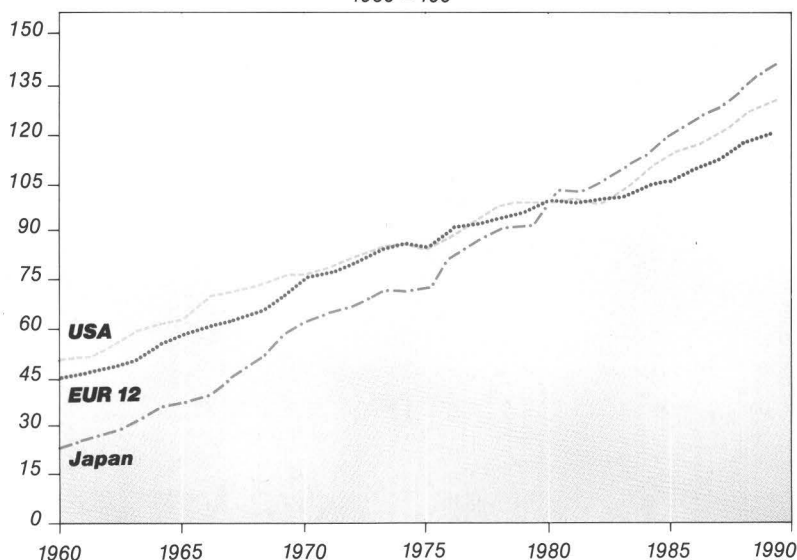
Total EUR 12: 3 721.2

Per capita GDP in ecu and PPS (1987)
EUR 12 = 100



Gross domestic product at market prices in volume

1980 = 100



Twelve was 2.8 % (in volume, i.e. discounting inflation), in Japan it was 4.3 %, and in the USA 3.6 %. In the Community it was particularly high in Spain (5.5 %), Portugal (4.7 %), Ireland (4.1 %), the United Kingdom (3.8 %), and Italy (3.1 %), while countries like Denmark (- 1 %) and Greece (- 0.4 %) saw their GDP decrease.

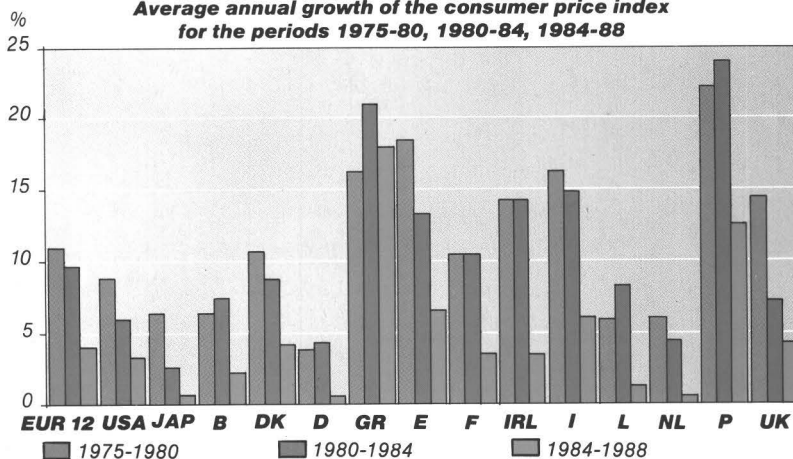
In 1987 the total GDP for the EC amounted to 4 719 thousand million PPS the US figure - at 5 563 thousand million PPS - was considerably higher, while Japan's was a good deal lower at 1 998 thousand million PPS. An analysis of per capita GDP expressed in PPS, however, shows that Japan's is now 12 % higher than

Europe's, and the USA's is 56 % higher.

The five Member States of the EC with the largest population (Federal Republic of Germany, United Kingdom, Italy, France and Spain) are together responsible for 87 % of the Community's GDP.

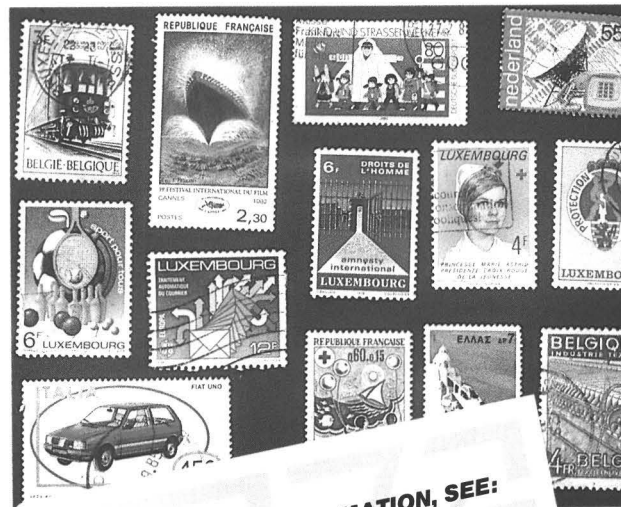
There are still enormous disparities between the Member States. Per capita GDP (expressed in PPS) is between 13 and 25 % above the Community average in countries such as Luxembourg, Denmark, and the Federal Republic of Germany, while Ireland, Spain, Greece and Portugal are between 26 to 46 % below average.

Average annual growth of the consumer price index for the periods 1975-80, 1980-84, 1984-88



As can be seen on the map following Chapter 15, the differences in per capita GDP between the regions of the EC are even higher than those between the Member States. These reflect both the heterogeneity of the Member States and regional differences within the countries. The 'poor' regions of the EC, those whose GDP is lower than the Community average, are to be found on the periphery of the Community and are made up of mountainous areas, regions with a low level of industrialization and regions where traditional industries are undergoing a crisis.

The 'richer' regions include those zones centred on the London-Milan axis and one or two centres off this axis like Hamburg and the Copenhagen area. These are regions with a high population density, where industry is concentrated and dynamic, and commercial activity is intense.



FOR FURTHER INFORMATION, SEE:
Eurostat publications

National accounts ESA - Aggregates
Quarterly national accounts ESA

15

UTILIZATION OF GDP

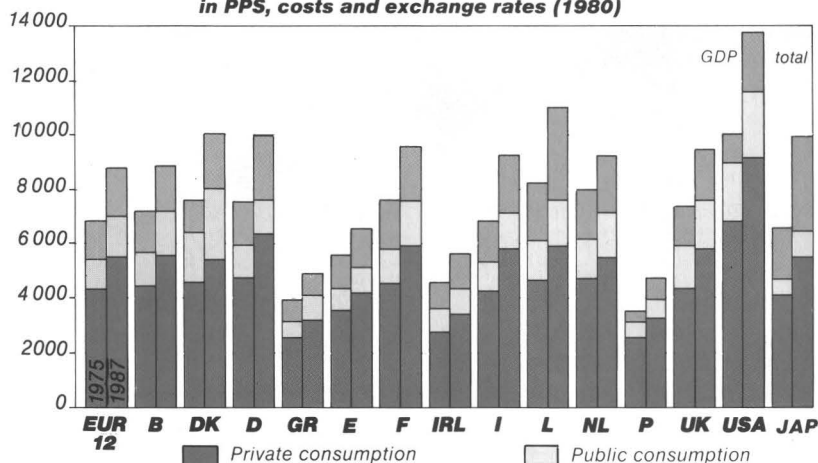


The end uses of GDP, as reflected in the national accounts, are:

(i) the final consumption of households, which represents the value of the market goods and services used directly to satisfy individual human needs, such as foodstuffs, articles of clothing and footwear, housing, furniture, expenditure on health care, transport, leisure and cultural activities;

(iii) gross fixed capital formation, representing the value of durable goods (except those intended for military purposes) acquired by producers to be used for a period of more than one year in their production process – machines, means of transport, buildings, civil engineering works, housing. This is the part set aside for investment;

GDP, private consumption, public consumption¹ per capita in PPS, costs and exchange rates (1980)



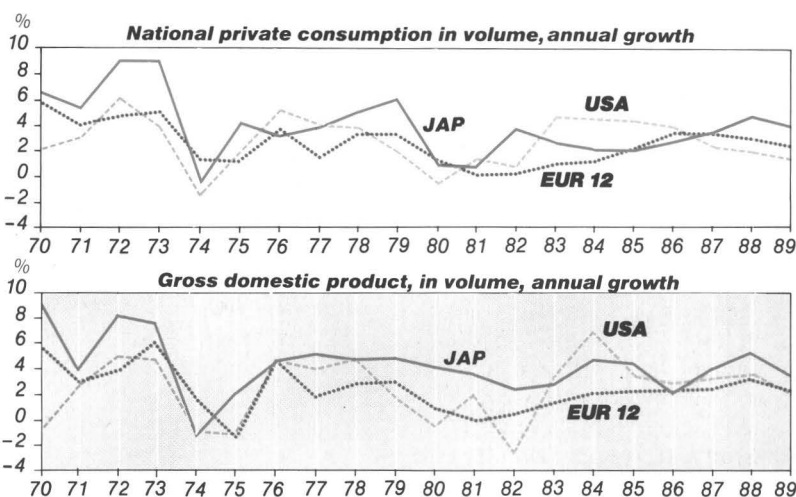
¹ Collective consumption of general government.

(ii) the collective consumption of 'general government': non-market goods and services provided free of charge to the community: health services, education, recreational and cultural facilities, and all sorts of social services;

(iv) changes in stocks;

(v) the balance of exports to imports.

These elements are indicators of the use of the 'wealth' of a country. They provide information not only on the level of consumption,



but also on the structure of the economy, and, by analysing the various items of household and general government final consumption, on consumer habits whose changes can be identified by studying the development of the various components of GDP.

The level of consumption varies enormously from one Member State to the next. For example, in 1987 the consumption of goods and services expressed in PPS was over 13 000 units per capita in Denmark and Luxembourg, while in Greece and Portugal it was below 7 000 units. The Community average was 11 547 PPS.

In the United States, the level of consumption was much higher (19 450 PPS) in 1987, while in Japan (11 040 PPS) it was slightly below the Community average. The level of consumption is one (but not the only) indicator of the standard of living of the inhabitants of a country.

Government consumption, i.e. the production of general services benefiting the population as a whole, accounts for approximately 20% of consumption in most countries except Denmark, where it stands at more than 30%.

Private consumption was growing at around 4% per annum before the first oil crisis (1973), when the rate slowed down because of the high cost of energy and the drop in economic activity, before picking up again after 1985.

Europeans do not all spend their money in the same way. Spending patterns vary from one country to another, and are particularly dependent on the degree of economic development.

In Denmark, to take the example of a highly developed northern European country, the amount spent on accommodation and heating, transport, communications and recreation is above aver-

age. By contrast, in Greece, one of the 'poorer' southern countries, households spend an average of 42% of their budget on food, drink and tobacco, nearly twice the European average.

Spending on medical care varies according to the health system. In France, where this sector is not nationalized, more is spent on medical care than, say, in Denmark or the United Kingdom.

Consumption of foodstuffs and clothing is now only increasing slowly in most countries, since the present level of spending is more or less sufficient to satisfy requirements.

Consumption is growing faster, on the other hand, in transport, communications and recreation (nearly 75% growth between 1970 and 1987 in the Community), particularly in Belgium, France, the Netherlands and the United Kingdom.

The proportion of GDP set aside for investment is an indicator of the buoyancy of an economy, both for the current year and for the future. In the EC, investment expenditure has increased sharply since 1984, after registering a fall between 1974 and 1983, and although it now almost equals the USA level, it is still lower than in Japan.

Price trends are one of the main economic indicators, reflecting market play for the supply and demand of goods and services.

At present, the consumer price index is used to measure inflation, being the only one for which complete figures are available quickly, but in fact price levels result from trends affecting all the components of GDP, including investment and foreign trade.

Per capita household consumption for selected purposes, PPS, prices and exchange rates (1980)

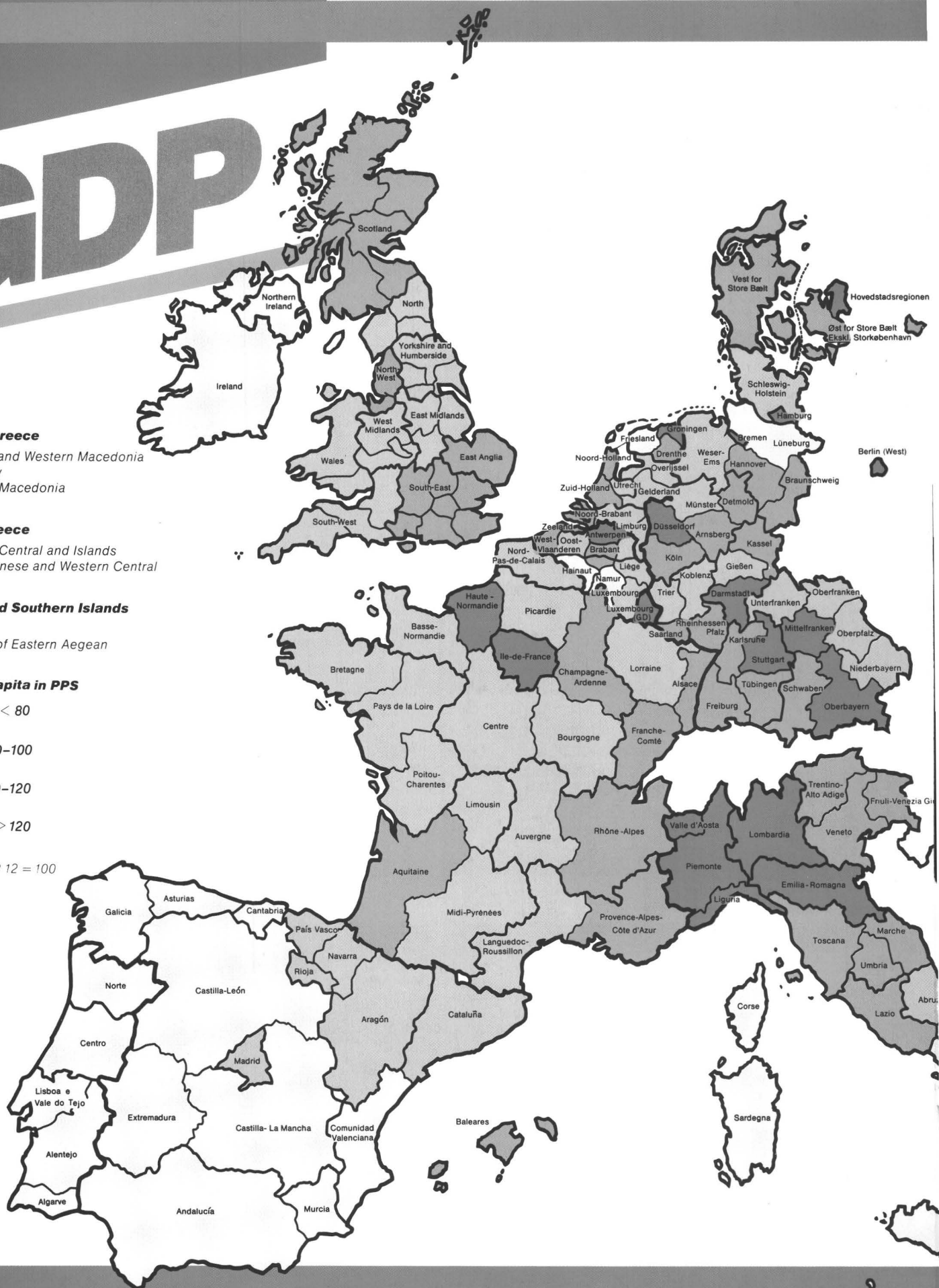
	Food, drink and tobacco		Recreation, education, culture		Housing		Transport and communications	
	1970	1986	1970	1986	1970	1986	1970	1986
B	944	1 129	151*	374	661*	977	433*	668
DK	1 135	1 318	312	550	1 049	1 336	703	983
D	832	1 055	332	562	665	1 129	584	896
GR	1 009	1 387	113	147	232	457	181	520
E	864*	1 112	200*	290	505*	704	315*	604
F	960*	1 163	218*	432	596*	1 057	589*	947
IRL	1 173	1 342 (2)	221	279 (2)	309	380 (2)	268	351 (2)
I	:	1 470	:	464	:	750	:	728
L	1 052	1 416 (1)	142	213 (1)	744	1 207 (1)	439	982 (1)
NL	876	1 037	310	521	579	921	387	581
UK	959	1 046	283	572	760	961	553	938

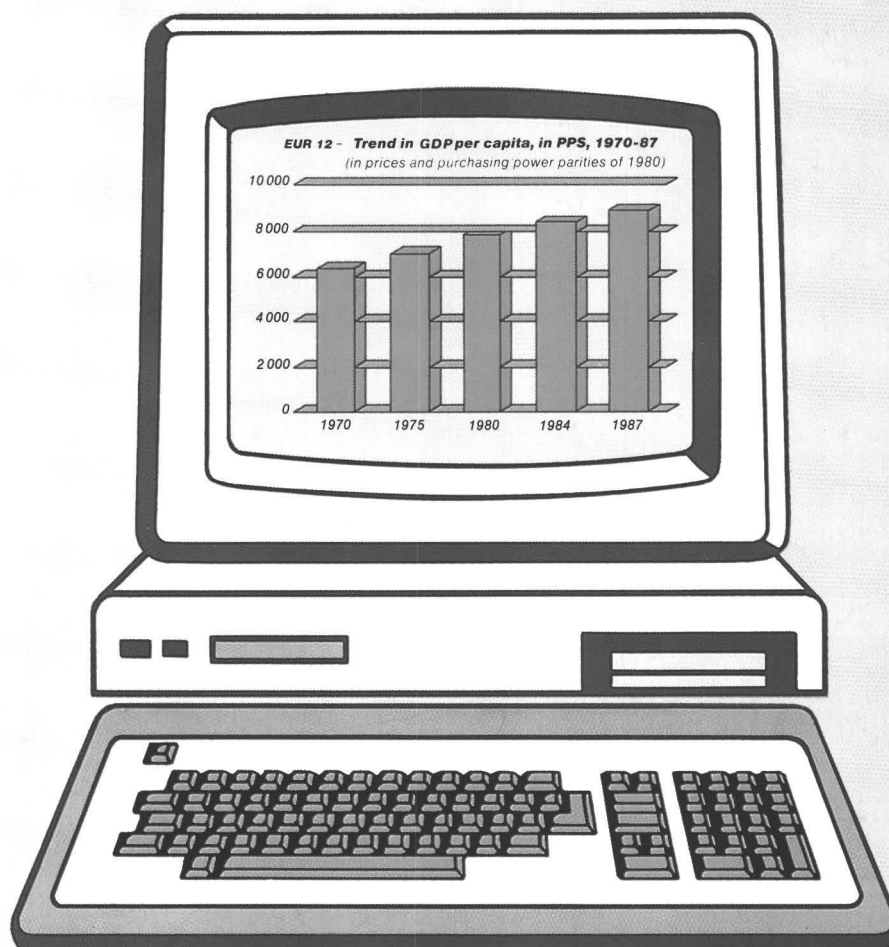
(1) 1985 (2) 1984



FOR FURTHER INFORMATION, SEE:
Eurostat publications

National accounts ESA —
Detailed tables by branch
Consumer price indices — Monthly





For technical reasons, territories and islands not located on the European continent are not reproduced on this map.

