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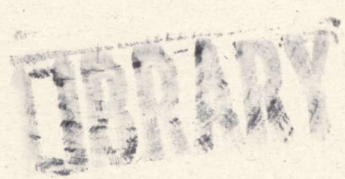
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Mailed from Brussels X

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EMPLOYMENT: An EC-wide campaign for employment

European Commission wants to stimulate cooperation among the Twelve.

To reduce the number of people out of work in the 12-nation European Community by half by the end of the century - in barely seven years, in fact - is the goal of a Community-wide campaign for employment launched by the European Commission and presented by the European Commissioner for social affairs, Pdraig Flynn, on May 26. The goal is an ambitious one, given that some 17 million people are currently registered with employment offices across the EC.

The EC's employment ministers asked the Commission in early May for suggestions for dealing with the employment situation in the EC. The framework for action now presented by Mr. Flynn is aimed at coordinating the efforts of national, regional and local authorities above all. It seeks to get the EC countries "acting together", according to the Commissioner. The EC as such has no powers to create jobs directly, and the Commission's campaign will not create jobs overnight, as Mr. Flynn pointed out. Besides, the EC has no additional budget for such a campaign.

The Commission's framework for action is based on four key observations:

- (1) The current high level of unemployment is unacceptable: 10.2% of the EC's population of working age is jobless - according to the criteria of the International Labour Organization. Unemployment obviously is a human and social problem; it is also an economic problem. "Half our unemployment", Commission President Jacques Delors pointed out to the European Parliament recently, "represents the GDP of Belgium and Portugal put together."
- (2) Stronger economic growth - that is to say, an increased production of wealth - will not be enough to reduce unemployment in any significant manner. Between 1983 and 1990 both the EC and U.S. economies grew by 3% a year; but while the U.S. created 2.5% more jobs, the EC managed only 0.8%. A more employment-intensive pattern of economic growth is needed.
- (3) To create more jobs, an integrated policy response is needed, mobilising all actors involved in employment matters.

- (4) Close cooperation at the Community level is needed to ensure the maximum impact of national actions.

The Commission calls on the leaders of the EC and the Member States to conduct a systematic analysis of possible solutions. To start with, they must establish an agenda and a timetable, in order to reach concrete solutions during the next 18 months.

The Commission, for its part, has announced that it will send the Twelve its analyses and proposals for coordinated action. They will include the development of new forms of employment, based on new forms of work organization; the development of new working time structures; the development of training systems and the study of incidence of taxation systems on employment. The Commission will also examine the role of "new sectors", such as the protection of the environment and cultural heritage, the role of SMEs, the self-employed and local initiatives.

INFLATION: Unchanged in April at 3,4% ...

... but the trend remains downwards since last autumn.

The rate of inflation stabilized at 3.4% during April in the European Community as a whole, according to Eurostat, the EC's statistical office. But the recent trend is towards a decline rather than stagnation: the 12-month rate of inflation declined from 3.9% last October to 3.6% in December and then to 3.5% in February. In April 1992, it stood at 4.7%.

The three EC countries with the lowest annual rates of inflation have beaten all records. In the case of Denmark (1.1%) one must go back 33 years, in that of Ireland (1.9% in February) 30 years and in that of Britain (1.3 years) 26 years. Inflation in France, the Netherlands and Belgium stood at between 2 and 3%. It reached 3.8% in Luxembourg, 4.3% in Germany (West) and Italy, 4.6% in Spain and 6.2% in Portugal. Greece continued to have the highest rate of inflation - 16.2%.

EUROBAROMETER POLL: How is democracy working in the EC?

Latest Eurobarometer poll reveals a dissatisfied majority.

For the first time the half-yearly Eurobarometer poll of public opinion in the European Community conducted a Community-wide survey on public attitudes to the way democracy works in the EC. And it was clear that things are not going too well: on average more people were dissatisfied (47%) than satisfied (41%). Dissatisfaction was most widespread in Italy (54%), followed by France (50%), Germany and Denmark (48%). In Ireland, however, as many as 62% expressed satisfaction. Luxembourg was next (59%), followed by Portugal (54%).

On average Europeans found European democracy to be rather imperfect. The contrary would have been surprising, given that a majority (55%) of those polled were also dissatisfied with the way democracy is working in their own countries, with just 42% claiming to be satisfied. Compared with an earlier survey, conducted nationally, the gap has widened: last autumn 45% of those polled were satisfied, as against 52% who were dissatisfied. The angriest, by far, were the Italians, at 88% (as against 84% last autumn). They were followed by the Greeks (65% as compared to 62%), the French (56% as against 50%) and the Spanish (55% - as in 1992). However, a mere 18% of Danes were dissatisfied with the way democracy works in their country (they were 19% last year). Only 24% of Luxembourgers were dissatisfied, against 26% last year, and 30% of the Dutch (as compared to 28% in 1992).

