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FINANCE: Budget proposals attack unemployment

The number of people currently on unemployment benefit seems to be growing. Statistics published at the end of April 1982 indicate that there were 10.3 million unemployed in the Community of Nine, that is 9.3% of the active population. Unemployment rates are higher than 10% in several EEC states, including Italy (10.2%), the United Kingdom (11.5%), Ireland (12.1%) and Belgium (12.3%). These figures indicate that the number of registered jobless in the EEC grew by 1% between the end of March and the end of April.

Every EEC government has made the fight against unemployment a main policy objective and the European Commission showed the importance that it attaches to the issue in the recently published draft Community budget for 1983.

In keeping with the guidelines defined by the May 30 Mandate (see Eurofocus 38/81), the European Commission is working towards achieving more balanced EEC spending. This would include a moderate increase in agricultural spending and an attempt to step up funding in areas which can generate new jobs. The draft budget drawn up by the European Commission for 1983 earmarks about 13.41 billion pounds in commitment credits and 12.42 billion pounds for payment credits. This represents increases of 11% and 8% compared with the 1982 budget. The growth rate is moderate compared to the average inflation rate, estimated at 11% for last year. The new Community budget will represent 0.8% of the total gross domestic product of the Community.

The Commission calls for a 7% increase in agricultural spending. This will mean that the share of agriculture in the EEC budget will be down to 65% from the 70% in 1980. On the other hand, the Commission plans to step up funding for the EEC's energy policy, scientific research and technological innovation, transport and the Social and Regional Funds.

The objective is to tackle every area of possible job creation, such as the energy sector and an increase in investments to promote the competitiveness of European industrial goods, especially steel products and sophisticated technology. If the plans are approved by the Council of Ministers, thousands of young Europeans joining the labour market later this year should have an easier time finding a job.

ENVIRONMENT: Cleanliness and costliness

It has become increasingly evident in the past decade of global efforts to clean up the environment that this international drive is the responsibility of a number of diverse professions and disciplines.

As we reach the 10th anniversary of the 1972 Stockholm Conference which launched the United Nations campaign, it is useful to examine the role of some key yet relatively unknown participants in the process. The function of planners, scientists, governments and other decision-makers is frequently acknowledged, but little attention is paid to the banking and financial institutions which are often at the root of the drive for a cleaner world. Theirs is the key decision of whether or not a project is worthy of receiving necessary funds to proceed. In the past, this decision was usually made on the basis of economic criteria. But major financial institutions throughout the world are now increasingly involving environmental criteria in their decision-making process. One such institution is the European Investment Bank, the European Community's financial arm located in Luxembourg.

While the role of the Bank, according to the Community Treaty, is designed to promote sound and balanced regional economic development in European Community and other countries, this now generally means that environmental considerations are an integral part of its work. Environmental considerations are rarely decisive but can be important. For instance, when a new industrial zone was established to relocate some 7000 small textile firms in Prato, near Florence, it not only improved working conditions for the 8000-strong workforce and improved their economic competitiveness, but it also improved the noise, dust and water pollution situation in Prato. Sites vacated in the city will be used for housing, shops and green space.

In almost every EEC country and in dozens of others around the globe there are similar examples. Whether or not they are projects connected to environmental protection, such as water purification plants, all Bank loans are submitted to a serious preliminary study on their projected environmental impact. Some are changed or abandoned because of the environmental problems, while others are planned to assure the least damage to the environment. Some projects are also designed with an environmental object in mind, such as a waste disposal or water purification plant. Others, such as energy conservation projects, only have a secondary environmental impact. The Bank estimates that since 1973 about £ 31 million have been lent for specifically environmental projects, about £ 784 million on related projects and about £ 210 million on energy projects.

EDUCATION: No to cuts

Changes in the demographic structure of the population in Europe has led to a decline in school enrollments, causing many administrations to look for ways to trim their hard-pressed budgets by reducing the ranks of the teaching profession. Teachers' uncertainty about their future and worries about the quality of educational systems have been eased somewhat by a recent pledge by EEC Education Ministers, to the effect that any changes in demographic trends should be used to improve the quality of teaching rather than as an excuse to cut staffs. They agreed that the number of teachers should remain the same even if the number of pupils dropped, so that further educational programmes could be developed for adults. But ministers felt that there was little in the way of concrete joint action that could be worked out at Community level, because population and educational circumstances vary so widely from one member country to another. Opposition to spending cuts and adult education remained the policy guidelines and the meeting asked EEC officials to prepare a report on future trends for the next Ministerial session.

Ministers also studied ways of implementing policies adopted by the EEC heads of State and Government at a recent summit meeting aimed at providing every young person leaving school in the Community either with adequate training for a job or with a place in a special vocational preparation programme. Currently some 4 million young people are unemployed in the EEC and many feel that the inability even of young graduates to find stable work may have a drastic impact on their lifestyles and on society as a whole.

As part of the follow-up to translate the summit declaration of intent into concrete action, the Education Ministers decided to launch a new set of some 25 pilot projects at Community level to prepare young people for their professional life. Funding for the projects was not fixed but should be in the region of £ 10 million for the 1983-1986 period and could easily be expanded over time.

CONSUMPTION - Beer : the true story

To imagine Germany without beer and sausages is like imagining Romeo without Juliet, Anthony without Cleopatra or an egg without salt. Centuries of tradition surround these two pillars of German society, and a recent EEC attempt to change a law dating back to 1516, which governs the composition of German beer, has met with an outraged reaction in the German press.