THE EUROPEAN MONETARY SYSTEM AND THE ECU



The European Monetary System (EMS), officially introduced on 13 March 1979, was set up by the Member States of the EEC to create a zone of monetary stability in Europe by coordinating Member States' economic and financial policies.

The ecu (European currency unit) is one of the means of payment between the central banks of the Member States for transactions carried out in connection with the EMS. The ecu and the exchange-rate mechanism, designed to maintain parities, are the two main instruments of the EMS.

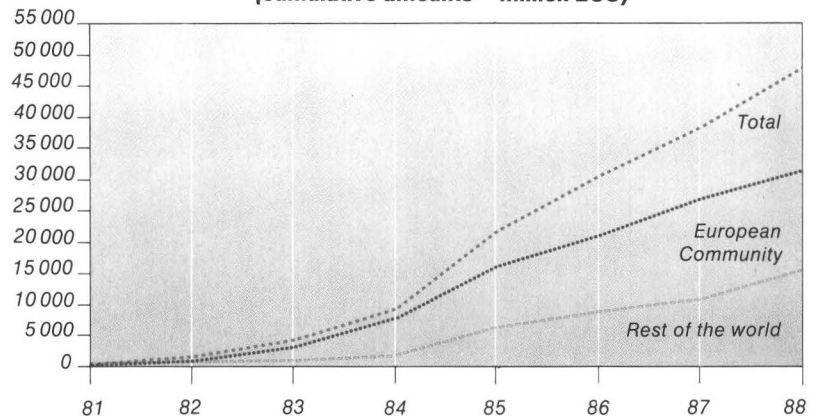
The UK, Greek, Spanish and Portuguese currencies do not yet participate in the EMS exchange-rate mechanism.

In the 10 years of its existence, the EMS has undergone 11 monetary realignments, chiefly involving the revaluation of the German mark and the Dutch guilder against the other currencies. But all in all the system has stood up well to general currency floating and in September 1987 it was decided to strengthen it.

Although, as with other currencies, the value of the ecu is determined on the foreign exchange markets, it is also possible to calculate its value on the basis of the exchange rates for its constituent currencies.

Despite the fact that the ecu has no concrete identity in the form of notes and coins, it is being used for an ever-increasing number of inter-

**Issues of ecu bonds
(cumulative amounts – million ECU)**



On the other hand, all the Member States are involved in forming the official ecu, even if the Spanish peseta and the Portuguese escudo are not yet part of the basket of currencies which make it up. The inclusion of these currencies will be examined as part of the five-yearly review of the status of the ecu which will take place in September 1989.

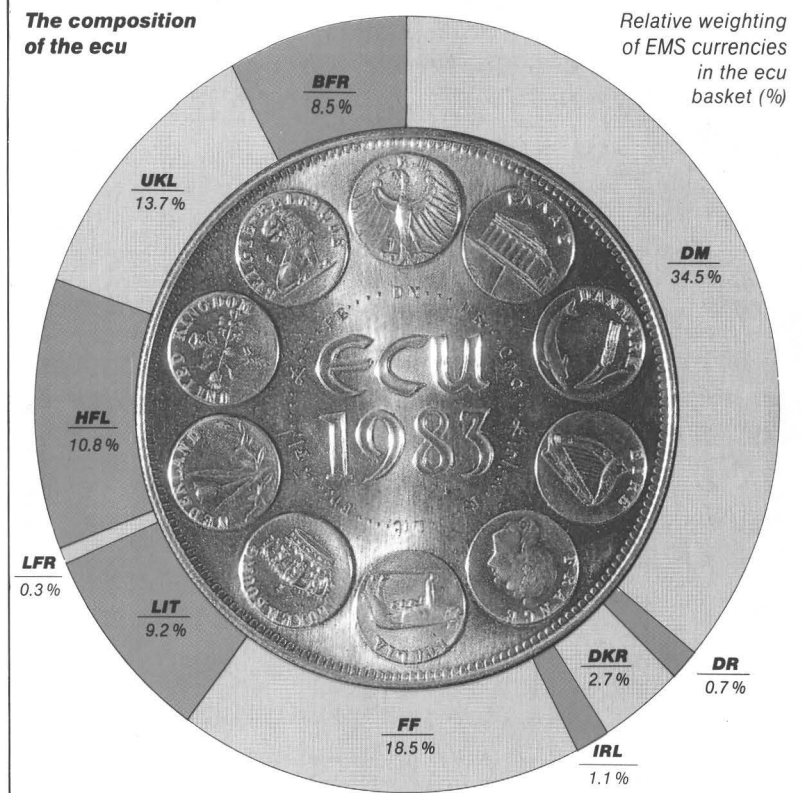
The ecu is the symbol of the EMS, and is made up of a 'basket' of 10 EEC currencies, the amount of each currency reflecting its economic and financial importance.

national economic and financial transactions. Furthermore, the private individual can use ecu travellers' cheques for holidays abroad (even outside the Community), buy bonds in ecus, invest in ecus and, in certain countries, even obtain bank loans in ecus.

Belgium and Luxembourg were the first countries to authorize the opening of bank accounts in ecus, and from 1 July 1990 this will be possible in eight of the 12 Member States.

The composition of the ecu

Relative weighting of EMS currencies in the ecu basket (%)



Average annual rates of the ecu 1979-1985-1988

	1979	1985	1988
BFR/LFR	40.17	44.91	43.43
DKR	7.21	8.02	7.95
DM	2.51	2.23	2.07
DR	50.77	105.74	167.58
ESC	67.04	130.25	170.06
FF	5.83	6.80	7.04
HFL	2.75	2.51	2.33
IRL	0.67	0.72	0.78
LIT	1138.50	1447.99	1537.33
PTA	91.97	129.16	137.60
UKL	0.65	0.59	0.66
USD	1.37	0.76	1.18
YEN	300.47	180.56	151.46

First and foremost an instrument of finance, the ecu is the fifth most widely-used currency in issues of international bonds, and is becoming more and more firmly established as an international currency.

Will the ecu one day become a common currency for the EEC countries? It would offer a new facility for European companies and private individuals, who would benefit from its stability and would no longer have to change money at every border.

Although at present it is used in a limited number of international transactions, it is gaining ground. The advantage of the ecu to businessmen both within and outside Europe is, principally, its relative stability, which is better than that of most national currencies.

Effective progress in the use of the ecu has been made in:

- (i) short-term financial transactions;
- (ii) invoicing for sales of goods and services leading to the calculation of a price index in ecu, which private firms use in certain international contracts;
- (iii) international payments.



FOR FURTHER INFORMATION, SEE:
Eurostat publications

Money and finance – Quarterly
Ecu-EMS information – Monthly

17

AGRICULTURE AND THE ECONOMY



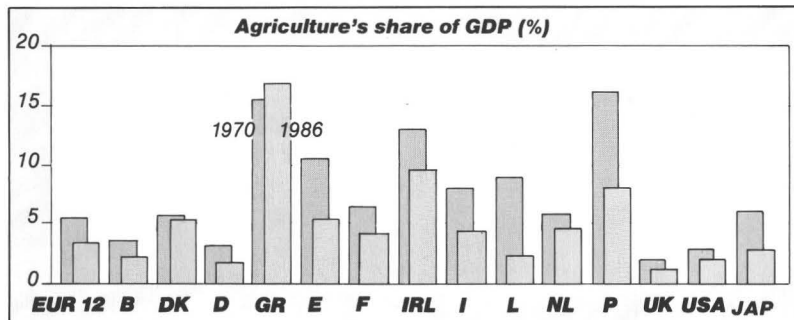
Improved productivity, fair living standards for farmers and farm-workers, stable markets and secure supplies at reasonable prices for the consumer: these are the objectives set by the Treaty of Rome in 1957 for European agriculture.

30 years later, it is fair to claim that they have been largely achieved. This does not mean, of course, that the agricultural policy is above criticism.

Thanks to a spectacular increase in production, productivity and trade, supplies to the consumers are secure and more varied than ever before. The prices of agricultural products have on the whole increased less rapidly than other consumer prices. As for farm incomes, their progress has been erratic, and there have been wide disparities within the farming world.

Unfortunately, there is the serious problem of persistent surpluses of certain commodities. These attract a great deal of attention in the media and tend to mask the real achievements. Reform is now under way to bring the excess production under control. This problem, however intractable, is one that must be solved.

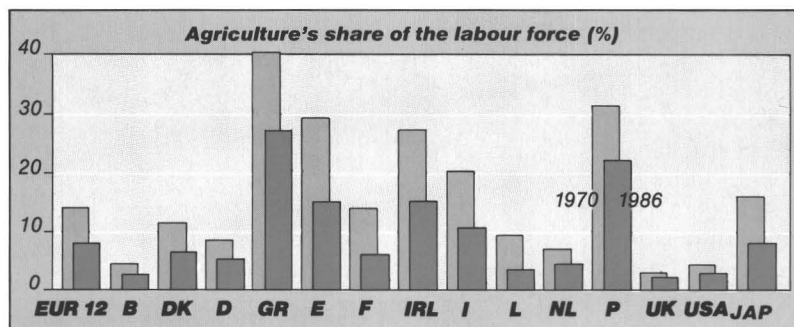
Does all this amount to featherbedding the farmers? Support per farmer is a little more generous than in New Zealand, rather less than in the United States of America and Austria, and much less than in Switzerland, for example.



In 1985 agriculture accounted for 3% of GDP in the EC as a whole, as against 5.6% in 1970, but there are vast differences between the Member States: from 14% of GDP in Greece to 1.4% in the Federal Republic of Germany. Other figures include 8.2% of

GDP in Ireland, 7% in Portugal, 6% in Spain and 1.5% in the United Kingdom.

Utilized agricultural area (UAA) covers 129 million ha or around 57% of the total land surface of the EC. Of this total 68 million ha



are arable land, i. e. tilled and cultivated annually; permanent crops (fruits, vines) are grown on 12 million ha (9.5%) and 49 million ha (38%) are normally covered in grass (for grazing). The UAA is continually decreasing, as agricultural land is abandoned or used for other purposes: forests, buildings, roads, railways, etc. Forests cover 53.5 million ha or 41 % of the total land surface.

There are also great disparities in the relative size and structure of UAA in the Member States. In Ireland, Greece and the United Kingdom for example, UAA covers more than 70 % of the land and 60 % or more of this is permanent grassland – although it is not really realistic to compare the rough grazing areas in Greece to the rich pastures of Ireland or the United Kingdom. On the other hand, in Belgium, the Federal Republic of Germany and Portugal, UAA covers less than half of the total surface area and there is more arable land than permanent grassland. Orchards and vineyards cover a large part of the land in the Mediterranean countries (Greece, Spain, Italy and Portugal).

Although considerable progress has been made in agricultural productivity it still remains relatively weak compared to that of other sectors of the economy. This can be seen by comparing the volume

of work provided by farms throughout the EC (8 % of total employment), and the share of agriculture in GDP (3%). Owing to different structures and methods of cultivation, productivity is higher in the Netherlands, Denmark and Belgium than in the southern countries of the EC (Greece, Spain, Italy and Portugal) and Ireland.

Income from farming has declined, on the whole, since 1973, despite increases in certain countries and at certain times. Figures show that in 1988 real agricultural income had increased from its 1980 level (average of the three years 1979, 1980 and 1981), but that the 1980 level was 12 % lower than the 1973 level in real terms. Once again there are considerable differences between the Member States: while the increase was much higher than average in Greece and Belgium, figures for the Federal Republic of Germany show no change at all and real income from farming decreased in France, Italy and the United Kingdom.

Producer prices of agricultural products dropped, in real value, by almost 25 % between 1975 and 1987 in the EC as a whole. This fall in producer prices plays an important role in the development of farm income, but it is important to remember the role of the purchase prices of the means of agricultural production (fertilizers, seeds, animal feedstuffs, etc.) which, in real value, only fell by 20 % between 1975 and 1987.

Agricultural income 1980¹ = 100					
The indicator used is real net value-added at factor cost and per annual work unit (AWU)					
	1973	1980	1985	1987	1988
B	116.4	98.7	112.9	105.1	109.3
DK	97.1	97.7	149.5	123.4	121.1
D	125.4	94.0	97.8	91.0	102.6
GR	81.2	102.1	112.7	104.2	110.3
F	119.4	95.4	103.0	102.2	97.9
IRL	98.2	92.7	118.5	127.4	146.5
I	109.2	99.7	95.5	94.4	92.7
L	96.7	93.7	134.4	141.9	143.6
NL	111.4	91.9	117.0	118.5	120.1
UK	129.1	95.7	96.8	100.6	90.8
E	:	104.9	124.6	127.2	140.7
P	:	:	:	:	:
EUR (2)	115.5	97.8	106.3	104.4	105.7

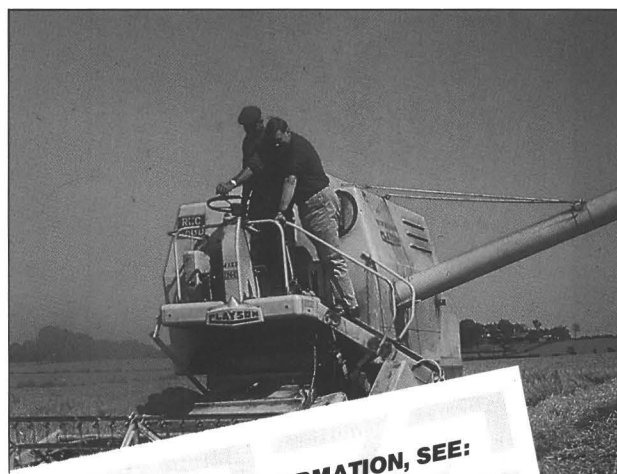
¹ '1980' = (1979 + 1980 + 1981) : 3.

(²) Excluding Portugal

Land use							
	Forests	Other	UAA ¹	UAA ¹	Arable land	Perma- nent crops ²	Perma- nent grass- land
	as % of the total area			1 000 ha	as % of the UAA ¹		
EUR 12	24	17	59	129 225	51	9	40
B	20	34	46	1 419	52	3	45
DK	11	23	66	2 834	92	0	8
D	30	22	48	1 220	60	2	38
GR	44	12	44	5 741	51	31	18
E	25	21	54	27 310	57	19	24
F	27	16	57	31 450	56	5	39
IRL	5	14	81	5 713	19	1	80
I	21	21	58	17 520	52	20	28
L	34	17	49	128	43	2	55
NL	8	38	54	2 023	42	3	55
P	32	20	48	4 379	66	17	17
UK	9	15	76	18 644	38	0	62
USA	28	26	46	431 382	44	1	55
JAP	68	17	15	5 396	78	10	12

¹ UAA = agricultural area used by the farmer, excluding forests, buildings, farmyards and annexes.

² Orchards, vineyards, olive groves.



FOR FURTHER INFORMATION, SEE:
Eurostat publications

Economic accounts for agriculture
Agricultural income – Analysis
EC agricultural price indices –
Half yearly statistics
Agriculture – Statistical yearbook

AGRICULTURE - STRUCTURES



In 1987 there were around 8.8 million farms in the EC, about 1.8 million less than in 1970.

Many small farmers have been forced to give up farming because of the increase in capital investment required, the reduction in the financial viability of certain farms and the fact that they were lagging somewhat behind in terms of improved income and living conditions. The trend towards concentration, which can be seen in the economy as a whole, is also apparent in the agricultural sector, and has led to an increase in the average size of farms: from 12 ha

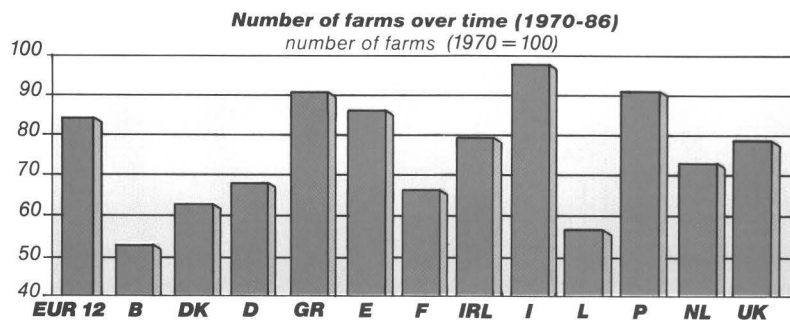
Agricultural techniques in the EC have improved considerably thanks to mechanization, the use of fertilizers and plant-protection products, advances in cultivation and grazing methods and the wider use by farmers of accounting practices.

Agriculture in the north of the EC is in fact very mechanized (with widespread use of fertilizers, good technical training and high level of accounting skills). In the Mediterranean countries and in Ireland the use of these techniques is more variable.

Number and area of farms (1987)													
1000 farms	:	93	92	722	953	1 776	982	217	2 784	4	132	769	260
Average AAU / ha	:	14.8	30.7	19.4	4.0	13.9	28.6	22.7	5.6	30.2	15.3	4.3	51.5
Farm sizes (%)													
1 - < 5	:	23.5	1.9	29.7	51.2	45.7	16.9	16.1	48.1	17.3	22.4	35.4	12.6
5 - < 10	:	15.4	16.7	16.6	14.8	16.3	10.9	15.2	12.0	9.1	16.4	5.7	11.6
10 - < 20	:	20.8	26.0	20.3	5.6	10.6	17.8	29.1	6.2	11.4	23.0	2.4	14.3
20 - < 50	:	20.3	38.9	25.8	1.8	8.1	30.5	30.7	3.3	29.8	25.8	1.1	23.8
≥ 50	:	5.0	15.3	7.8	0.3	5.2	16.8	8.9	1.4	24.0	3.9	0.9	31.2
EUR 12 B DK D GR E F IRL I L NL P UK													

AAU in 1960 to 14 ha AAU in 1985 in the Europe of Ten. This trend towards concentration varies according to the Member State, as there are enormous disparities between the regions. Small farms are still widespread in the south of the EC (Greece, Spain, Portugal and Italy), although there are also large farms in southern Italy and Spain. In the other Member States, with the exception of the United Kingdom, most farms are of an average size.

