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**THE IMPACT
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PARLIAMENT ON
COMMUNITY POLICIES**

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THE IMPACT OF THE EUROPEAN PARLIAMENT ON COMMUNITY POLICIES

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This document does not necessarily reflect the views of the European Parliament as such.

FOREWORD

The third elections to the European Parliament, on 15-18 June 1989, come after the greatest change so far in its powers and political significance. They call for a special effort to be made by Parliament to explain to the 320 million people it represents just what its activities mean to them.

Part of the work of Parliament, and an important part, is of course 'non-institutional' through the individual activities of its Members in their home regions.

But this study deals with the complexity of the evolving role of Parliament as regards legislation, and its relationships with the other institutions of the Community.

For these reasons I welcome this study, which seeks, by dealing in summary form with the principal Community policies, to assess the impact of the European Parliament on these policies.

The Single European Act, in force for little more than a year, gave Parliament significantly increased influence and power. The relevant chapters in this paper show that the Act is already enabling Parliament to make a greater impact than heretofore on policies of fundamental importance to the Community.

The impact of Parliament has also been fortified by its increasingly close collaboration with the Commission, which brings benefit to both institutions, and furthers progress towards European integration in a variety of fields. Parliament has also made a greater impact upon the Commission by closer monitoring of its activities, for example, in the field of the application by Member States of Community law. The political balance of Parliament affects its legislative output. That is right and proper.

I hope that this study will clarify the growing influence which the European Parliament is acquiring over Community policies, and demonstrate to the electors the importance to them of the 1989 European elections.

THE LORD PLUMB
PRESIDENT OF THE EUROPEAN PARLIAMENT

INTRODUCTION

1. Powers of Parliament in the legislative and budgetary process

This second review of the impact of Parliament on Community policies (the first having been in 1983) shows a significantly altered state of affairs, largely due to the amendment of the Treaty of Rome giving Parliament new powers and opportunities.

Since its establishment, the European Parliament has always endeavoured to extend the limited powers conferred on it by the Treaty; at first, however, it was always far more successful in the budgetary than in the legislative field.

At budgetary level, the reforms of the EEC Treaty in 1970 and 1975 gave it real powers, although the Community budget is relatively small representing some 1% of Community GNP and 2-2.5% of the national budgets.

In the legislative field the European Parliament has made increasingly effective use of the largely consultative powers conferred on it by the Treaty. After direct elections, it also obtained support from the Court of Justice, both when it took part in an action brought by a third party to annul a Council regulation adopted without the formal opinion of Parliament and when it instituted proceedings against the Council for failure to act on transport policy. The major change came in 1986 with the Single European Act bringing the first major amendments to the Treaty of Rome.

2. The effect of the Single European Act on Parliament's impact

The Single European Act has undoubtedly increased Parliament's impact at the 'pre-decisional' stages of Commission proposals made under the cooperation procedure. In the 'cooperation procedure' from July 1987 to October 1988 the Commission adopted, in whole or in part, 72% of Parliament's amendments at first reading, and the Council, in its common positions, 42%. At second reading, the corresponding figures were 52% and 21%.

Considering that Parliament has attached more importance to date to the first reading of proposals, the percentage of its amendments taken up by both Commission and Council is encouraging. However, this assessment is merely quantitative, for qualitative assessments are extremely difficult to make by reason of their subjectivity. But there is no doubt that significant changes have been achieved. The more that the Commission and the Council provide the European Parliament with information about the work of the Council, the Committee of Permanent Representatives and the other organs of the Council on proposals made under the cooperation procedure, the more will Parliament be able to influence proceedings in these bodies. Greater information has already been furnished, but more is sought. Several examples exist of informal collaboration between the Presidency and Council officials on the one hand, and Committees, Members and staff of the European Parliament on the other, but much more could still be achieved in this field.

3. Impact on other policies

However, Parliament's impact has also been felt in policy areas not originally covered by the Treaties, such as environment, research and technology and social affairs, so much so that these sectors are now covered by the Single European Act. It should also be mentioned that Parliament has played a part in the 'legislative planning' of the Community's activities thanks to its close relations with the Commission.

4. Parliament's impact on the Commission

Parliament's impact on the Commission in regard to the legislative process, including both the cooperation and consultation procedures, can be summarised as follows:-

A. Pre-legislative stage

The Commission seeks the views of parliamentary committees on the outlines of possible legislative proposals. If no majority exists in favour, the outline proposal is dropped or modified. This is an example of 'hidden impact'.

B. Legislative stage

(1) Committee stage - When a Commission proposal comes before a committee, the Commission is represented at a high level and is expected to give the fullest possible information to Committee Members.

(2) Floor of House stage - The Commission is asked to explain its reaction to the amendments to the proposal either immediately, or at the following part-session, or on both occasions. Parliament may, if dissatisfied with the proposal, ask for it to be withdrawn, or to be withdrawn and presented again, amended by inclusion of Parliamentary amendments.¹

Example: Request by the President of Parliament to the Commission to withdraw Regulation 1 (cereals sector) on agricultural prices for 1988-89 (19 May 1988)².

It may also opt for the delaying procedure which can be invoked if, after debate, the Commission's position does not meet Parliament's demands; in this case Parliament may decide not to vote on the resolution and to refer it back to committee.

Example: Vote on referral back to committee of the proposal for a regulation on the exercise of implementing powers conferred on the Commission ('Committology') (9 July 1986)³.

(3) Commission's right of initiative - The Commission regularly takes over suggestions made by Parliament for new Community legislation. It implements them, where appropriate, in two different ways:

- by submitting to the Council proposals for action programmes, as it has done on several occasions in the social field,

Example; Action programmes in vocational training: YES, COMETT, ERASMUS⁴ and on long-term unemployment (under preparation): see Chapter 16.

or proposals for directives, such as those recently submitted in the audiovisual sector;

1 See Rules of Procedure of the European Parliament, Rules 39, 40 and 41.

2 OJ C 167, 27.6.1988, p. 247. Report by Mr Romeos, Doc. A2-64/88.

3 OJ C 227, 8.9.1986, p. 50

4 OJ L 158, 25.6.1988, OJ L 222, 12.9.1986, OJ L 166, 25.6.1987.

Example: Draft directive on Television without frontiers⁵: - see Chapter 10

- or by resorting to administrative procedures, a method used more and more frequently for petitions addressed to Parliament by individuals.⁶

5. Parliament's impact on the Council

This impact is difficult to gauge because it is often unclear, at the time of the adoption of the text, how much influence the Commission, the Parliament or individual Member States have brought to bear in the course of legislative procedures in Council.

The re-introduction of voting by qualified majority in the cooperation procedure has, in concert with other provisions of the Single Act, given Parliament more leverage in the decision-making process in Council; but it is perhaps premature to assess the true impact of Parliament on this process.

However, if there is one area in which this impact has been decisive, it is the adoption of the budget, since the Council and Parliament constitute the dual budgetary authority and the President of Parliament has the power to adopt the budget. Parliament may equally reject the Budget, and on several occasions since 1984 rejection has resulted in the Parliament, on the basis of judgments by the Court of Justice, achieving its budgetary objectives, at least in part.

Following a report and recommendations drawn up by Parliament's Committee of Enquiry into the rise of fascism, racism and xenophobia, Parliament, the Commission and the Council adopted in June 1986 a joint declaration based on the committee's recommendations.

⁵ COM(86) 146 final + COM(88) 154. EP Resolution OJ C 288, 11.11.1985, p. 119

⁶ See study by Directorate General for Research on Action taken on own-initiative resolutions: Research and Documentation Paper, Action Taken Series, No. 2-I, September 1987

6. Parliamentary questions

Although some questions are put to the Council, particularly during part-sessions, the majority are addressed to the Commission in the form of written questions, questions for Question Time or oral questions with debate.

These questions have constantly increased in numbers since the first years of the European Parliament's existence, not only as a result of successive enlargements but also because of the greater insistence of Members to seek action or information from the other institutions. In 1987 alone there were almost 3,000 written questions, over 1,000 questions at Question Time and 200 with debate. These questions ensure that the Council, the Commission and the Foreign Ministers are kept aware of Members' points of view in preparing the decisions they take and of the follow-up given to Parliament's resolutions and opinions, given that many of the questions concern this follow-up. Members take the view that Parliamentary Questions are among their most potent weapons for influencing Community policy.

7. Parliament's impact on the Foreign Ministers

Matching its impact in the legislative field, Parliament has quite clearly succeeded in exerting influence on the Community's external policy. 'The European Parliament's political resolutions are regularly considered at every ministerial meeting in the context of European Political Cooperation'⁷. The Foreign Ministers have in various policy areas followed Parliament's orientations. The most notable examples are in regard to the Foreign Ministers' statements, particularly from 1986 to 1988, on Afghanistan, South Africa, the Middle East, and South and Central America. The Commission and Council, as well as the Foreign Ministers, have been at pains to take account of Parliament's resolutions on South and Central America and on relations with Turkey, the latter a particular interest to Parliament in view of the frequent violations of human rights in Turkey.

7

Comments by the President of the Council of Foreign Ministers on European Parliament resolutions which fall within the field of competence of the Political Affairs Committee, March, 1985, PE 96.976.

8. Conclusion

Although Parliament's impact may not be easy to gauge, it covers a much wider area than is generally the case for national Parliaments. It is thanks to the Members of the European Parliament of the period from 1960 to 1980, at a time when Community law was taking form, that the present directly elected Parliament now enjoys 'co-legislative' powers in areas which, in many countries, are covered by regulations and escape parliamentary scrutiny.

Another illustration of Parliament's growing influence on the other Community bodies is the fact that its President was invited for the first time in June 1987 to present to the European Council Parliament's position on the Commission proposals on 'Making a success of the Single Act, a new frontier for Europe'. The President of Parliament has been invited to express Parliament's point of view to the European Council at its subsequent meetings in Copenhagen, Brussels, Hanover and Rhodes.

Finally, President Delors' statement that without Parliament's Draft Treaty on European Union of 1984 there would have been no Single European Act, indicates the manner in which the European Parliament has assumed the role of the major driving force towards European integration. Certainly, without the Single Act the Commission's proposals for the achievement of the internal market could not be brought to fruition. If by 1992 the single market is achieved it will have been due in no small measure to the impact of the European Parliament on Community policies.

THE IMPACT OF THE EUROPEAN PARLIAMENT ON THE SINGLE EUROPEAN ACT

1. The European Parliament's influence on the Single Act has been felt at two different levels: the European Parliament was behind the institutional initiative which triggered off the process of revision of the Treaties, and in addition it endeavoured to influence the substance of the Single Act itself.
 - A. The institutional initiative taken by the European Parliament leading to the revision of the Treaties
2. Following its direct election by universal suffrage in July 1979, the European Parliament soon became aware of the inadequacies and shortcomings of Community integration. Altiero Spinelli was behind the setting-up of the 'Crocodile group' involving more than half the members of the European Parliament, whose objective was to give the European Community renewed momentum in institutional terms.
3. This plan took shape in July 1981 following the adoption by the European Parliament of a resolution setting up a committee on institutional affairs whose brief was to draft and table a proposal for the reform of the institutions of the European Community. The European Parliament took this initiative in order to give momentum to the establishment of the European union. The Committee on Institutional Affairs began its work early in the second half of the legislative period and concluded it by tabling a draft treaty establishing the European Union which was adopted on 14 February 1984 by 237 votes to 31 with 43 abstentions.

The draft treaty establishes the fundamental principles of the European Union, which comprises a number of institutions with federal-style powers. These institutions do not differ significantly from the existing ones but their powers are strengthened considerably.

4. The adoption by the European Parliament of this draft treaty had a direct impact on the course of events insofar as four months later the European Council, meeting in Fontainebleau in June 1984, decided to set up an ad hoc committee consisting of personal representatives of the Heads of State or Government. The committee's role was to make suggestions for improving the operation of the Community system and political cooperation. It drew up an interim report which was submitted to the European Council in Dublin in December 1984; The report contained proposals representing a major step forward as regards economic union, the external image of the European Communities and, of course, propositions at an institutional level.
5. The Dublin European Council recognized the high quality of the report and the need for the committee to continue its work with a view to securing the maximum degree of agreement, since three of the ten representatives had expressed reservations on a number of points in the interim report.
6. The Brussels European Council of March 1985 discussed the final report, which confirmed the political, institutional and economic objectives outlined in the interim report. In a number of important areas the ad hoc committee's report takes up proposals made by the European Parliament concerning the institutional framework and the need for effective and democratic institutions; decision-making within the Council should be improved; the Commission must be strengthened and become an autonomous body with full powers of initiative as well as executive and management powers; the European Parliament must share legislative power by taking decisions jointly with the Council and must step up its scrutiny over the policies of the European Union and, finally, it must be given wider responsibility in the budgetary field.
7. The European Council, meeting in Milan in June 1985, decided by seven votes to three to convene an intergovernmental conference to consider the powers of the institutions, the extension of the Community's jurisdiction to new spheres of activity and the establishment of a genuine internal market. This vote within the European Council was a new development which has yet to be repeated.

