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Mailed from Brussels X

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<u>EUROPEAN COMMUNITY: 1 January 1993 was the starting point of a movement</u> ... which must continue, according to the European Commission.

Many Europeans know already that 1 January 1993 did not mark the dawn of a frontier-free European Community. The continuing checks on passports within the 12-nation Community are there to remind them of this. January 1 represents, rather, the "starting point", according to Raniero Vanni d'Archirafi, the European Commissioner for the single market since the beginning of the year, who presented on January 21 a balance sheet of the first 20 days of the single market.

On the whole, the European Commission regards these first days as a success. With a few exceptions all the checks at the EC's internal borders on goods, services and capital disappeared on 1 January 1993. Only one case of infringement of the "European laws" in force on that date was noted.

The free movement of persons is posing difficulties. On the one hand are the nine EC countries that want to put an end to identity checks at the Community's internal borders. They are the members of the Schengen group, who should end these checks on roads, motorways and in trains and at ports from July 1, and at airports from 31 December of this year. On the other hand there are the three countries which do not want to sign the Schengen agreements. They are Britain, Ireland and Denmark, and they only envisage greater flexibility in the carrying out of these checks.

For Mr. Vanni d'Archirafi it is necessary to spend roughly two months just seeing how things are going, after which the Commission can assess the results of the first few weeks of the single market. For the time being the key role will be that of the single market coordination committee, set up by the Commission at the end of December. The committee, which is made up of representatives of the 12 EC countries and the Commission, must draw up the broad outlines of the management of the single market and deal with specific cases as they arise. The Commission would also like to set up a network of points of contact, covering all 12 EC countries, in order to guarantee rapid action whenever problems arise. Finally, the Commission has decided to publish, towards the end of each year, a report on how the single market is working. "One must judge the single market from a dynamic viewpoint", according to Mr. Vanni d'Archirafi; in other words, see whether or not the situation is improving.

# SOCIETY: Europeans in their declining years

The European Year of the Elderly and Solidarity between Generations is launched.

"Twenty years in which to grow up, 40 in which to work and the last 20 in which to be happy", so goes an Irish proverb. It was cited by the new European Commissioner for social affairs, Ireland's Padraig Flynn, as both a definition of the condition of elderly people and a message of hope, at the launch in Brussels of the European Year of the Elderly and Solidarity between Generations.

Europe is ageing: the message is not new. At present roughly one out of three persons in the European Community is over 50 years of age and one in five over 60. In 20 years' time one-fourth of the European Community's population will be over 60, and in the year 2020 nearly half will be over 50. In other words, of the estimated 400mn. people who will be living in the EC at that time, nearly 180mn. will be lively 50-year olds.

Mr. Flynn saw it as "a revolution, whose implications will be important for older people as well as for the younger generations". One could add that this is already the case. The economic consequences of the ageing of Europe will include growing pressure on the Member States to ensure satisfactory pensions and good quality social security. This is the wish, even major preoccupation, of the European Commission, even though it has no plans to intervene in the financing of retirement pensions, as this is within the competence of the Member States. "But we want the European Year to encourage people of all ages to participate in a debate which concerns us all", Mr. Flynn concluded, even while stressing the need to fight against the negative attitude towards ageing.

We are witnessing, in the closing years of the century, a profound change in the significance of old age and the way in which it is lived. To begin with, the age at which people retire, even when it is not a question of early or partial retirement, no longer coincides with old age. But for this very reason retirement is seen even more as a diminishing and a lessening. It is no longer synonymous with a well-earned rest, within the bosom of a warm and affectionate family. However, neither attitudes nor the infrastructure have been adapted to the needs of people

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who, while clearly older, nevertheless do not have one foot in the grave. On the contrary, they want to continue to lead normal lives - which is not obvious at all. To begin with, the fact of no longer having to work has always been regarded as opening the door to a kind of marginalization, which only a small number of people, mostly from a certain socio-cultural milieu, can hope to escape by undertaking some form of activity, whether paid or not. Next, one must take into account the attitude of a society which often gives the impression of regarding the retired, and the elderly in general, as a burden increasingly difficult to bear, particularly economically. Nor should one forget the psychological problems traditionally linked to the condition and very idea of age, such as loneliness, disrespect, absence of contacts with the family and young people, leisure activities, etc.

All these aspects have been examined in two detailed Eurobarometer surveys, made in April and May of last year, under the responsibility of the European Commission's social affairs department. These surveys represent the first European attempt to provide an overall picture of the behaviour of elderly people in the face of old age.

The findings are full of surprises. In the first place, retirement is no longer seen as the start of old age, as was the case earlier. Consequently, it is increasingly an anachronism as a definition of older people. In the European Community, two retired people out of three, on average, are very active and lead full lives. This is particularly the case as regards the Italians, followed by the British. The Greeks are at the other end of the spectrum, preceded by the Portuguese by a slight margin.

