



a newssheet
for journalists

Weekly n° 21/90

25 June - 2 July, 1990

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ECONOMY: More jobs thanks to 1992 and the changes in the East

The European Commission's economic forecasts for 1990 and 1991.

The decline in unemployment, which began in the 12-nation European Community in 1986, should continue into this year and the next. In its latest economic forecast, published on June 11, the European Commission expects unemployment to drop to 8.5% this year and to 8.3% in 1991. This represents a considerable improvement over the 9% recorded in 1989 and the 9.7% of 1988 - not to mention the 10.8% reached in 1985. The Commission has forecast a 1.4% increase in employment this year, somewhat less than the record 1.7% of last year.

European businesses are creating jobs because they believe demand will rise. Despite high interest rates and unfavourable exchange rates for Community currencies, economic growth in the EC will continue at a rate of about 3% in 1990 and 1991, according to the Commission. This is a higher rate of growth than in the United States and close to the Japanese rate.

The fact is that the cumulative effect of the run-up to the single European market, German unification and the changes taking place in Eastern and Central Europe will give the Community economy a considerable boost.

For the moment, economic growth is being stimulated mainly by investments, which have been rising faster than GDP. Investments went up by 6.7% in real terms in the 12-nation Community last year and should rise by another 4.5% this year and 4% in 1991, according to the Commission. In addition, domestic consumption in 1990 and exports in 1991 should give an additional boost to the Community economy.

The Commission nevertheless remains prudent in its forecasts. It stresses the difficulty of making precise assessments of the economic impact of German unification, whose effects it believes will not be fully felt until 1992. Even so, the Commission takes the view that, without unification, the Community's economic growth in 1991 would be limited to 2.75%, rather than the 3% it has forecast.

As for inflation, it is expected to remain high in 1990 (4.75%). It should decline to 4.25% next year, however.

CONSUMERS: Community legislation will provide tourists better protection

The Twelve have adopted the directive on package holidays and travel.

European Community legislation harmonizing the laws of the Member States on package holidays and travel, with a view to preventing unfair competition between tour operators even while providing consumers increased protection, will come into effect on 1 January 1993. It particularly stipulates that tour operators will be held responsible for all the services contained in the package, including those provided by third parties. The tour operators will have to offer beforehand enough guarantees of their own to ensure, in the event of bankruptcy, repayment of deposits and the repatriation of travellers. They will also have to provide clear and detailed information, notably as regards prices and other services due, information for which they will be held responsible.

Prices set under the contract will be firm, except in cases provided for by law and, in any case, 20 days before departure date at the latest.

UNEMPLOYMENT: Slight fall in April

8.5% as compared to 8.6% in March.

Unemployment in the European Community is continuing to fall, slowly but surely. In April it was down to 8.5%, as against 8.6% the previous month. This seasonally adjusted unemployment rate, based on the ILO definition, was calculated by the Community's statistical office, Eurostat.

For the first time in years differences in the changing rates of unemployment in the Member States have begun to narrow. The downward trend has slowed down in the countries in which it was the most pronounced - Britain, Germany, Spain and Belgium; the decline even seems to have come to a halt in Portugal. In the countries in which the fall in unemployment remained below 10% last year, the pace of the downward trend has been maintained - as in France - or has accelerated - as in Ireland and the Netherlands. The rise in unemployment recorded in Italy and Denmark during 1989 now appears to have ended.

Much of the decline in April, at the Community level, was due to the fall in youth unemployment. Even so, it remains rather high (16.2%).

DRUGS: Helping Colombia in its fight against drugs

ECU 60mn. have been earmarked for this purpose.

The European Commission has decided to grant Colombia ECU 60mn.* over the period 1990 to 1993, to help it fight drug traffickers. The money represents the European Community's contribution to the special economic cooperation plan which the country's President, Virgilio Barco, presented to it this April. Incidentally, normal Community aid to Colombia has averaged ECU 2mn. a year over the last 12 years.

The money will be used to strengthen the country's economic structure, thus creating a climate favourable to foreign investments, especially from the Community, and to technology transfers. The EC will also help Colombia diversify its agricultural production and promote alternatives to coca. Finally, it will support a series of specific activities in the fight against drugs, aimed especially at Colombian youth.

