

**The Commission's  
work programme  
for 1993-94**

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## I — Introduction

1. The framework for the Commission's activities in 1993 and 1994 is already in place. The single market became operational on 1 January and its success will now depend on how it is managed; action will have to be taken on the major political priorities flowing from the European Council's conclusions on the second package of financial and structural measures and the 1993-99 financial perspective; as agreed in Edinburgh, the ground will have to be prepared for implementing the Treaty on European Union once ratification is complete; and enlargement negotiations are about to begin. The Commission will operate within this general framework, attaching special importance to practical measures that will help to improve the Community's image, which was tarnished in 1992. These will include measures to boost the Community's economic performance, to increase openness and improve communications with the general public, to make the frontier-free market operate smoothly and to ensure greater consistency in action taken by the Community abroad.

A new phase of European integration is beginning. It will be dominated by pragmatism, calling for a review of certain activities and solid, visible results in the short term, and by preparations for what lies ahead.

2. Against this general background, the Commission intends to concentrate on four main areas:

(a) The success of the single market is crucial to the Community's credibility. The frontier-free area offers considerable potential for growth and is a vital factor for economic recovery. It is also the most immediate, practical and visible manifestation of what European integration has to offer the businessman, the worker and ordinary citizens. But much remains to be done. The importance of management, monitoring and follow-up and the essential flanking measures and policies cannot be underestimated.

(b) A constant concern must be to concentrate Community action on what is essential or indispensable to attain its objectives. At this juncture it is more important than ever to ensure that there is no wasted effort and that action concentrates on the political and financial priorities that have been set. The next two years will be difficult from the financial point of view following the European Council's decision not to raise the ceiling on the Community's own resources before 1995. Another task for the

Commission will be strict but positive application of the principle of subsidiarity. Planned measures will have to be assessed in terms of what would happen if they were not taken or were taken at another level. The Commission will also highlight the benefits to citizens of every measure proposed.

Within the Community the Commission's activities over the next two years will focus on stimulating the economy, strengthening economic and social cohesion and boosting business competitiveness, along the broad lines set out by the European Council. But action outside the Community will be equally important. The key areas will be completion of the Uruguay Round, the opening of accession negotiations and the organization of relations with Central and Eastern Europe. A top priority will be the search for a lasting, peaceful solution to the conflict in what was Yugoslavia. And the deepening of relations with the Community's Mediterranean neighbours and cooperation with the developing world will continue to be a major concern.

(c) The Commission will also make active preparations for implementing the Treaty on European Union as soon as it is ratified. Three main elements have to be considered here.

The first is Stage II of economic and monetary union, made more necessary than ever by the slowdown in economic growth and the recent turmoil on foreign exchange markets. Neither of these factors should be allowed to disrupt or delay progress in laying this vital foundation for the economy of the future union.

At the same time, structural policies must be adapted to the guidelines of the second package of structural and financial measures, and the new Cohesion Fund must become operational without delay.

A second element is a contribution to the launching of a genuine common foreign and security policy as a worthy successor to the political cooperation machinery. In view of the problems confronting the Community abroad everything possible must be done to organize joint action on a scale commensurate with the political, economic and moral responsibilities of the future union. In this context the Commission is reviewing its internal organization and its working methods.

The success of the new Treaty also presupposes efficient organization of work on justice and home affairs. The Commission is ready to make its contribution to appropriate action on immigration based on the proposals it has already made.

Lastly, steps must be taken to ensure the success of the co-decision procedure, which is central to the union's constitution and its democratic credentials.

(d) Information and communication. It became all too clear in the course of 1992 that much needs to be done to improve public awareness and public perceptions of the Community. There are many reasons for this, but it is obvious that steps need to be taken to bridge the qualitative information gap and convey a comprehensible message about the Community and its aims.

The European Council has shown the way. The Commission is determined to play its part, explaining its actions more clearly, providing more information about its work and highlighting the benefits the Community brings to the man in the street.