8. The intergovernmental conference met between July and November 1985 and, after intensive preparatory work based on proposals submitted by the Member States and the Commission of the European Communities, it decided to table a somewhat disparate series of texts at the European Council meeting in Luxembourg in December 1985. After some difficulty this European Council meeting adopted a number of conclusions concerning the revision of the EEC Treaties, which were to form the Single European Act when the Foreign Ministers of the Member States had put them in the form of a Treaty.
9. February 1986 saw the signature of the Single European Act which was ratified by the twelve Member States during 1986.
10. The European Parliament, although disappointed by the outcome of the intergovernmental conference which it considered did not go far enough, declared that it would take full advantage of the Single Act and revised its Rules of Procedure accordingly (December 1986).

B. The influence of the European Parliament on the substance of the Single European Act

11. The Single European Act establishes a cooperation procedure between the European Parliament and the Council, requires the assent of the European Parliament to certain international agreements, institutionalizes European political cooperation and creates or develops common policies.

a - the cooperation procedure between the Parliament and the Council

Although the cooperation procedure does not give the European Parliament a joint power of decision in the legislative field, it does strengthen the influence that the European Parliament can exercise on Community legislation insofar as its amendments are accepted by the Commission and adopted by the Council. In addition, the European Parliament has the right to reject the common position.

This power could be defined as one of 'pre-decision', insofar as the two readings allow the European Parliament to amend texts and enable its amendments to be incorporated into Community legislation. It is thus the first stage in giving the European Parliament real legislative power. We are of course still a long way from this objective but the reform brought about by the Single European Act is the first step taken by the Member States to reduce the 'democratic deficit' within the Community.

b - Assent of the European Parliament to treaties of accession and association agreements

The assent procedure gives the European Parliament joint power of decision as regards the accession of new Member States to the Community and on association agreements pursuant to Article 238 of the EEC Treaty. These powers allow the European Parliament to give its assent to the ratification of different types of international agreements. It clearly consolidates the involvement of the European Parliament in the formulation, implementation and scrutiny of the European Communities' foreign policy.

c - The institutionalization of European political cooperation (EPC)

EPC has been institutionalized to the extent that a secretariat for political cooperation has been set up; this move meets only some of the suggestions made by the European Parliament concerning the formulation and implementation of a genuine European foreign policy. Article 30 of the Single European Act will enable the European Parliament to pursue this objective insofar as the Foreign Ministers are required to ensure that the European Parliament's resolutions on European political cooperation are duly taken into consideration.

d - Majority voting

Majority voting has replaced unanimity for a number of provisions of the EEC Treaty essentially those concerning the completion of the single market. Moreover, in December 1986 the Council decided to revise its own Rules of Procedure to allow greater use to be made of voting by a qualified majority at the request of either the Commission or of one Member State supported by a simple majority within the Council.

The European Parliament has consistently advocated a return to the original rules laid down in the Treaties as regards voting procedures within the Council.

e - Common policies newly created or consolidated

The Single European Act stipulates that completion of the internal market, is to be achieved by 31 December 1992. New sections of the EEC Treaty are devoted to monetary capacity, social policy, economic and social cohesion, research and technological development and the environment.

CONCLUSION

12. There is no doubt that the action taken by the European Parliament since 1980 to give the Community new momentum has enabled some headway to be made on the institutional front. It is probable that without the action initiated by Spinelli and developed by Parliament no institutional change would have come about.
13. The extent of this change is of course limited. However, it remains to be seen in the future how the European Parliament will endeavour to extend its influence in the years ahead through the implementation of the Single Act.

THE ROLE OF THE EUROPEAN PARLIAMENT IN THE BUDGETARY PROCEDURE

1. As one arm of the Community budgetary authority, Parliament has real powers of decision as far as the budget is concerned whereas in the other areas of Community policy its powers are of an advisory nature. Since these powers were created and particularly since the direct elections in 1979, Parliament has made judicious use of this power to achieve a more balanced budget and, through the budget, to influence Community policies. In doing so, Parliament has taken advantage of its two main powers under the budgetary procedure, i.e. the right to reject the budget as a whole and the right to amend the budget. However, in 1988 the European Parliament also played an important role in the reform of the Community's own resources in getting through an interinstitutional agreement on the budgetary procedure and compliance with a five-year financial perspective.

Total rejection of the budget

2. The 1985 budgetary procedure is a good illustration of the influence that the European Parliament can have by exercising its right to reject the budget as a whole: when the draft budget for 1985 submitted by the Council was given its first reading it emerged that the Council had reduced the Commission's proposed agricultural expenditure by 1.3 bn ECU. Moreover, the draft contained no arrangements to compensate the United Kingdom and Germany which were net contributors to the budget so that the European Parliament and the Commission, calculated that the appropriations entered in the draft budget would have only covered some eight to ten months of the Community's financial commitments. Since the Council was not able to allocate the necessary resources in the draft budget even at the second reading stage, in December 1984 Parliament rejected the budget as a whole, emphasizing in its resolution that a budget which did not cover 12 months of revenue and expenditure was unacceptable and recalling that a yearly budget must incorporate the financial implications of the legislation in force and the decisions that have been taken(1).

(1) Resolution of 13.12.1984, OJ No. C 12, 14.1.1985

3. In April 1985 the Council submitted a new draft budget for the 1985 financial year which accepted the estimates for the agricultural sector and earmarked a further 26 million ECU for food aid and an initial allocation of 70 m ECU for the integrated Mediterranean programmes. During the course of the budgetary procedure the Council then accepted a considerable number of other demands made by Parliament resulting in a significant rise in the resources allocated to food aid, the integrated Mediterranean programmes and for the Social and Regional Funds. On this basis Parliament ultimately adopted the 1985 budget.
4. The pressure brought to bear by Parliament in 1985 by its rejection of the budget ensured that, in accordance with the Commission's estimates, sufficient resources were made available to cover the Community's financial commitments. In addition, considerably more funds were allocated to important areas of Community policy, in some cases the figure being higher than that originally proposed by the Commission in its preliminary draft. The significance of what was achieved is further highlighted by the fact that owing to the depletion of own resources these increases had to be financed by non-refundable advances from the Member States.

Financial resources for European policies

5. Since Parliament is still extremely restricted in its ability to restructure the budget and initiate new policies by exercising its right of amendment, it has understandably so far acted primarily as an institution with budgetary but not legislative powers. Efforts were and are being made to adopt amendments increasing the resources allocated in the Council's draft budget. This has led to misunderstandings and sometimes to disputes.

However, as soon as Parliament is properly involved in the legislative process and joint decisions by the Council and Parliament become the rule, the budget issue will recede into the background since an understanding will have been reached before any discussion on the resources available. The wider powers of the European Parliament in the legislative process such as the new second reading procedure for legislative proposals under the Single European Act, should foster such a climate of understanding in the future.

6. Parliament has repeatedly examined the question of an increase in the Community's own resources, particularly in an own-initiative report of 1981(2). In that resolution Parliament called on the Commission to submit proposals in this area and to continue its efforts to bring agricultural expenditure under control. It took the view that an increase in the rate of VAT accruing to the Community was virtually the only feasible way of increasing own resources and that there should be a weighting based on the per capita GDP of the individual Member States. GDP-related assessment was the basis for the proposals on the future financing of the Community submitted by the President of the Commission Mr Delors at the beginning of 1987 and which formed the basis for the financial reforms agreed by the European Council in February 1988. Parliament set up a special committee to consider this matter and proposed important amendments. As a variation on the proposals and views of the Commission and the Council, Parliament suggested the conclusion of an interinstitutional agreement between Parliament, the Council and the Commission on budgetary discipline, requiring the institutions involved to adhere to a five-year financial perspective setting out the expenditure, expressed as a percentage of GDP, required to achieve the Community's objectives for the period up to 1992. This agreement was discussed in the Triilogue procedure and adopted in June 1988(3). Parliament thus made a significant contribution to curbing agricultural expenditure and at the same time increasing resources for the structural funds and other policies, thereby putting the funding of Community policies on a sound basis for future years.

(2) Resolution of 9.4.1981, OJ No. C 101, 4.5.1981, p. 75

(3) Resolution of 15.6.1988, OJ No. C 187, 18.7.1988, p. 94.

THE EUROPEAN PARLIAMENT'S ROLE IN BUDGETARY CONTROL

Introduction

1. Since 1 June 1977, when the Treaty of 22 July 1975 came into force, the European Parliament alone has given the discharge to the Commission on the accounts of the European Communities and to the ancillary bodies in respect of their expenditure.

2. Although the discharge decision is its centrepiece, budgetary control by the European Parliament extends beyond the annual review of the Commission's implementation of the budget and has been developed considerably since 1984. Consideration of the Parliament's impact in the area of budgetary control must, therefore, take due account of results of discharge decisions; of the Parliament's in-depth examination of particular areas and the results obtained from a close and continual monitoring of budgetary implementation during the financial years.

The Discharge Decisions, 1984 to 1989

3. It is noteworthy that Article 85 of the Financial Regulation of 21 December 1977¹ places on the Financial Controller of each institution an obligation to give effect to the observations attached by Parliament to the annual discharge decisions.

Since 1984 Parliament has granted the Commission a discharge for the 1983, 1984, 1985 and 1986 financial year and refused discharge for 1982. Parliament initially deferred the discharge decision for 1985 and called for further information from the Commission.

¹ OJ L 356 of 31 December 1977

4. In November 1984 the Parliament decided to refuse to grant the 1982 discharge because of the Commission's failure over a number of years to use its right of initiative adequately, its failure to take account of the rejection by Parliament of the draft supplementary and amending budget No 1 of 1982 and general inadequacies in the Commission's implementation of the budget. The outgoing Commission left office within weeks of this refusal and before a motion of censure could be passed. Nevertheless, the incoming Commission showed itself to be more sensitive to Parliament's views on budgetary control and more prepared to cooperate with and provide information to the Parliament's Committee on Budgetary Control. This formed the framework for the Commission's responses to the specific proposals included in the discharge decisions for subsequent years.

5. Parliament granted discharge to the Commission for implementation of the 1983 budget in April 1985. In so doing Parliament called for the speedier clearance of accounts and for the Commission to make provision in future preliminary draft budgets for the depreciation of agricultural stocks. In June 1986 Mr Christophersen, Vice-President of the Commission presented to the Parliament's Committee on Budgetary Control a report on action taken by the Commission to follow-up these recommendations. Since the 1983 discharge the clearance of accounts has been speeded up and preliminary draft budgets and indeed the budgets as adopted have included sums for stock depreciation.

6. In April 1986 the Parliament granted discharge for the 1984 financial year. The Commission thereafter strengthened its medium-term financial management in response to the Parliament's criticism of the lack of transparency in this area. The Parliament also expressed concern about the erosion of the existing own resources system through recourse to "top-up" contributions from national exchequers. This led ultimately to the Commission bringing forward a series of proposals for future financing of the Community and the adoption at the Brussels European Council of 11/12 February 1988 of a new own-resources structure including a new fourth resource based on Gross National Product.

7. In April 1987 Parliament deferred the discharge decision for 1985 as it had perceived that the total volume of the Communities' liabilities was continuing to increase but was being consistently and systematically understated by the Commission in the Revenue and Expenditure Accounts and Balance Sheet.

In May 1987 the Commission published the Revenue and Expenditure account for 1986² which gave much fuller information on the Communities' various liabilities including an estimate of the cost of disposal of agricultural stocks. In the course of 1987 the Commission also completed its proposals on the future financing of the Community budget.³ Parliament acknowledged that these proposals were an attempt to achieve a rationalisation of the Community's finances. Parliament granted discharge for 1985 in December 1987.

8. The thrust of the discharge decision for 1986, given by Parliament in March 1988, was to encourage the Commission to seize the opportunity given by the Brussels Summit on future financing to put the Communities' finances on a sound administrative footing. In its response to the observations made in the discharge decision the Commission undertook so to do.

Fraud

9. The Parliament is very conscious of the need for the responsible authorities to take effective action to protect the Communities' budget against fraud. At its insistence, the Commission established a central unit, reporting directly to its President, to coordinate and strengthen its anti-fraud action. The arrangement whereby the Commission makes a quarterly report on serious frauds to the Parliament's Committee on Budgetary Control has allowed the latter to point out loopholes in Community legislation and highlight instances in which national administrations have been less than vigorous in the prevention and pursuit of fraud.