"Brussels wants to end nearly 500 years of chemical-free beer ... Brussels wants to ban the "Purity Standard" ... Brussels wants to reduce the quality of our beer", screamed the papers, waxing lyrical on a subject which they clearly felt would be close to the hearts of their readers.

What they omitted to mention, almost without exception, was that the "Purity Standard", in addition to producing excellent beer since 1516, has also afforded German brewers excellent protection from foreign competition, by effectively excluding all imported beers from the German market, because they don't comply with the regulations.

EEC officials have reacted defensively to criticism of their move to proceed against Germany and Greece, which observes the same standard, under Article 30 of the EEC Treaty, which bans restrictive trade practices. They say that they are acting in accordance with Article 169 of the Treaty, in response to complaints by an Alsatian brewer against the German standard and by Italian brewers against the Greek standard.

The European Commission argues that it is basically unfair that German brewers can freely export their beer to the rest of Europe, while European brewers cannot export to Germany.

They go on to dismiss claims that the "Purity Standard" still performs its traditional function of protecting the consumer from the sort of disgusting chemicals and additives to be found in foreign beers. Export beers in Germany are exempt from the standard, which is tantamount to saying that the health of importers of German beer is not as important as that of the domestic consumer. And in this day and age it is hardly a very European sentiment to admit that you don't mind poisoning your neighbours.

Officials cap their arguments by pointing out that even if the "Purity Standard" is scrapped under Article 30, there is still absolutely nothing to stop the beer drinker from buying the same "pure" brew that he always has done in the past. An end to the standard would simply mean that in future he would be given the choice between "chemical" imported beer and "pure" home beer, instead of having the government make the decision for him.

As a result it is highly unlikely that the average Bavarian, who currently drinks more than 200 litres of beer a year, is suddenly going to become an avid drinker of British or Belgian beer, but the EEC feels that he should be given the opportunity to try it.

TECHNOLOGY: A new era for data processing

The success of electronic toys illustrates the rapid development of micro electronics. But these games are just the more visible part of a real iceberg ... the recent developments in micro electronics have, in fact, benefited data-processing technologies the most. The sector is developing so rapidly that about half of the products currently on the market were not available about three years ago. New data-processing techniques have already transformed the working habits of bankers, insurance brokers and administrators and will soon be introduced into industry and trade to affect most aspects of our daily lives.

But European industry has consistently lagged behind the Japanese and the Americans. Europe has very few trademarks to its name and holds only 10% of the world market. This has provoked a trade balance deficit and a high degree of dependence on foreign technology, particularly in high technology sectors.

Europe cannot afford to take the back seat in a sector which is already vital to its industrial future. Most EEC Member States have adopted national research programmes, but no individual member country has the means to develop the entire range of new technological options.

This is why the European Commission has recommended the rapid implementation of a common strategy to win Europe a share of the market commensurate with the 30% she currently accounts for.

The European Commission would like to encourage cooperation between European companies and to increase the Community's direct contribution. Five major areas have been identified which include advanced micro electronics, advanced information processing, software technology, office automation and computerised production techniques. From January 1983, the Community will undertake a series of pilot projects in each sector, in cooperation with industries, universities and research institutes. These projects will be part of a wider programme covering the training of top technicians and measures relating to the harmonisation of technical standards, the opening of national markets and an improvement of the financial climate. This wide-ranging plan, bringing together all the available facilities, should allow European producers to regain their rightful share of the world market in data-processing micro electronics.

DEVELOPMENT: Call to help black women in South Africa

Fighting for equal rights and opportunities is not restricted to women in Europe. Women of different colours, races and religions are currently engaged in a seemingly unending struggle for freedom and independence which pits them against governments, religious authorities and sometimes even against their families. The difficulties they face depend on the structure of the societies in which they live. If it is built on a system of apartheid - the separation of people on the basis of race and colour - the problems of women, if they are black, are particularly acute.

The plight of black women in South Africa was highlighted in Brussels recently by an international conference organised by the United Nations special committee against apartheid. The meeting, held under the auspices of the European Parliament, was attended by women representing the different liberation movements in South Africa and Namibia, together with delegates from numerous women's groups throughout the world.

The conference stressed that black women in South Africa suffer from double discrimination, firstly, because they are black in a society which condemns them to a life of servitude, and secondly, because they are women and as such, forced to work more and earn less than their male or white counterparts.

Speaking at the meeting, European Social Affairs Commissioner Ivor Richard said that "the condition of women in Europe, however bad it is in some aspects, is as nought to the normal situation that faces women in South Africa. It has been truly said", he went on, "that to be an African and a woman in South Africa is to suffer a double disability which is intolerable". Although black women constitute one-third of the work force in South Africa, they receive only half of what black men are paid, and a mere 8% of the wages of a white worker. Their chances of acquiring professional skills are remote, said African delegates to the meeting. They are forced to either work in agriculture or as domestics in white households. In both these areas they have no access to unemployment benefits, pensions, or medical and maternity facilities.

The emphasis, however, was placed on the fact that apartheid destroys black family life. While the men leave for the "white" urban areas to look for jobs, their wives and children have to live and work in the so-called homelands, where they suffer from famine, malnutrition and a host of health problems which have disappeared from the urban centers.

The three-day meeting ended with a condemnation of apartheid and a call for the establishment of a democratic non-racial society in South Africa.