Once the report of the group of experts appointed to review information and communication policy is available, the Commission will launch a series of initiatives and commit the necessary resources to ensure that the importance it attaches to communication is reflected in administrative action and well-targeted information.

This will be helped by continuation of an active audiovisual policy designed to promote more extensive cultural exchanges which will accentuate the European identity.

3. Given this backdrop and work already in hand, the initiatives planned by the Commission can be grouped under three main headings — internal action, external action and horizontal action. The Commission trusts that the proposals outlined in the pages which follow and in the accompanying legislative programme will provoke a lively debate within the Community's institutions and in the Member States with a view to involving the people of Europe in the development of Community policies.

## II — Internal action

### *Making a success of the frontier-free area*

4. Success here is imperative. Confidence in the Community depends on it, since businessmen and the general public expect to avail themselves, without let or hindrance, of the four freedoms associated with the single market. Economic success depends on it too, since it is

vital to make the most of the potential for growth generated by proper functioning of the large market. The Commission intends to take up this major challenge, paying particular attention to day-to-day management, notably with the installation of a data communications network between government departments, and following up any problems that may arise. It will also see to it that the residual obstacles still awaiting a solution are eliminated without delay.

5. A whole series of practical measures will be necessary if the single market is to operate smoothly and efficiently without placing any excessive burden on firms in general and small firms in particular. To this end, the Commission will keep a close watch on developments and foster dialogue with the Member States along the lines set out in its paper on action to be taken on the Sutherland Report.

6. In addition to these essential management tasks, a number of legislative decisions have still to be taken. To date, 95% of the 282 proposals in the White Paper have been adopted. Tax controls and physical checks have been abolished for all practical purposes. But 18 White Paper proposals — some of them extremely important — are still pending before the Council. They include indirect taxation of certain goods and services (secondhand goods and works of art, passenger transport and gold), road cabotage, and trade in a number of specific products. Unless there is an early decision, this lacuna is bound to create problems for the single market. Furthermore, the business environment would be improved if the outstanding fiscal and legal measures contained in the White Paper (statute of the European company) or subsequent to it (elimination of double taxation and allowances for losses in another Member State) were adopted. Lastly, a number of supplementary proposals have to be presented, dealing with observance of copyright and neighbouring rights.

7. However, the thorniest problem is the abolition of controls on people at the Community's internal frontiers. Delays in ratifying the Dublin Asylum Convention, failure to sign the External Frontiers Convention, ongoing difficulties over the setting up of an information system, but above all persistent differences of opinion on the interpretation of Article 8a of the Treaty, have led to stalemate. The Commission, within the limits of its powers and possibilities, will contribute to an overall strategy to be put in place in 1993 to remedy the situation.

## Generating economic momentum

8. The Community must use all the means at its disposal to counter the significant slowdown in economic activity. Its credibility and its very future are at stake. The consequences of this situation are all too obvious and remain unacceptable: growing unemployment, dwindling business confidence, regions stripped of their traditional balance, countries labouring under ever-tighter financial, budgetary and fiscal constraints. The European growth initiative, steps to increase business competitiveness and preparations for Stage II of economic and monetary union are the main levers that the Community can pull to generate economic momentum, mobilize energies and restore confidence.

9. The growth initiative approved by the European Council should promote economic recovery in Europe. For the first time ever, concerted action by the Member States is to be matched by Community action to stimulate growth. The Commission has made its contribution to this novel measure. A raft of measures will have to be adopted without delay. One is the creation of the European Investment Fund, with ECU 2 billion in subscribed capital, which will be used to guarantee investment in infrastructure projects and facilitate loans to small businesses, particularly in less-developed regions. Early steps must also be taken to define arrangements for access to the special loan mechanism to be created within the EIB to finance infrastructure projects, including those associated with trans-European networks.

These financial arrangements must be supplemented as soon as possible by provisions to speed implementation of the single market, to make the Community's research effort more selective, to expand training schemes and to continue providing support for small businesses. The Commission will do all it can to ensure that economic policy concertation is tightened in line with the conclusions of the European Council.