Even so, one must not be mistaken. Generally speaking, the most important activity consists of watching television and doing the shopping and housework. Next come gardening and odd jobs. But the aim is to keep oneself busy and in touch with the world. Older people seem very interested in current events: three out of four have read a newspaper or magazine recently. They also keep in close touch with their families, despite the growing tendency to live on one's own. In the EC as a whole, 44.4% of elderly people see one member of their family daily and 78.2% at least once a week. The corresponding figures for Italy are 70.7% and

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92.9%. But even in the Netherlands, which comes last with 19.2% and 71.2%, it is clear that contacts have not been broken off.

And there is not only the family: three elderly people out of four on average meet a friend at least once a week, although national differences are rather important. Thus in Germany and the Netherlands fewer than one person out of 10 sees a friend, as compared to six out of 10 in Portugal and Spain. Despite these high levels of social contacts, a significant minority of elderly people feel lonely. Paradoxically, this feeling is stronger in countries where such contacts are the most frequent. Thus fewer than 5% of Danes and between 5% and 9% of Germans and Dutch claim they often feel lonely, as compared to 36% of Greeks and more than 20% of Portuguese.

Elderly people do not complain excessively of the attitude of young people towards them. In the Community as a whole, 54.2% find young people rather willing to help, as against 38.6% of grumblers, with peaks respectively of 81.9% in Ireland and 54.5% in Italy. The lack of respect is felt particularly in Belgium, where 33% claim to have been treated in a fairly off-hand manner and only 19% are satisfied. Ireland continues to hold white hair in respect: 44% are satisfied and only 21% unhappy. In any case, 44.8% of elderly Europeans find that growing old has even given them a fresh lease on life (although 40.6% hold the opposite view), while 72% remain in fairly regular contact with young people, as compared to the 27.7% who have very few such contacts.

If the picture is not as bleak as one might have feared, it nevertheless is paradoxical in some respects. Thus elderly people, who clearly are living in poverty and privation, express themselves satisfied with their standard of living. A large majority of elderly people regard themselves as financially protected in the Community as a whole: 87.5% claim to make ends meet, with a peak of 97.9% in Denmark. It is only in Greece that a majority of the elderly are finding it very difficult to make ends meet: 50.3% as compared to the 49.3% who manage nevertheless to get by. Even in Spain and Portugal, two countries which are among the stragglers, people seem rather serene: 68.3% and 72.3%, respectively.

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But where does this feeling come from? Differences here are striking, especially between the EC's northern and southern Member States. The proportion of those who claim that the family is the basis of financial security in Greece is nearly eight times larger than in the Netherlands, four times larger than in Germany and twice larger than in Britain. If the public sector is the major element of this security, it is also, and by far, the main element of insecurity. Which brings us to the heart of the problem, which is at the same time the key point in relations between the generations: meeting the bill for retired people. How many agree that those who work must ensure, through their contributions and taxes, a decent standard of living for elderly people? The answer, on the whole, is positive: 69.8% of those concerned agree and only 17.6% are hostile to such a proposal. The social contract would seem, therefore, to be more or less intact, although those between 15 and 34 years of age are less positive than their elders on this point. But neither consensus nor solidarity are in question, even if some believe that the State should play a role: barely 4% take the view that it should do no more than provide what is needed to make ends meet, while more than 90% find that it should guarantee the elderly a decent living standard - even an income not far removed from the average salary of workers.

Eurofocus will return to this subject, and to the others raised by this important Eurobarometer survey.

#### TELEVISION: No cross-border pornography

"Television without frontiers" directive does not imply an obligation to rebroadcast programmes containing pornographic scenes.

All EC Member States can take action against television companies which could violate Article 22 of the "Television without frontiers" directive. This "European law" seeks to protect minors, particularly from broadcasts which are violent or pornographic in character. This is the only exception to the principle of the freedom to view. However, it is up to each Member State to ask, under specific conditions which the European Commission keeps an eye on, for the suspension of the rebroadcast on its territory of the offending programmes.

REGIONS: The gulf between the EC's rich regions and its poor ones was considerable in 1990

Not all regions have managed to catch up with the others.

Differences in living standards between EC countries and regions remain considerable. Thus the richest region - Hamburg, in Germany - had a par capita Gross Domestic Product (GDP) five times greater, in terms of purchasing power, than the poorest - the Greek Islands in the northern Aegean Sea, such as Lesbos and Chios, according to the latest statistical analysis, published in mid-January and for the year 1990. The per capita GDP of the richest EC country, Luxembourg, is two and a half times larger than that of the poorest, Greece.