Support for the European Community appeared to be fluctuating. If support for European unification was settling down at 73%, after three sharp declines since the spring of 1991, and if 60% of Europeans took the view that membership of the EC is a good thing for their country, the trend remained downwards when people were asked if they thought that their country had benefitted from membership: 47% thought so, as compared to 49% last autumn, while 35% thought it had not benefitted from membership (34% last autumn). The Irish appeared the most enthusiastic (82%, up 5 points), followed by the Portuguese (74%, but down 4 points) and Greeks (72%, an increase of 2 points). The most sceptical were the Spanish, with just 36%, down 6 points, and the British at 37% - a rise of 6 points nevertheless.

42% of Europeans would be sorry if the EC were to be scrapped, while 38% would be indifferent to such a development - and 11% would be very relieved by it. The corresponding percentages last autumn were 44, 34 and 12. The British would be the least upset: only 28% of them would be very sorry (as compared to 25% last

autumn). There were sharp falls in France and Spain, to 39%, a drop of 8 and 6 points, respectively. Only in Luxembourg (58%), Ireland (56%) and Italy (55%) would people be really sorry at the scrapping of the EC.

Opinions as regard the Maastricht Treaty had not changed very much in the EC as a whole: the proportion of those in favour had dropped from 44% to 41% - but so had the percentage of those against - from 27 to 24%. The situation varied from country to country, however. Thus in Denmark those for the Treaty had jumped from 43% last autumn to 54%, while those opposed to it had dropped from 48% to 31%. This broad swing in public opinion was confirmed by the results of the referendum a few days later. In Ireland support for the Maastricht Treaty rose by 7 points to 62%, while there was a slight increase in support in Britain - a rise of 3 points to 29%. The Greeks were less favourably disposed towards the Treaty (58% as compared to 45% last autumn), as were the Italians (55% as compared to 43%), Luxembourgers (56% and 45%) and the Portuguese (43% and 34%). It should be pointed out that the fall in support for the Treaty did not mean an increase in the numbers of those opposed to it: the increase was in the numbers of those either undecided or simply indifferent to the Treaty.

The hopes engendered by the realization of the single market rose: 53% of those polled were hopeful this time round, as compared to 51% last autumn, while the proportion of those fearful of the single market fell from 37% to 36%. In all the EC countries the single market inspired more hope than fear, reaching a peak of 72% in Ireland, followed by 64% in the Netherlands and Italy, and 61% in Denmark. Only in France were people more fearful: 48% of those polled feared the single market, while 45% were hopeful.

It is too soon, of course, for Europeans to have any clear view as to the consequences of the single market. Of the 28% who claimed to have experienced its effects, 9% thought it had been quite good, 7% that it had been quite bad, while a further 12% had found their experience to be neither particularly good nor bad. But as many as 67% claimed they had not yet experienced the effects of the single market. Opinions varied from country to country: those most satisfied were to be found in Portugal and Greece, those less satisfied in Britain and Denmark. Portugal was the only country in fact in which a majority of those polled (55%) claimed to have experienced the effects of the single European market.

ADVERTISING: EC Court of Justice upholds price comparisons ...
... in mail-order catalogues.

Comparative advertising has often posed problems in the European Community, being banned in one Member State, authorized in another and subject to conditions in a third. The issue has assumed greater importance in the single market. In a ruling delivered on May 18 the EC Court of Justice in Luxembourg held that a Member State - Germany, in fact - could not ban advertisements singing the praises of products of another Member State, by comparing current prices with previous ones.

The starting point was a dispute between the German subsidiary of the French beauty products company, Yves Rocher, which sells its products by mail in Germany, and a Munich-based association for protection against economic abuses. The association had attacked Yves Rocher Germany before a court in Munich, for having distributed a leaflet showing, next to earlier prices, now crossed out, new prices, printed in heavy red characters. The leaflet was conceived in France for distribution in the EC as a whole.

The association invoked a 1986 German law, adopted at the demand of associations of shopowners, banning advertisements whose appeal is based on price comparisons. The court in Munich found for the association, and ordered a halt to the distribution of the leaflet in question. Yves Rocher Germany took its case to the Court of Appeals in Munich; it argued that the advertisement in question benefitted from a derogation in favour of mail order. It then took the case to the German federal court, which asked the EC Court of Justice if the 1986 law was contrary to the EEC Treaty.

The Court held it was. The 1986 law can restrict imports into Germany of products of other EC countries, and is not proportionate to the object of consumer protection, advanced by the German government.

SMEs: 99.9% of all companies and 70% of jobs

The first report from the EC Observatory for SMEs.

