



## a newssheet for journalists

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Mailed from Brussels X

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REGIONAL AND SOCIAL AID: A cake worth ECU 45 billion ...

... to be shared out among nine European Union countries.

Since the end of January the system of European regional and social aid for the period from 1994 to 1999 is in place. In just over a month, after having consulted all interested national and regional leaders, the European Commission has taken all necessary decisions for sharing out among nine countries on the one hand, and various forms of aid on the other, a gigantic cake of more than ECU 45bn. (at 1992 prices).

These ECU 45bn. represent virtually all EU aid to regions which do not fall within the category of most disadvantaged. The latter, which includes among others all the regions of Greece, Ireland and Portugal, will together receive more than ECU 96bn., which the Commission had already shared out at the end of October (see Eurofocus N° 36/93).

The ECU 45bn. are of interest therefore to the 12 EU countries minus Greece, Ireland and Portugal. More than one-third of this amount - ECU 15.8bn. at 1992 prices and ECU 13.9bn. at current prices\* - has been earmarked for unemployment assistance and the prevention of unemployment in all parts of the EU other than the most disadvantaged - i.e. in an area holding nearly three-fourths of the Union's population. The aim is to facilitate the training of young people who are jobless and encourage the retraining of those unemployed for more than a year and workers threatened with the loss of their jobs because of technological change.

The main beneficiaries of the ECU 13.9bn. are Britain (ECU 3.38bn.) and France (ECU 3.20bn.). Next come Germany (ECU 1.94bn.), Spain (ECU 1.84bn.), Italy (ECU 1.71bn.) and the Netherlands (ECU 1.08bn.). Belgium is to receive ECU 465mn., Denmark ECU 301mn. and Luxembourg ECU 23mn.

Another ECU 15.32bn. (at 1992 prices) will help the reconversion of declining industrial regions, which account for 16.8% of the population of the EU, or nearly 57 million people in the nine countries in question. The aim is to stimulate the creation of new activities and new jobs in regions hit by factory and mine

closures. The fact is that the aid for this particular category for the period from 1994 to 1996, and amounting to ECU 6.98bn. at current prices, was not shared out by the European Commission until end January. The countries receiving the largest amounts are Britain (ECU 2.14bn.), France (ECU 1.76bn.) and Spain (ECU 1.13bn.).

The remaining one-third of the ECU 45bn. is being shared out between fragile rural areas (ECU 6.30bn. at 1992 prices), support for agricultural modernization (ECU 5.28bn.) and fisheries (ECU 858mn.). Finally such special measures as experimental projects are to receive ECU 1.53bn.

The help given to fragile rural areas concerns 8.2% of the population - 28.3 million people as compared to only 16.6 million during the previous system of regional aid (1989-1993). In some of the nine EU countries in question, the regions which are being aided account for a large part of the population: 17.3% in France, 9.6% in Germany and 8.3% in Italy. Of the ECU 6.13bn. (at current prices) divided among these areas at the end of January, more than half the total amount is going to just two countries - France (ECU 2.24bn.) and Germany (ECU 1.23bn.). This aid is designed to stimulate the development of new activities in regions highly dependent on agriculture and either hit or threatened by a population exodus.

The European Commission has earmarked 8% of this regional and social aid for "Community initiatives". These are the European programmes devoted to a given sector - inter-regional cooperation or environmental protection, for example - and do not involve sharing out the aid between countries.

The totality of this aid, which is being provided by the EU's regional, social and agricultural funds, represents the EU's contribution towards expenditure which, for the rest, is being met by the Member States, the regions, local authorities and businesses.

\* 1 ECU = UK£0.76 or IR£0.79



ENVIRONMENT: To make some factories less dangerous ...

... the European Commission proposes improving European legislation.

The "Seveso" directive, a "European law" adopted in 1982 following a disaster which took place in this Italian locality, is proving inadequate. In the last 10 years some 130 serious accidents, 90% of them due to management errors, have been recorded in the 2,000 factories and warehouses which have been kept under surveillance under the terms of this "law" on the prevention of accidents. In order to reduce the risk of accidents even further, the European Commission proposed to the Twelve at the end of January to improve several provisions of the directive in question, starting with the provisions dealing with management.

The revised "law" would require companies using dangerous substances to adopt management systems which allow the risk of accidents to be kept under control, and to mention these systems in the safety report which they must provide the competent authorities. In addition, this safety report would be available to the public.