The Community's most prosperous regions are to be found mainly in the centre, or east of centre, of the Community: in particular southern Germany; eastern France and the Paris region; the north of Italy; Luxembourg; the regions of London, Brussels and Antwerp and the Amsterdam-Rotterdam conurbation in the Netherlands. The regions facing difficulties are to be found in the south and west: Greece; the Italian Mezzogiorno; the south and west of Spain; Portugal, with the exception of the area of Lisbon and all of Ireland, North and South.

At first sight these figures confirm those from previous years. But during the 1980s some differences have narrowed while others have widened. Thus Greece and Portugal, which today are the two EC countries which are the least well off, were at roughly the same level in 1980. However, in ten years Portugal has progressed from 53 to 56, as compared to a Community average of 100, while Greece has fallen from 52 to 47. Both Ireland and Spain have progressed, moving from 61 to 68 and from 72 to 75, respectively.

Britain has caught up with the Community average, moving from 97 to 101, while Italy has remained slightly above the average at 102. Most other EC countries have moved closer to the average, recording a fall relative to their per capita GDP during the 1980s: from 108 to 101 for the Netherlands, from 106 to 105 for Belgium, from 114 to 112 for France and from 119 to 117 for Germany (West). Only the countries which were already rich to start out with have moved away from the average: Denmark has moved from 106 to 107 and Luxembourg from 115 to 124.

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However, these changes have been much less pronounced at the regional level. Between 1980 and 1990 only 40% of the regions of the European Community have seen their per capita GDP move closer to the Community average. What is more, in many cases the differences between regions within the same country have become sharper.

The biggest differences within Germany have yet to show up in the statistics, which do not cover the country's eastern <u>Länder</u>. All the West German <u>Länder</u>, on the other hand, have a per capita GDP which is above the Community average. However, if one looks at smaller regions, there is a big difference between the 81 of Lüneburg in the northern part of the country and the 183 of Hamburg, even if the benefits of the port's income are not limited to the citizens of Hamburg.

Spain as a whole has distinguished itself: six of its regions are among the 10 EC regions whose economies have grown the fastest during the 1980s. But other regions of Spain are close to the Community average - Madrid and the East - while yet others are at 50% of the average, such as Extremadura and Andalusia.

In Britain, France and Belgium the regions which include the capital have a per capita GDP which is well above both the Community average and the average for the country in question. But some regions have a GDP more than 20% below the Community average. This is the case as regards Liverpool and its surroundings in Britain, the Hainault in Belgium and Corsica in France.

The differences between the north of Italy and its south are still there. Between Lombardy in the north, which has an index of 135, and Calabria in the south, with just 61, the gap is almost as wide as in 1980. And if some regions, in the north as well as the south, have moved towards the average, others have moved away from it: the North-West and North-East among the richer regions and Sardinia and Sicily among the poorer ones.

The per capita GDP of Portugal's poorest region, Alentejo, is not even half that of Lisbon and the Tagus valley, despite its proximity to them.

It remains to be seen what the effects of the EC's new regional policy, begun in 1989, will be.

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# **UNEMPLOYMENT:** Still rising in November 1992

A 9.9% unemployment rate: the highest since May 1988.

Unemployment in the 12-nation European Community is coming dangerously close to the 10% mark. Last November it had reached 9.9%, the highest figure since May 1988, according to Eurostat, the EC's statistical office. These worrying figures, published in mid-January, take into account seasonal variations as well as differences in definition among the Twelve.

November's rise was not very large at 0.1%; but it came on top of other, similar increases during the previous months. Over a 12-month period EC unemployment has risen from 9.1% to 9.9%. All Member States have experienced this deterioration in the employment situation, with the exception of Italy and the Netherlands.

Spain had the highest unemployment rate, as defined by Eurostat, last November: it stood at 19.1%. Ireland was next, with 18.4%, followed by Britain (11.3%) and France and Italy (10.2%). In the other EC countries the rate was below the Community average. It was lowest in Luxembourg, at 2%.

## INFLATION: A further fall in December 1992

3.7% on an annual basis in the European Community as a whole.

Prices held steady in December: the price index for the European Community as a whole did not move. As a result, there was a further fall in the inflation rate on a 12-monthly basis: it fell from 3.8% in November to 3.7%, according to the figures published by Eurostat, the EC's statistical office, on January 20. The last time the level of inflation was as low was in August 1988. However, the Community's inflation rate was above that of the United States (2.9%) and Japan (0.9%).

December's good results were due to a fall in prices in Denmark, the Netherlands and Britain; price stability in Belgium, France and Luxembourg and very slight price rises in Germany, Italy, Spain and Portugal. Only Greece recorded a sharp rise of 1.2%.

Denmark still enjoys the lowest rate of inflation in the EC on an annual basis (1.5%). France, Ireland, Britain and the Benelux countries are all below the Community average. Germany (West) just reaches the Community average, while the four southern EC countries are above it.