² Com(87)191

³ Com(87)101 final, 376 final, 400, 410 final, 420 final and 430 final

Some examples of savings effected by Parliament

10. Community legislation allows the Commission to charge a punitive interest on own resources collected by national administrations but not paid over promptly to the Community. In 1979 the Commission adopted the practice of not charging this interest on sums unduly retained by three Member States. Parliament insisted that the regulation be strictly applied and the additional sums received by the Community amounted to 10 million ECU to date.

11. Proposals made by the Parliament's Committee on Budgetary Control and Energy, Research and Technology on staffing at the Community's Joint Research Centre has led the Commission to prepare a greater rationalization of staffing at the Centre which would result in a considerably more cost-effective use of resources.

12. In the case of the European Schools, Parliament has, in adopting the budget in recent years, held in reserve part of the Community's contribution to the cost of the Schools as an incentive for the Board of Governors to improve the administration of the Schools' finances. A number of reforms, including the appointing of a financial controller for the schools, have resulted.

13. Finally, it should be remarked that the mere fact that civil servants responsible for expenditure are called upon to account for their actions before the Parliament and its Committee on Budgetary Control has led them to adopt more circumspect financial procedures.

THE PROTECTION OF FUNDAMENTAL RIGHTS IN THE COMMUNITY

4.1. The protection of fundamental rights within the EEC

1. In the past the European Parliament has drawn up many own-initiative reports on the protection of fundamental rights within the Community legal system and has advocated accession by the Community to the European Convention on human rights, but since 1984 it has focused its attention particularly on the creation of a People's Europe and the implementation of the ADONNINO Committee report.
2. In its resolutions and written and oral questions the European Parliament has urged the Commission to take action and to give real meaning to the concept of a People's Europe approved at the European Council meeting in Fontainebleau.
3. Parliament has thus scrutinized at close hand measures designed to simplify border formalities such as the use of the green disc (Written Question 1635/85), adoption of a European driving licence by all the Member States (WQ 2959/85) or the promotion of the European flag.
4. Parliament has also asked the Commission to 'compile a list of the various cases of failure to apply Community law or breach of Community law with regard to the People's Europe' (WQ 2548/86). In reply, the Commission undertook to publish its annual report to Parliament on the monitoring of the application of Community law in the Official Journal in the hope of making its policy more widely known. It will also be publishing an information booklet on its handling of infringements.
5. Parliament has also addressed itself to the promotion of tourism in the Community, proposing the drawing up of a travellers' charter and the designation of 1990 as 'European Travellers' Year'. This proposal was taken up by the Commission which has also undertaken to introduce regulations governing package holidays. The Council has also responded to parliamentary pressure by deciding to convene a meeting of the Ministers responsible for Tourism to coordinate their action more closely.

6. Action by the European Parliament has been instrumental in ensuring recognition of certain rights; these are the right to vote in local elections, the right of asylum and the right of conscientious objection.
7. The right of European citizens to vote in local elections was one of the proposals made by the Adonnino Committee and approved by the European Council in Milan. Parliament has repeatedly drawn the Commission's attention to this objective, calling on it to submit without delay a proposal for a directive to this effect (OJ No. C 184, 11.7.1983, p. 28; OJ No. C 345, 31.12.1985, p. 82; OJ No. C 227, 8.9.1986, p. 52). These efforts have borne fruit, since on 24 June 1988 the Commission forwarded to the Council a proposal for a directive recognizing the right to vote of nationals of the Member States in local elections in their Member State of residence (COM(88) 371 final).
8. The status of conscientious objectors is an issue which the Commission and Council long maintained was outside their competence, however the European Parliament, which had received numerous petitions and complaints, kept up its pressure on the institutions concerned and secured from the Member States an improvement in the way in which conscientious objectors are treated. However the Commission has not yet followed up Parliament's call for approximation of existing legislation (OJ No. C 68, 14.3.1983, p. 14).
9. The Committee on Petitions has meanwhile decided to draw up an own-initiative report which has been the subject of an initial discussion in Greece where the problem is particularly acute.
10. On the right of asylum, Parliament has adopted a number of resolutions drawing the attention of the Council and the Commission to the need to improve procedure for dealing with asylum seekers and refugees.
11. In response to the adoption of the own-initiative report (OJ No. C 99, 13.4.1987 p. 167), the Commission has undertaken to submit in the near future a proposal for a directive on the right of asylum recognizing 'the vital importance of protecting the rights of genuine political refugees'.

12. Finally, the European Parliament has kept up a continuous campaign to combat the rise of racism and xenophobia. As a party to the Joint Declaration of the three Institutions against racism and xenophobia adopted in 1986, Parliament has called on the Commission to remain vigilant in this area. Aware of the problem, the Commission has agreed to Parliament's request that it should conduct a public opinion poll in all the Member States to make those responsible for the media and information services aware of the problem and to promote action in the field of education.
13. In addition to such action to protect specific fundamental rights, the European Parliament has also embarked upon a comprehensive review of the protection of fundamental rights and freedoms within the Community, through its Committee on Institutional Affairs.
14. A resolution (Doc. 2-363/84), adopted in July 1984, proposed that there should be a follow-up to the draft treaty establishing the European Union, and in particular Article 4, which provides for the drawing up of a charter of fundamental rights guaranteed by the Union.
15. After adopting a White Paper on the fundamental rights and freedoms of European citizens and having consulted experts, the Committee on Institutional Affairs is now drafting a bill of fundamental rights guaranteed in and by Community law.
16. This report is bound to raise the whole problem of how to protect fundamental rights within the Community legal system and the codification of those rights, which will produce a response from the other European institutions.
17. Although the Committee on Institutional Affairs is still considering the legal formalities of adopting such a bill of rights, the political initiative taken by Parliament is important insofar as this Charter of fundamental rights will formalize developments in Community law as regards the protection of fundamental rights.

4.2. Petitions to the European Parliament

1. Although the right of petition is formally recognized in the constitutions of most of the Member States, it does not appear in the Treaties establishing the Community.
2. It was an initiative by the European Parliament which made this right available to every Community citizen through Rule 128 of its Rules of Procedure.
3. For a long time the right of petition was not widely known about or frequently exercised but in the past few years there has been a remarkable increase in its use; the number of petitions submitted to the European Parliament increases by almost 50% each year; about 500 petitions were submitted between 1987 and 1988, as against some 300 in 1986/87.
4. In its concern to ensure that European citizens are helped to exercise this fundamental right, the European Parliament has done a great deal to improve the procedure for considering and processing petitions.
5. On 14 June 1985, Parliament adopted a report (Doc. A 2-41/85) strengthening the right of citizens to submit petitions to the European Parliament and confirming the Commission's role of providing information.
6. In October 1986, Parliament adopted a report on action to improve interinstitutional cooperation in considering petitions presented to the European Parliament. These initiatives have allowed petitions to be processed more effectively thanks to the information compiled and forwarded by the relevant Commission departments.
7. In January 1987 the European Parliament decided to set up a Committee on Petitions with greater secretarial resources.

8. The determination to develop and give tangible form to a People's Europe is also illustrated by the opening of interinstitutional negotiations, on the initiative of the Committee on Petitions and its chairman, with the Commission and the Council to give official recognition to the citizen's right of petition and to define more closely the respective roles of the various institutions in processing petitions. The talks are still at an informal stage but should result in an exchange of letters or a joint declaration recognizing the right of petition and clearly defining the responsibilities of the various Community institutions.
9. The Committee on Petitions and Parliament can be proud of the results achieved in recent years in upholding citizens' rights. Many petitions have had a positive outcome by making it possible to eliminate harassment by civil services or even the failure in certain Member States to respect Community law.
10. Most of the petitions referred to the European Parliament concern day-to-day problems: customs checks, registration of cars, import taxes, the allocation of various social benefits: unemployment, pensions, child benefit.
11. The Commission and Parliament are thus helping citizens to assert their rights and forcing government departments to apply and respect Community law in everyday life.
12. Finally, the European Parliament has established regular and valuable contacts with the petitions committees of the national parliaments and the ombudsmen where they exist. For the first time, the Chairman of the Petitions Committee of the European Parliament was invited as an observer to attend the Round Table of European Ombudsmen held in June 1988 in Strasbourg.

4.3. Community action in favour of women

1. In 1981 and 1984 the European Parliament adopted two resolutions of fundamental importance whose effect was to stimulate and motivate the Commission of the European Communities in its action to promote equal opportunities.
2. The first resolution adopted on 11 February 1981(1), went a great deal further than the strict application of Article 119 of the Treaty and provided the basis for the drawing up of the 'new Community action programme on the promotion of equal opportunities for women for the years 1982-1985' submitted by the Commission on 9 December 1981 and whose general objectives were approved by the Council in its resolution of 12 July 1982(2).
3. The European Parliament's second resolution on this issue, adopted on 17 January 1984(3), sets out a series of demands in the following areas:
 - protection and development of equal opportunities;
 - protection and development of employment for women;
 - equal responsibilities in political, cultural, social and family life;
 - making the public aware of women's rights;
 - rights of migrant women;
 - women in development policy;
 - women in the Community institutions(4).
4. The European Parliament has monitored all these issues consistently in the years following the setting up of its standing committee on women's rights(5) and has called for action by the Commission, with some positive results in the Council.

(1) Doc. 1-829/80 I and II, OJ No. C 50, 9.3.1981

(2) OJ No. C 186, 21.7.1982

(3) OJ No. C 46, 20.2.1984

(4) ibidem

(5) Following the second direct elections of the European Parliament by universal suffrage, a standing committee on women's rights was set up by the European Parliament for the first time to monitor - among other things - the action already taken in response to its resolution of 17 January 1984 and to monitor the application and refinement of the directives on equal treatment for women.

5. On 7 June 1984(6), the Council adopted a resolution on action to combat youth unemployment taking up the views of the European Parliament which, in its opinion of 22 May 1984(7), emphasized the role of national equal opportunities commissions in information campaigns to bring about the change in attitude necessary to foster greater equality of opportunity in employment.
6. In December 1984, the Council adopted a resolution on the promotion of positive action for women(8).
7. One of the issues on which the Committee on Women's Rights has placed particular emphasis is the education of girls and equal opportunities in education to smooth the transition from school to employment. During its meeting in Rome in spring 1985, the committee met the President-in-Office of the Council of Ministers for Education and considered the prospects for Community action in this area.
8. At its meeting of 3 June 1985 in Luxembourg, the Council of Ministers for Education adopted a resolution containing an action programme on equal opportunities for girls and boys in education(9).
9. In response to pressure from the European Parliament, which had repeatedly emphasized the importance of promoting proper vocational training for women - particularly in the area of the new technologies -, the Commission sent a recommendation to this effect to the Member States at the end of 1987(10).
10. The President-in-Office of the Council, attending a meeting of the Committee on Women's Rights in Brussels at the end of September 1988, raised the importance of know-how for women with a view to the completion of the single market in 1992 which will benefit members of the workforce with high-tech qualifications.

(6) OJ No. C 161, 21.6.1984, p. 4

(7) OJ No. C 172, 2.7.1984, pp. 53 et seq.

(8) OJ No. L 331, 19.12.1984

(9) Council press release 7113/85, OJ No. C 166, 5.7.1985, p. 1 (507/85)

(10) Commission recommendation of 24.11.1987, COM(87) 2167, on vocational training for women

11. Measures introduced in response to pressure from the European Parliament include the recent proposal for a Commission directive on the burden of proof in the event of discrimination(11), a measure which the European Parliament had repeatedly advocated as necessary to deal with indirect discrimination, particularly at the workplace(12).

12. The Council of Ministers for Social Affairs, which is due to meet in December 1988, is to take a decision on this proposal for a directive in which the European Parliament will insist that the definition of the concept of indirect discrimination is retained(13).

13. Finally, at its part-session in September 1988(14), the European Parliament adopted important resolutions on:

- the application of Council directives, resolutions and recommendations concerning women (Doc. A 2-166/88);
- women in decision-making centres (Doc. A 2-169/88);
- women and research (Doc. A 2-158/88);

and a legislative resolution embodying its opinion on the proposal for a directive - now before the Council - completing the implementation of the principle of equal treatment in statutory and occupational social security schemes (Doc. A 2-159/88).