Despite the Community's generous grant, Colombia still has some ways to go before it has the ECU 900mn. required for the success of the Barco plan. It is now up to the individual Member States to follow the Community's example and contribute to the fight against drugs. The Commission, for its part, has called on them to adopt a resolution entrusting it with the task of coordinating their support for the Barco plan.

The Commission has also asked the Twelve to treat three Latin American countries - Colombia, Peru and Bolivia - as least developed countries over the next four years for the purposes of the Community's generalized system of preferences. This would allow the three to enjoy duty-free entry into the EC for their agricultural and industrial exports, particularly of coffee, cut flowers, tobacco and fishery products.

With its contribution of ECU 60mn. the European Commission has decided that actions speak louder than words when it comes to the fight against drugs. It is now up to the Twelve to follow it.

* 1 ECU = UK£0.72 or IR£0.77

EMPLOYMENT: Towards better protection for those in temporary employment

Proposals which concern some 24mn. Europeans.

More than 14mn. Europeans are in part-time employment and another 10mn. in temporary employment. This is roughly equal to the total population of the three Benelux countries. Those in part-time employment accounted for 13.6% of the total workforce of the European Community in 1988, and those in temporary employment for nearly 10%. These figures amply justify any concern shown by the Community for these workers, given that they are worse off, not least in terms of social protection, than their colleagues in long-term, full-time employment.

These particular forms of employment are growing very rapidly, largely because they meet the real needs both of employers and employees, especially women. Between 1983 and 1988 the number of workers in part-time employment in the Community (less Spain and Portugal) rose by nearly 28%, while the number of full-time jobs increased by only 2.4%. Over the same period the proportion of temporary employees more than doubled in Ireland, France, the Netherlands and Luxembourg.

To guarantee these employees a minimum level of protection, and to reduce the differences in their salaries within the 12-nation Community, the European Commission proposed to the Member States in mid-June three pieces of European social legislation.

The first aims at giving part-time and temporary workers the same access to vocational training and the social services provided by the firm employing them as those in full-time employment. It provides that the employer must inform the employees in question whenever he plans to take on full-time workers for an indefinite period. The proposed legislation would also declare null and void contracts for temporary employment which contain clauses prohibiting or preventing the part-time employee from eventual full-time employment with the same employer. Its adoption by the EC Council of Ministers cannot be taken for granted, given that unanimity is required. This is not the case as regards the two other proposals, presented by the European Commission at the same time.

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The Commission's second proposal is aimed at preventing differences in the labour laws of the 12 Member States from leading to unfair competition. Thus employers pay virtually no social security contributions in respect of most part-time workers in Britain, Ireland and Germany, while in the other Community countries part-time workers are treated in the same way as other workers in this connection. If this situation remains unchanged, the single market could lead to firms moving to the countries with the lowest social costs. Consequently, if the Twelve adopt the Commission's proposal, employers will have to offer their part-time and temporary employees terms comparable to those enjoyed by their full-time employees as regards annual holidays, seniority and working conditions in general. The Commission has also proposed that a worker cannot hold down the same job for more than three years on a part-time or temporary basis.

The third European "law" proposed by the Commission seeks to improve the health and safety of workers in temporary employment. If adopted, temporary work contracts will have to specify any risks to health associated with the job and provide suitable training. Recourse to part-time and temporary workers will be banned in principle for work requiring special medical surveillance over a long period of time, except in special cases. In such cases workers will be covered by medical surveillance even after the expiry of their temporary employment contract. In the single European market seasonal workers will enjoy the same minimum protection in the fields of health and safety at work. The Commission wants temporary and part-time workers to benefit from the application of the same principles, despite their special situation.

All these measures are part of the European Commission's social action programme. In presenting them in Brussels on June 13 the European Social Affairs Commissioner, Mrs Papandreou, stated that forthcoming proposals will deal with hours of work and the protection of women.

PROTECTION OF WORKERS: Dealing with biological agents at work

The Twelve adopt a Community "law" aimed at protecting workers exposed to biological agents.

The European Community Council of Ministers has just adopted a directive which requires firms to protect workers who are exposed, potentially or in fact, to biological agents - that is to say, microorganisms, including those which have been genetically manipulated and cell cultures.

The directive must return to the European Parliament for the second time before the adoption process can be completed. It would come into force from 1992. It stipulates that firms must do all they can to eliminate all exposure to biological agents.