Finally, it will use all its powers and every opportunity for international dialogue to lead its partners along the road to economic recovery, in the light *inter alia* of the approach adopted by the new US Administration.

10. Given the guidelines approved by the European Council, the Commission will pursue its efforts to increase business competitiveness, concentrating on five priorities: development of infrastructure networks, support for research, creation of a favourable environment for small

businesses, promotion of fair competition between economic operators, and anticipation of industrial change.

(a) Existing Commission proposals to promote the development of trans-European networks will be supplemented (master plans for traditional railways, air traffic control, ports and airports). The aim here is to promote the interconnection and interoperability of national networks within the frontier-free area and to reinforce links between the centre and remote regions and also between these remote regions. To this end, proposals will be presented on broadband and digital telecommunications networks, natural gas and electricity networks, and the interoperability of the high-speed train networks.

(b) On research and education, the main task, with a view to enhancing the quality and effectiveness of Community action, will be to adapt assistance to the development and real needs of businesses and to the quality of life. For research, a limited number of priority technologies and major scientific projects will be selected. Community involvement must present a real advantage over what has been done at other levels to meet new scientific and technological challenges. For education operations will be mounted under the subsidiarity principle which can help achieve the single market for the professions. The Commission will endeavour to promote these principles and foster cooperation between the Member States in its proposals under the fourth framework programme and the education programmes.

(c) Small businesses are a factor for innovation, performance and flexibility and for this reason are a major contributor to job creation. Because of their enormous potential, the Commission will strive to provide them with a favourable environment. It will propose appropriate guidelines in the light of the results achieved by the enterprise policy measures included in the growth initiative. It will also consider the feasibility of a programme targeted at cooperatives, mutual societies, associations and foundations.

(d) In the area of competition policy, the Commission will continue to adopt a vigilant and constructive approach. Its role will be given a new dimension by the dynamics of the single market. It will have to ensure healthy competition that stimulates business performance, supports the process of change and protects consumers' interests. The Commission will be con-

sidering a proposal for revision of certain provisions of the merger control regulation.

(e) Adjustment to industrial change and changes in production systems is one of the keys to competitiveness today; it is also an essential element of social cohesion. For this reason the Commission will be taking practical steps, under the structural policies, to improve training for the workforce and to facilitate redeployment where required. Given the pace of technological change, it is particularly important to tighten links between training and research. The Commission is working along these lines and will be redefining existing programmes (Erasmus, Force, etc.) which expire at the end of 1994.

11. Immediate attention must be given to preparations for Stage II of economic and monetary union, which is due to begin on 1 January 1994. It is of the utmost importance that this objective be met to maintain economic momentum in the long run. The growth initiative is designed to satisfy short-term requirements; strengthening competitiveness will improve the real performance of firms in the medium term; but economic and monetary union will give Europe's economy a stable macroeconomic and monetary framework in the longer term. In accordance with the new Treaty the Commission, as agreed at Edinburgh last December, will be proposing rules in the course of the year to prohibit monetary financing of public deficits, to prohibit privileged access to financial institutions, to apply the protocol on excessive deficits and to establish the European Monetary Institute. It will also present the customary report on convergence.

### *Strengthening cohesion*

12. The new financial perspective agreed in Edinburgh provides for the doubling of assistance to the least prosperous Member States and a substantial increase in other structural operations. This is clear confirmation of the solidarity which underpins the Community. The guidelines laid down by the European Council require action on two fronts: establishment of the new Cohesion Fund and revision of the structural Fund regulations.

(a) The Commission has already proposed arrangements for establishing the Cohesion Fund. It is important that they be adopted without delay. Early agreement must also be reached on the interim legal instrument, which will allow the four eligible countries to receive assistance

from the new Fund pending entry into force of the Treaty on European Union.