(11) COM(88) 269 final

(12) See report by the Committee on Women's Rights on the failure to comply with directives on equal treatment for men and women, adopted by the Plenary in March 1988 (Doc. A 2-294/87; OJ No. C 94, 11.4.1988)

(13) Discussions in the Committee on Women's Rights at its meeting in Brussels on 19.10.1988

(14) PE 125.605

THE COMMUNITY'S EXTERNAL RELATIONS

A. Impact on the development of European Political Cooperation (EPC)

1. Since the birth of EPC in the early 1970s, the European Parliament has constantly affirmed the need for Europe to speak and act with a single voice as the first stage in developing a genuine European foreign policy.
2. The reports on political union and political cooperation adopted by Parliament over this period are a good reflection of its views.
3. Since 1981 this influence has taken a more tangible form following the adoption by the European Parliament in July 1981 of the ELLES report on European political cooperation.
4. In that resolution the European Parliament calls on the Foreign Ministers to strengthen the links between EPC and the Council of Ministers to arrive at a consistent Community policy and on the European Council to renew the commitment given by the Member States that they would speak with a single voice on all foreign policy issues of vital importance to the Community.
5. The Foreign Ministers meeting in London in October 1981 took up a number of the suggestions contained in Parliament's resolution.
6. In their London report, the Ministers noted that they were increasingly able to speak with a single voice on international affairs and that they should be more able to take joint action.
7. The Solemn Declaration on European Union, adopted in Stuttgart on 19 June 1983 also mentions in passing the extension of political cooperation to certain political and economic aspects of security.
8. The Single European Act which institutionalizes and consolidates EPC (Title III, Article 30) reflects the suggestions made by Parliament in a number of areas. For example, a secretariat has been set up in Brussels to assist the Presidency in preparing and implementing the activities of EPC.

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B. Potential of Parliament's influence and its limitations

9. The Single European Act closely involves the European Parliament in the work of EPC and stipulates that its views are to be duly taken into consideration, thereby giving it an important right of scrutiny as regards the formulation, implementation and monitoring of European cooperation on foreign policy.
10. The channels of information and communication set up between EPC and the European Parliament and its Political Affairs Committee in particular, ensure that there is a two-way exchange of ideas. A large number of resolutions - particularly those from the Political Affairs Committee and topical and urgent resolutions - are addressed directly to the Foreign Ministers meeting in EPC and, in addition, Parliament makes extensive use of its right to table oral and written questions to the Foreign Ministers meeting in EPC.
11. It is nonetheless difficult to assess Parliament's real impact on the Community's external relations and on the foreign policy of its Member States. In the vast majority of cases, its impact is necessarily indirect and complementary to other factors which will determine decision-making in a highly complex area of policy. Although a number of examples could be quoted of instances in which the European Council or Foreign Ministers meeting in EPC have adopted a stance in response to European Parliament initiatives, one must always be cautious in assessing Parliament's impact and it would be wrong to speak of a direct or sole influence.
12. This is also true of the influence exercised by the European Parliament through its interparliamentary delegations for relations with third countries or through the frequent visits by Heads of State and other prominent politicians from third countries.
13. The only way in which the EP can have an immediate impact on foreign relations is the requirement (pursuant to the Single Act) that Parliament must give its assent by a majority of its component members for the Council to conclude association agreements or treaties of accession.

C. Specific cases

14. The European Parliament undoubtedly had a direct impact when, for political reasons, in March 1988 it refused to give its assent to protocols to the association agreement with Israel following the events in the West Bank. Parliament has since given its assent to these protocols (October 1988) and to similar agreements with other countries (Syria, etc.) and has thus once again brought its influence to bear.
15. In the case of more indirect influence, it can be assumed that the large number of resolutions adopted on Afghanistan (withdrawal of troops, stepping up of humanitarian aid, etc.), on South Africa (condemnation of apartheid, imposition of effective sanctions), on the Middle East (the Gulf War - respect for UN Resolution 598; the situation in Lebanon; on a peace conference to resolve the Palestinian problem, etc.), and on Central America (support for the Arias plan and the Contadora process) have to some extent influenced the positions adopted by the Foreign Ministers meeting in EPC since the latter often reflect the criticisms and views put forward in resolutions of the European Parliament.
16. It can also be assumed that the reservations expressed by the Commission of the European Communities and the governments of the Member States in response to the formal application for membership of the European Community submitted by Turkey in April 1987 may be partly due to the critical attitude adopted by the European Parliament on several occasions to the violations of human rights and the lack of democracy in Turkey.
17. In the field of European cooperation on security, it would not be an exaggeration to say that the progress achieved is partly due to the commitment and initiatives of the European Parliament. EPC is cautiously beginning to follow Parliament's broad interpretation of the provisions of the Single Act and thus to recognize that the economic, political and military aspects of security must be considered as a whole (see for example the speech to the Parliament by Mr Genscher on 20 January 1988).
18. Similarly, the signature of the Joint Declaration between the EEC and COMECON on 25 June 1988 in Luxembourg was partly a response by the Commission and EPC to the many initiatives of the Parliament concerned with the constructive development of East-West relations and cooperation in Europe.

19. In conclusion, the European Parliament has seen its influence increase insofar as a number of its proposals and requests have been satisfied and, with the Single European Act, the European Parliament will be able to exercise a fairly broad political scrutiny over the objectives, activities and methods of European political cooperation.

HUMAN RIGHTS IN THE WORLD

1. The Presidency of EPC has recognized 'the highly constructive dialogue which has developed over the years in this field between the Twelve and the European Parliament'.
2. In response to repeated requests from the European Parliament, in May 1986 and June 1987 the Foreign Ministers submitted to the Political Affairs Committee a memorandum on action taken in the framework of European Political Cooperation in the field of human rights.
3. Since May 1986 European Parliament resolutions on human rights have, on many occasions, contributed to the formulation of joint policies and measures on the part of the Twelve(1).
4. 'The chairmen of EPC working groups have adopted the practice of drawing the attention of the meeting to parliamentary resolutions which are relevant to the topic under discussion, partly with a view to examining the extent to which it is possible to accommodate the requests made in the resolution'(2).
5. When action is taken by the Twelve within the framework of European political cooperation on a human rights issue, the text of a European Parliament resolution on the subject is sometimes forwarded to the government concerned, for example, the resolution on human rights in Chile in 1984.

(1) Memorandum from the Presidency of EPC on action taken in the framework of EPC in the field of human rights, 25.5.1985 (PE 115.021)

(2) Memorandum from the Presidency of EPC on action taken in the framework of EPC in the field of human rights, May 1986 (PE 106.742)

EXTERNAL ECONOMIC RELATIONS

1. After the amendment of Article 238 of the EEC Treaty in connection with the entry into force of the Single European Act on 1 July 1987, the conclusion of association agreements requires the assent of the European Parliament acting by an absolute majority of its Members. The powers of the Parliament in this field thus go beyond a mere possibility of influence. The new provision gives the European Parliament a genuine power of co-decision: without the assent of the European Parliament no association agreement can be concluded.
2. The European Parliament may refuse to give its assent, if it considers the content of an agreement unacceptable and/or the political situation inopportune for its conclusion. Conversely, it may later give its assent once it finds the contents of an agreement acceptable or the political situation opportune. Experience since September 1987 shows that the European Parliament intends to go beyond a mere formal application of Article 238 and in fact wants to use it as an instrument of direct political influence - not only on the Council, but also on the Third Countries concerned.
3. Thus in December 1987 the European Parliament postponed its vote on amendments to the Association Agreement with Turkey in order to obtain additional information and guarantees from the Turkish side. Final approval was given one month later.
4. On 9 March 1988 three protocols amending the Agreement with Israel failed to achieve the absolute majority necessary for an assent. Although the protocols basically were of a technical nature, but also of concern to the Occupied Territories, many MEPs felt that without further guarantees concerning the Palestinian producers, the European Parliament could not give its assent to the conclusion of the protocols. In a period characterized by severe unrest in the territories occupied by Israel, such an agreement could furthermore be seen as an approval of the Israeli policy in these territories. After the establishment of Israeli guarantees providing Palestinian fruit growers adequate possibilities of

exporting their products directly to the EC, the European Parliament gave its assent to the conclusion of the Israel protocols on 12 October 1988. It is widely assumed that the European Parliament's attitude made an essential contribution to the achievement of satisfactory conditions for the Palestinian exporters in the Occupied Territories.

5. Although no consultation of the European Parliament in connection with the conclusion of trade and/or cooperation agreements on the basis of Article 113 of the EEC Treaty is foreseen in the Treaty, the Council in 1973 undertook to consult the European Parliament in such cases. Normally the Council would not conclude major agreements with third countries without the support of a majority of Members of the European Parliament, be it on the basis of Article 238 or 113. The experience with the Israel protocols does not undermine this assumption as these protocols were mainly a technical adaptation of an existing agreement.
6. The European Parliament's own-initiative Resolutions have been at the origin of, or have been linked with, Community initiatives which have led to the conclusion of trade and/or cooperation agreements with the Gulf States, the Andean Pact countries, Central America and, most recently, Hungary.

DEVELOPMENT POLICIES FOR THE BENEFIT
OF THIRD WORLD COUNTRIES

Famine in the world (Article 958 of the Community budget)

1. The 1984 report on the impact of the European Parliament on development policies laid particular stress on Parliament's role in the development of policies to fight famine in the world and the embodiment of these policies in the Community budget, namely in Article 958.

2. This initiative by Parliament has enabled a 'special programme to combat hunger in the world' to be funded, and the sums assigned have been of the order of 58 million ECU in commitment appropriations (42 million in payment appropriations) in 1985 and 16 million ECU in commitment appropriations (16 million ECU in payment appropriations) in 1986.

3. On various occasions, and especially following the signature of the third Lomé Convention in December 1984, the Commission departments have informed Parliament that action to combat hunger in the world, instead of being funded under Article 958 of the Community budget, could be funded in part from appropriations under the third Lomé Convention and also under Article 930 of the Community's budget, which deals with aid to developing countries in Latin America and Asia. The Council took the same view as the Commission, and the basic regulation allowing the funding of action to combat hunger in the world was not renewed when it expired at the end of 1984. The Council took a final decision not to renew this regulation on 21 July 1986, although Parliament had entered appropriations in the 1985 and 1986 budgets.

4. The legal consequence of this decision by the Council was that the commitment appropriations envisaged in the 1985 budget could not be used in their totality, and as a result, by the end of 1986, 24 million ECU still uncommitted under the 'special programme to combat hunger in the world' of Article 958 were cancelled.

Third Lomé Convention

5. In anticipation of the renewal of the second Lomé Convention, which expired on 28 February 1985, the European Parliament was anxious to examine the problems associated with Lomé III by drafting an own-initiative report containing its own ideas for submission to the negotiators before the opening of the official negotiations. A resolution was adopted at the sitting of 16 September 1983, an important part of which was devoted to trade relations and to 'self-reliance'. Financial, cultural and educational aspects were also examined, along with the cohesion of national and Community policies. In short, an outline institutional framework for the new convention was established.

6. Subsequently, the wishes expressed by the European Parliament were in many cases embodied in the new convention, which entered into effect on 1 May 1986. The European Parliament was also anxious to give its opinion on the definitive text of the third Lomé Convention. At its sitting of 11 March 1985, it adopted a resolution which noted that the Convention went much further than simply maintaining the status quo achieved under the earlier conventions, embodying as it did some of the wishes previously expressed by Parliament. Among the improvements, the following perhaps merit special mention: STABEX (the funding of which has been improved and its mechanisms reviewed), SYSMIN (also improved in its funding and implementing procedures) and financial and technical cooperation (where the new convention aims for greater effectiveness).

7. Parliament welcomed the importance which the new convention gives to human rights and the principle of autonomous development. It endorsed the priority given to agricultural development and to the guaranteeing of food supplies, as well as the new section dealing with cultural and social cooperation, and hoped that the new provisions regulating financial and technical cooperation, will make for a much more rapid and efficient decision-making process. Finally, Parliament was pleased that the negotiators of Lomé III took account of its wish to replace the ACP-EEC Joint Committee and Consultative Assembly by a single parliamentary body called the ACP-EEC Joint Assembly.

The Single Act and the association agreements

8. The Community maintains relations with numerous countries in Latin America, Asia and the Mediterranean basin. In the case of a number of these countries, these relations are embodied in association agreements. From the point of view of development proper and the work of its delegation, Parliament has always been concerned about the situation of these Third World countries. Parliament's powers in the matter of relations with these countries have been under the provisions of the Single Act. Under these provisions, the European Parliament's assent has to be obtained before each association agreement is signed.

INTERNAL MARKET9.1 THE COMPLETION OF THE INTERNAL MARKETA. PARLIAMENT'S IMPACT ON THE DEVELOPMENT OF A COMMUNITY POLICY

1. The development of an overall policy for completing the internal market clearly bears the mark of the European Parliament. Following the debate on a report on the need to implement the internal European market the European Parliament adopted a resolution calling on the Commission to submit a programme for completing the internal market. In response to this resolution (9 April 1984)(1) the Commission submitted 'The Consolidation Programme' (June 1984) to the Council and the European Council of Fontainebleau, which identified a series of proposals to be adopted by the Council in 1984 and 1985.
2. In three resolutions of 25 October 1984(2) the newly elected European Parliament approved the consolidation programme and called on the Council to complete the internal market, indicating the specific areas that had to be taken into consideration. However, in its resolution of 13 June 1985, following a report on behalf of the EMI-committee on the implementation of the Commission's consolidation programme, the European Parliament criticized the heavy backlog of the Council in adopting the proposals(3). It outlined the consequences of an eventual failure for Europe's industrial and commercial competitiveness in the world and its standard of living. At the same time it presented proposals for a new orientation of Community policies.
3. During the debate in plenary on this report, Commissioner Cockfield announced a major initiative of the Commission for completing the Internal Market by 1992 in the form of a White Paper, initiating legislative proposals according to a time table. The Commission broadly accepted all the Parliament's proposals for facilitating the free movement of goods and persons and shared its view concerning the need for appropriate legislative instruments to implement the new strategy.