If this is not possible, the firm is required to inform workers of the risks they run from the moment they take up employment and at regular intervals thereafter, so that they are fully aware of the nature of their work.

The employer must also keep a record of workers exposed to biological agents, together with a detailed description of the microorganisms in question, the safety measures in force, an assessment of the risks to workers as well as an emergency plan in the event of the accidental release of biological agents.

SMEs: The Twelve pull out all the stops

The programme includes research, simplification of Community legislation and access to public contracts.

The EC Council of Ministers has taken a number of steps aimed at helping small and medium-sized enterprises (SMEs) throughout the Community spread their wings in the single European market. Industry ministers gave the green light on May 28 to three European Commission initiatives. Their effect will be to reduce legal constraints on SMEs, facilitate their access to Community research programmes and stimulate their participation in public procurement in the Community.

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Compared to the "giants", the multinationals, SMEs often find it difficult to make their way and remain competitive on a market which is daily becoming more international. The Twelve have therefore asked the European Commission to give SMEs a helping hand, in three areas in particular: participation in Community research programmes, access to public procurement and the simplification of administrative and legal constraints.

In the field of research, the Twelve approved a working document presented by the Commission and aimed at encouraging and facilitating SME participation in Community research programmes, especially as regards projects which are closest to the industrial stage. They also stressed the importance for SMEs of better information on the various programmes, including those not yet launched. The Twelve asked the Commission to look into the possibility of reducing the cost and complexity of making applications to take part in Community programmes.

With a view to encouraging access to public procurement by SMEs, the industry ministers approved the proposal that the Member States should introduce non-discriminatory measures, such as the break-up of major contracts, improvements in payment dates and in the dissemination of information. They also enjoined the Commission to study the specific problems faced by SMEs in these circumstances and to develop the role of the Euro Info Centres (information centres for SMEs) and of BC-NET (the computerized network for cooperation between firms) in the context of public procurement.

Finally, the ministers concluded that even now Community legislation imposes on SMEs administrative and legal burdens that are often very heavy, and that it is therefore necessary to simplify it even further. They therefore adopted a series of measures proposed by the Commission, and which it must now put into effect. These measures are in such fields as tax law, competition, social legislation, and consumer and environmental protection.

ENVIRONMENT: Venice is saved from Expo 2000

The Italian government withdraws the city's candidature and the BIE chooses Hanover.

The pressure of international public opinion has enabled Venice to avoid, at the last minute, the dubious honour of having to host Expo 2000, the world fair which would have brought with it some 200,000 visitors each day, with peaks of up to 400,000, in a city which cannot physically accommodate more than 20 to 25,000 visitors.

The decision to withdraw the Venetian application to host Expo 2000 must be seen as a major victory for European culture, whose partisans were galvanized in defense of one of its most glorious landmarks. But the victory was also due to the European Community's political authorities. After the stand taken by thousands of intellectuals and artists, the European Environment Commissioner, Mr Ripa di Meana, denounced at the beginning of April the dangers to which the fragile balance of the lagoon city would have been exposed in the very likely event of the Bureau International des Expositions (BIE) selecting Venice as the site of the world fair in the year 2000.

The European Commission followed this up with the despatch of an official delegation, for an on-the-spot assessment of the situation. But to no avail. A month later it was the turn of the European Parliament to take a stand. By 195 votes to 15 Euro-MPs expressed their opposition to Venice as the site of Expo 2000. They held that neither the ecological and logistical conditions in Venice, nor its social and cultural climate permitted the holding of such an event, and asked the Italian government to withdraw the city's candidature.

The polemic now swept through Italy. The issue was hotly debated and opposition to Venice as the site of Expo 2000 began to surface in both the public and in political circles. First the upper, then the lower house of the Italian Parliament adopted by overwhelming majorities resolutions calling on the Government to follow the example of the European Parliament and withdraw Venice's candidature. However, it was not until June 13 - in other words, on the eve of the BIE's decision - that the Italian government announced it was doing just that. The next day the BIE took formal note of the decision and Hanover was selected as the site for Expo 2000; it edged out Toronto by 21 votes to 20. The choice would seem to mark the forthcoming unification of Germany; in any case, it will allow Europe to host an important event in the year 2000 without risk.

As for Venice, its nightmare is over, although its ills have not been cured by any means. Perhaps the recent outpouring of emotion will have helped.