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ECONOMY: New industrial strategy call

"We are in a period of crisis: the European economy is entering its fourth recession year and we will soon have more than 12 million unemployed".

This was the bleak assessment of the European economy made by Gaston Thorn, President of the European Commission in a speech in Turin on October 28. As Thorn sees it, Europeans can try to hide behind easy excuses, but must recognise that they are responsible for the present crisis. His formula for success: the strengthening of Europe ...

Europe's economy is undeniably affected by the uncertain international environment which does not encourage investment; the oil shock of 1979/80 and fluctuating interest rates are to blame, says Thorn, but the root of the problem is deeper. It is the rigidity of European socio-economic structures that make them vulnerable.

The first consequence of this is a cutback in investment which leads to the deterioration of plant, a slowdown in technological progress and a subsequent loss of competitiveness. The share of industrial investment in the Community in the 1970s fell from 23 to 16 percent. The same is true as far as employment is concerned. The United States created 19 million jobs in the 1970s, the Japanese created 5 million, but the Community created only 2 million.

But the Community cannot afford to sit back and relax in the face of Japanese dynamism and American competition. The current crisis has provoked a "panic reaction" in Europe and has not led to greater cooperation among Europeans. Thorn blames this on the weakness of governments who have given in to pressure groups, increased public spending and closed off their markets.

The main problem is the absence of a single market. We would not be where we are today "if we had been capable of developing European integration" (single market, economic and monetary union, energy policy, etc.), says the Commission President. "But we lacked imagination, intelligence, and the necessary willpower and courage", he says. The national framework is much too narrow either for such declining sectors as steel-making, or for rapidly emerging sectors such as data-processing technologies. Thorn therefore argues that the "Community is the only possible framework for industrial recovery in Europe".

HEALTH: Healthier, wealthier and wiser workplaces

Since the early days of the industrial revolution, when children were forced to work under squalid conditions in mines and textile mills, health and safety at work have been a major social issue, fought for by social reformers throughout Europe.

Despite obvious improvements in working conditions over two centuries, much more remains to be done and in 1978 the European Community joined the fray with its Action Programme on Health and Safety at Work. The initial results of the programme have now been published in a European Commission report, showing major advances in a wide range of areas.

Protection of workers from dangerous substances has been a priority target for the programme and two directives on the subject have already met with ministerial approval in the Council. Specific proposals for protection of workers from lead (see Eurofocus 35/82) and asbestos have already been submitted by the Commission and new proposals on substances including arsenic, benzene, cadmium, mercury, nickel, chloroform and carbon tetrachloride are currently under consideration.

Extensive research has also been devoted to the causes of industrial accidents and occupational diseases under the programme. Statistics on the building and sea fishing industries and on agriculture have been amassed to date, but a shortage of staff has limited investigation into other sectors, according to the report.

Other initiatives to gain ground under the programme include studies into the dangers of noise pollution caused by machines (see Eurofocus 37/82) and a proposal for a directive to protect workers from microwave radiation.

Commission officials have continually emphasized the importance of consultation and exchange of information on health and safety measures in Europe. Just as workers and management can learn from each other to make factories safer places to work, regular meetings between health and safety experts under the Community's Action Programme will make Europe a safer place to work, they argue.

AGRICULTURE: Butter bargains

European dairy surpluses just seem to keep growing and the European Commission has been forced to act on three specific fronts to reduce them. A decision concerning the sale of low-priced "Christmas butter" has just been taken and the Council of Ministers is expected to soon approve a Commission proposal for a resumption of butter exports to the Soviet Union. The Commission has also made it clear to dairy farmers that the guaranteed price they receive in the coming marketing year will be lower than in the past.

The Commission will soon be putting about 120,000 tonnes of subsidized butter on the market. These stocks of "Christmas butter" are sold at below normal prices in supermarkets and are an unexpected boon by consumers who do not always see the advantages of the Common Agricultural Policy. Their sale will cost the Community budget about £77 million.

In another initiative the Commission has recommended an increase in Community subsidies for "Social butter". This is butter distributed among people who are on social security, such as pensioners. Britain is the only Community country that has used such measures in the past since application depends on the Member States.

But the butter mountains will not disappear through social measures alone. International trade is equally important and the Commission feels that it is no longer necessary to exclude butter from its exports of food to the Soviet Union.

Managing dairy surpluses is no easy matter. Of course, it is better to have too much food than to have none at all, but ideally, supplies should be better adapted to demand. The Commission has warned European producers against an excessive increase in stocks. It has suggested that the intervention price for dairy products should be reduced by 2,2 percent. This will become effective in the 1983/84 marketing year. The Commission is clearly hoping that European dairy farmers will get the message.