(1) Doc. 1-321/84: OJ No. C 127, 14.5.1984

(2) OJ No. C 314, 26.11.1984

(3) Patterson Report, Doc. A 2-50/85: OJ No. C 175, 15.7.1985

4. By the end of 1985 the Heads of State and Government endorsed the White Paper programme (meetings of the European Council of Milan, June 1985 and Luxembourg, December 1985), accepted the extension of majority voting on issues concerning the internal market and called upon the Council to adopt speedier and more efficient working procedures (advisory committee procedure, rolling programme).
5. The Parliament thus made a vital contribution to shaping a Community policy for completing the Internal Market, and played a stimulating role in the decision-making process leading to presentation of the White Paper programme. The European Parliament is also making effective use of its control competence by requiring progress reports(4) at regular intervals and its questioning of the Commission and the Council. As a result the Commission has already submitted three progress reports on the implementation of the White Paper's programme in which Parliament's role is fully appreciated (May 1986, May 1987 and March 1988).

B. RESULTS OF LEGISLATIVE COOPERATION IN THE APPLICATION OF THE SINGLE ACT

6. Whereas the White Paper outlines a concrete programme and schedule for completing the internal market, the Single European Act provides the main instrument for accomplishing this programme. The Single European Act, which came into force on 1 July 1987, considerably enhanced Parliament's role in the decision-making process by imposing formal cooperation between the three institutions in proposals regarding the internal market. Although the European Parliament had from the beginning expressed criticism and emitted reserves with regard to this reform of the Treaties, because of the rather limited extension of the Parliament's competences(5), it has nevertheless expressed its willingness to apply the new procedures loyally because of the importance it attaches to the achievement of the Internal Market. However it is watching carefully that the rules and the spirit of the Single European Act are not violated by the other institutions(6). It has also adapted its internal working procedures in this respect.

(4) Doc. A 2-180/85: OJ No. C 36, 17.2.1986

(5) Resolution of 16.1.1986, OJ No. C 36, 17.2.1986

(6) Doc. A 2-169/86: Resolution of 11.12.1986: OJ No. C 7, 12.1.1987
Resolution of 21.1.1988: OJ No. C 49, 22.2.1988

7. In general, the Single Act has had a spin-off effect and must be seen as a positive development in legislative cooperation. The following points are particularly significant:

a. Greater weight of amendments

8. During the first twenty months in which the cooperation procedure was implemented, the Commission adopted in whole or in part almost 72% of the amendments adopted by Parliament at first reading. Experience with the second reading was still rather limited: of the 91 amendments tabled by Parliament at second reading, 48 were accepted by the Commission whereas only 15 appear in the final acts adopted by the Council. Of the some 768 amendments at first reading, the Commission accepted almost 72% in whole or in part; 42% of the amendments accepted by the Commission appear in the text of the Council's common positions.

9. In fact parliamentary scrutiny is now coming up against the confidentiality of Council discussions which makes it impossible to assess the degree of Commission support. However, Parliament has taken certain precautions in terms of monitoring progress in proposals on which it has delivered opinions (cf. Rules 41, 42 and 43 of the Rules of Procedure).

10. Over the same 20 month period, there were 40 second readings. In the 40 cases where Parliament had proposed amendments, the Commission accepted 52% whereas less than one quarter actually appear in the definitive texts adopted by the Council.

b. Change in working methods

11. The entry into force of the Single Act, with its new procedures and deadlines, could have presented difficulties for the European Parliament, but it was quick to take account of the Single Act in its internal Rules of Procedure and has thus been able to offset the formal absence of a right to initiate legislation in the Single Act.

c. More information for the European Parliament

12. Under the cooperation procedure the Council and the Commission are required to inform Parliament of the reasons which led to adoption of the common position. Parliament has introduced safeguards into its Rules of Procedure (cf. Rule 45) to cover the eventuality of the Council not providing adequate reasons. After an initial stage in which Parliament rightly criticized the Council for its inadequate explanations, the Council now appears to be providing satisfactory reasons for the common positions it forwards to the European Parliament.

INTERNAL MARKET

9.2. SPECIFIC AREAS OF THE WHITE PAPER PROGRAMME FOR COMPLETING
THE INTERNAL MARKET

A. Freedom of movement and establishment for persons

- 1) Parliament was involved in the work of the ad hoc committee for a People's Europe, chaired by Mr. P. Adonnino¹. It endorsed fully the conclusions of the committee in its Resolution of 14 June 1985 and appealed to the European Council of Milan (29 June 1985) to provide the necessary political thrust to enable the practical measures to be implemented. In its resolution of 18 April 1985 the European Parliament called upon the Council to adopt without delay the proposals for a Directive on the easing of controls and formalities at frontiers. The Commission accepted nearly all Parliament's amendments. The Council has not yet accepted the proposal owing to the reluctance of a few Member States to do away with security checks. Commission and Parliament broadly have the same view namely that the free movement of persons has to be realized in all its aspects.
- 2) The mutual recognition of higher education diplomas is another important step. The freedom of establishment for architects was finally achieved on 10 June 1985. The Commission's proposal dated from 1967² and Parliament forced a break-through by drawing the Council's attention to the need for a decision³.
- 3) In the case of freedom of establishment for pharmacists the Commission and the Council could not come to an agreement for a long time. After two previous, unsuccessful, attempts - in 1969 and 1972 - the Commission submitted new proposals in 1981 which did not, however, affect the varying conditions of establishment from one Member State to another (OJ C 35 of

¹Council Regulation (EEC) nr. 3690/86, OJ L 341, 4.12.1986.

²OJ 239/1967, p. 15.

³OJ C 291 of 10.10.1980, p. 96.

18.2.1981). In its resolution of 16 September 1983 Parliament proposed that Member States should be authorized to restrict freedom of establishment to existing pharmacies in order to avoid emigration to Member States which have no regulations with regard to geographical allocation⁴. The Commission incorporated this idea in its amended proposal, which was eventually acknowledged by the Council in its Directives 85/432 and 85/1433 of 16 September 1985.

4. The Parliament approved the proposal of the Commission for a generalized system of recognition of higher education diplomas. The Commission accepted all the amendments on the proposal introduced by the Committee on Legal affairs. In general Parliament's suggestions were reflected in the common position of the Council adopted on 30 June 1988. However Parliament stated in its second reading (19 October 1988) that it would not accept many derogations to the general recognition system.

B. Free movement of goods

5. The free movement of goods within the Community faces two main obstacles:

- 1) Control and formalities at the border

- The Commission adopted some of Parliament's amendments (resolution adopted 11.5.1987)⁵ on its proposal for the introduction of common border posts⁶, none of which were accepted by the Council in its common position (June 1988).

Reacting to this, Commissioner Cockfield urged Parliament to amend the draft regulation on second reading and to remind the Council of the recommendations made by the European Council at Fontainebleau and by the

⁴OJ C 133 of 12.5.1987, p. 18.

⁵Rogalla Report. Document A2-341/87.
Resolution adopted 11.5.1987.

⁶COM(86) 524 final.

Adonnino Committee. This casea constitutes an interesting example of Commission-Parliament alliance when the Council has failed to follow the principle of cooperation.

2) Requirements of technical conformity to national standards and specifications

6) On 9 March 1988 the Parliament adopted a resolution on transparency of prices of medicines and social security refunds⁷ with 21 amendments, all of which were accepted by the Commission. The Council adopted its common position on 26 June 1988, taking into account most of the 21 amendments.

7) Parliament was particularly engaged in the debate on the Commission's proposal on safety of toys. It contributed largely to its final outcome. At first reading Parliament amended the proposal. 26 of the 30 amendments were accepted by the Commission. This Directive, now adopted by the Council, constitutes one of the first applications of the new approach on approximation of technical harmonisation and standards.

C. Liberalisation of the service sector

8) Parliament has an important role to cover in the area of the achievement of the internal market on services.

- In its resolution of January 1987⁸ it regretted the delays in liberalising services, especially insurance. The proposal on insurances other than life insurance goes back to 17 January 1978. Since, the Commission has submitted a modified proposal taking into account the majority of Parliament's suggestions⁹.

⁷OJ C 94 of 11.4.1988.

⁸Rogalla Report, Doc. A2-167/86.
Resolution of 23.1.1987, OJ C 46, 23.2.1987.

⁹Modified Proposal, COM(78) 63, C2-1/88.

In its common position adopted on 22 June 1987 the Council approved the modified proposal. Consequently the second reading could be finished rapidly and the Directive, which had been awaited for a long time, could finally be adopted.

- The original proposal of the Commission concerning a policy and plan for the development of an information services market in the Community¹⁰ was originally based on article 100A of the Treaty,, thus falling under the cooperation procedure. The 18 amendments proposed by the European Parliament in first reading, were accepted by the Commission without exception. However, on 7 June 1988 the Council decided to adopt article 235 (consultation procedure) as legal base for this proposal. Parliament then asked to be consulted on the modified proposal. In its common orientation, the Council adopted 12 of the 18 amendments made by Parliament on 16 December 1987. When consulted on the common orientation, the Parliament re-introduced 5 amendments, but all were rejected by the Council.

D. Opening up of public procurement

- 9) In spite of directives on opening markets for public supply and public works, the applied procedures remain essentially national. One of the key factors in establishing the internal market is the opening up of public procurement. On several occasions the European Parliament has called upon the Commission to put forward draft legislation on the matter.
- 10) In adopting a resolution of 13 June 1985 Parliament requested the Commission to submit a proposal for a directive extending the scope of existing Community legislation in the field. In 1986 the Commission sent the Council the proposals for improving the transparency of contracts for public supplies and work. In its resolution of 9 July 1987 on the proposal for a directive on the coordination of procedures on public supply contracts, the European Parliament put forward amendments, believing that the proposal still contained too many restrictions on the opening up of public procurement.

¹⁰COM(87) 360.

The Commission adopted certain of the amendments. The Council took into account some of Parliament's amendments, but refused others. However, the Council also accepted some of the amendments introduced by EP on second reading¹¹ .

Parliament approved in first lecture on 18 May 1988¹² the proposal on public work, modifying the directive of the Council of 20 July 1971. It introduced a certain number of amendments most of them have been adopted by the Commission.

¹¹OJ L 127 of 20.5.1988.

¹²OJ C 167 of 27.6.1988.

INDUSTRIAL POLICY

a) GENERAL

1. The European Parliament can claim a notable achievement in having seen systematic follow-ups by the Commission on its resolutions concerning the competitiveness of European industry¹. The European Parliament requested that there should be regular reviews of the state of Community competitiveness. The Commission published a number of special studies² on this subject. Also the approach taken in the Cecchini studies³ tries to identify those factors which limit the Community's worldwide competitiveness. Individual industrial sectors are analyzed on their "cost-of-non-Europe" contents.

2. The Kangaroo Group of Members of the Parliament, by campaigning since 1983 for a genuine internal market, has spurred the Council into an awareness of the problem and the Commission into defining industrial policy strategies for individual sectors where economic challenges cannot be met any more by the national industrial policies. The Kangaroo Group's policy of mobilising support from industry and commerce in order to influence national parties and governments has secured recognition of the vital role of Parliament as an effective platform for mobilising opinion in favour of integration.

¹ For example: resolution of 28.4.1983 on the competitiveness of the Community industry (OJ C 135 of 24.5.1983 pp. 27-30), based upon the Leonardi report (doc.1-13335/82).

² The Competitiveness of the Community Industry, Office for Official Publications of the European Communities, 1982; "Improving Competitiveness and Industrial Structures in the Community", COM(86) 40 final.

³ EUROPEAN ECONOMY, the Economics of 1992, No. 35, March 1988, Commission E.C.

3. On the budget, the European Parliament has insisted that the Community budget contains appropriations for the development of an industrial area. After much pressure from the European Parliament, the Council has accepted commitment appropriations and the future possibility of payments appropriations. The Council thus appeared to show its support for the principle of such Community industrial spending⁴. The Committee on Economic and Monetary Affairs and Industrial Policy has recognised that industrial policy spending initiatives should come gradually within the scope of the achievement of a truly integrated market by 1992 and of the Structural Funds (Social and Regional Funds, Research and Development) which will be doubled by 1993 as a result of the European Council agreement of 11-12 February 1988 in Brussels.

b) SECTORAL POLICIES

At the sectoral level the European Parliament has been quite active.