In the Mediterranean countries the main type of farming is the more labour-intensive crop production, while in the northern countries stock-farming is more common. The most widespread type of farming in the EC is mixed farming which often combines the production of various types of crops with stock-farming on small and medium-sized farms. Farms specializing in particular crops or intensive stock-farming are generally the most profitable, and these are

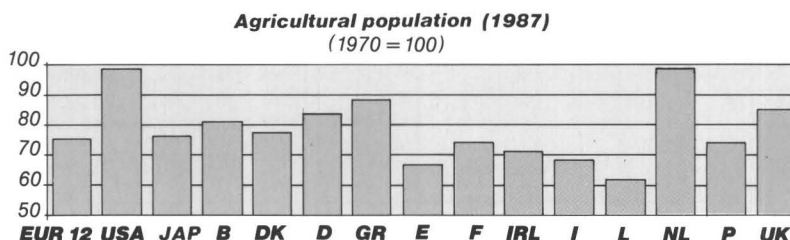
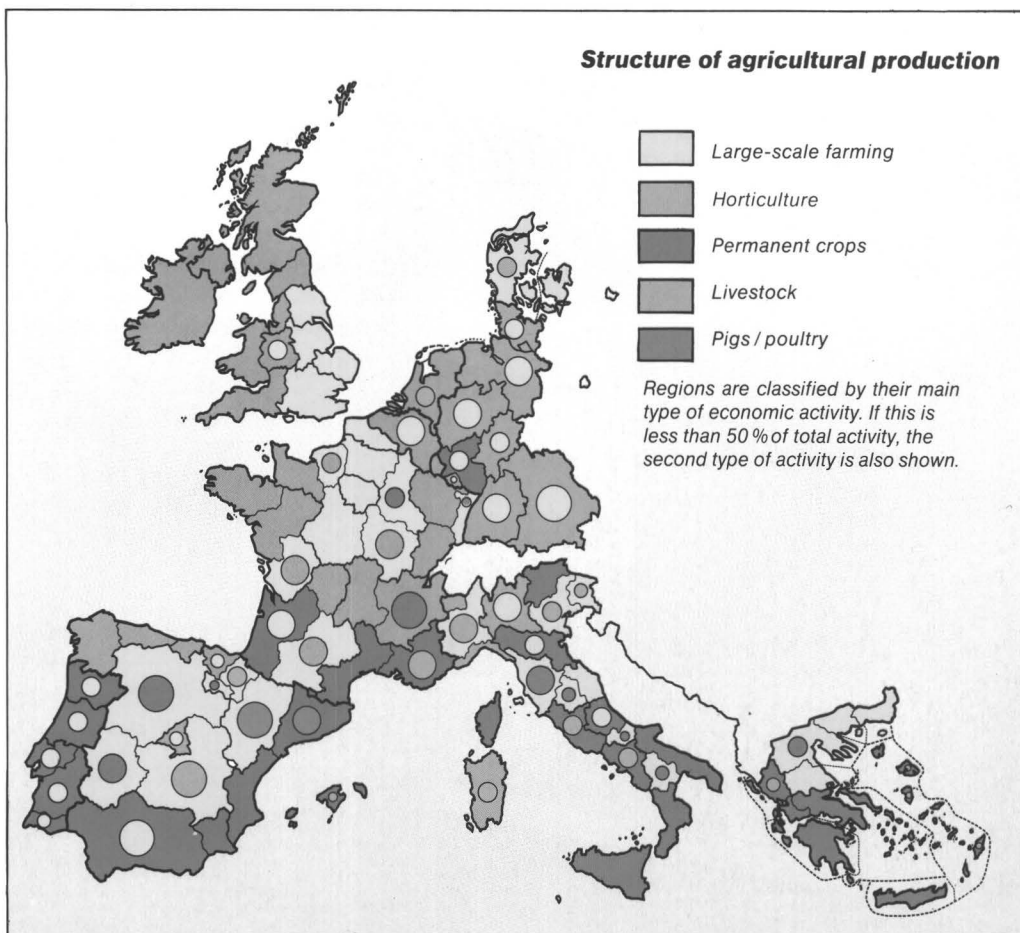


mostly to be found in regions where the soil is rich or the climate well suited to the crops grown.

In 1985 the number of people employed in agriculture in the Europe of Ten stood at 13 million, or an average of 14.7 workers per 100 ha of cultivation. Here again, however, the disparities are enormous: 50 per 100 ha in Greece, 32.9 in Italy, but only 4.4 in the United Kingdom and 5.6 in Denmark.

Only 23 % of the people working in agriculture do so full-time: 4.080 million in 1985. 13.948 million work part-time, and although some of these make money from activities outside agriculture, the others have no other form of paid employment, and are in effect part of the army of the hidden unemployed. The 8.8 million farms in the EC actually require a workforce of 9.4 million people employed full-time; with 18 million people working in the agricultural sector in the EC, the figures would suggest that each is only employed at 43 % of the full-time rate. One other point worth mentioning is that the average age of the active population in agriculture is higher than that of the total active population: in 1985, 49 % of those working in agriculture were over 55 years old.

To improve the structural inequalities and increase agricultural productivity, the EC offers a scheme of subsidies, loans and financial help for modernizing farms, training farmers, improving the rural infrastructure, and promoting the marketing and processing of agricultural products. These programmes are financed by the Guidance Section of the EAGGF (European Agricultural Guidance and Guarantee Fund).

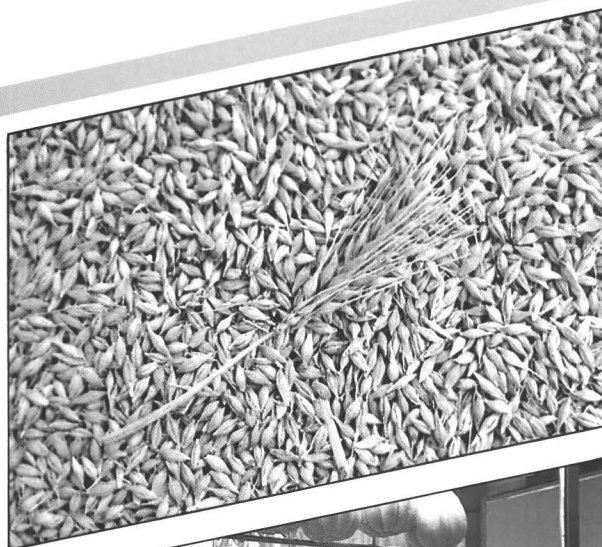


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Eurostat publications

Surveys on the structure of agricultural holdings — Main results

19

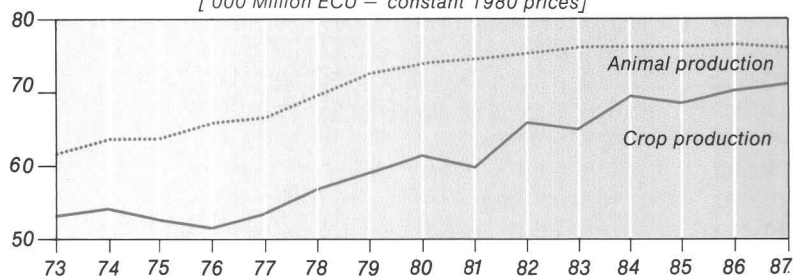
AGRICULTURE - PRODUCTION



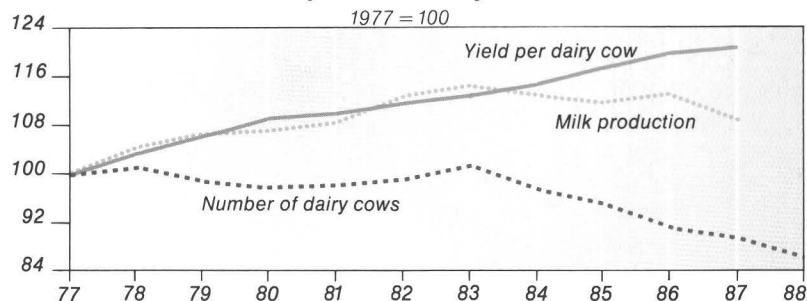
Agricultural production in the EC has taken great strides forward since 1958. The productivity of European agriculture has grown at a dramatic rate: the concentration and specialization of farms, the intensification of production methods, improved varieties, and the rationalization in the distribution of products to a single market on a Community scale (where the com-

The success of the CAP, however, has led to surpluses which place a strain on the Community budget. The CAP therefore needs to be reformed so as to gear production to market demand and reduce the cost of EAGGF subsidies. This is already being done by means of production quotas, setting up 'stabilizers', freezing or dropping the guaranteed price in ecus, setting

Agricultural production (1973-87)
['000 Million ECU - constant 1980 prices]



Milk production: dairy cows

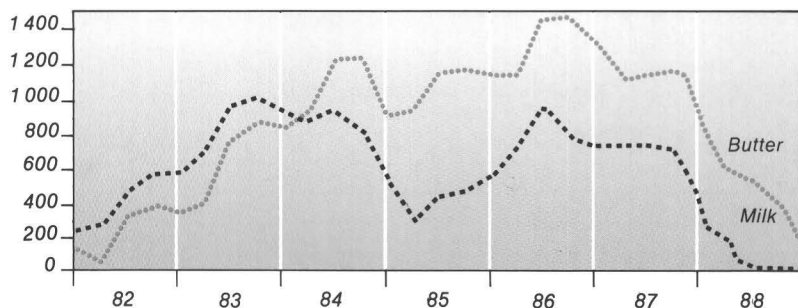


mon agricultural policy, or CAP, guarantees producers common minimum prices), have all helped to make agriculture in the Europe of Twelve capable of supplying almost all European agricultural products to the Community and exporting large volumes of primary and processed products.

guarantee thresholds, which mark the point at which producers finance all or part of the extra costs, co-responsibility levies, and compensation for setting aside agricultural land.

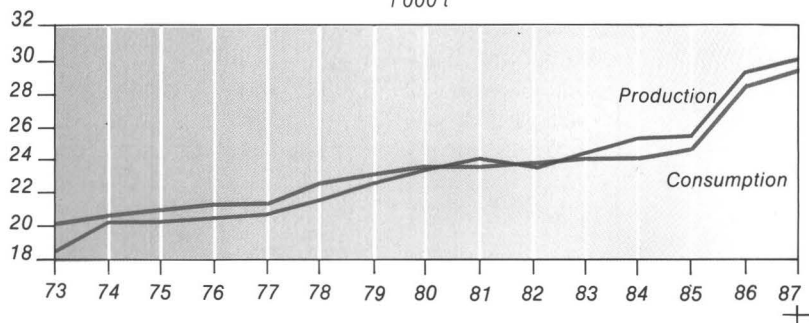
Efforts are being made to reduce the surplus of cereals through a restrictive price policy, limiting in-

Stocks of butter and skimmed-milk powder
1 000 t



Production and consumption of meat

1 000 t



intervention purchases to a period of not more than one year, a co-responsibility levy and applying a 'stabilizer' to all agricultural production. Farmers and producers are also being urged to incorporate more cereals in animal feed-stuffs, which, for certain types of animal, consist mainly of cheap imported manioc and soya.

A system of quotas and co-responsibility levies also exists for sugar.

The EC is by far the largest world producer of wine (1987: 206 million hectolitres = 61.9% of world production). Community policy seeks to promote the production of quality wine and exercise better control over total production by distilling the surpluses of poorer quality wines, by paying grubbing premiums (paid for pulling up vines) and by freezing or dropping the intervention prices.

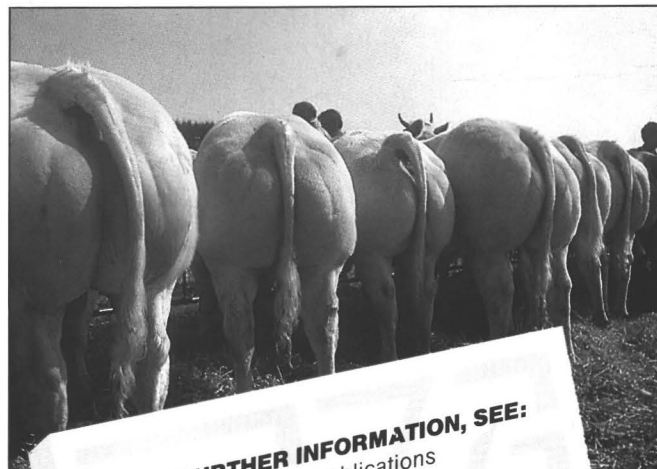
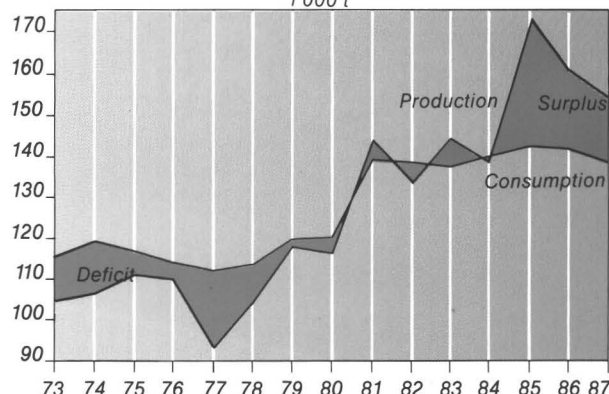
The EC has a very large livestock population; mainly cattle (80 mil-

lion head = 6.4% of the world cattle population), of which 24.7 million are dairy cows, and pigs (100 million = 11.1% of the world pig population). Great progress has been made in livestock productivity: in 1986, with the same number of livestock, 19% more beef was produced than in 1974, and 9% more pork. The yield of dairy cows increased by 26% over the same period. This explains the growth in stocks of butter and skimmed-milk powder during the 1980s, although special measures were taken in 1988 to end these.

The new approach of the CAP can be seen in the fact that agricultural expenditure has declined in real value (ECU 546 million less than in 1988) and accounts for less than 60% of the total 1989 budget.

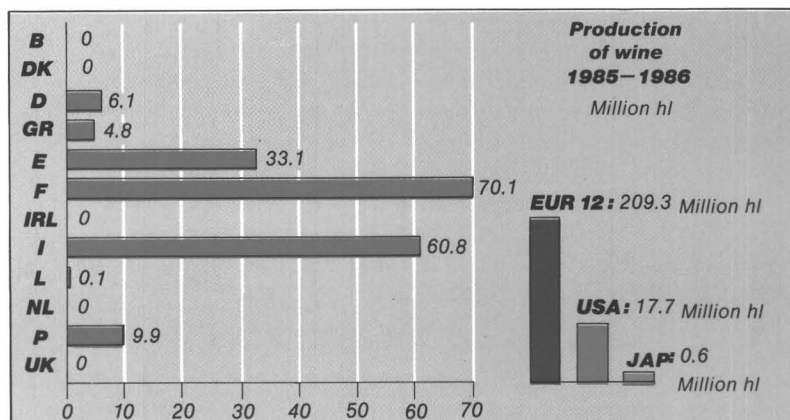
Production and consumption of cereals

1 000 t



FOR FURTHER INFORMATION, SEE:
Eurostat publications

Crop production - Quarterly
Animal production - Quarterly

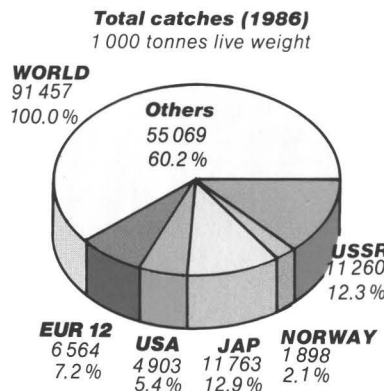


20 FISHERIES



Fishing is an activity of considerable importance to the EC, even although it only directly employs around 260 000 or 0.18% of the total active population. However, this total can be multiplied by a factor of four or five by including those people employed in the construction of fishing vessels, and those working in the processing industry for fish products.

European fishermen land 6.6 million tonnes of fish per year, or

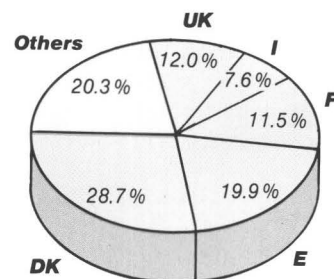


7.2% of the world total – the EC standing fourth in the world table after Japan (11.8 million t), the USSR (11.3 million t) and China (8.0 million t). The largest of the European fishing countries is Denmark with 1.9 million t of fish, consisting mainly of species for industrial use (fish meal and fish oil), followed by Spain (1.3 million t), which concentrates more on noble species for human consumption, and the United Kingdom (0.8 million t). The European fishing fleet operates in the north-east Atlantic (70%), in the Mediterranean (12%), and to a lesser extent in the north-west Atlantic (3%) or the east-central Atlantic (5%). With the extension of exclusive maritime zones to 200 miles from the coast (1 mile = 1.852 km), fishermen in the EC can no longer fish the north Atlantic zones by the coasts of Canada, Norway and Iceland, and are travelling in greater numbers to the warm seas of the Atlantic off the coast of Africa, the Indian Ocean (the EC concluded fishing agreements in 1988

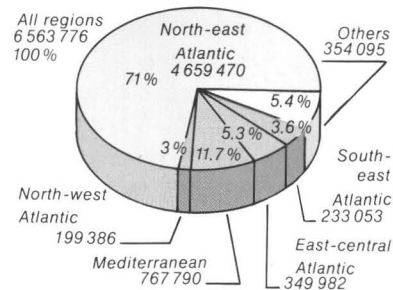
with the countries bordering these areas), the north-east Pacific and the Antarctic.

The Community fishing fleet can be estimated at around 100 000 motor vessels with a total tonnage of 2 000 000 GRT (a gross registered ton is a measure equivalent to 100 cubic feet or 2.83 m³), up considerably on the 1982 figure owing to the entry of Spain and

Total catches by Member State (1986)



Total catches by fishing region (1986) (t)



Portugal into the EC. This figure includes a large number of small boats for non-industrial fishing; industrial fishing requires vessels with a high tonnage (more than 500 GRT), but there are fewer and fewer of these, since they operate in far-off fishing areas, which have been reduced by the extension of exclusive maritime zones.

The number of smaller vessels in the fishing industry is, however, on the increase.

The species caught in the largest quantities by Community fishermen are the sand eel (900 000 t,

Fishing fleet (1986)

	Number	Tonnes (GRT)
B	172	20 695
DK	3 186	120 593
D	672	58 408
GR	3 081	195 405
E	14 418	421 401
F	13 955	214 301
IRL	:	:
I	26 730	284 631
NL	1 059	150 892
P	:	:
UK	:	:

for industrial use), cod (450 000 t), herring (400 000 t) and mackerel (350 000 t). Europeans eat 14.5 kg of fish per head per year, while the Japanese eat 35.5 kg.

The Community trades widely in fish products, but the balance is in the red. Imports of these products have in fact increased enormously since the extension of the exclusive zones, jumping from a value of ECU 1 million (EUR 9) in 1975 to 4.7 million in 1987 (EUR 12). The Community imports both expensive species for which catches in the Community have fallen, and a large amount of fish oil and fish meal; its exports are mainly of low-value species, for which catches exceed demand.

Aquaculture (the breeding of fish, shellfish such as mussels and oysters, and crustacea such as shrimps, and the growing of seaweed) is a rapidly developing activity. The Community share of world aquatic production is 7.6 % (Asia: 84 %) and the 800 000 t produced is around 12 % of the volume of Community fishing. Spain and France contribute the most to Community aquaculture: in particular mussels and oysters, while the 170 000 t of fish produced are made up mainly of trout, followed by carp, salmon and eels. Amongst the other species now bred are turbot, bass, sea-bream, and mullet. The production of crustacea and seaweed on an industrial scale is only just beginning to take off (a few tonnes in Italy and in France).

