

Week of February 16 to 21

OUR READERS WRITE ... The head of an Italian press agency recently sent us some suggestions concerning the movement of goods and persons inside EEC frontiers. We give two extracts which we found particularly interesting :
"The amount of non-sparkling wine which can be exported duty-free within the Community is currently 4 litres. Cases of such wine sold in shops, however, contain 6 bottles of 0.75 litres each, that is a total of 4.5 litres. This can lead to long and tedious discussions at frontiers about the 0.5 litre in excess (...)"

"Would it not be possible to provide red and green stickers to drivers so that they could communicate to customs officers whether or not they had anything to declare. The officer could, of course, stop them if necessary".
We are pleased to note that our readers have talent and imagination !

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The causes of - and the cures for - the current automobile crisis, which has particularly hit Italy and the United Kingdom.

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HEALTH : No frontiers for pharmacists

During the last few years, the EEC Council of Ministers has taken a series of decisions allowing doctors, nurses, dentists, veterinary doctors and midwives the right to live and work in any part of the Community.

Now the European Commission has recommended that similar privileges should be accorded to pharmacists. Proposals calling for the same professional status for all pharmacists within the Community were made by the Commission in 1969 and 1972. These were withdrawn, however, because of technical difficulties relating to the different requirements in Member States for the training and qualifications of pharmacists which had also to be ironed out in the case of the other professions.

The application of the new proposals will depend on the amount of confidence one Member State places in the training and qualifications of pharmacists in each EEC country. This is why it is important to draw up minimum criteria for the scope of activity and training of pharmacists in each Member State.

The Commission recommendations call on all ten countries to recognise diplomas in this field given by other Member States, as long as these are compatible with certain professional requirements.

But the recognition of a diploma is not enough to allow a pharmacist to practise his or her profession. Every Member State has a number of criteria which have also to be met in each profession. The Commission proposes that if a person meets these requirements in one Member State, he or she should be allowed to practise in other countries.

Once adopted by the Council, these proposals should allow for the setting up of a "pharmaceutical common market".

So that we can improve "EUROFOCUS" and the general service we try to offer to our subscribers, we should be happy to receive any comments, criticisms or suggestions. If you should use any of the copy, a reference to "EUROFOCUS" (and possibly a copy of the final article) would be much appreciated.

OPINION : Whither democracy ?

In a world beset by bloody clashes, assassination, torture and the repression of liberty, Europe, while not an island of peace and freedom in a sea of turmoil, is relatively stable. Obviously there is still a constant need for vigilance and even the situation in Europe can be improved. But, on a whole, it is undeniable that Europeans are privileged. In this light, the declaration of Winston Churchill that "Democracy is a deplorable system, but it is better than all the other alternatives" seems relevant.

But to find out whether the citizens of the European Community were satisfied with the workings of their institutions and the political system under which they live, the European Commission recently conducted a public opinion poll of the attitudes of some 10,000 persons in the 10 member countries. The results are, to a certain degree, ambiguous. On average, inside the European Community, there are marginally more dissatisfied persons (48 percent) than satisfied (46 percent) about the operation of democracy in their country. Three countries have a significantly higher level of satisfaction than the average : Luxembourg with 76 percent, Germany with 73 percent and Denmark with 60 percent. At the other extreme are the dissatisfied in Belgium, 51 percent, the 52 percent in France and especially the 77 percent in Italy. Greece finds itself somewhat in the middle between Denmark and the United Kingdom.

Another question in the opinion poll touched on the priority goals of society. Persons questioned were asked to choose two objectives among four proposed. These options were "the need to maintain order in the country", "the need to fight against increase in prices", "the need to guarantee freedom of expression" and "the need to increase the participation of the citizens in the decisions of government". If a large majority of the citizens questioned in each Member State gave preference to the fight against inflation and the struggle for law and order, there were, nevertheless, some differences between the countries. The fight for price stability emerged as the most important goal in Belgium, Greece, Ireland and France, while the need for law and order were more frequently cited in Italy, Germany and Denmark. Residents of the United Kingdom, Ireland, the Netherlands and Luxembourg were more numerous in expressing their attachment to public participation in government decisions. The Danes, French and Belgians were the Europeans who most cherished freedom of speech.

REGIONS : Protecting the rights of ethnic minorities

From the eskimos in Greenland in the north to the Corsicans in the South, Europe is heavily populated by native minority groups who frequently feel isolated from the majority in their own country and generally suffer economically as a result.

The demands of people such as the Welsh, Scots, Bretons, Basques and other ethnic minorities for more control over their own affairs and their struggle to retain their historic cultural identities have been an important element of recent history in Europe. Sometimes this clash of cultures is explosive and results in violence and at other times it takes the form of thoughtful institutional change within the system. Elections are held, schools and regional assemblies are organised and economic assistance is directed toward these generally distant areas.

More and more attention is being focused on this problem, not only in the national capitals but also at the European level, where the European Community has sometimes been seen as a more suitable framework for encouragement of "Europe of the Regions" rather than the traditional nation-state.

Meetings have taken place at the European level recently of representatives of these ethnic minorities who sometimes refer to themselves as "unrepresented peoples" and a considerable amount of European Community financial aid goes directly to such regions to stimulate economic development.

In addition, the European Parliament, composed of democratically-elected representatives from their constituencies, quite naturally also took up the problems of these peoples.

Parliament member Gaetano Arfe, for the Committee on Youth, Culture, Education, Information and Sports, has drafted a proposal for a European Community charter for regional languages and cultures and on the rights of ethnic minorities. The charter notes that the resurgence of movements on behalf of ethnic minorities and cultures should be seen as a sign of vitality in European civilisation.