4. Although Parliament's direct powers in regard to Community steel policies are limited by the ECSC Treaty, which gives a strong legal position to the Commission, the European Parliament has maximised its impact by continuing dialogue with the Commission on the one hand and with the interest groups on the other hand. The very existence of the EC's industrial policy in the steel sector is largely due to the fact that any response on the basis of individual nation states to economic crises would be worse than any European-wide, i.e. international, solution. The European Parliament has demonstrated that the absence of democratic control over the Commission and Council in this sector has been one of the major deficiencies of the steel crisis strategy.

5. The Commission adopted Parliament's comprehensive and coherent policy for Community action to sustain the European automobile industry⁵. Commissioner Davignon followed up the European Parliament's request to design a Community strategy for this sector comprising elements of the internal market,

⁴ Budget item 772 covering the financing of industrial innovation and assistance for industrial restructuring.

⁵ For example the resolutions of 13.1.1981 (OJ C 28), 29.3.1984 (OJ C 117) and 23.1.1987 (OJ C 46).

environment and external policies. Recently, the Commission has been discussing a strategy paper on the consequences of 1992 for the Community automobile sector.

6. Upon Parliament's insistence, the parliamentary dimension was included in the Interinstitutional Information System (INSIS).

7. In the textile sector, Parliament's wishes in the fields of the supervision of state aids by the Commission, research (BRITE) and external policies in the framework of the Multi-Fibre Arrangement have been substantially followed by the Council.

8. In the aeronautical sector, the European Parliament influenced the Commission to draw up a Programme of Strategic Measures in Aeronautical Research and Technology for Europe⁶.

9. The European Parliament has guided the Community's policy-making in the area of broadcasting and media regulation. It has done so in different ways, by exploiting the entire range of its formal and informal powers:

* In its own-initiative reports and resolutions the European Parliament asked the Commission to design a media strategy comprising 1) the elimination of legal and technical obstacles for pan-European broadcasting 2) the support for a European audiovisual industry. The Commission published the interim report on "realities and tendencies in European television" in 1983⁷, the Green Paper on the establishment of a common market in broadcasting by satellite and cable in 1984⁸, a strategy paper on the coming generation of television (High Definition Television)⁹, the Green Paper on copyright and the challenge of technology¹⁰ and the Action Programme for the European Audio-visual Media Industry¹¹.

⁶ The EP Resolution of 15.10.1983 which assessed the situation and development of the European aeronautical industry, made particular reference to a series of actions by the Community. Commission follow-up in: COM(88) 294 and 393 final.

⁷ COM(83) 229 final.

⁸ COM(84) 300 final.

⁹ Report on High Definition Television, COM(88) 299 final.

¹⁰ COM(88) 172 final.

- * The subsequent draft-Directive on television without frontiers¹² owed a great deal to the resolutions which the European Parliament adopted on 10 October 1985¹³. Parliament has thus de facto initiated legislation.
- * Strengthened by the Single European Act, the European Parliament proposed amendments to the draft-Directive in its legislative resolution of 20.1.1988¹⁴. The Commission subsequently amended its proposed Directive¹⁵ in which it accepted most of Parliament's amendments.
- * The European Parliament has monitored the European Communities' policies towards the media by putting forward written and oral questions to the Council and Commission and adopting own-initiative reports (sometimes on urgency procedure). In response to this continuous pressure by MEPs, the Commission has initiated legal action (on the basis of Article 169 of the Treaty) against those Member States which have discriminatory provisions in their national media laws.
- * The European Parliament can certainly claim the credit for the fact that media-regulation has become a priority item on the Council agenda (internal market, research and telecommunications, cultural affairs) because it has seen in a very early stage that Community rules are required given the fact that the communications sectors are in the process of being re-regulated on a global scale. This process is influenced by new information and transmission technologies, pressure from users and the need for regulatory coherency. A Community strategy for the Audio-visual sector (programming) is being discussed in the European Council (Hanover summit and forthcoming Rhodes summit 1988).

¹¹ COM(86) 255 final.

¹² COM(86) 146 final.

¹³ OJ C 288 of 11.11.1985 pp.119 and pp.113.

¹⁴ In OJ C 49 of 22.2.1988; resolution contained in the Barzanti report (doc. A2-246/87).

¹⁵ COM(88) 154.

MONETARY POLICY AND THE EUROPEAN MONETARY SYSTEM

1. In the firm belief that monetary stability is a basic prerequisite for economic growth and employment, the European Parliament has played an active role in the development of the monetary policy of the Community. Its impact is evident in recent developments concerning the consolidation of the EMS, the promotion of the ECU and the liberalization of the movement of capital.
2. In resolutions on the EMS¹, adopted in 1986 and 1987, the European Parliament underlined that only a strengthened coordination between the monetary policies of the Member States is likely to ensure the future stability of the EMS and the development of the role of the ECU. For this reason, it called on the Commission to draft new proposals to strengthen the EMS and, in particular, to coordinate exchange rate policies and improve the rules governing intervention by central banks.
3. At the informal meeting of Finance Ministers in January 1987, the Commission instructed the EEC Central Bank Governors Committee and the Monetary Committee to consider ways and means of reinforcing EMS mechanisms². At their Nyborg meeting of 17 September 1987, the Finance Ministers ratified a decision taken by the Governors Committee a week earlier in Basel on a "small-scale reform" of the EMS, aiming to facilitate its everyday management. The technical measures which were agreed related to a better coordination of inter-marginal interventions (namely, before a currency's exchange rate reaches its margins of fluctuation), the improvement of short-term credit mechanisms between

¹ Doc. A2-196/85 (Report BONACCINI) and its resolution in OJ C 68/86 and amendment replacing Docs. B2-1412/86, B2-1414/86, B2-1426/86 and B2-1448/86 in OJ C 46, 23.2.1987.

² Commission of the European Communities, Half-Yearly Report on Action Taken on Parliament's Own-Initiative Resolutions, January-June 1987, SP (87)2461/2, p. 40.

central banks, and a more flexible procedure for realignment of parities, so that decisions could be taken without the intervention of the Ministers³.

4. The wider use of the ECU has been a major demand of the European Parliament in the monetary field⁴. In a relevant resolution adopted on 20 November 1987⁵, the Parliament emphasized that the systematic use of the ECU in all intra-Community payment transactions would make a very effective contribution to economic and financial integration in the Community and to European awareness among its people. Attention was also drawn to the "key-role" of the private ECU market.
5. Since then, impressive developments have taken place regarding the wider use of the ECU⁶. Some national monetary authorities already use the ECU as a reserve asset and some use it for intervention operations. The Commission makes the widest possible use of the ECU in the Community budget, and has expressed its will to use the ECU for certain sectors of the CAP and for expenditure under the structural funds. In addition, the UK government has announced the issue of short-term treasury bills denominated in ECU, the German Bundesbank has allowed private ECU accounts to be opened, and the French Ministry of Posts and Telecommunications plans to issue a stamp denominated in ECU.
6. The Parliament has also consistently pursued the realization of the internal market, understood not only as the free movement of persons and goods, but also of capital⁷. It considers that the opening up of the capital market must benefit citizens and undertakings of the Community seeking to invest and to save and must therefore be regarded as a growth

³ Agence Europe of 10.9.1987 and 12.9.1987.

⁴ Doc. 2-693/84, Doc. 2-694/84, Doc. 2-695/84 and Doc. 2-697/84 in OJ C 300, 12.11.1984 and Doc. B2-981/85 in OJ C 288, 11.11.1985.

⁵ Doc. A2-167/87 (Report DELOROZOY) and its Resolution in OJ C 345, 21.12.1987.

⁶ Commission of the European Communities, Half-Yearly Report on Action Taken on Parliament's Own-Initiative Resolutions, July-Dec. 1987, SP(88)733, pp. 16-18 and Financial Times of 3.8.1988.

⁷ Doc. 2-694/84 and Doc. 2-695/84 in OJ C 300, 12.11.1984. See also Doc. A2-110/86 (Report BUENO-VICENTE) and its Resolution in OJ C 297, 24.11.1986.

factor. It is also seen as favouring Europe's economic and social cohesion. Nevertheless, the Parliament pointed out that the creation of a genuine European financial area requires, not only the liberalization of capital movements, but also the approximation of banking and fiscal laws, as well as the affirmation of the monetary identity of the Community with, in particular, a significant strengthening of the scope of the EMS⁸.

7. The European Parliament made numerous amendments to the Commission proposals on the free movement of capital. As President Delors stated to Parliament on 14.6.1988⁹, the Commission adopted important amendments made by the EP relating to fiscal reforms necessary to prevent tax evasion, to the duration of transitional systems for some Member States and to precautionary measures whereby a Member State can prevent infringement of its laws.
8. The Parliament has finally been a fervent supporter of a Monetary Union, characterised by the establishment of a central bank and the adoption of a common currency. In a resolution adopted in February 1986¹⁰, it took the view that political conditions should be established in the medium-term by setting up an autonomous central bank for the European Community with responsibility for the money supply and interest rate policy. The Parliament has repeatedly expressed the view that the Community should proceed with the second, institutional, phase of the EMS, which was originally intended to be introduced two years after the entry into force of the EMS, but since then has been postponed to a future date. The crucial feature of the institutional stage is the establishment of a decision-making body, the European Monetary Fund, which will be entrusted

⁸Doc. A2-70/88 (Report BESSE) and Resolution in OJ C 187, 18.7.1988.

⁹European Parliament, Verbatim report of the proceedings, 14.6.1988, p. 190-1.

¹⁰Resolution to the BONACCINI-Report (A2-196/85) in OJ C 68, 24.3.1986 See also the Resolution to the Report (A2-42/87) drawn up on behalf of the Temporary Committee for the success of the Single Act on the Communications from the Commission of the European Communities, entitled "Making a success of the Single Act - a new frontier for Europe" (COM(87)100 final - Doc. C 2-224/86.

and empowered to pursue the objective of creating a stable European monetary standard¹¹.

9. At the Hanover Summit of 27-28 June 1988, the prospects for the Monetary Union were widely discussed and it was decided to establish an experts' Committee, under the Presidency of Mr Delors. Within a year's time, the Committee will carry out studies and make proposals for "concrete steps" towards the Union¹². The Parliament is associated with the work of the Committee given the fact that Jacques Delors expressed the will, in July 1988¹³, to be informed by parliamentarians, specialized in monetary questions, of its views on Monetary Union, and asserted that he will subsequently inform them of the progress of the Committee's work.

¹¹ Doc. 2-695/84 in OJ C 300, 12.11.1984 and Resolution to the VALVERDE-Report (A2-177/88) in Minutes of proceedings of the sitting of Thursday 27 October 1988, p. 13.

¹² European Council in Hannover 27-28 June 1988, Conclusions of the Presidency SN 2683/4/88, p. 7.

¹³ European Parliament, Verbatim report of the Proceedings, 6.7.88, p. 200.

COMMUNITY COMPETITION POLICY

1. Article 3(f) of the EEC Treaty provides that the activities of the Community aimed at establishing a Common Market shall include the institution of a system ensuring that competition in the Common Market is not distorted. Competition policy in a broad sense refers to state monopolies (Article 37), the traditional anti-trust policy, making it possible to monitor agreements and abuses of a dominant position (Articles 85 and 86) and the control of state aid to undertakings (Article 92-94). Competition policy has an instrumental role and is closely linked to many other fields of Community activity. In the first place it ensures that the competition process works properly, which is essential for the proper allocation of resources, the provision of incentives and innovation.

2. Implementing competition policy is primarily the Commission's responsibility, subject to the traditional supervision of the Court of Justice. However, national Courts may be called upon to apply the Community's rules of competition in view of their direct effect on the national legal systems¹.

The European Parliament's position with regard to competition policy

3. In the EEC Treaty no formal role has been attributed to the European Parliament as regards its consultation on Community competition policy. However Parliament has certain competences in this field. Each year the Commission forwards to the European Parliament a report on Community competition policy stating the results of its activity in this field. Through its Committee on Economic and Monetary Affairs and Industrial Policy, the European Parliament issues its opinion, based on a report on the policy which has been carried out. The short-comings which it identifies and the suggestions which it puts forward in various sectors are generally taken into account by the Commission in elaborating its future policy. The existing dialogue between the Commission and the Parliament has proved to be very

¹ Judgement, 6 February 1973, N.V. Brasserie de Haecht v. Wilkin-Jansen ('Haecht II'), 48/72, Jurispr. 1973,77.

constructive as was explicitly re-affirmed during the debate on the 15th Competition Policy Report.² Commissioner Sutherland stated that the need for a continuing dialogue with the European Parliament was an essential corollary to the considerable and autonomous and power of the Commission. He looked forward to further debates on competition either in Committee or in plenary session. In fact the Commissioner's Statement meets the demands of the European Parliament for procedures to be established to monitor developments in competition policy on a periodic basis³.