Since 1983 the European Community has had a common fisheries policy which concentrates on four main areas:

1. Accessibility, conservation and management of resources: the 200-mile Community zone is in principle open to all fishermen in the Community, with nevertheless a few restrictions designed to benefit coastal fishermen up to 12 miles. The protection and management of the resources in the Atlantic is guaranteed by means of TACs (total allowable catches) – fixed each year and distributed amongst the Member States by means of quotas – by limiting fishing in certain areas, by fixing a minimum net size, and by a control system supervised by European inspectors;

2. The common organization of markets through:

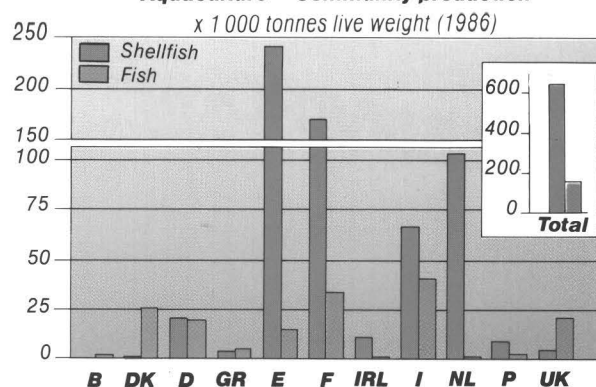
- (i) fixing marketing standards,
- (ii) a system of guide prices fixed annually, with the possibility of withdrawal from the market in return for compensation from the EAGGF, and
- (iii) trade arrangements which focus on imports into the Community and give certain advantages over the common rules by taking into account the specific needs of the Community market; little use is made of the possibility of granting export refunds for the same reasons;

3. A structural policy developed in 1986 to introduce multiannual guidance programmes subsidized by the European Community to improve the productivity of fishing;

4. International relations; concluding fishing agreements with third countries and participating in inter-governmental organizations dealing with this question.

The common fisheries policy is relatively inexpensive, with ECU 280 million, or 0.6 % of the total, being allocated to fishing in the 1987 Community budget.

Aquaculture – Community production



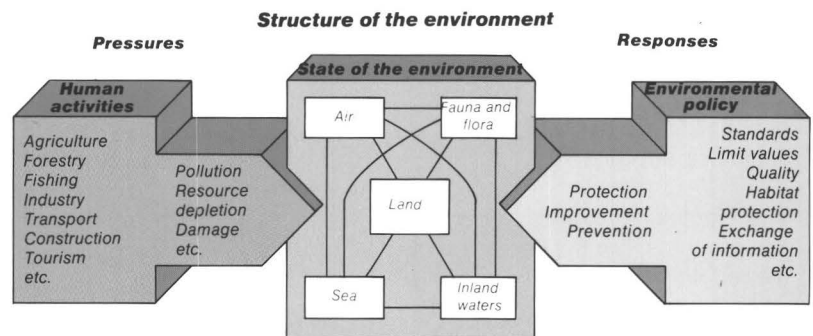
21

THE ENVIRONMENT



Almost all human activities affect the quality of the air, water, soil, animal life and sea. Some of these are very harmful, such as the use of fertilizers in agriculture; emissions of smoke, gases and dusts in industry; exhaust fumes in the transport sector; the over-exploitation of marine resources in the fishing industry; tourism with its destruction of certain landscapes and the dangers this brings with it;

- (ii) repair damage caused to the environment or take measures to improve the environment;
- (iii) prevent damage by:
 - (a) promoting research work into the development of 'clean' production technologies and recycling processes;



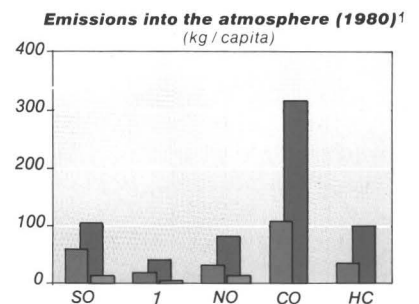
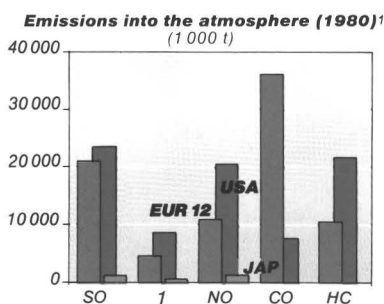
and urbanization with its uncontrolled sprawl of new building and industrial and domestic pollution.

Public opinion has become more and more conscious of the threat to the environment. The European Community, in seeking to improve living and working conditions as laid down in the Treaty of Rome and reaffirmed in the Single Act in 1986, has implemented a policy for the environment, which is fully integrated with its other policies in the fields of agriculture, fisheries, industry and transport. The aim of this programme is to:

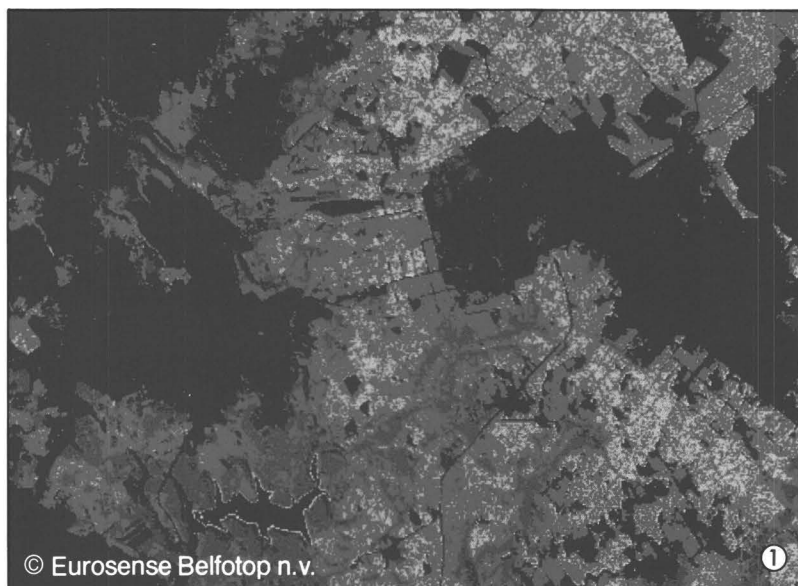
- (i) protect the countryside, seas, lakes and rivers, the atmosphere and the flora and fauna;

- (b) fixing quality standards for products, production processes and maximum pollution levels;
- (c) collecting and disseminating information regarding the environment;
- (d) tightening legislation on environmental protection, and the general safety of the population;
- (e) limiting the risks involved in new technologies.

An indispensable part of an effective environment policy is the collection of precise and varied data



¹ 1980 is the reference year for judging the success of efforts to reduce pollution.
Sulphur dioxides (SO₂) / Particles 1 / Nitrogen oxides (NO) / Carbon monoxides (CO) / Hydrocarbons (HC)



which are as complete as possible. This work requires a high level of coordination and harmonization between public and private authorities, national administrations and the European Community, and is well under way (the Corine programme).

The Commission plans to set up a European monitoring and inspection agency in 1989, to provide an early warning system and penalize any infringements of Community legislation on the environment.



Photos:

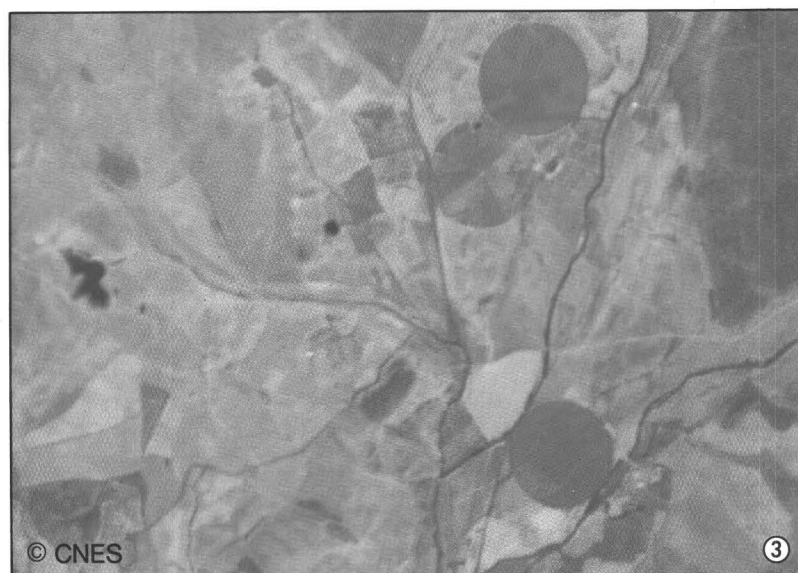
(1) The Eupen-Hertogenwalden region of Belgium. The black areas are unforested land, the blue areas are hardwood forests and the dark green areas healthy conifers. The yellow areas denote softwoods affected by chlorosis (yellowing of the needles) or needle loss, but could also indicate areas of low stand density resulting from intensive felling.

(2) Image taken on 7.8.1988 by the SPOT satellite (resolution on the ground of 10 m) of an area of 5 x 5 km to the south of the town of Birr in Ireland.

The pink-red areas represent pasture land generally surrounded by hedges which appear in brown. The light green areas represent bare ground where cereal crops have been harvested. A large area of peat bog can be seen in dark green in the bottom left-hand corner.

(3) Image of a 5 x 5 km area to the South of Lake Idanha a Nova in Portugal, taken on 13.9.1988 by the SPOT satellite (resolution on the ground of 10 m). The red circles are the result of sprinkler irrigation of fodder maize crops (the quarters represent successive harvests) and tobacco (upper circle). Also in red, crops irrigated by gravity can be seen near the rivers.

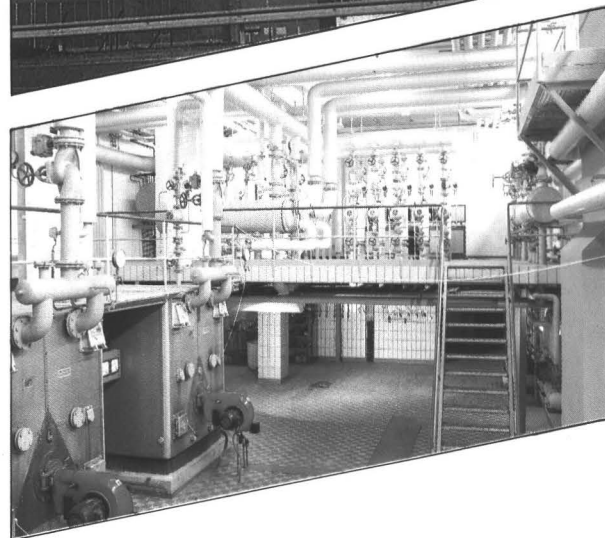
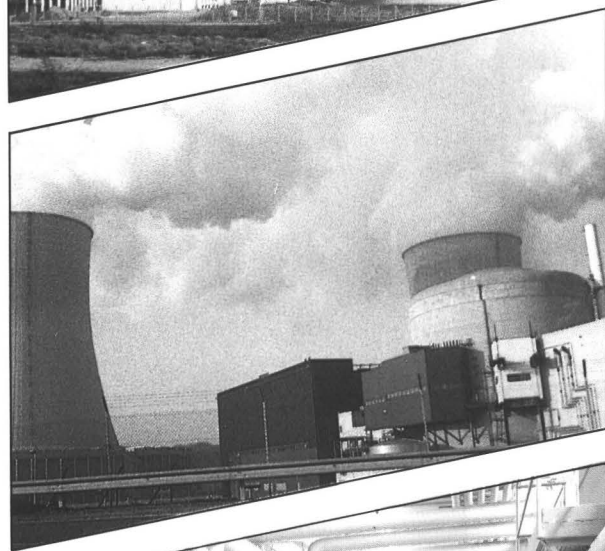
The cork-oak forests are shown in dark green, and individual trees (olive and apple trees) scattered across the range appear clearly on the right of the image.



FOR FURTHER INFORMATION, SEE:
Eurostat publications

Statistics on the environment —
Reports and surveys

22 ENERGY



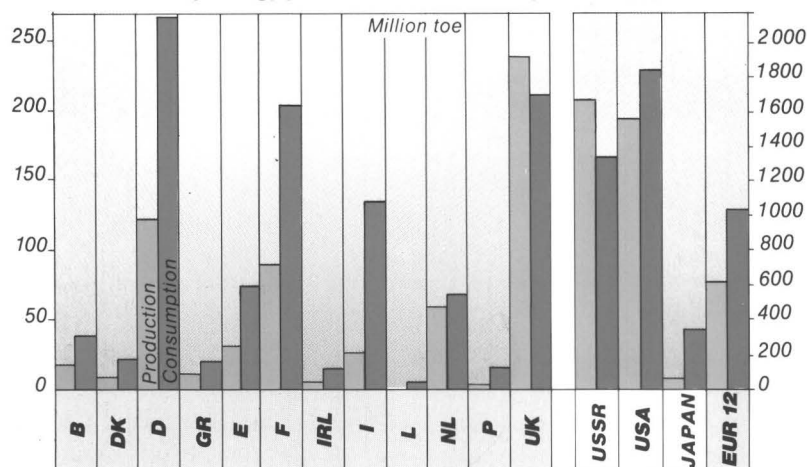
The European Community accounts for 7.5% of world energy production. The energy it produces covers 57% of its needs (USA 88%, Japan 18%, while the USSR has an energy surplus of 20% more than its needs).

The United Kingdom is the only Community country to have an energy surplus (+15%) thanks to the production of North Sea oil

back up to above the 1980 level (1062 million compared to 1022 million toe (tonne of oil equivalent)).

Primary energy production (coal, oil, natural gas, nuclear energy, hydroelectricity) in the Community increased between 1973 and 1987 by 67%, from 360 million toe to 601 million. France increased production by 173%, Belgium by

Primary energy production and consumption — 1987

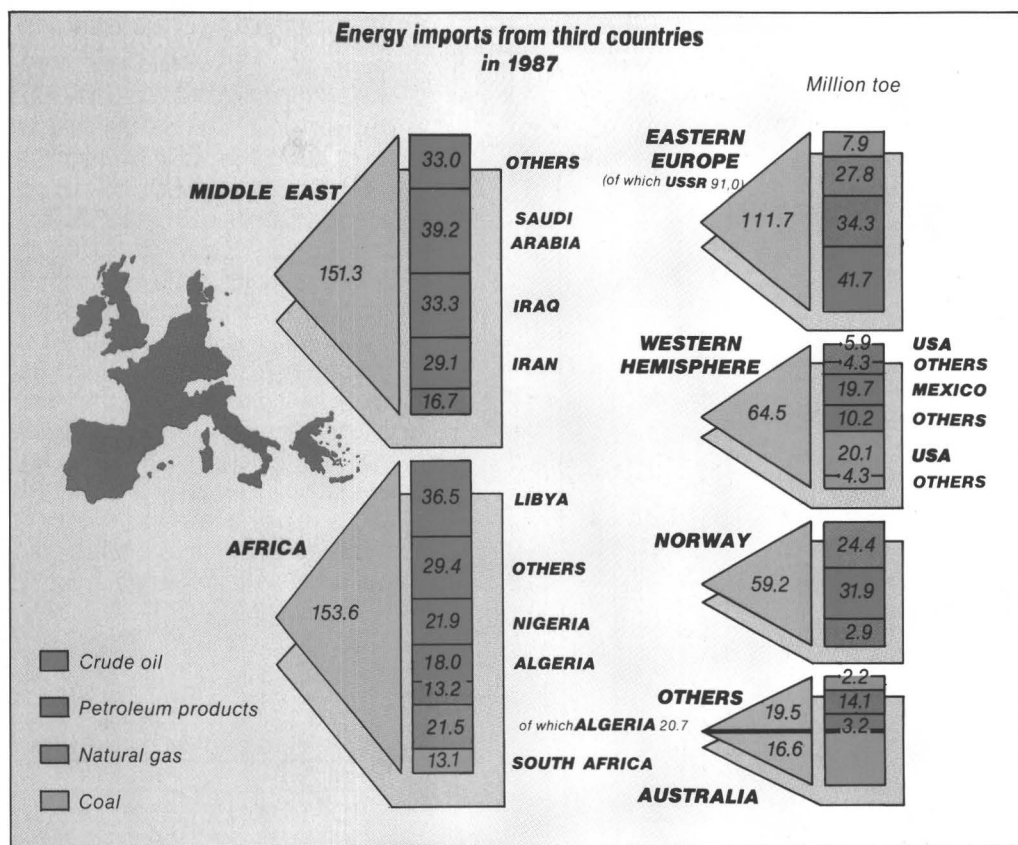
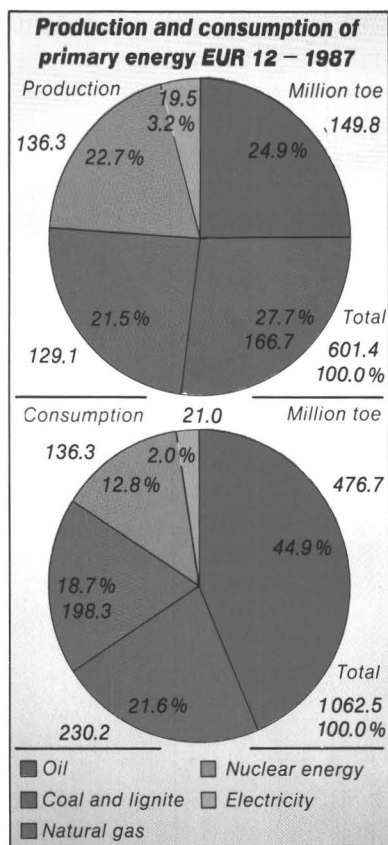


which puts it in the position of being an exporter, while the Netherlands is almost self-sufficient in energy (-5%) due to its natural gas resources in Groningen and the North Sea. On the other hand, countries such as Luxembourg (98.8%), Portugal (94%) and Italy (85%) are very much dependent on energy imports to meet their requirements.

The two oil crises (1973 when the price of oil quadrupled, and 1979 when it doubled) induced the Community to reduce its dependence on energy imports (which stood at 63%) by introducing measures to save energy. Energy requirements also fell as a result of the economic crisis which led to a reduction in economic activity. In 1987, energy consumption crept

137% and Spain by 118%, chiefly through the development of nuclear power. The United Kingdom increased production by 118% by tapping the resources in the North Sea oilfields, while the Netherlands (+9%) continued to exploit its deposits of natural gas. Energy production also rose dramatically in Greece (+244%), Denmark (where production has increased by a factor of 72) and Ireland (+268%).

Primary energy is generally converted before reaching the consumer (in 1987, 84% of energy was converted in the Community); this conversion (into thermal electricity, refined petroleum products, coke, etc.) entails losses calculated at around 25%.