(b) Proposals for revision of the regulations governing the structural Funds will be made in the very near future to avoid any hiatus between current programming and that covering 1994-99. These proposals will seek to incorporate the structural components of the common fisheries policy and to deal with the problems of areas dependent on fishing. The general approach will be to confirm and reinforce the basic principles of the 1988 reform, namely concentration, programming, partnership, additionality.

### *Developing the social dimension*

13. The Commission is particularly concerned to ensure that the development of action on the social front complies in full with existing rules and objectives and respects the diversity of existing systems, cultures and practices in the Member States. Unfortunately, there has been a serious delay in developing the social dimension of the single market. Many major proposals are still pending, and have been for far too long. One of the priorities for 1993 will be implementation of the programme for giving effect to the Community Charter of the Fundamental Social Rights of Workers and the Commission will endeavour to mobilize the support it needs to improve the results to date. The proposals on the information and consultation of workers in transnational enterprises, the posting of workers and the organization of working time deserve particular attention.

In 1993 too, the Commission will add a few legislative proposals to those already pending. It will seek to add a new dimension to Community action to promote employment and combat marginalization. The Commission will also continue to promote the social dialogue, as it has done since 1985. It will do everything in its power to allow this dialogue to develop in line with the spirit of the agreement signed by the social partners on 31 October 1991.

Lastly, thought will be given to the future with an attempt to chart the future course for Community action in this essential area.

### *Integrating environmental concerns into other common policies*

14. Sustainable development is the primary aim of the fifth environment programme, whose objectives and principles were approved by the

Council on 16 December 1992. At the Rio Summit last June, the international community set itself the same objective, which found expression in Agenda 21, an action programme for the next century. As the first year in which the fifth programme is applied and the objectives set in Rio are pursued, 1993 should see environmental concerns being integrated into the definition and implementation of Community policies in other areas.

As part of this new approach the Commission will be taking a closer look at the economic implications of sustainable development (effects on growth and employment, incorporation of the natural capital into economic analysis, etc.).

Legislation will be needed and major initiatives are planned on matters such as integrated pollution control and environmental impact assessment. Further thought will be given to the question of liability for damage to the environment in accordance with the principle of responsibility for the environment. The Commission will present proposals for revision of the Montreal Protocol on protection of the ozone layer and will monitor progress through the Council of its proposals for measures to implement the strategy for stabilizing CO<sub>2</sub> emissions.

Priority will continue to be given to stricter application of the Community's environment legislation and more effective monitoring of compliance with the rules at national level.

### *Supporting the single market by other policies*

15. Although some measures have been mentioned in a broader context on previous pages, transport policy, energy policy and the protection of consumers' interests deserve particular attention.

16. Infrastructure aside, the political debate on the White Paper on the common transport policy presented by the Commission last December will be extremely important. Priority will be given to two areas: improved safety and closer cooperation with non-member countries, with the replacement of existing bilateral agreements by Community procedures and the extension of transport networks towards Eastern Europe.

17. On energy policy, some basic components of the internal energy market, such as common rules for the markets in electricity and natural gas, have still to be clarified. On the inter-

national front, the Commission has already proposed that the Community should accede to the International Energy Agency, but some further adjustments will be necessary. Finally, negotiations will continue in 1993 to allow implementation of the European Energy Charter with the countries of Central and Eastern Europe.

18. The Commission's proposals concerning telecommunications will be designed to establish for a period of 8 to 10 years a stable framework, approved by all interested parties (regulatory authorities, network operators, service suppliers and users), laying down the various measures to be introduced gradually to promote the establishment of advanced trans-European networks. The guidelines for satellite and mobile telecommunications will continue to be applied. There will be no let-up in the Commission's endeavours to facilitate the introduction of high-definition television in Europe.

19. Most of the Commission's proposals to protect consumers' interests in the single market have been on the table since last year. In its second multiannual action programme, to be presented in 1993, the Commission will place the emphasis on consumer information and consolidation of what has been achieved. It will organize broad consultations, based on Green Papers, on access to the courts and the development of guarantees on financial matters.