4. In the light of the imbalance of power between both Institutions Parliament is continuously endeavouring to strengthen its position and to extend its impact on the Commission's policy. In order to achieve this it is attempting to give the existing dialogue a more formal character, while at the same time developing and refining its control and reporting instruments. Parliament is gradually increasing its control capacity by requiring the Commission to draw up studies concerning the state of competition in certain areas (e.g. media, air transport, the banking and insurance sector); or with regard to the application of Community competition law in the Member States; to conduct follow-up studies (e.g. state aids for R & D), or to produce working documents suggesting a policy framework for specific areas (e.g. joint ventures).

Parliament's impact on competition policy

(1) In the field of shaping policy

5. The European Parliament is seeking a formal role in the establishment of a Community competition policy. Since its Resolution on the 13th Competition Report Parliament has claimed to be granted such a role in the elaboration of block exemption Regulations.⁴ The Commission has so far given an undertaking that it will consult Parliament, albeit on a purely informal basis, on draft

² See Declaration by Mr Peter D. Sutherland on the 15th Competition Policy Report, Strasbourg, 13 November 1986. Debates of the EP, No. 2-345, p. 179.

³ Gasoliba I Böhm Report, Doc. A2-136/86; Resolution of 14.11.1986, para. 11, OJ C 322, 15.12.1986.

⁴ Gautier Report, Doc. 2-1133/84; Resolution of 13.12.1984, OJ C 12, 14.1.1985

Regulations.⁵ It is also important that the Parliament should be consulted at a sufficiently early stage in the preparation of drafts. It therefore welcomed the prompt transmission by the Commission of the prepared draft Regulation on franchise agreements to the appropriate Committee of Parliament⁶. In fact the Commission's willingness to consult Parliament constitutes a further improvement in the dialogue. In the past Parliament has not been consulted even in a formal exchange of views with regard to the Commission's proposals on patent licensing and Research and Development⁷

6. The European Parliament considers that a consistent Community approach to concentration between undertakings is vital to the success of competition policy. Since 1973 it has called upon the Council, on several occasions, for action to be taken to end the many years of deadlock in the Economic Affairs Working Party and in COREPER on a proposal for a Regulation on the control of concentration between undertakings⁸. In the light of Council's favourable reaction, the Commission submitted an amended proposal for a Regulation (COM(88)97 final). Parliament formulated its point of view in a separate report on this subject⁹ presenting amendments on several aspects of its scope, such as the application of turnover thresholds, the time-scale for a proposed merger and the issue of consultation with the work-force. Replying for the Commission in the debate at the second October plenary session 1988, Commissioner Sutherland said there was an overwhelming need for a Community mechanism to oversee mergers, with Community law taking precedence over national rules. Although not all amendments were acceptable to the Commission he was prepared to take into account several of Parliament's contributions to the draft Regulation.

⁵ See Declaration of Commissioner Sutherland on the 15th Competition Policy Report, Strasbourg, 13 November 1986, EP Debates, No. 2-345, p. 179.

⁶ Resolution on the draft Commission Regulation on the application of Article 85(3) of the Treaty to categories of franchise agreements. Minutes of Meeting of 16.6.1988. Report drawn up on behalf of the EMI Committee, Doc. A2-17/88.

⁷ See 'Progress towards European Integration'. Survey of the main activities of the European Parliament, No. 12, 1984-85.

⁸ Resolution on the 16th Report on competition policy, para. 12. Resolution on mergers, OJ C 318, 30.11.1987

⁹ Mihr Report, Doc. A2-197/88

7. By widening the scope of its dialogue with the Commission the Parliament has clearly demonstrated its commitment to winning full responsibility in establishing and monitoring a Community competition policy. In many of its Resolutions, Parliament has initiated the discussion concerning the application of competition rules in sectors of the Community's economy that had previously been left unconsidered.¹⁰ The Commission's attention was drawn to important sectors such as transport, sea and air, services, in particular banking and insurance, retailing and copyrights¹¹. These examples also illustrate that Parliament is fulfilling a stimulating role for the progressive application of the rules of competition in all sectors of European economy.

(2) In the field of policy implementation¹²

8. As regards the principles governing competition policy Parliament and the Commission share the same views and in many policy areas Parliament welcomes and approves the Commission's action. Furthermore Parliament has always given its full support to the Commission's policy in differences of opinion with the Council (e.g. the Commission's proposals on merger control and air transport). However Parliament's Resolutions emphasise the control function of the institution. In recent years these Resolutions have developed into comprehensive reports monitoring the Commission's activities in the field of competition. From the replies given by the Commission in the Annual Report on Parliament's comments it can be deduced that these reports have a stimulating influence on the Commission's work. Although not all Parliament's demands are always met, nor its questions answered in a satisfactory way, the mere fact that the pre-eminently representative political body of the Community expresses its point of view and its concern with regard to the Community's competition policy, makes it almost impossible

¹⁰ 'Progress towards European Integration' No. 12, 1983-84, 1984-85, 1985-86, 1986-87, 1987-88.

¹¹ Report drawn up on behalf of the EMI Committee on the Commission's report on competition policy, Doc. A2-136/86 and on the 16th Commission's report, Doc. A2-223/87.

¹² Conclusions are based on the Resolution on the 13th, 14th, 15th and 16th Reports of the Commission on competition policy

for the Commission to reject Parliament's suggestions and requests without giving them the proper consideration, or to deny to Parliament a full account of the Commission's activities.

9. One of the major fields of interest to Parliament in examining competition policy concern the procedures and policy tools of the Commission. Both are examined as to their adequacy for implementing competition rules and as to the legal security they provide to all parties concerned (transparency of procedures, confidentiality, rapidity of execution). Parliament has repeatedly called for the establishment of a two-tier system of judicial review, which is now finally being achieved; this will improve competition policy procedures considerably.

COMPANY LAW

1. In the period under review, i.e. from July 1984 to November 1988, there has been only modest progress in the harmonization of the legislation of the Member States in the field of company law. This is mainly because much of this sector has already been covered by a series of different directives. These are:
 - the first directive on safeguards for the protection of the interests of members and others (Directive 68/151/EEC of 9.3.1968; OJ No. L 65, 14.3.1968);
 - the second directive on the formation of public limited liability companies and the maintenance and alteration of their capital (Directive 77/91/EEC of 13.12.1976; OJ No. L 26, 31.1.1977);
 - the third directive concerning mergers of public limited liability companies (Directive 78/855/EEC of 9.10.1978; OJ No. L 295, 20.10.1978)
 - the fourth directive on the annual accounts of certain types of companies (Directive 78/660/EEC of 25.7.1978; OJ No. L222, 14.8.1978);
 - the sixth directive on the division of public limited liability companies (Directive 82/891/EEC of 17.12.1982; OJ No. L 378, 31.12.1982);
 - the seventh directive on consolidated accounts (Directive 83/349/EEC of 13.6.1983; OJ No. L 193, 18.7.1983);
 - the eighth directive on the approval of persons responsible for carrying out the statutory audits of accounting documents (Directive 84/253/EEC of 10.4.1984; OJ No. L 126, 12.5.1984).
2. Numerous amendments to Commission proposals submitted to the European Parliament have been accepted by the Commission and subsequently by the Council. These amendments were adopted by the European Parliament in the light of a careful and detailed study of the relevant issues by the parliamentary committees responsible.

3. One event during the period under review highlights the influence of the European Parliament on the development of Community policy: on 25 July 1985 the Council adopted Regulation No. 2137/85/EEC on the European Economic Interest Grouping (OJ No. L 199 of 31.7.1985). In other words, this Regulation allows cooperation between companies, particularly small and medium sized businesses, which have their registered offices in different Member States. This Regulation came into being mainly at the insistence of the European Parliament whose Legal Affairs Committee had drafted its own proposal on this issue some years earlier.

4. When evaluating the role of the European Parliament in the Community legislative process, it is interesting to point out that at the sitting of 26 October 1988 Commissioner SUTHERLAND stated that the Commission was able to take on board most of the amendments tabled by the European Parliament to the revised proposal for a regulation on the control of concentrations between undertakings. The Commissioner added that Parliament's approach would significantly reinforce the Commission's position in the negotiations with the Council(1).

(1) The revised proposal for a regulation was published in OJ No. C 130, 19.5.1988. The European Parliament delivered its opinion on 26 October 1988 on the basis of a report by Mr MIHR (Doc. A 2-197/88).

FREEDOM OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES
FOR THE LIBERAL PROFESSIONS

1. For many years Parliament has emphasised the importance of members of the liberal professions being able to practise throughout the Community. In its resolutions and parliamentary questions it has consistently called for the removal of restrictions in the law on freedom of establishment and freedom to provide services in the Member States of the Community and, in the transport sector, it has even brought proceedings for failure to act in the Court of Justice of the European Communities, with the aim of achieving progress in freedom of establishment and freedom to provide services. Parliament has thus shown great persistence in pressing for freedom of establishment and freedom to provide services for many professional groups.

2. In the case of the medical and paramedical professions freedom, both of establishment and to provide services is almost complete. In September 1985 the Council adopted directives on the coordination of provisions laid down by law, regulation or administrative action in the field of pharmacy such as the mutual recognition of diplomas, certificates and other evidence of formal qualifications in pharmacy and measures to facilitate the effective exercise of the right of establishment relating to certain activities in the field of pharmacy(1).

(1) Directives 85/432/EEC and 85/433/EEC, OJ No. L 253, 24.9.1985

It was necessary to bring the different regulations and conditions of establishment in the Member States into line with each other since certain Member States limit the number of pharmacies per area whereas others do not. In its resolution on the proposal for these directives(2) the European Parliament drew particular attention to the consequences and risks of introducing a formula for the geographical distribution of dispensaries in all Member States. This would restrict freedom to exercise a profession on the pretext of health protection, thereby safeguarding the incomes of individual pharmacists rather than fostering competition. A geographical distribution formula might be used to prevent too large a number of pharmacists in built-up areas but not to force pharmacists to set up in rural areas with few facilities. Parliament also noted that the Commission proposal to allow the varying national provisions on the right of establishment to stand put those Member States with unrestricted freedom of establishment at a disadvantage. Parliament took the view that this proposal would have led to an uncontrolled stampede of pharmacists to Member States without regulations on geographical distribution. Parliament therefore urged that the mutual recognition of diplomas should be restricted to pharmacists seeking to take over existing dispensaries and should not cover the opening of new ones. The Commission incorporated these ideas into its revised proposal on which the two Council Directives were based; this case illustrates how effective the European Parliament's influence can be.

3. In the case of European broadcasting Parliament also took the initiative at an early stage. In March 1982 it adopted a resolution on radio and television broadcasting in the European Community calling for a European policy for the media(3).

(2) Resolution of 16.9.1983, OJ No. C 277, 17.10.1983. p. 160

(3) Resolution of 12.3.1982, OJ No. C 87, 5.4.1982. p. 110

The report on the media requested by Parliament was submitted by the Commission in May 1983(4). The Commission shared Parliament's view that the new media technologies would strengthen Europe's industrial and cultural position vis-à-vis its competitors if a common policy were developed. After further resolutions in 1984(5) and 1985(6) the Commission submitted the requested proposal for a directive on the coordination of provisions laid down by law, regulation or administrative action in the Member States concerning the pursuit of broadcasting activities(7). This proposal took on board the suggestions made by Parliament such as protection of young people and regulations on advertising - a further example of the on-going influence of the European Parliament on Community policy in this area.

(4) COM(83) 229 final

(5) Resolution of 30.3.1984, OJ No. C 117, 30.4.1984. p. 198

(6) Resolution of 10.10.1985, OJ No. C 288, 11.11.1985. p. 113.

(7) COM(86) 146 final 12

TAX HARMONISATION IN THE COMMUNITY

1 Taxes have become one of the main determinants of economic and social activity. Tax harmonisation is therefore an essential and integral element in the accomplishment of the fundamental objectives of the EEC Treaty, in particular in any strategy to establish a genuine common market without barriers. The removal of fiscal barriers will ultimately require the approximation of tax rates. The latter will prove to be a very difficult exercise as it will seriously affect fundamental decision-making in the field of taxation, which is one of the best strongholds of national sovereignty.

2. In the slow process of tax harmonisation the European Parliament, in particular its Committee on Economic and Monetary Affairs and Industrial Policy (EMI), has been engaged in a constructive dialogue with the Commission. It supported the Commission whenever important steps had to be taken to accomplish approximation of national fiscal legislation and fiscal practices¹ and gave the necessary impulsion by way of initiative reports to the resumption of the debate on an area of strategic importance for European integration. An illustrative example of the latter is comprised in the adoption of a Resolution in November 1983 on the basis of an initiative report with the aim of ensuring the introduction of a comprehensive harmonisation programme in the Community². Although difficult to establish, it undoubtedly gave impetus to and influenced the Commission's work in setting up the fiscal part of the White Paper's programme for completing the internal market. Furthermore the European Parliament has demonstrated its continuous concern to safeguard and to speed up the process for the establishment of a genuine internal market by its numerous questions and reports in which particular attention is paid to business aspects of taxation.