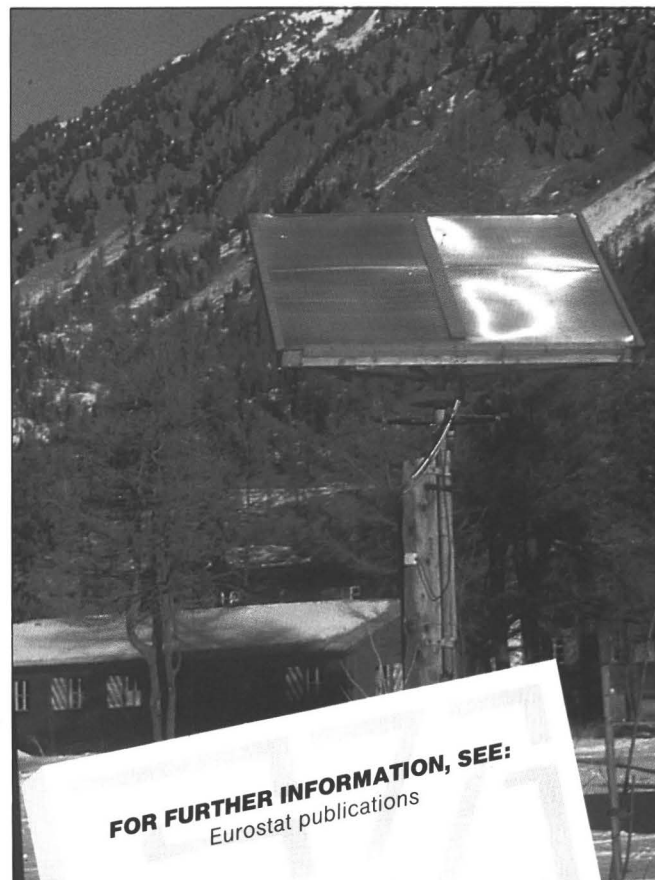


Oil is still the EC's main source of primary energy (45%, of which 84% is imported). Coal and lignite account for 22% of consumption, and natural gas 18.5%.

Hydroelectricity contributes only a very small amount to total energy production (1.6%, mainly in France and Italy), while nuclear energy accounts for 13%, supplied mainly by France (where 70% of electricity is generated by nuclear power), Belgium (65%), the Federal Republic of Germany and Spain (31-32% of electricity), and the United Kingdom (17% of electricity).

The biggest energy consumer is the household and tertiary sector (business, administration) with 41% of energy consumption in 1987; industry consumes 30.5% and transport 28%.

Energy imports are a major burden on the Community's balance of trade figures. To ensure a regular supply, even at times of crisis (political or other), the European Community has sought new sources and become less dependent on oil from the Middle East and OPEC (Organization of Petroleum Exporting Countries). The Community now also imports crude oil from Africa, Norway, the USSR and Mexico, and these countries are now also increasing their sales of refined petroleum products. Natural gas also figures strongly in energy imports, and comes from North Africa (Algeria, Libya), the USSR and Norway by gas pipelines and methane tankers. Finally, the Community also imports coal from the USA, Australia, Poland and South Africa.

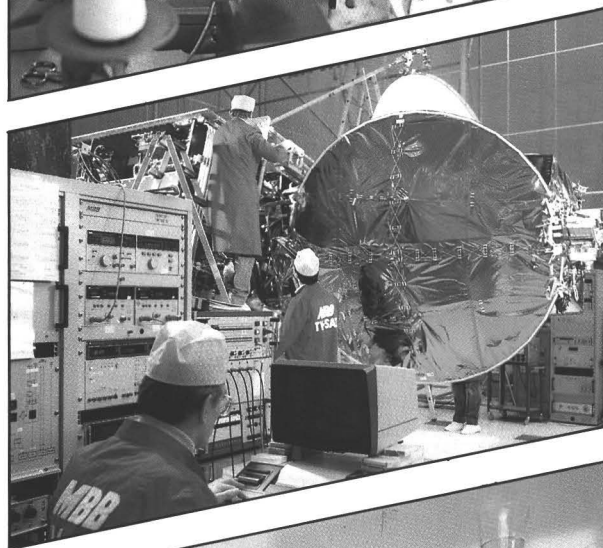


FOR FURTHER INFORMATION, SEE:
Eurostat publications

Energy - Statistical yearbook
Energy - Monthly

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INDUSTRY AND THE ECONOMY



European industry remains a major force in the world economy, and although its share of the European economy as a whole has dropped, it still contributes more than a third (37 %) of gross value-added; more than in the USA, but less than in Japan. Gross value-added represents the contribution of a given economic sector to the creation of a nation's wealth. It is calculated by subtracting from the final value of production the value of consumption of goods, services (the 'intermediate inputs') and fixed capital. Industry's share of gross value-added has fallen in all the large industrial countries, and nowadays it is the services sector which provides the largest slice,

Since 1974, however, the growth rate has slowed down and even registered two slumps in 1975 and 1980-82, when the knock-on effects of the two oil crises forced up the price of oil, industry's basic source of energy. An analysis of the industrial production index shows that the slump in industrial production was more marked in 1980-82 in the EC and the USA than in Japan, where growth continued without any real interruption. Industry in the EC picked up again in 1983, but at a relatively slow pace. This recovery was quicker in the USA. When industrial production slows down or falls, this is generally accompanied by a drop in employment, and therefore an

% of gross value-added at market prices (current prices)								
	Agriculture		Industry ¹		Services		Total	
EUR 12	4.7	3.4	41.0	36.5	54.3	60.1	100	100
USA	2.8	2.1	33.8	29.8	63.4	68.1	100	100
JAPAN	5.2	2.8	41.4	40.2	53.4	57.0	100	100

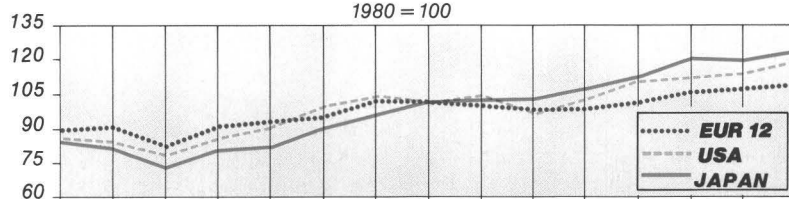
¹ Industry in the wider sense: manufacturing + energy industry + construction industry. □ 1976 □ 1986

with agriculture now playing only a very small part. This trend is most marked in the USA, but can also be seen clearly in the European Community.

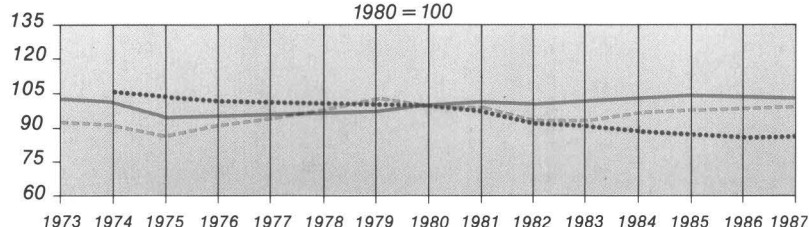
Industrial production in the Community grew in spectacular fashion in the 30 years following the end of the Second World War.

increase in the unemployment figures. In the EC the lower rate of employment continued until 1986-87, while in the USA there has been a sharp increase in employment opportunities since 1984. In Japan, employment figures have progressed at an almost even pace. In short, industry in the European Community has lost

Production index
1980 = 100



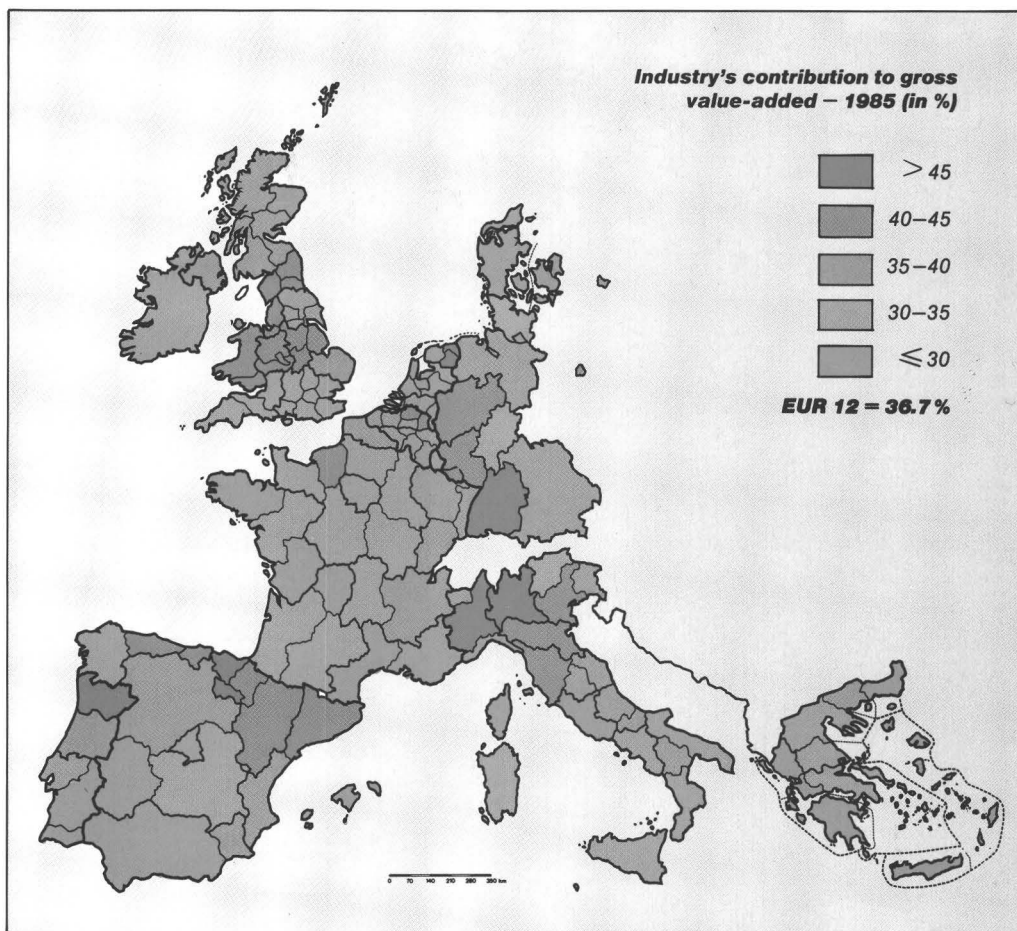
Index of total employment in industry
1980 = 100



ground, relatively speaking, to US industry and in particular to Japanese industry.

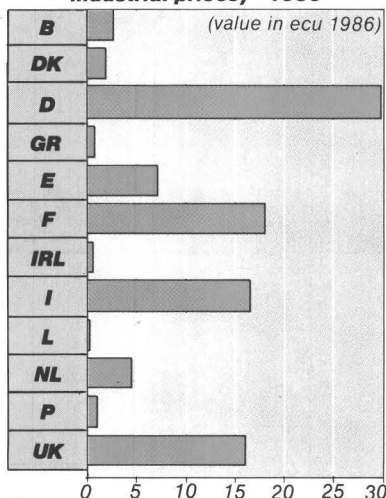
Calculated on a regional basis, industry's share in the economy as a whole makes it possible to identify the highly industrialized regions. The map opposite reveals the British industrial regions (in the West, the Midlands and the North of England, and in Wales), the German regions (along the Rhine and to the south of the Northern Plain), the Italian regions in the Po valley and in the north of the peninsula, the Spanish regions in the north of the country, and the French regions, especially in the north and east of France, including the Rhone region. What this map does not show however, is how dynamic the industry in these regions is; some have old traditional industries (iron and steel, textiles, coal-mining) which are undergoing a crisis, while other regions have dynamic hi-tech industries (electronics, aerospace). Nor does this map show certain regions where industry is strong and dynamic, but the services sector is even more advanced, such as in the Paris and London regions.

The industrial weight of the various Community countries can be

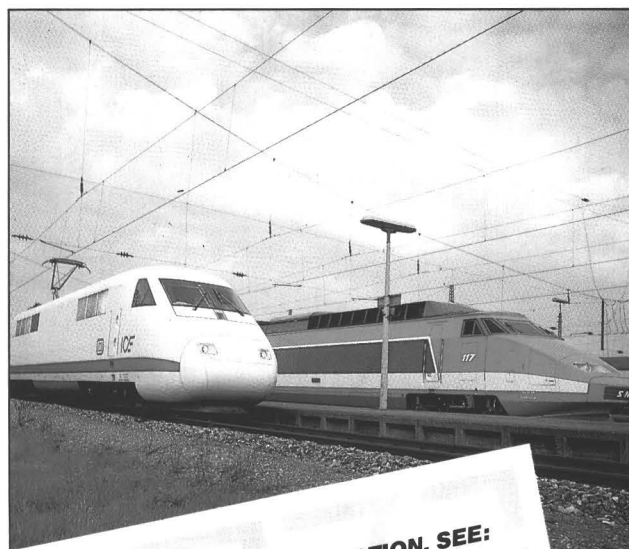


seen in the table showing their percentage of total industrial gross value-added. Four major industrial countries – the Federal Republic of Germany, France, Italy and the United Kingdom – contribute between them more than 80% of the value of industrial production in the Community, and the Federal Republic of Germany is foremost amongst these with almost 30% of gross industrial value-added.

% of gross value-added at market prices (current industrial prices) ¹ 1986



¹ Industry in the wider sense: manufacturing + energy industry + construction industry.



FOR FURTHER INFORMATION, SEE:
Eurostat publications
Industry – Statistical yearbook
Industrial trends – Monthly
Structure and activity of industry –
Main results

24 PRODUCTS OF INDUSTRY

The European Community is, along with the USA and Japan, one of the major world industrial powers. Its wide range of industry exports products throughout the world.

The value of production is a measure of the importance of the various sectors of industry. This value broadly speaking corresponds to the turnover achieved by the industrial sector in question. The

All European industries export a major percentage of their products, with the exception of the timber and paper industries, which import more than they export, and the food industry. For most industries, the export-import balance is in the red, especially for cars, chemical products and machinery. Imports exceed exports in the data-processing industry (from the USA, Japan and Korea), and the timber and paper industries

1986 - EUR 12	Value of production (Million ECU)	Import rate (in %)	Export rate (in %)	1986 index 1980 = 100
Iron and steel	115 654	17.8	17.5	95.0
Chemical industry / Synthetic fibres	229 938	10.2	16.9	116.8
Office and data-processing equipment	35 228	38.7	22.0	:
Electrical and electronic goods	178 123	16.0	18.0	118.6
Motor vehicles	178 370	7.6	18.9	109.3
Shipbuilding	12 770	11.7	19.4	:
Food and drink	334 822	5.1	6.1	107.3
Textiles	75 401	15.4	16.2	98.8
Footwear and clothing	51 852	21.0	20.3	90.8
Steel products / Tools	124 929	3.7	9.9	91.3
Machinery	163 137	11.8	33.7	96.1
Timber	48 832	17.2	9.4	89.3
Paper	109 203	12.2	6.4	108.4
Rubber / Plastics	68 910	6.3	12.4	112.2

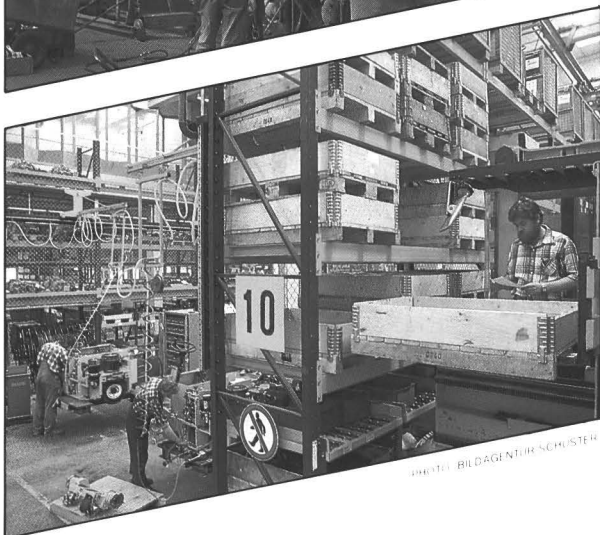
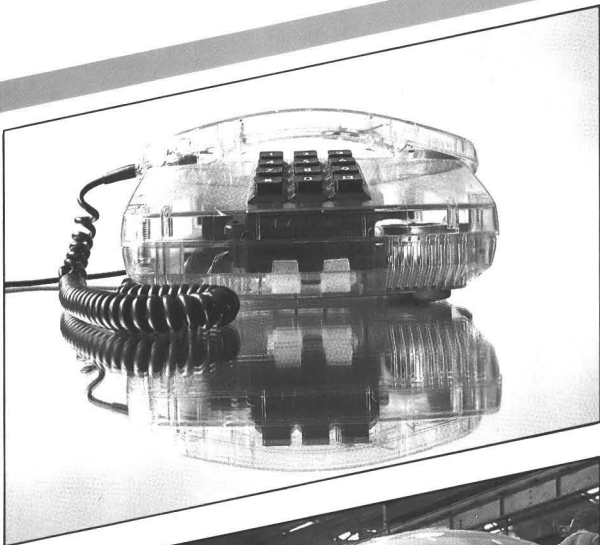
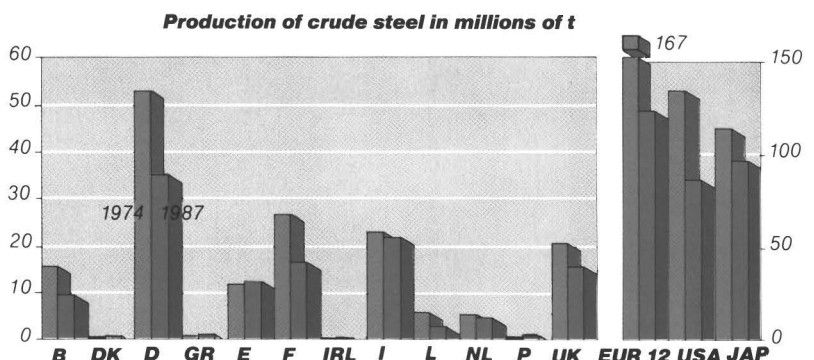
Import rates = Imports/production, Export rates = Export/production

food industry is the major sector, followed by the chemical industry.

The production index shows that the most dynamic industries are those producing electrical and electronic goods, followed by the chemical industries, the car industry, the food industry, and the paper industry. It is mainly the traditional industries which are in decline: timber, machinery, footwear and clothing, textiles, iron and steel, and shipbuilding.

(from Scandinavia and Canada), as European industry does not satisfy demand in these sectors. Production, import, and export figures indicate domestic consumption of a product, as well as the market penetration rate of foreign products, and the vitality of the various sectors.