It calls upon the 10 European Community member governments to develop real policies in the fields of education, mass communications, social and public contacts and also recommends that the European Community Regional Fund contribute to projects aimed at supporting regional cultures. Basically, the charter is designed to allow these peoples to learn their languages and cultures from the primary to university levels, to grant them access to television and other communications forms and to authorise the use of minority languages in contacts between the citizens and official services.

THIRD WORLD : Commission asks for increased EEC food aid

A determined effort to increase the European Community's food aid contributions to Third World countries was made by the European Commission recently. In a communication forwarded to the Council of ministers the Commission stresses that EEC food aid in 1981 should include 927,663 tonnes of cereals, 150,000 tonnes of milk powder and 45,000 tonnes of butteroil. The total cost of this aid is put at almost £ 315 million.

The increase demanded by the European Commission follows indications that the world food situation is deteriorating almost daily. Recent figures published by the United Nations Food and Agriculture Organisation stress that Third World food requirements currently total about 94 million tonnes of wheat, compared with 6 million tonnes earlier. The need for a more effective EEC food aid policy was also highlighted by a recent debate on world hunger organised by the European Parliament. The parliamentary resolution represents strong backing for the European Commission which has called for a multi-annual EEC food aid policy for several years now, only to be refused by national governments. The concept of such long-term food programmes has now been accepted by the Ten.

European Commission experts recognise that even increased EEC food aid will not be sufficient to meet the growing food requirements of the developing countries. A large percentage of EEC aid in cereals (636,000 tonnes) will be given directly to the governments of the countries concerned, while 167,000 tonnes will be channelled through a number of specialised institutions such as the World Food Programme. About 130,000 tonnes have been earmarked for emergency situations.

No increase has been recommended by the Commission for aid in milk powder, compared with last year's figures. This follows indications that the Third World's capacity for utilising milk powder is limited even in the best of conditions. As things stand, most of this aid is channelled through international organisations which are more used to handling milk powder aid. The Commission is also planning to improve the management of the aid granted by the EEC and to include new products, such as fish, meat, sugar and vegetable oils to the traditional cereals, milk powder and butteroil.

The European automobile industry limps along

Despite constant increases in the price of petrol, the automobile remains the most widely-used means of transportation in Europe. In 1978, the number of automobiles in the European Community was around 80 million. Naturally, the situation varies from country to country, from an upper range of some 400 cars per 1000 inhabitants in Luxembourg to 195 in Ireland and 80 per 1000 inhabitants in Greece. Nevertheless, the automobile industry is one of the traditional pillars of the Community's economy. Nearly two million Community workers are directly employed in this sector. Some six million persons are employed in related fields. In addition, the share of automobile exports in total Community industrial sales abroad varies between 8 percent and 12 percent. These automobiles, therefore, represent a sizeable amount of foreign income for the member countries. Today, this industry is experiencing a profound crisis which is reflected in the closure of plants and a loss of employment, particularly in Italy and the United Kingdom. There are several causes for these difficulties, including competition from Japanese car manufacturers, the economic slump affecting all industrialised countries resulting in a slowdown in car sales, and certain structural factors like the fragmentation of the European industry and its national production units. Moreover, the well-being of the automobile industry has direct impact on other sectors. For example, the automobile industry uses about 20 percent of the crude steel production of the Community. If the Community produces fewer cars, the problems of the steel industry automatically increase. In a report published recently by the Economic and Monetary Affairs Committee of the European Parliament, the problems of the European auto industry are treated at length. Concerning the cutback in demand for cars, for example, the Committee indicates that the output of private cars fell from 11.5 million in 1973 to 9.3 million two years later. A sizeable increase in the total number of cars in use in the Community has, nevertheless, been registered. Experts feel that the number of households owning more than one automobile will increase. In addition, technological improvements, especially in the field of fuel consumption, could lead to a faster rate of replacement for older automobiles. The report also highlights the fragmentation of this industry in Europe.

There are, in fact, 12 major auto manufacturers and close to 300 producers of automobile parts in the European Community, while there are only three principal automakers and 30 parts manufacturers in the United States. The Community is split up between a number of national industries, some of which play an important role in their home market while others play a more limited one. The report feels that the realisation of economies of scale resulting from mass production for a market the size of the Community is indispensable.

But such a change in the structure of the industry has run into a number of obstacles, notably the diversity of demand and tastes in the different countries. Registration figures show that Italians, and to a lesser degree the French, prefer smaller automobiles. More spacious cars are much more in demand in the United Kingdom, while the Germans have a special taste for sportier and more prestigious cars. Under such conditions, it seems difficult to satisfy everyone. There is also a second need to develop productivity. In Japan, a worker produces 45 cars per year, while his European counterpart produces an average of only 12. The threat of Japanese competition is not only due to differences in productivity. Other factors contribute to the lower costs for Japanese automobiles, such as lower wages, lower social security and other expenses for the employer, as well as the undervaluation of the Japanese Yen. Also, since the rate of output is far larger than the potential of the domestic Japanese consumer market, exports increase steadily. On this point, the report notes that there exists an enormous imbalance between the export of Japanese cars to the Community and the reverse flow of Community vehicles to Japan. The ratio is put at 50 to 1 and estimations are that it could reach 80 to 1 this year.

If there is widespread agreement that something should be done about this problem, the Committee report feels that general protectionist measures are not the answer. But it adds that if European negotiators cannot obtain a self-limitation agreement with Japan on auto exports, European authorities would probably have to apply some temporary restrictions on imports.

The Parliament's Economic and Monetary Affairs Committee also requests the European Commission to expand its programmes to encourage research and cooperation between European auto firms to speed them towards greater automation and to encourage public authorities to improve traffic problems, especially in the major urban agglomerations.