Some have claimed that every jobless person secretly wants to be his own boss and go into business for himself. This is probably an exaggeration. But at a time when unemployment is reaching alarming levels in the European Community, with large companies laying off workers, small and medium-sized enterprises (SMEs) and self-employment may offer a solution. The first annual report of the European Observatory (or monitoring post) for SMEs, published in mid-May, highlights the fact that independent businesses, employing fewer than 500 workers, already account for 70% of all jobs in the 12-nation Community. In the Observatory's view these firms could play an even bigger role, provided the EC were to launch a Community-wide programme promoting the entrepreneur and link it to actions already being undertaken at the national level.

Set up last year at the initiative of the European Commission, the European Observatory for SMEs brings together 12 national institutes specializing in analyzing SMEs - one for each EC country. Its role is to help European leaders in their policy decisions by providing more detailed information on SMEs and assessing their development prospects within the European single market.

SMEs are the rule rather than the exception in the EC: of the 15.7 million private companies to be found in the EC in 1992 - excluding the agricultural sector and the former East Germany - just 12,000 can be classified as large companies. The report points to the 14.5 million firms employing between 0 and 9 workers, one million with 10 to 99 employees and, finally, the 70,000 which have between 100 and 499 workers.

Italy has the largest number of firms, with 22% of the total. SMEs employing fewer than 10 people are very numerous in Italy, in relation to its population. This is also true of Greece and Portugal. On the other hand in Germany and, to a lesser extent Denmark, France, the Netherlands and Britain, the proportion of larger businesses would seem to be greater.

In the EC as a whole firms with fewer than 10 employees account for roughly 30% of all jobs in the private sector (excluding agriculture). This figure rises to 50% in the case of Italy and to 60% in that of Greece, but is below 17% in Germany.

Between the years 1988 to 1992 "micro-businesses" led the way when it came to job creation; they also took on more women, young people and part-time workers than larger companies, relatively speaking.

Some 300,000 jobs a year were created in the 12-nation EC on average between the year 1988 to 1992, although at a slower rate towards the end of this period, according to the Observatory. In nearly all Community countries the number of new firms was larger than the number of firms that closed down; only in Britain and Ireland were the numbers roughly equal. Each year sees the disappearance of some 10% of firms that have been in business for less than three years.

Those who go into business for themselves do so mainly in order to find greater self-satisfaction, take advantage of an opportunity which presents itself and to earn more. They are more likely to be men, aged between 35 and 36 years on average. But the number of women managers is rising, particularly in trade and the services sector. The level of education of those setting up their own businesses would seem to be relatively high, while the number of managers who left school after primary education, or have had no education at all, is falling. Finally, ethnic minorities are providing a rather high proportion of business ventures.

The EC has already taken a series of measures in support of SMEs since the second half of the 1980s, setting up information services and services designed to help firms find partners in particular. The Observatory is of the view that other actions would be necessary, aimed particularly at making access to credit easier. The report suggests a programme for promoting entrepreneurial activity, designed to stimulate Europeans to go into business for themselves. The programme would be aimed at certain categories in particular: young people, the jobless, women, ethnic minorities and researchers. The Observatory even envisages schools teaching people how to set up their own businesses.

UNIVERSITIES: A European dimension to the exchanges with the U.S.

Brussels and Washington launch an experimental programme for 1993/94.

A considerable number of Europeans continue their studies in the United States, either on their own or within the framework of agreements between universities and institutions of higher education on either side of the Atlantic. Americans come to Europe to study as well. It has now been decided to give a new dimension to these exchanges. On May 20, in Washington, EC Commissioner Antonio Ruberti, and the American Education Secretary, Richard W. Riley, agreed to launch an experimental exchange programme as from the 1993/94 academic year.

Some 30 associations of university establishments - faculties, institutes, etc. - will thus be able to draw up courses jointly, organize teacher exchanges and make the arrangements needed to ensure that studies undertaken abroad will count nevertheless towards a degree or diploma. The EC's education ministers will look at the results, in order to decide whether to make the programme a permanent one.

Each association must include at least one American institution and two from the EC, located in different Member States. These associations can be set up for the purpose of the experimental programme or take advantage of existing links between the U.S. and individual EC countries. The European Commission has already contacted some 600 university establishments in the EC, inviting them to take part in the new trans-Atlantic programme. Most of them already collaborate with institutions in other EC countries under two Community programmes, ERASMUS and COMETT, the first of which promotes interuniversity cooperation, the second cooperation between universities and business.

Each Euro-American association will have to present a joint cooperation project. Priority will be given to projects dealing with EC-U.S. relations in such fields as the environment, natural sciences, history and business studies, combined with the practice of a second European language.