The iron and steel industry has been undergoing a crisis since 1975 (and even before in the United Kingdom); steel production



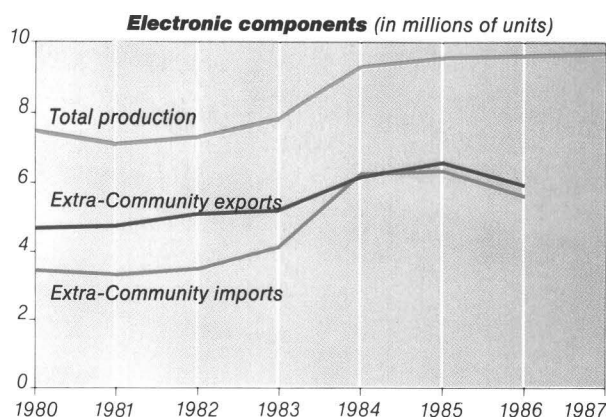
dropped from 167.5 million tonnes in 1974 to 125.9 million tonnes in 1987, but in 1988 production rose again to 137.2 million t. The crisis in the iron and steel industry and the drop in steel production were caused by surplus production at world level and the consequent fall in prices. Other reasons include insufficient productivity in the European Community because the installations were either too old or incapable of meeting demand, competition from the new iron and steel industries in Brazil, South Korea and Taiwan and more cost-effective operations in Japan, the economic crisis, which led to cut-backs in the markets for iron and steel (cars, buildings), and the measures taken by the USA to reduce imports of European steel. Pursuant to the Treaty of Paris in 1951 setting up the ECSC (European Coal and Steel Community), the Commission was entrusted with the task of trimming down European steel production: quotas were imposed on producers for a period of five years, minimum sales prices were fixed for iron and steel products and an 'Aids Code' has allowed Member States to grant official aid to cover operating and restructuring costs.

The efforts taken to restructure the iron and steel industry have been accompanied by the closure of factories and a programme of

redundancies, but this has enabled companies to return to productivity and cost-effective operation, allowing them to make a profit after years of incurring losses. In 1988, the quotas were abolished, but activity in this sector is still being monitored. The European Community leads Japan and the USA in steel production, but lags behind the USSR (162 million t). Five countries produce more than 80% of Community steel between them: the Federal Republic of Germany (29%), Italy (18%), France (14%), the United Kingdom (13.5%) and Spain (9%). The European car industry is, in production terms, the largest in the world, ahead of the USA and Japan. The vitality of this industry was shaken by the economic crisis, but it has since picked up again. EC car production accounted for 41.7% of world production in 1970, and, although by 1987 this had slipped to 38.6%, this is still a significant figure.

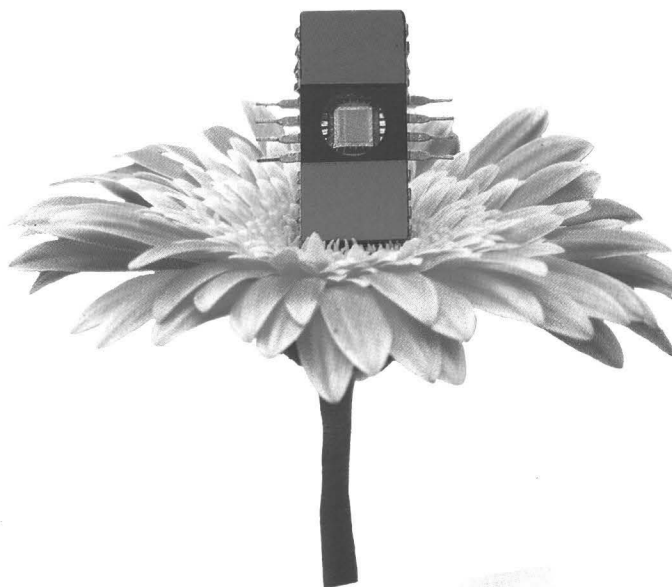
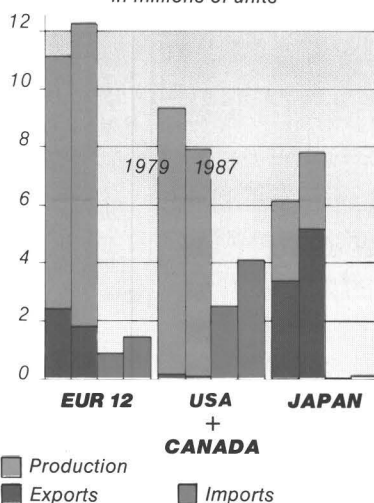
The car industry is a major exporting industry, but it faces very strong competition from Japan on all the world markets, and even within the Community itself. Community car exporters lag far behind their Japanese counterparts, and volumes of exports have dropped considerably over the last 10 years, while Japanese exports have shot up dramatically. There are five major car-producing countries in the European Community and between them they account for 90% of production – the Federal Republic of Germany (33%), France (23.5%), Italy (13%), and Spain (11%) which has gained fourth place over the United Kingdom (9%).

The electronic-components industry is a hi-tech industry flourishing in the Community. Over the last 15 years the electronics industry has made great advances in the European Community, but it still trails behind the USA and Japan, which explains why imports in this sector



exceed exports. The electronic-components industry (semiconductors, integrated circuits) employs over 260 000 people in the Community, and it is growing at a rapid rate. Four countries contribute 85% of total production: the Federal Republic of Germany (35%), France (21%), the United Kingdom (19%) and Italy (9%).

Car production
in millions of units



FOR FURTHER INFORMATION, SEE:
Eurostat publications

Industrial production – Quarterly
Iron and steel – Statistical yearbook

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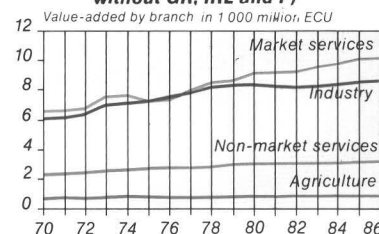
SERVICES AND THE ECONOMY

During the 1970s and 1980s, a major change took place in the structure of the economy: whilst in 1970 the secondary sector (industry) was dominant (with 42% of total value-added), the latest figures for 1986 show that market services have taken over first place (with 45% of value-added).

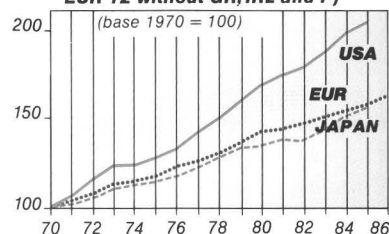
The tertiary sector which includes market services (commerce, insurance, banking, transport, commu-

during the period 1970-85, it was even higher in Japan (+109%). The USA recorded an increase of 60%. The economic structure was, however, different in each country in 1985: 63% of total value-added was contributed by the services sector in the USA, 55% in Japan and 59% in nine countries of the European Community.

Trends in value-added at market prices (constant prices for EUR 12 without GR, IRL and P)



Trends in value-added for the services sector as a whole (constant prices for EUR 12 without GR, IRL and P)



nications and hotels) and non-market services (administration) has grown apace: whilst, at constant prices, GDP increased by 49% (1970-86), the value added by the services sector increased by 67% (as against 34% for agriculture and 30% for industry). In 1986, the tertiary sector accounted for 59.5% of GDP, the secondary sector 37%, and the primary sector (agriculture and fisheries) 3.5%.

Although the growth rate of services in Europe was high (+62%)

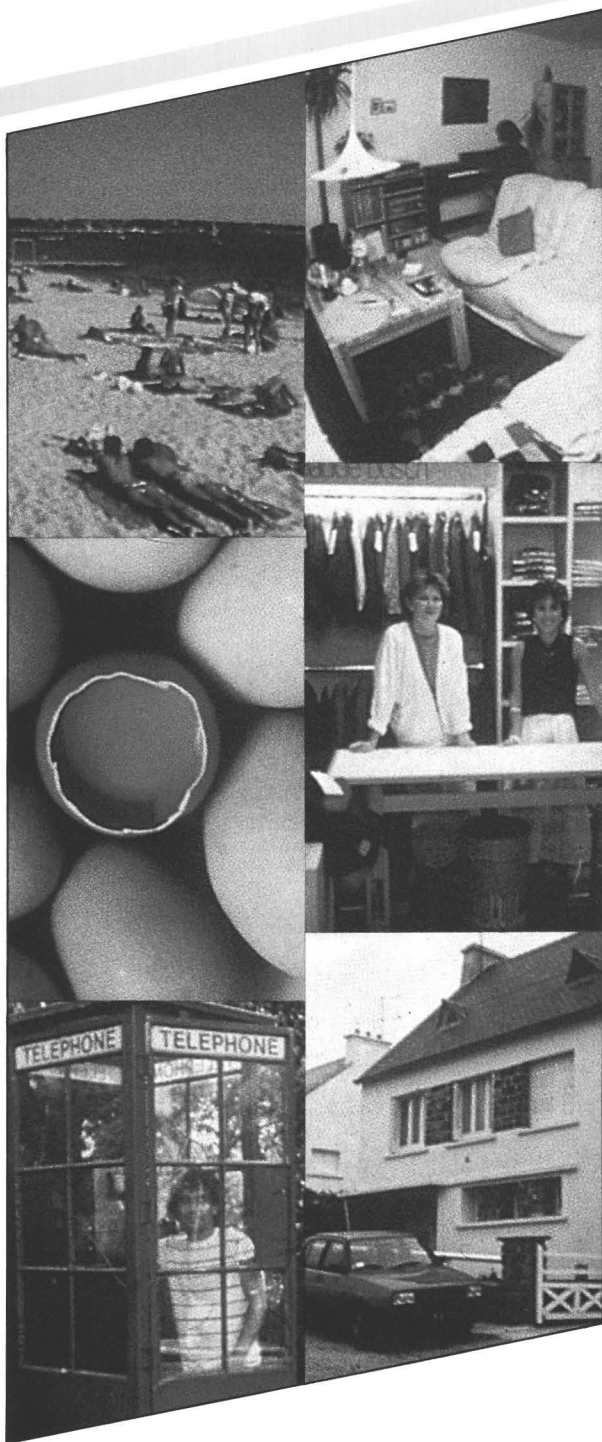
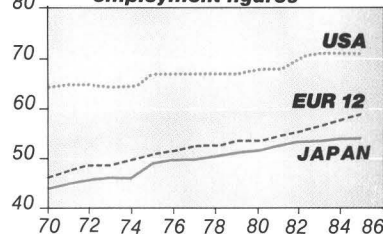
Within the Community, differences exist between the Member States: the percentage of value-added contributed by market services in the Netherlands, Spain, Italy and Luxembourg stood at close to 50% (for the whole of the European Community it was 45%). Italy and Luxembourg have, moreover, an annual growth rate (calculated over 15 years) of around 5%, while, over the same period, GDP in the European Community has only been growing at an average of 2.7% per annum.

In terms of employment, the services sector has been the only sector where the volume of employment has increased since 1970 (+31% for the period 1970-86 in the Europe of Nine, while employ-

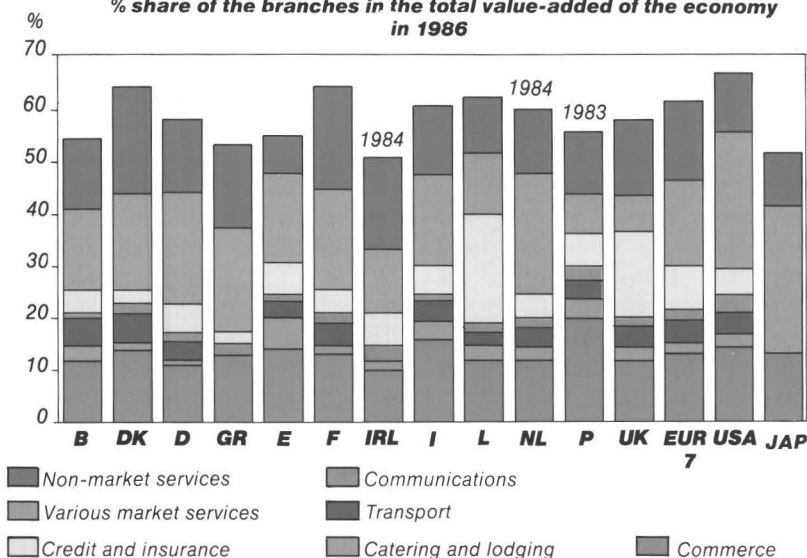
	% of total value-added	Total employment (x 1 000)	% of total employment
B	41.6	1 723	46.6
DK	42.6	905	35.0
D	44.2	9 110	35.4
GR	37.4	1 737	46.0
E	47.6	4 587	41.7
F	45.4	8 008	37.4
IRL (1)	33.6	:	:
I	47.5	9 392	40.9
L (1)	51.6	79	49.1
NL	47.5	2 318	49.6
P (2)	43.4	939	24.8
UK	42.9	11 325	46.3
EUR	45.2	47 449	40.7
USA	54.1	64 983	55.6
JAP	41.7	27 954	45.6

¹ data for 1985. ² data for 1983.

% of service jobs in the total employment figures



% share of the branches in the total value-added of the economy in 1986



ment figures in agriculture dropped by 40% and in industry by 22%).

In this case too, the structure of the economy is changing: whereas in 1970 46% of jobs were in the services sector, by 1986 this figure had risen to almost 60%. 71 million Europeans (EUR 9) work in the services sector. These figures put Europe well behind the USA, where the percentage of those employed in the services sector stands at 71%, but the gap between Europe and Japan has been widening since 1980: at present 54% of jobs in Japan are in the services sector.

A similar trend can be seen in the Member States of the European Community: whereas the Netherlands and Luxembourg stand out as having a high percentage of jobs in the market services sector, this figure is markedly lower in the Federal Republic of Germany and Portugal. The estimated annual growth rates for Italy, Greece and Luxembourg are exceptionally high.

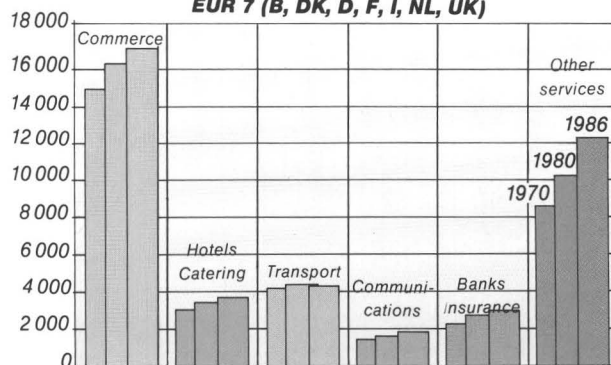
The 'tertiarization of the economy' is the tendency of services to acquire an ever-increasing share of economic activity. Economists see this phenomenon as indicative of a

post-industrial economy in which, according to some, the quality of work will deteriorate ('specialized workers will hand over to robots and go out and sell hamburgers'), whereas others consider that the quality of work can only improve. White collar workers (workers in shirt and tie) will replace blue collar workers (workers in overalls). The answer to the problem would require a more detailed analysis, studying the trends in each of the services sectors.

To achieve this, information is required – and data is being gathered both by the individual Member States and the EC. It should be borne in mind, however, that the apparent growth in employment in the services sector could, in certain instances, be due simply to a reclassification of activities which had previously been entered elsewhere.

Data is becoming available on the different branches of the services sector. In terms of value-added, the graph shows that the structures vary in the different countries of the Community, but the branches which contribute the most are, on the whole, commerce (13%) and the various market services (17%).

Trends in total employment figures, by branch EUR 7 (B, DK, D, F, I, NL, UK)



An analysis of total employment figures in the Europe of Seven (Belgium, Denmark, the Federal Republic of Germany, France, Ireland, the Netherlands and the United Kingdom) shows different trends according to the different branches. Absolute growth is strong for commerce (+ 1.9 million jobs), but when viewed proportionally, the other market services (+ 47%), banking and insurance (+ 30%) and the hotel and restaurant sector (+ 24%) have the highest growth rates. It can also be seen clearly that employment in the transport sector has levelled off, and indeed is now decreasing.



FOR FURTHER INFORMATION, SEE:
Eurostat publications

Some data on services –
Reports and surveys

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TRANSPORT AND TOURISM



Statistically, transport is the best-known of the services sectors.

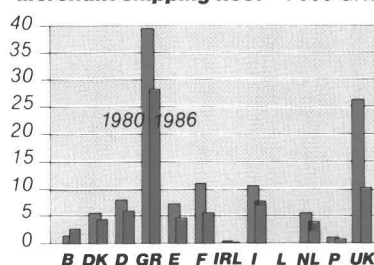
Goods transport in the EC is very largely by road, some 8 029 million tonnes out of a grand total of 9 455 million tonnes in 1986, i.e. very nearly 85 %. Road transport increased by 6.6 % between 1982 and 1986 at the expense of rail transport, which carried 758 million tonnes in 1986, i.e. around 8 % of the total. Inland waterways are important only in the northern European Member States with a well-developed network of canals and navigable rivers, i.e. the Federal Republic of Germany, Belgium, the Netherlands and northern France. They are well suited to

transporting heavy non-perishable goods, being slow but cheap. They account for 669 million tonnes, or 7.1 % of the total.

The EC has the world's second most extensive road network (after the USA) and the third most extensive railway network (after the USA and the USSR). The number of cars is increasing all the time (by 18 % between 1980 and 1986), with a current figure of 113.2 million, or one for every 2.8 inhabitants.

The Community has a commercial sea-going fleet of 74 million GRT (gross registered tons) or 19.4 % of the world total. This figure is well down on 1980, when the Community fleet accounted for 29.4 % of the total, the decline being due mainly to reduced oil imports and the economic crisis, which resulted in less goods traffic. Only Belgium registered an increase (of 33 %) in its commercial fleet. The merchant fleets operating under the flags of Member

Merchant shipping fleet 1 000 GRT



Goods transported by national carriers - 1986 (Mio t)

	Rail	Road	Inland waterways	Total
B	58.6	293.9	94.7	447.2
DK	5.8	219.4	—	225.2
D	298.5	2 374.7	229.5	2 902.7
GR	4.1	152.6	—	156.7
E	28.1	924.7	—	952.8
F	139.0	1 254.0	63.1	1 456.1
IRL	3.1	94.9	—	98.0
I	46.2	856.2	1.1	903.5
L	12.2	16.3	9.5	38.0
NL	18.3	414.2	270.6	703.1
P	5.3	1.2	—	6.5
UK	138.9	1 426.7	—	1 565.6
EUR 12	758.1	8 028.8	668.5	9 455.4

Road Italy = national + local + international, 1986. / Road Portugal = international traffic only, 1986.

	Passenger traffic (Mio)		Number of cars 1 000 cars	Merchant shipping fleet 1000 GRT
	Rail	Air traffic		
B	139	5.93	3 409	2 254
DK	144	10.34	1 501 ⁽¹⁾	4 473
D	1 023	56.29	26 917	5 339
GR	12	10.14	1 359	28 261
E	193	44.52	9 643	4 863
F	779	50.21	21 500	5 633
IRL	22	3.38	717	122
I	364	22.26	22 495 ⁽¹⁾	7 663
L	11	0.88	156	—
NL	210	12.31	4 921	3 827
P	224	3.61	2 257	967
UK	695	57.75	18 355	10 596
EUR 12	3 816	274.22	113 230	73 998

⁽¹⁾ 1985

Flags of convenience 109 508

States of the EC are of course boosted by 109.5 million GRT of shipping operating under flags of convenience, i.e. under the protection of another country, the aim being to side-step international shipping agreements as well as the labour and tax legislation applying in their countries of origin.

Passenger transport is essentially by road (but is difficult to quantify), rail and air, the latter increasing steadily.