LANGUAGES: French courses for drivers of trains using the Channel tunnel

This was one of the projects backed by the European LINGUA programme in 1993.

British Rail drivers, who were innocent of any foreign language, have learned French, in the U.K. to begin with and then in France, in order to prepare themselves to drive their trains to Paris and Brussels through the Channel tunnel. This was one of the 96 projects funded in 1993 by the European LINGUA programme under the broad theme of "foreign languages in the economy". Other projects made it possible for sales executives, trade unionists, local government officials and the handicapped to learn another European Union language - one of the least widely spoken, in nearly 50% of the cases.

What is more, these languages were the main theme of 43 other LINGUA projects last year. LINGUA also continued to finance language training programmes for students and teachers. Indeed, the ECU 40mn.\* per year on average, earmarked for this purpose, proved insufficient.

\* 1 ECU = UK£0.76 or IRE0.79

IMMIGRATION: No status for nationals of non-member countries in the EU

European Parliament has rejected the Tazdaït report, which sought to strengthen immigrants' rights.

By 147 votes to 139, with 7 abstentions, the European Parliament rejected the report of the French Euro-MP, Djida Tazdaït, which proposed a European status, setting out the right and duties of the 10 million immigrants residing legally in the European Union. They all want to integrate, and this integration would help to slow down the rise of racism and guarantee social peace, according to the Euro-MP. Hence the need for a legal framework which would ensure immigrants stability in the matter of residence, as well as the rights enjoyed by European citizens, such as the right to housing, employment, education, adequate social and legal protection, not to mention equality before the law and administrative institutions. According to the report, they would also enjoy, as do European nationals, freedom of movement, residence and work throughout the European Union, thanks to a "European resident" permit. The right to vote in local elections would be acquired after five years of legal residence. The rapporteur also called for "easy access to dual nationality, comprising passive citizenship in the country of origin and active citizenship in the country of residence".

The European Parliament clearly took the view, although by a very narrow majority, that the text went too far. Euro-MPs accepted certain of its provisions, however, sometimes after amendment, such as the idea that Member States' educational policies must do more to encourage the integration of immigrants, particularly of their children. Nevertheless a majority of Euro-MPs, and in particular those belonging to the European People's Party, the liberals, the neo-Gaullists and the extreme right were of the opinion that while the situation of immigrants must be improved, they cannot be treated in the same way as citizens of the European Union. More than one participant was moved by the debate, and the Belgian Euro-MP, Brigitte Ernst de la Graete, even burst into tears when the voting results were announced.

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Parliament also rejected, but this time by an overwhelming majority, the report of the Italian Euro-MP, Renzo Imbeni, who proposed the grant of citizenship to nationals of third countries, resident in the European Union. Mr. Imbeni himself asked that his text be rejected, after it had been voted on, paragraph by paragraph, and watered down in the process, in his view.

As if to confirm the sensitivity of the problem, and the difficulties Euro-MPs experienced in their attempts to reach agreement on an issue as sensitive as that of the integration of immigrants, the Parliament sent back to the Commission, by 154 votes to 143 (with 5 abstentions) another report on the same subject: that of the Italian socialist, Maria Magnani Noya, who proposed a charter of the rights and duties of immigrants, including in particular the right of the children automatically to obtain the nationality of the host country. Parliament was of the view that the report had not been examined in sufficient detail by the social affairs commission.

Mr. Pádraig Flynn shared Parliament's preoccupations. Speaking in the name of the European Commission he expressed the hope that the integration of third-country nationals could be the subject shortly of a wide-ranging debate within the Union.

The European Commission envisages a "progressive and selective" approach. Besides, the Treaty's new provisions, especially those dealing with social policy, hold out the possibility of fighting against social exclusion and marginalization. The Commission will shortly submit a discussion paper along these lines.

UNEMPLOYMENT: A 10.8% unemployment rate for the EU in November

This was the same as last October, but much higher than in November 1992.

The unemployment rate for the European Union as a whole stood at 10.8% in November. This was identical to the final rate for the previous month but much higher than the 9.8% recorded in November 1992, according to Eurostat, the EU's statistical office.

Female unemployment (12.5%) remains well above that for men (9.7%); but the latter is rising more quickly, particularly among young people under 25 years of age. The unemployment rate reached 20.5% for young men, as compared to 18.1% in November 1992, and 21.4% for young women, as against 19.8% in November 1992.