### *Implementing the reform: agriculture and fisheries*

20. The reform of the common agricultural policy, which was unanimously considered essential, has been concluded. It will now have to be applied for a first full year in 1993. Flexibility will have to be the principle guiding implementation, with improvements still being possible wherever required, provided the fundamental features of the reform are not compromised.

Coherent arrangements will be adopted for the products not covered by the May 1992 reform which deal with the specific problems and make the market organizations consonant with the outcome of the Uruguay Round. In the final stages of the GATT negotiations the Commission will continue to defend the Community's interests on the agricultural aspects.

Close attention will be paid to the needs of rural development in the reform of the structural Fund regulations.

The reformed agricultural policy will cost ECU 1.6 billion more than forecast as a result of recent movements on the exchange markets. 'Appropriate steps' may have to be taken in due course, as foreshadowed in the European Council's conclusions.

On fisheries, the Commission will be making further proposals for regulations to implement the revised common policy designed to consolidate the new framework regulation and the market regulation with the introduction of a system of licences to reduce catches. Work on establishing common management and conservation arrangements for Mediterranean fisheries will be speeded up and a series of fisheries agreements with non-member countries will be negotiated.

### III — External action

21. There are three major challenges here: increasing the consistency of external action by facilitating transition to the common foreign and security policy; preparing for enlargement and organizing new relations with the Community's southern and eastern neighbours; and assuming the world role which befits the Community.

#### *Developing the capacity to speak and act*

22. In a world marked by major upheavals, the new framework offered by the second pillar of the Treaty on European Union should give the Community greater political clout and enable it to agree on joint action which is visible, relevant and in the European interest. The allocation of portfolios in the new Commission demonstrates its concern to anticipate the consistency that the common foreign and security policy will provide.

Given the serious problems which have erupted in various parts of the world, not least in Europe itself, it is vital, even in advance of the Treaty entering into force, that the Community make its voice heard and help to find solutions consistent with its traditional values. The Commission cannot close its eyes to the external challenges facing the Community. It is in this spirit, strengthened by its new organization, that the Commission intends to work in the framework of European political cooperation.

The Commission will back developments in this area with proposals for economic and financial cooperation or humanitarian aid.

#### *Preparing for enlargement and improving relations with the Community's neighbours*

23. In line with the conclusions of the Edinburgh European Council, accession negotiations are about to begin with Austria, Sweden and Finland. The Commission will produce its opinion on Norway's application for membership and will also give its views on the accession of Malta and Cyprus.

The Commission has already made proposals for the adjustments that will be necessary for implementation of the European Economic Area Agreement.

24. Most of the Commission's proposals for restoring and deepening the Community's relations with the countries of Central and Eastern Europe, the independent States of the former Soviet Union and the Baltic countries are already on the table and internal discussions and negotiations are progressing satisfactorily. The Commission will be presenting further proposals in the course of the year on food aid and environmental protection. It will be implementing the report presented to the Edinburgh European Council, with particular reference to market access. It will seek to improve the organization and enhance the effectiveness and efficiency of technical and financial cooperation with these countries, special attention being paid to assistance in the area of nuclear safety.

25. The agreements already reached on the new Mediterranean policy will enable the Community to step up cooperation with its neighbours to the south. The agreements with the Maghreb countries will be particularly important. The Community will pursue its efforts to contribute to stability in the Middle East through the Peace Conference.

26. The Commission earnestly hopes that current diplomacy will bring to an end the tragedy in what was Yugoslavia. It will take any new initiatives it can to support the people of that war-torn region and help to rebuild the economies of the countries concerned. An economic and financial cooperation agreement with Slovenia will have to be examined by the Council and a request from Croatia for the negotiation of a similar agreement will be studied in 1993.



## *Acting at world level*

27. The joint declarations between the Community and the United States, Canada and Japan form the political and economic framework within which the Community intends to develop its relations and cooperation with these three countries.