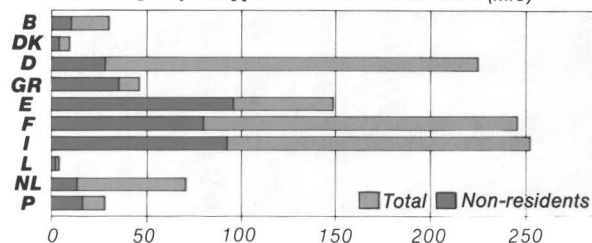
Tourism is not just an opportunity for people to communicate with one another across national frontiers; it is also a major source of revenue for most of the countries of Europe and an important source of new jobs.

Spain, Italy and France are the major earners from tourism in the EC. Spain had a net balance of ECU 11 156 million in 1987, putting it well ahead of Italy and France, with ECU 6 612 and 2 917 million respectively.

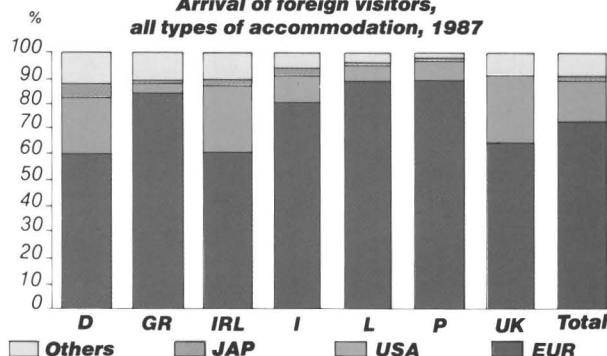
Taking as a measure of tourist activity the number of overnight stays in all types of accommodation, France and Italy head the list with 254 and 251 million overnight stays respectively, with 81 and 92 million of these respectively going to the account of non-residents.

Looking at the arrivals figures for all types of accommodation in the Community in terms of country of origin, the Europeans dominate the scene with 73%, with US Americans accounting for no more than 15.6% and the Japanese a mere 3%. This breakdown varies a lot from country to country, with arrivals on the part of Americans in Europe ranging from 27.1% in Ireland to 3% in Greece.

Overnights, all types of accommodation (Mio)



Arrival of foreign visitors, all types of accommodation, 1987



1987	Hotels Total	Overnights in hotels (1 000)		Similar establishments (x 1 000)		Arrival of foreign visitors (x 1 000)	Balance of payments (Mio ECU)	
		Non-residents	total	Non-residents	total		Credit	Net
B	2 175	5 316	7 735	4 649	22 947	..	2 585	-785
DK	941	4 480	9 017	..	..	..	1 922	-556
D	18 642	24 264	134 699	4 775	90 807	87 554	6 693	-13 762
GR	4 410	34 371	44 235	1 759	2 288	7 390	1 906	1 467
E	3 728	92 443	138 719	4 825	10 976	50 545	12 852	11 156
F	20 136*	37 160*	120 000*	43 354*	134 691*	17 821	10 295	2 927
IRL	664	..	..	..	..	201	724	1 934
I	38 717*	69 966*	182 525*	22 147*	68 930*	52 725	10 539	6 612
L	234	941	997	1 312	1 513	..	..	..
NL	1 923	6 521	11 596	7 145	59 844	..	2 348	-3 229
P	320	14 522	20 272	2 587	8 303	16 173	1 834	1 494
UK	34 094	..	..	..	..	15 445	8 886	-1 453
Total	125 984	289 985	669 796	92 554	400 299	247 855	60 589	3 891

* 1986

While the countries in the south of Europe are net earners from tourism, those in the north are running a deficit on their tourism account, the Federal Republic of Germany to the tune of a massive ECU 13 762 million. None the less, the Europe of Twelve is on the whole a net earner *vis-à-vis* the rest of the world by ECU 3 891 million.



FOR FURTHER INFORMATION, SEE:
Eurostat publications

Annual transport statistics
Annual tourism statistics
Carriage of goods — Road
Carriage of goods — Rail
Carriage of goods — Inland waterways

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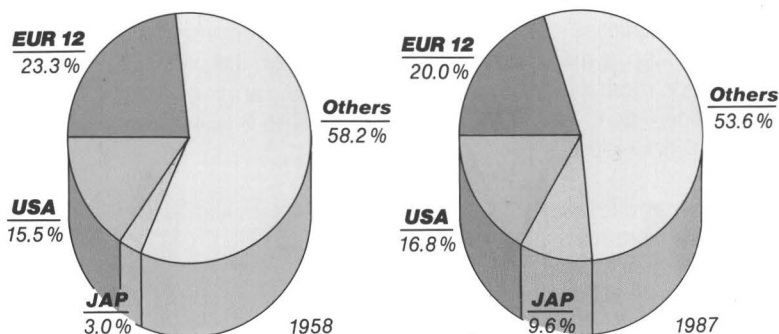
EXTERNAL TRADE (1)



The EC forms a customs union with a common customs tariff *vis-à-vis* the non-member countries and no customs duties between the Member States. In the eyes of the world's other trading powers, the Community is thus a single partner negotiating both bilateral agreements with non-member countries and multilateral agreements within GATT (General Agreement on Tariffs and Trade). One of the main reasons why the EC was created in 1958 was to

The European Community trades with all the world, its main trading partners being the EFTA (European Free Trade Association) countries – Norway, Sweden, Finland, Austria, Switzerland and Iceland – with which the Community has signed an agreement abolishing the customs duties on trade in industrial products, followed by the USA and Japan. Some 31 % of the Community's trade is with developing countries, especially the 66 ACP (African, Caribbean and

Structure of world trade – 1958-87 (%)



develop trade between the Member States. Intra-Community trade increased 37-fold (in nominal terms expressed in ECU, 8-fold in real terms) between 1958 and 1987, while exports to non-member countries increased 16-fold over the same period (3.5-fold in real terms).

The European Community is the world's leading trading power, ranking ahead of the USA and Japan. Imports from non-member countries account for 19.5 % of all world imports (USA: 20.2 %, Japan: 7.4 %), while exports from the Community to non-member countries account for 20.4 % of all exports (USA: 13.2 %, Japan: 12 %).

External trade plays a fundamental part in the Community's economy, with exports to non-member countries accounting for 10.5 % of GDP, the corresponding figures of the USA and Japan being 5.6 % and 9.6 % respectively.

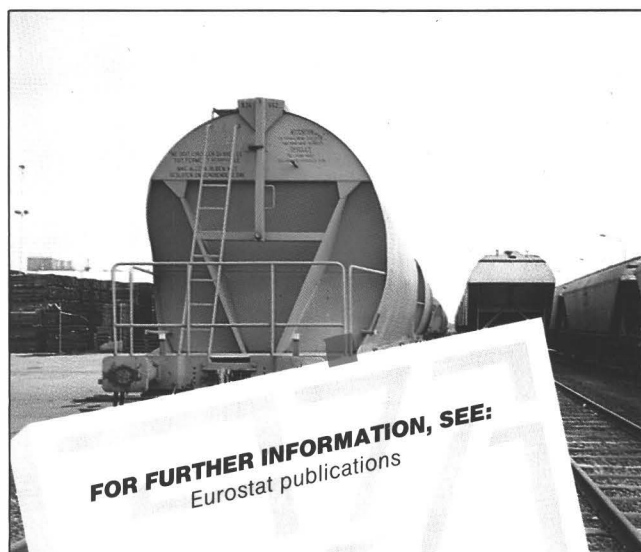
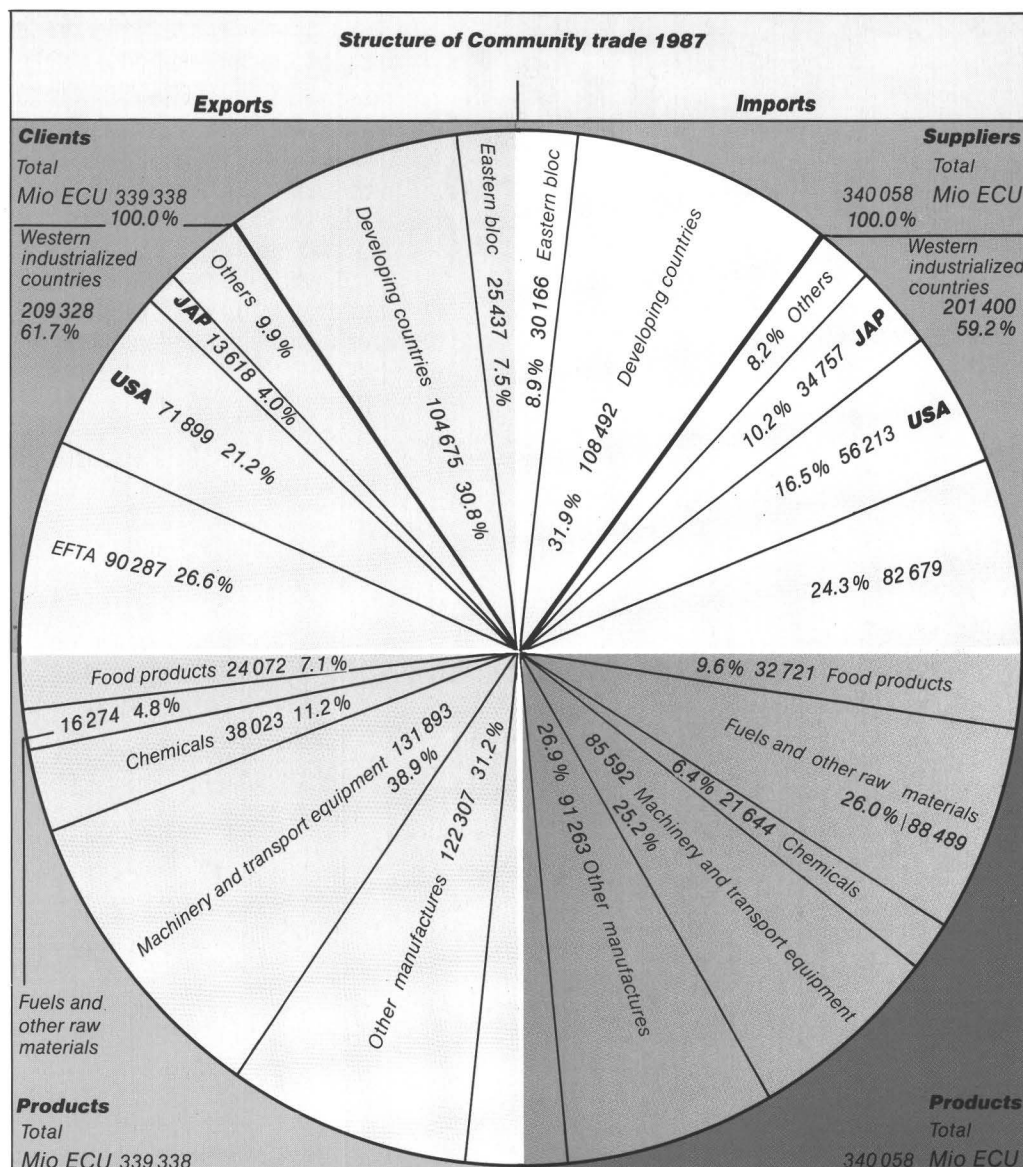
Pacific) countries, with whom it has special ties in the form of development and aid agreements. The State-trading countries (the USSR and the socialist countries) account for a mere 8 % of Community trade.

The most important aspect of imports into the Community is the substantial proportion (59 %) accounted for by manufactured products, with a sharp increase in high-technology products (e.g. electronic consumer goods) from Japan and the newly industrialized countries of the Far East (Korea, Taiwan, Singapore and Hong Kong).

Energy products (especially oil) account for no more than 16 % of imports, compared with 34 % in 1980 when prices were higher. At that time, the OPEC (Organization of Petroleum Exporting Countries) countries accounted for 27 % of Community imports, but with more oil coming from the North Sea,

Raw materials accounted for 30% of imports in 1958, compared with no more than 9% today, the main reason being the decline in prices and the major market segment taken by manufactured products. The same kind of decline can be seen in imports of food products (accounting for 30% of total imports in 1958 as against 9% in 1987). This has largely been due to improvements in Community agriculture, which have reduced the EC's degree of dependence on outside sources of food, and to a slower rate of increase in the price of imported agricultural products (in the main, tropical products and animal feed, e.g. soya and manioc).

On the export side, the situation is dominated by manufactured products, which account for 81% of all exports, roughly the same proportion as in 1958. Food products account for 7% (and falling). Something like two-thirds of all exports go to the western industrialized countries, especially EFTA (27%) and the USA (21%). The Japanese market remains relatively closed and absorbs only something like 4% of exports, despite recent Japanese efforts to reduce the country's trade surplus.



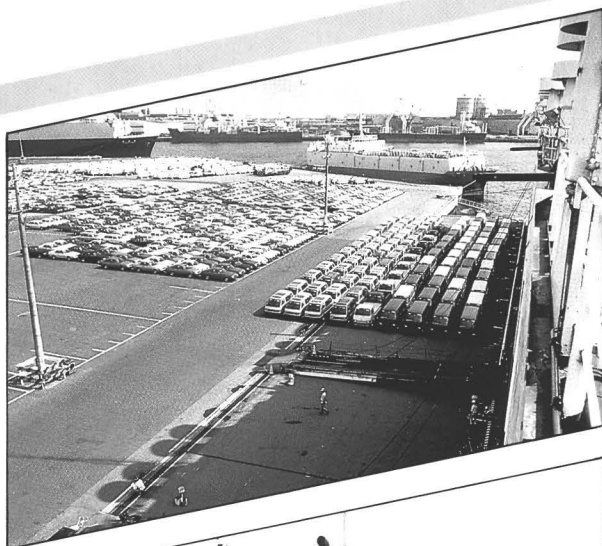
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EXTERNAL TRADE (2)

The Community's external trade balance (exports-imports) is almost always in deficit, owing largely to imports of petroleum products, raw materials and foodstuffs. Oil has played a substantial part in the balance of trade since the two oil crises of 1973 and 1979, when the deficit was greatly aggravated by the massive increase in the price of imported oil.

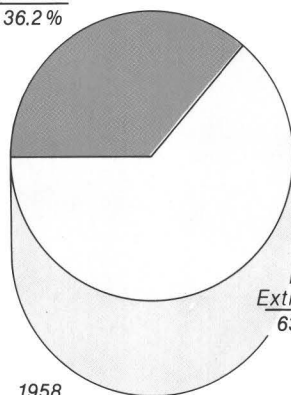
105%. The Netherlands, on the other hand, runs a substantial deficit, with only 62% of imports covered by exports, the equivalent figures in Spain, the United Kingdom and Greece being 68%, 87% and 41% respectively.

As far as intra-Community trade is concerned, the Federal Republic of Germany and the Netherlands



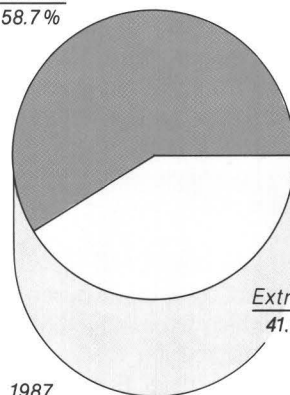
Intra-EUR 12 and extra -EUR 12 trade (%)

Intra-EC
36.2%



1958

Intra-EC
58.7%



1987

By 1980, the balance of trade deficit had reached an all-time high of ECU 66 000 million, with exports amounting to only 77% of imports. 1986, however, saw a balance of trade surplus of more than ECU 7 000 million, mainly owing to lower prices for oil, natural gas and imported raw materials, as well as to dollar depreciation, which meant that goods in the USA and other world markets were cheaper. In 1987, the Community's external trade balance returned to a slight deficit (ECU 720 million).

have the biggest trading surpluses; Belgium, Luxembourg and Ireland are also in surplus, while all the other countries are in deficit.

The current account balance reflects not only goods traded (trade balance) but also earnings (interest and dividends), services (transport, insurance and travel) and unilateral transfers (money sent back to developing countries by immigrant workers).

The Community's current account returned to surplus in 1983, having been in deficit since the second oil crisis of 1979. However, this is a fragile situation, caused primarily by the fall in oil prices from USD 30 a barrel in 1985 to closer to USD 15 a barrel in 1987, and by the fall in the dollar against the ecu.

Most of the Community Member States run a deficit on their extra-EC trade balance, although the Federal Republic of Germany has an export/import ratio of 134%, with France returning a figure of

PHOTO: BILDAGENTUR SCHUSTER

Another factor is that the volume of exports is tending to decline, while imports are on the increase.

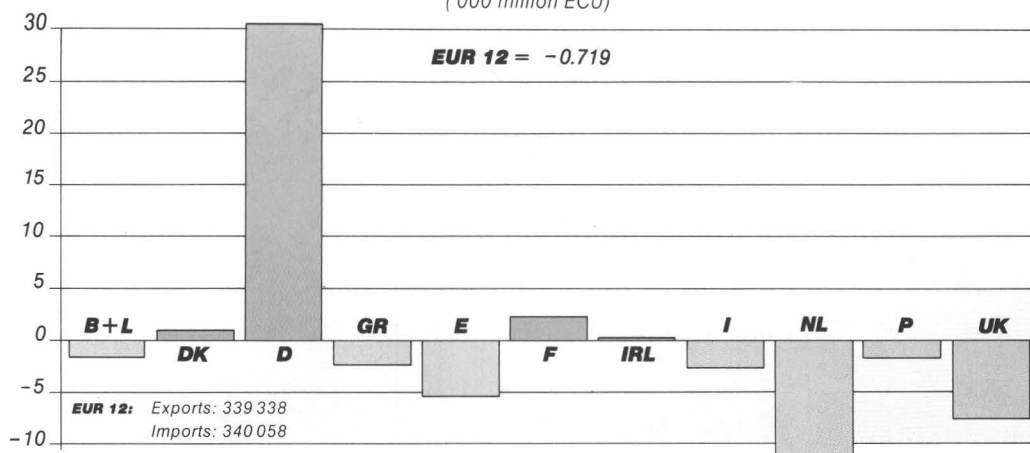
In addition, the surplus on the Community's current account balance is due primarily to the Federal Republic of Germany's surplus, whereas countries like France and the United Kingdom are running a substantial deficit.

Above all, however, the international climate is unstable. With Japan's surplus remaining at a very high level, the American deficit is increasing (being expressed in dollars, with the dollar falling against the ecu). The shakiness of the dollar, along with the current account balance deficit in the USA, has provoked substantial speculative capital movements towards stronger currencies such as the Deutschmark and the Japanese yen.

This situation might lead the USA to adopt a restrictive economic policy, which could disrupt international trade. The United States passed the Trade Bill in 1988, enabling the Federal Administration to adopt protectionist measures if necessary.

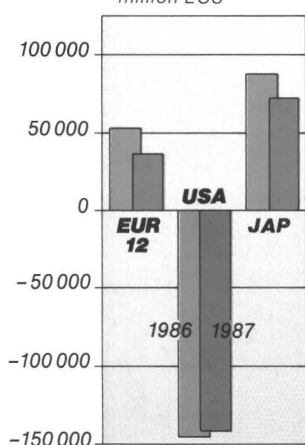
Intra-Community trade accounts for almost 58% of the Twelve's total trade flows. The Benelux countries and Ireland are the best integrated in the Community, with more than 60% of their trade involving the other Member States. At the other end of the scale, intra-Community trade accounts for only 50% of the United Kingdom's total trading account. The Federal Republic of Germany alone accounts for around one-quarter of all intra-Community trade.