DEVELOPMENT: Twenty years of European relations with India

"A relationship between two democratic unions" is how Gaston Thorn, President of the European Commission described the European Community's rapidly expanding dialogue with India, during his visit to the country in November.

Mr. Thorn's visit coincided not only with Community participation in the New Delhi International Trade Fair, but also with the twentieth anniversary of diplomatic and economic relations between, as the Commission President put it, "two of the great civilisations of humanity".

The Community's twenty-year-old relationship with India has been influenced by a number of important economic factors. Firstly, India is a giant among developing countries, with a population of 680 million and a land area that is roughly twice the size of the European Community.

Secondly, India is the tenth-largest industrial power in the world and produces a wide range of manufactured goods for the home market and for export. Its work force is rapidly acquiring the skills necessary for the development of the most technologically advanced industries.

Despite this, India is still one of the poorest countries in the world, with a per-capita income of about \$190.

The Community's links with India take into account these different factors. For instance, India is currently the largest single beneficiary of the Community's programme of development assistance. The Community is a major participant in the "Operation Flood II" dairy development programme and gives aid to other rural development projects identified by the Indian authorities. Most of this assistance is in the form of grants and powdered milk.

The new cooperation agreement signed by India and the Community in 1981 also provides for collaboration in the industrial and scientific sectors.

The Community is also helping the expansion of Indian exports through the organisation of seminars for Indian and European businessmen. As Gaston Thorn pointed out in India, these seminars bring together potential business partners, and help in the identification of the scope for increased economic cooperation, whether in the marketing of Indian products in Europe, the development of the Indian market or the promotion of Indian exports on the world market.

The recently created Council of Chambers of Commerce of the Community in India is also expected to help progress in these crucial activities.

ENVIRONMENT: Preventive action

"An ounce of prevention is better than an ounce of medicine", says the old adage and that is also the essential thinking of the European Community's environmental policy. Since 1977, Community officials have aimed their policies toward efficient prevention measures instead of trying to clean up the damage caused by pollution. Preventive action has gradually been implemented more and more.

Two major five-year programmes have up to now been put into operation. In 1971, the broad outlines of a Community environment programme were sketched out by the Council of Ministers, setting out the objectives and principles of a policy. A second five-year programme covering 1977 to 1981 was approved in December 1976.

The objectives of Europe's environment policy are the protection of human health, the preservation of resources, such as water, air, space, weather, raw materials, cultural heritage and nature, and, in particular, wildlife. Three principles were judged to be decisive for the achievement of this goal: the principle of the appropriate level of action (local, regional, national or Community), the concept that it is better to prevent than to repair because it costs much less, and the idea that the polluter should bear the costs of any damage to the environment.

The results of the policy have been spectacular in terms of the reduction of pollution. In 10 years, the European Community has adopted some 60 legislative measures in the field, about 15 of which were aimed at water pollution, about 10 at air pollution, seven at waste products, eight at noise pollution and four concerning the protection of natural habitat and natural resources. All the measures are Directives and are legally binding in the Member States. A number of means of intervention have been devised to bring about the policy of prevention but the most significant has been the system of assessing the impact on the environment of planned construction projects. This aims at defining possible environmental problems arising out of everything from future roads to the building of dams or nuclear power stations. A similar system has been in effect in the United States for a number of years, but a proposed Directive to apply the system in Europe has not yet been approved by the Council of Ministers.

ARTS: Greek literature prize

The "Europalia-Greece" prize for literature has been awarded to Greek writer Antonis Samarakis at a ceremony in Brussels. The presentation of the £6000 award marks a high point in Belgium's biggest-ever festival of Greek art and culture (see Eurofocus 28/82).

European Commission President Gaston Thorn, who presented the prize, took the opportunity to call for greater European Community participation in the arts and spoke of the need to press for better treatment of writers and artists in Europe.

Referring to a recent Commission report on the arts in the Community (see Eurofocus 37/82), he listed several areas of potential reform. These included new legislation aimed at adapting laws of copyright and translation to enable written, spoken or filmed works to be more easily reproduced in other languages. Existing Community social and regional policies and training schemes could be used to help the arts and create jobs in the sector, he said. He also called for greater support for "live" theatre in Europe.

In his speech, Mr. Thorn emphasized that he feels closer cultural ties in Europe are as important as closer political and economic links, in the struggle for European unification.

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