Unemployment has risen throughout much of the 12-nation European Union in the last 12 months; however, it has fallen slightly in Britain and remained unchanged in Ireland. Differences between one EU country and another remain substantial, with Luxembourg recording the lowest rate (2.9%) and Spain the highest (22.4%).

ECONOMY: Small signs of recovery

Industrial production rose between August and October.

Industrial production in the 12-nation European Union showed some signs of recovery in October, according to the statistics published by Eurostat, the EU's statistical office. The seasonally-adjusted production figures point to a rise of 0.3% during the three months from August to October, as compared to the previous quarter.

During this period industrial production increased in nine of the 12 EU countries, the exceptions being France, Italy and Luxembourg. The fastest growth rates were recorded in Denmark (4.9%), Ireland (3.2%) and Portugal (2.1%).

However, in the 12-nation EU production of capital goods, which often is a good indicator of economic activity, fell by 0.3% during the same period, while the production index for October 1993 shows a drop of 3.1% as compared to October 1992.

ECONOMY: Rich and poor in the European Union

When the statistics relating to the former East Germany are included, the result is a 3% decline in European GDP.

Of all the citizens of the European Union, the Luxembourgers are the most prosperous, with a per capita GDP (gross domestic product) of some ECU 19,500, while the Greeks are nearly four times less rich, with only ECU 5,600. The relationship between the two hardly varies if the ECU is replaced by the so-called purchasing power standard (PPS), which represents for each country the price of a basket of comparable and representative goods and services, and thus makes possible more realistic and accurate comparisons between Member States. Calculated in this way, Luxembourg's GDP is virtually unchanged at 19,600 PPS, while that of Greece goes up somewhat to 7,400 PPS.

This is not much of a consolation for the Greeks, given that the gap between the two countries remains substantial, and has even widened as compared to 1980, when Luxembourg's GDP was 116% of the Community average and that of Greece 52%, while the current corresponding figures are 131% and 49% respectively. Compared to 1980, nearly all the countries that now belong to the European Union have recorded an improvement with the exception, in addition to Greece, of the Netherlands (from 109% of the Community average to 104%) and, above all, Germany, which was originally in the lead with 119% but has now dropped to 106%, because of the inclusion of the statistics regarding the Länder of the former East Germany, which are the worst by far of all the regions of the Community. Thus Thuringia is at the bottom of the league table with just 30% of the Community average, while Saxony as well as Saxony-Anhalt, Mecklenburg-Pomerania and Brandenburg are not much better off, beating the Greek Aegean islands, with 36% of the Community average, for the title of Europe's poorest regions. One cannot undo the harm done by 45 years of Communism in a day ... .

The contrast is all the more striking given that Germany also contains within itself the richest regions of the European Union, with Hamburg's 31,356 PPS per person - or 209% of the Community average and seven times higher than that of Thuringia - or even Darmstadt, Bremen and Stuttgart, at 173%, 159% and 143% of the Community average. The richest region in France (which is in second place

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in the Union, with 115% in relation to the average for the Twelve) is the Ile-de-France, around Paris, with 17,250 PPS per head, which is 172% of the Community average. The poorest regions are the overseas departments, with 38% for Guadeloupe and 45% for Réunion.

Substantial differences exist in Italy (106%) also. Lombardy (139%), Valle d'Aosta (133%), Emilia Romagna (132%) as well as the Trentino (126%) and Friuli (125%) are among the richest regions of the Union, while Calabria (59%), Basilicata (67%) and Sicily (70%) are well down the list.

The situation remains difficult in Portugal (60% of the Community average), Ireland (72%) and Spain (80%); but the economic situation is improving steadily as compared to 1980, when the comparable figures were 53%, 60% and 71% respectively. What is more, for the first time four Spanish regions, which together account for some 30% of the country's local population, have a per capita GDP which is either above the Community average or close to it: the Balearic Islands (106%), Madrid (100%), Navarre (100%) and Catalonia (98%).

The United Kingdom is still below the Community average (98%) and, aside from London (148%), numerous regions of Britain face difficulties. No problems for the Danes (111%), while Belgium is stable (108%), although Brussels stands out with a GDP amounting to 171% of the Community average.

On the whole, the Union's GDP has fallen by 3%, although one must not forget the impact of the former East Germany. Nor must it be forgotten that the statistics, provided by Eurostat, the EU's statistical office, are for 1991. Since then virtually all parts of the Union are in the midst of crisis and recession, so that the statistics must be handled with care.