Balance of trade – Extra-EC trade 1987
(’000 million ECU)

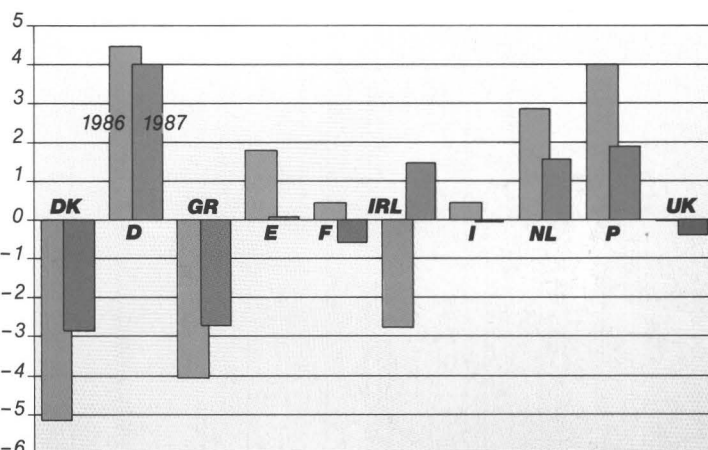


Current account balance 1986-87

million ECU



Current account balance as % of GDP



FOR FURTHER INFORMATION, SEE:
Eurostat publications

External trade – Yearbook
External trade – Monthly

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EUROPE AND THE THIRD WORLD



In 1987 an estimated 2 700 million people had a GNP of less than ECU 450 per capita per year. In the same year, the 324 million inhabitants of the European Community had a per capita GNP of 25 times that amount. These figures require some qualification, however: first, it is very difficult to compare the GNP of a developing country with that of an industrialized country, since a substantial proportion of its economic activity (domestic farm production and handicrafts) never finds its way in-

The Community owes its high standard of living to two centuries of industrial and technological development, a process which began only recently in Third World countries. Their economies depend primarily on the production and export of foodstuffs, often using inefficient methods; they also produce raw materials (ore, timber, etc.). Such products have a much lower market value than manufactured goods, whose production level is still low in the developing world.

Official aid to development (1987)				
	Total official aid		Official Community aid	
	(million ECU)	ECU per capita	(million ECU)	ECU per capita
DC ¹	29 254	8	10 251	3
ACP	11 079	24	5 191	11
DC Asia	9 420	4	1 940	1
DC LA ²	1 229	4	582	2
MMI ³	4 605	36	968	8

¹ Developing countries

² Latin America

³ Maghreb, Mashreq and Israel

Official foreign debt (1985)				
	Total debt million ECU	per capita ECU	% debt GNP / capita	% debt / Exports
DC	932 887	261	30.3	186.6
ACP	121 887	281	46.6	249.4
DC Asia	296 912	117	17.3	101.6
DC LA	264 428	999	46.3	313.2
MMI	114 168	966	55.8	319.6

to financial channels and cannot therefore be accounted for as in the industrialized world. Secondly, it is not possible to compare the standards of living of developing countries with those of industrialized countries simply by converting national currencies into ecu, since exchange rates often do not reflect the real value of the currency in terms of purchasing power. Lastly, there are enormous differences in GNP between one developing country and another: some 45 countries have an extremely low GNP (less than ECU 450 per capita per year), whilst oil revenue gives some of the oil-producing countries a very high GNP.

Development aid aims not only to eliminate production deficits but, above all, to enable Third World countries to take control of their own development. In 1985, total aid to developing countries from the industrialized West was ECU 36 000 million, 10 000 million of which came from the Community: ECU 14 for each inhabitant of the Third World. In 1988 Japan beat the USA to first place in the development aid stakes; the Community came third.

Community aid to the Third World comprises bilateral aid, granted by each Member State to a developing country or group of countries, and multilateral aid, organized by

the Community institutions and amounting to about 13% of the sum provided by the Member States as a whole.

Community aid, which concentrates on cooperation in the interests of the Third World as a whole, takes the following forms:

- (i) general trade preference, enabling developing countries to export their manufactured goods and a wide range of agricultural products to the Community without paying customs duty;
- (ii) compensation for loss of export earnings for the least advanced Third World countries;
- (iii) food aid to alleviate acute malnutrition;
- (iv) emergency aid in the event of natural or other disasters;
- (v) aid to non-governmental organizations working on development projects in the Third World;
- (vi) financial and technical contributions to development projects.

Community aid has been increasing continuously since 1975 and represents a regular contribution of 0.3–0.4 % of annual GNP.

Despite international cooperation, the developing countries are still having great difficulty in raising the standard of living of their populations to any appreciable extent. There are several reasons for this:

- (i) populations have been growing at a very fast rate: 24 % between 1975 and 1985 (3 % in the EC), meaning 700 million more mouths to feed (10 million in the EC);

- (ii) terms of trade with industrialized countries have deteriorated: the real prices of exported food products and raw materials have fallen, while those of imported manufactured and capital goods have risen;

- (iii) development strategies have been geared to industrialization and export crops and have sometimes neglected the development of subsistence agriculture, giving rise to rural exodus, urban overpopulation, excessive unemployment rates and the growth of shanty towns.

As a result, the developing countries are in debt to the rest of the world to such an extent (ECU 1 150 000 million in 1988) that interest payments account for a large proportion of their budgets and swallow an excessive slice of their GNPs. Since 1983, money transfer flows have been inverse: the developing countries have been paying the industrialized world more than they have received (1987: ECU – 33 000 million) – hence the relative poverty of these countries.

The debt burden of the developing countries is one of the worst problems dogging North-South relations: many countries, particularly in South America, are no longer able to repay their debts in full. The idea of reducing such debts, or purely and simply wiping out those of the poorest countries, is gaining ground: the Heads of State of the seven most industrialized nations proposed this at their meeting in Toronto in 1988; Unctad (the United Nations Conference on Trade and Development) is a further advocate.

Per capita GNP (in ECU)			
	1975	1980	1987
<i>All developing countries</i>	309	470	596
<i>ACP countries (Africa, Caribbean and Pacific)</i>	288	361	320
<i>Developing countries in Asia</i>	210	341	474
<i>Developing countries in Latin America</i>	1015	1467	1702
<i>Maghreb, Mashreq and Israel (MMI)</i>	586	858	1244

In order to reduce the foreign trade imbalance of developing countries, the Community has organized, through the Lomé Convention, a system of international cooperation which endeavours to regulate trade and can be regarded as exemplary.



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THE LOMÉ CONVENTION



This Convention, which was signed in 1975 between the EC and 46 African, Caribbean and Pacific countries (ACP) has since been renewed and improved every five years. The third convention was signed in 1984 and now covers 66 countries.

At each round of negotiations the EC undertakes to provide financial support to various development projects, the aims and methods of which are agreed with the signatory countries. The funds are made available through the European Development Fund (EDF).

be stressed that each of the Member States also grants substantial 'bilateral' aid. For the period 1986-90 Lomé III had provision for financing mainly programmes and projects aimed at improving food supply with the emphasis on rural development. These programmes are drawn up jointly with the ACP countries and form part of their own sectoral development policy.

Lomé III also provides support for regional cooperation among the ACP countries by reserving ECU 1 million for joint projects.

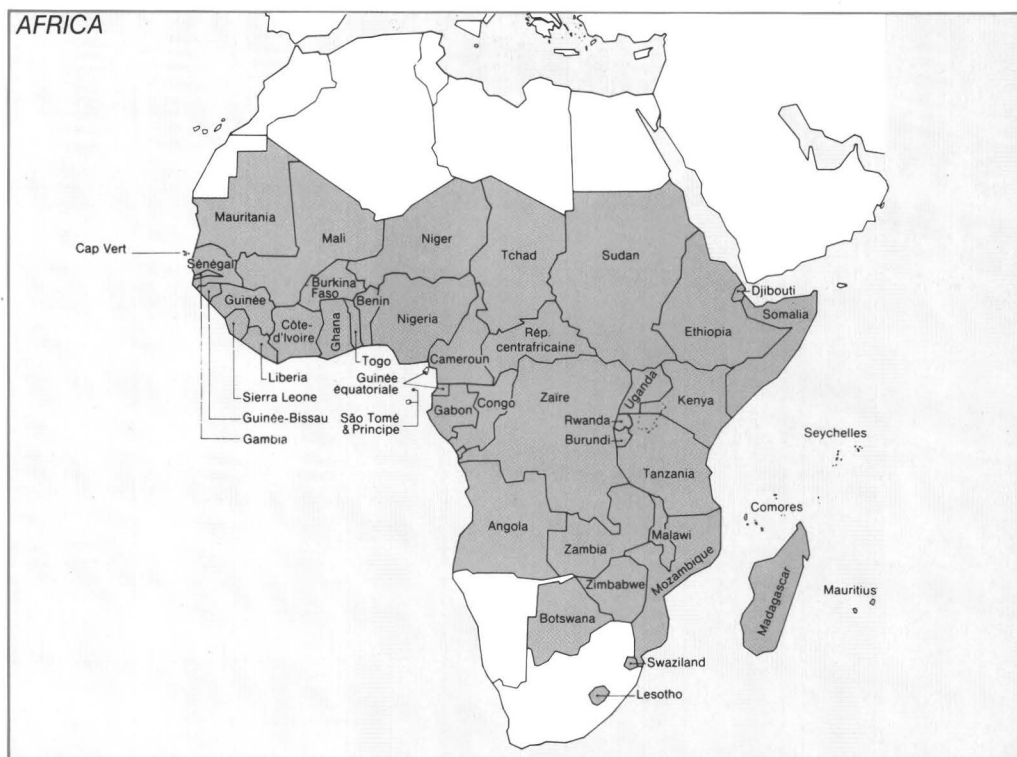
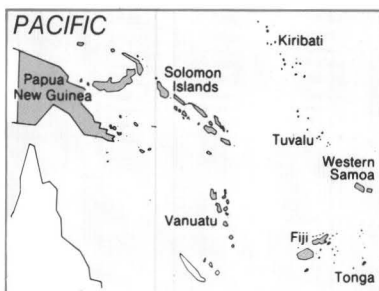
Sectoral breakdown of aid Aid granted (up to 31.12.1987)				
	Lomé II, 5th EDF 1981-1985		Lomé III, 6th EDF 1986-1990	
		%		%
Total allotted	4 929.7		7 511.7	
Amount disbursed	4 454.7	90.4	2 267.5	30.2
Industrialization	914.8	20.5	321.6	14.2
Trade promotion	76.4	1.7	35.3	1.5
Rural production	1 084.0	24.3	871.3	38.4
Transport and communications	805.0	18.1	462.1	20.3
Education and training	279.7	6.3	47.3	2.1
Health	98.1	2.2	26.5	1.2
Water supply, construction, housing	256.3	5.8	39.4	1.7
Stabex	629.4	14.1	367.4	16.3
Miscellaneous	311.0	7.0	96.6	4.3

In absolute terms the EDF envisaged by Lomé III totals ECU 7 500 million for the period 1986-90 against ECU 3 000 million for the first agreement (1975-80) and more than 4 900 million for the second (1981-85).

These appropriations mostly take the form of grants. A small proportion is accounted for by special loans over 40 years at 1 % interest (or even less in the case of the least developed countries), with provision for a 10-year period of grace. Moreover, the ACP countries are eligible for European Investment Bank (EIB) loans at market rates, which may be reduced by EDF aid. The EDF represents multilateral aid financed by all the Member States of the EC. It must

An important and original element of the Lomé Convention is the creation of a Fund for the stabilization of export earnings – Stabex. The aim of this system is to offset falls (in value) of ACP countries' exports of agricultural produce.

Stabex is an insurance fund financed by the EDF but replenished by the ACP countries (at least by the more developed ones) when their export earnings go up. The ACP countries can thus count on relatively stable trade earnings for around 50 agricultural commodities. Stabex can be regarded as a tangible element of a new international economic order. A similar system exists for mining products (Sysmin).



Moreover, a similar system was recently approved for a number of other less developed countries not belonging to the Lomé Convention. The ACP countries enjoy other benefits: their manufactured products and the majority of their agricultural products have free access to the Community market and the EC regularly grants them substantial quantities of food aid.

Apart from the Lomé Convention, the Community is linked by a series of cooperation agreements with countries or groups of countries other than the ACP countries, such as Maghreb (Morocco, Algeria and Tunisia) and Mashreq (Egypt, Jordan, Syria and Lebanon) and Israel as well as various other countries in Latin America and Asia.

**Aid to ACP countries
under Lomé III 1985-90**

Programmable assistance 5 036

Non-programmed assistance 2 475

Special loans 625	Including interest rebate	210	Venture capital 615	Stabex 925	Sysmin 415	EIB loans 1100
	Exceptional assistance					
	Emergency assistance	294				
	Subsidies	4915				

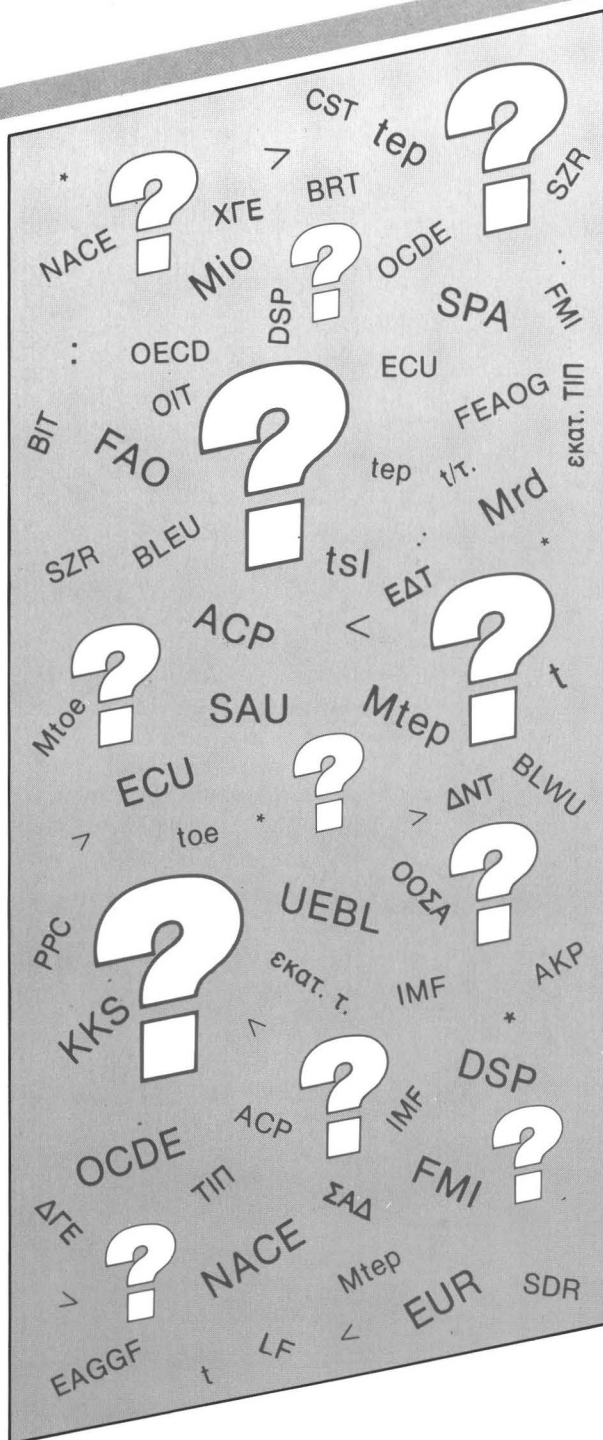
Total aid: ECU 8 600 million



FOR FURTHER INFORMATION, SEE:
Eurostat publications

ACP – Basic Statistics

SYMBOLS AND ABBREVIATIONS



:	_____	no data available
*	_____	estimate made by Eurostat
<	_____	less than...
>	_____	more than...
Mio	_____	million
Mrd	_____	one thousand million
t	_____	tonnes
GRT	_____	gross registered ton (see 20)
toe	_____	tonne of oil equivalent
UAA/SAU	_____	utilized agricultural area
GDP	_____	gross domestic product (see 14)
GNP	_____	gross national product (see 14)
GVA	_____	gross value-added (see 23)
PPS	_____	purchasing power standard (see 14)
VAT	_____	value-added tax
EMS	_____	European Monetary System (see 16)
EAGGF	_____	European Agricultural Guidance and Guarantee Fund (see 5)
EIB	_____	European Investment Bank (see 30)
ERDF	_____	European Regional Development Fund
EDF	_____	European Development Fund (see 30)
Stabex	_____	Stabilization of Export Earnings Fund (see 30)
Sysmin	_____	System of Stabilization of Export Earnings from Mining Products (see 30)
ACP	_____	African, Caribbean and Pacific countries (see 30)
EUR 6	_____	European Community of the 6: Belgium, Federal Republic of Germany, France, Italy, Luxembourg, Netherlands
EUR 9	_____	EUR 6 + Denmark, Ireland, United Kingdom
EUR 10	_____	EUR 9 + Greece
EUR 12	_____	EUR 10 + Portugal and Spain
Benelux	_____	Belgium, Netherlands, Luxembourg
MMI	_____	Maghreb + Mashreq + Israel (see 30)
GATT	_____	General Agreement on Tariffs and Trade
EFTA	_____	European Free Trade Association (Austria, Finland, Iceland, Norway, Sweden, Switzerland, see 27)
UNCTAD	_____	United Nations Conference on Trade and Development (see 29)
OECD	_____	Organization for Economic Cooperation and Development
OPEC	_____	Organization of Petroleum Exporting Countries
BLEU/UEBL	_____	Belgo-Luxembourg Economic Union
CAP	_____	common agricultural policy
Currencies	_____	BFR: Belgian franc – DKR: Danish crown – DM: German mark – DR: Greek drachma – ESC: Portuguese escudo – FF: French franc – HFL: Dutch guilder – IRL: Irish pound – LFR: Luxembourg franc – LIT: Italian lira – PTA: Spanish peseta – UKL: Pound sterling – USD: United States dollar

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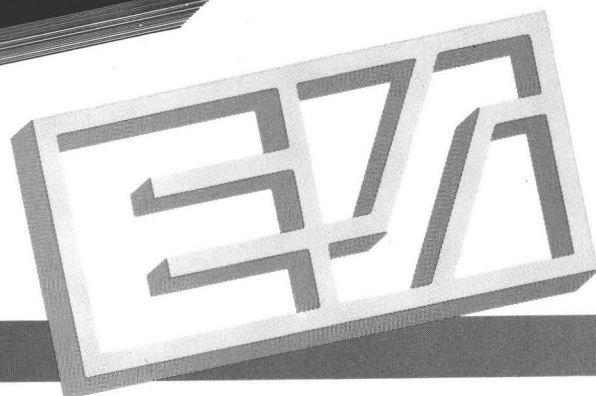
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