The Western Economic Summits should likewise offer the industrialized countries the possibility of stepping up action to assume their responsibilities in the world.

A rapid and balanced conclusion of the Uruguay Round negotiations, which have now returned to a multilateral phase, is vital for the Community's trade relations. It could do much to stimulate activity at a time when so many economic operators are beset by doubt and uncertainty. Once agreement has been reached, a timetable for implementation will have to be prepared.

28. The next two years will bring major challenges for the Community's development policy. Preparations for the new Lomé IV financial protocol will begin in 1993, to be followed by negotiations in 1994. The debate on the paper on development cooperation in the run-up to 2000 should chart the course for this revision, which will set the scene for subsequent changes (Mediterranean protocols, Council guidelines for Latin America and Asia).

Other priorities will include reform of the generalized system of preferences, the Community's financial follow-up to the undertakings given in Rio, the negotiation of commodity agreements for cocoa and coffee and implementation of the Council's guidelines on human rights, democracy and development.

29. The Commission will pay particular attention to the promotion at international level of measures to deal with regional or global environment problems. In line with the undertakings given in Rio, it will launch initiatives and make proposals for saving the tropical forests and ratifying the climate change and biological diversity conventions. It will take part in the negotiations for a convention on desertification and in the work of the UN Commission on sustainable development. It will continue to attach particular importance to protection of the environment in the countries of Central and Eastern Europe and the Mediterranean.

## **IV — Horizontal action**

30. In addition to the priority to be given to information activities, proposals will have to be made on four horizontal issues: subsidiarity, transparency, financing and interinstitutional relations.

### *Organizing application of the subsidiarity principle*

31. On the basis of the memorandum adopted at Edinburgh and in the context of an interinstitutional agreement to be concluded in 1993, the subsidiarity principle will have to be applied not only to new measures but to existing provisions too where the three institutions are in agreement. The Commission intends to make a constructive contribution to the discussions which will be needed to ensure that these guidelines are respected.

### *Contributing to transparency in a Community closer to its citizens*

32. The Commission presented a communication to the Edinburgh European Council on the organization of relations with lobbies (code of conduct, register, broader and more frequent advance consultations). It also tabled an initial contribution to the debate on transparency, dealing with members of the public whose work brings them into contact with the Commission (dissemination of information and consolidation of legal instruments). In addition to implementing the measures set out in these two papers, the Commission will present a second communication on transparency focusing on information policy and relations with the general public.

### *Providing the necessary financial resources*

33. The decision taken by the Edinburgh European Council on the 1993-99 financial perspective outlines the financial framework for the years ahead. An interinstitutional agreement will have to be concluded in 1993 on the basis of this decision. The Commission has just presented the necessary proposals.

Financial and budget constraints dictate the terms of the Commission's administrative management. The Commission will attach continued importance to developing the European public

service, which is the guarantee of the effectiveness of its action. The structure of Commission departments and the tasks undertaken by Commission staff will be adapted where necessary to prepare for the future.

### *Improving interinstitutional relations*

34. Interinstitutional practices can be improved in the interests of greater transparency in advance of ratification of the Treaty on European Union. It is important to prepare for what lies ahead and all the opportunities for strengthening democracy offered by the new Treaty should be explored. The Commission will pay particular attention to the most suitable ways of accommodating future developments and will reflect on the organization of its relations with Parliament with specific reference to infor-

mation, consultation, action on opinions and implementation of the co-decision procedure.

The Commission will make a full contribution to preparing for a rapid and effective installation of the Committee of the Regions.

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1992 marked a turning point for European integration. The public debate revealed that there is a need for more transparency and clearer explanations of the Community's aims.

This programme seeks to strike a balance over the next two years between concrete achievements and preparations for the future, giving pride of place to economic recovery and international responsibilities. In so doing it hopes to promote a Community true to the principles of solidarity and generosity and closer to its citizens.