¹ Resolutions of 14.3.1974, OJ C 40/74 and 20.6.1975, OJ C 157/75

² OJ C 342, 19.12.1983, Rogalla Report, Doc. 1-903/83

VAT

3. The free movement of goods and the establishment of the customs union are the areas in which the Community has recorded its greatest success in the tax field. The extent of the European Parliament's contribution to the decision-making process in the Community as regards VAT can be shown by means of a few examples illustrating different outcomes of Parliament's interventions.

4. Its Resolution of 1984 on the VAT 17th Directive³ concerning temporary imports of goods other than means of transport supported the Commission's proposal to simplify intra-community trade, but rejected the exclusion of legal persons with a fixed establishment in a Member State from the scope of the Directive. The Commission accepted the European Parliament's amendments.

5. In a first Report⁴ on the proposal for a 16th VAT Directive concerning imports by final consumers of secondhand goods the European Parliament rejected the Commission's views and simply demanded the abolition of taxes on them since they had already been taxed. However it accepted the compromise procedure⁵ proposed by the Commission entailing the imposition of VAT when the secondhand goods are less than four years old in the case of transport or less than six months old in the case of other goods. With reference to the Schul case⁶, the European Parliament convinced the Commission to amend the Directive in order to deal satisfactorily with the various cases of double imposition of VAT on secondhand goods by private persons⁷.

EXEMPTIONS

6. With a view to the free movement of goods and also of persons, the Community embarked some time ago on a policy of introducing tax exemptions (VAT and excise duties) for private individuals. A distinction has to be made between exemptions from import duties in respect of international movement of travellers and exemptions from import duties for small consignments of no

³ Van Rooy Report, Doc. 2-1136/84, OJ C 12/112, 14.1.1985

⁴ Rogalla Report, Doc. 2-1135/84

⁵ Second Rogalla Report, Doc. A2-182/85

⁶ Schul Case, Court of Justice, Case 15/81, 5.5.1982.

⁷ COM(86) 163 final, OJ C 96, 24.4.1986

commercial value. The Council has adopted a series of Directives in this field. Although the Commission is in favour of progressively extending exemptions, it is reluctant to propose substantial increases as long as VAT and excise duty rates have not been brought somewhat more clearly into line. For the European Parliament, however, a marked increase of travel allowances and exemptions for small consignments is needed, as it shows European citizens the positive effects of an internal market. On several occasions the Commission has partly adopted Parliament's views by amending its proposals⁸. For this reason the Parliament's Committee on Economic and Monetary Affairs and Industrial Policy has expressed its indignation about the decision of both Ireland and Denmark to impose additional barriers to the travel allowance by putting a 48 hour minimum obligation for its citizens who are allowed to import⁹.

CONCLUSIONS

7. Taking into account the rather limited field of manoeuvre left to the European Parliament in the sensitive area of taxation (only consultation is foreseen), it would be wrong to hold too high an expectation of its impact. However in order to achieve its objectives with regard to the abolition of fiscal barriers, the Commission will need all possible support it can get from the Parliament. The present situation should further enhance the authority of the European Parliament in this field. By organising broad consultation of public opinion Parliament has shown its determination to fulfil its role as the truly representative organ of the Community. The Commission welcomes Parliament's initiatives and has showed its willingness to amend its original proposals on several occasions.

⁸ See 'Progress towards European Integration - Survey of the main activities of the European Parliament, 1984-85,' No. 16 - Fiscal harmonisation
⁹ EMI Committee Meeting, Brussels, 22-23 April 1987.

COMMUNITY SOCIAL POLICY

I. Restructuring of the labour market

1. Parliament has adopted numerous resolutions in this sphere, particularly those of 16 April 1985(1) and 11 November 1986(2), calling on the Commission and the Council to step up social action at Community level. The impact of these resolutions can be seen particularly in the following areas :

A. Worker protection

2. To protect workers' rights while promoting flexibility on the labour market, Parliament has called on the Commission to :

- introduce a general system for the mutual recognition of diplomas in the Member States of the Community. A proposal for a directive on the mutual recognition of higher education diplomas for vocational training reached the stage of a common position being adopted by the Council on 22 June 1988;

- to provide a framework for contracts of employment. The Commission's response has been sympathetic and it is working on three proposals for directives: one on a standard contract, another on contracts of employment other than contracts for full-time employment of unlimited duration and the third on informing and consulting workers in the event of major changes in the firm. The Commission has also submitted proposals on worker participation in decision making in industry(3).

(1) OJ No. C 122, 20.5.1985

(2) OJ No. C 322, 15.12.1986

(3) COM(88)320 final

B. Education and training

3. Parliament has called for greater efforts in this field and regards one of the priorities as adapting training to the new technological culture. These suggestions would appear to have been noted since the Commission has :

- implemented a number of action programmes : 'Vocational training of young people and their preparation for adult and working life'(4), 'YES'(5), 'COMETT'(6), 'ERASMUS'(7);

- proposed that they should be extended and that new programmes should be introduced : 'COMETT 2'(8), 'Delta'(9), 'In-service training', 'ERASMUS II', 'Language learning', 'Eurotecnet II' (preparatory stage);

- drafted a proposal for a directive on the right to special leave for vocational training.

The Community programme to promote further education and training of adults has been backed up by cooperation programmes involving specialized centres. This project was launched by the Commission in response to an initiative by the European Parliament which had created a budget heading specifically for this purpose.

C. Solidarity with underprivileged groups

4. - On numerous occasions the European Parliament has emphasized the serious social repercussions of long-term unemployment. Its action resulted in the Commission memorandum of 25 May 1987(10); the Council adopted the conclusions in December 1987 and called on the Commission to submit an action programme for the long term unemployed which is now in preparation;

(4) OJ No. L 346, 10.12.1987
(5) OJ No. L 158, 25.6.1988
(6) OJ No. L 222, 12.9.1986
(7) OJ No. L 166, 25.6.1987
(8) COM(88) 429 final
(9) COM(88) 116 final
(10) COM(87) 231 final

- the disabled are another category of the population about which Parliament has been deeply concerned. The Commission has noted this concern and recently launched the second Community action programme for disabled people in the Community Helios(11);

- the same can be said about action to combat poverty: the third programme (1990-1993) is already being drafted.

II. Voting rights

5. Parliament's unstinting efforts to obtain the right to vote in local elections for all Community citizens recently bore fruit in a proposal for a directive(12). Parliament's resolutions on the subject, particularly those of 7 June 1983(13), 9 May 1985(14), 14 November 1985(15) and 15 December 1987(16), clearly established the need for legislation giving Community nationals resident in a Member State other than their own the right to vote or stand in local elections to enable them to play an active role in public life in the community in which they are actually living. Parliament's view is based on the fact that freedom of movement for persons has been achieved at the expense of the loss of political rights at local level, a loss which is incompatible with the principle of equal treatment for Community citizens and the effective exercise of freedom of movement which implies integration into the host Member State.

III. European Social Fund (ESF)

6. Parliament's own-initiative report on the future of the ESF adopted on 9 September 1986(17) underlined the need for the Commission and the Council to revise the operating rules of the ESF as soon as possible and to remedy the defects in its management. The shortcomings listed by the European Parliament were later confirmed by a special report by the Court of Auditors(18).

(11) OJ No. 104, 23.4.1988

(12) COM(88)371 final

(13) OJ No. C 184, 11.7.1983

(14) OJ No. C 141, 10.6.1985

(15) OJ No. C 345, 31.12.1985

(16) OJ No. C 13, 17.1.1988

(17) OJ No. C 255, 13.10.1986

(18) OJ No. C 126, 16.5.1988

Parliament suggested the abolition of age requirements, greater geographical concentration of resources, more precise guidelines and selection criteria, information on the application and interpretation of the Fund's rules, giving priority to multiannual projects and, finally, the decentralization of the structural funds.

7. The new regulation 2052/88(19) of 24 June 1988 on the tasks of the structural funds goes some way to meeting Parliament's demands. Objective No. 3 applies to the long-term unemployed without age restrictions, assistance is to be given primarily in the form of operational programmes - defined as a series of consistent multiannual measures - and a major effort has been made to concentrate budgetary resources in regions where GDP is less than 75% of the Community average. In response to Parliament's call for decentralization of the structural funds, the new Council regulation provides for 'close consultations between the Commission, the Member State concerned and the competent authorities designated by the latter at national or local level'. These consultations are referred to as the 'partnership' and cover the preparation, financing, monitoring and assessment of operations. The Commission has also drawn up guidelines on the interpretation of the rules and criteria for the management of the ESF for its internal use(20).

(19) OJ No. L 185, 15.7.1988

(20) OJ No. C 126/88, p. 24

REGIONAL POLICY

1. The period from the beginning of 1984 until the end of 1988 has witnessed a number of significant changes to the European Community's efforts in the regional policy field. The entry into force of a new European Regional Development Fund (ERDF) Regulation in 1985¹ was followed by the introduction of Integrated Mediterranean Programmes (IMPs).² In 1987, regional policy was given further impetus by the commitment in the Single European Act (SEA) to "economic and social cohesion" and the reduction of the main regional imbalances. The resulting Commission proposal for a "framework regulation" on the tasks and coordination of the three Community Structural Funds (ERDF, ESF, Guidance section of EAGGF) was presented to the Council in September 1987.³ Following the agreement reached at the February 1988 meeting of the European Council, the Commission put forward a revised proposal⁴ which was eventually adopted by the Council in June 1988.⁵ The final stage of this reform process will be the negotiations concerning the Commission's August 1988 proposals for four "implementing regulations" setting out in more detail how each Structural Fund will operate and the procedures for coordinating their activities with each other and with the Community's other financial instruments.⁶

2. Although these latest proposals have not yet been debated by the European Parliament, all previous legislation has been the subject of parliamentary reports and amendments. Despite the intensely political nature of the relevant regulations and the difficult compromises which the Council has struggled to reach, the Parliament has succeeded in making a contribution to the policy-making process.

1 Council Regulation No 1787/84; OJ No L 169, 28.6.1984
2 Council Regulation No 2088/85; OJ No L 197, 27.7.1985
3 Com(87)376 published in OJ No C 245, 12.9.1987
4 Com(88)144, 23.3.1988
5 Council Regulation No 2052/88; OJ No L 185, 15.7.1988
6 Com(88)500, 29.8.1988

Revision of the ERDF Regulation in 1984

3. The ERDF Regulation agreed by the Council in 1984, which followed a period of discussion begun in 1981, did reflect some of the concerns expressed by Parliament.⁷ These included: the need to coordinate Community and national policies; the replacement of strict quotas by ranges with upper and lower limits, the move from individual projects to multi-annual programmes, the introduction of Community programmes; and a new emphasis on internally-generated development.
4. However, it is not possible to prove a clear link between Parliamentary amendments and the content of the final Regulation, since many of Parliament's preoccupations were shared by the Commission and by some of the Member States. Moreover, a series of major points put forward by the Parliament were rejected by the Council. These included the need to delegate significant management powers to the Commission and a reference to the reduction of regional imbalances as a priority objective of all common policies.

Integrated Mediterranean Programmes

5. The influence of Parliament on the creation of IMPs has arguably been more significant; indeed, it was a strong supporter of the concept of IMPs when they were first proposed in 1983.⁸ In June 1985, the President of the Commission, Mr Delors, affirmed the important role of Parliament, which he said had been essential in determining the sum set aside for IMPs and the role of regional authorities in their implementation.⁹ Moreover, the eventual Regulation adopted several of the Parliament's suggestions, notably the delegation of decision-making powers to the Commission and the targetting of assistance on a broad variety of regional problems.

The reforms of 1987/88 following the adoption of the SEA

6. A number of Parliament's major preoccupations have been included in the framework Regulation which finally emerged from the Council in June 1988. These include: the need to increase the concentration of spending on the

7 OJ No. C 127, 14.5.1984, p. 236

8 OJ No. C 251, 19.9.1983

9 PE 99.434

neediest regions; the doubling of the resources available to the structural funds; more effective monitoring of Community-funded measures; an increased emphasis on programme financing; and a list of more explicit objectives.¹⁰

7. It is again impossible to establish a clear link between Parliament's suggestions and the content of the final framework Regulation, particularly as a number of more specific amendments to the framework proposal, such as references to the role of local and regional authorities and to the problems of mountain areas, were not incorporated into the final Regulation.

8. However, the absence of detailed Parliamentary amendments from the final text of Council Regulations does not mean that the Parliament's influence has been non-existent. Parliament has played an important role in lending its support to the genuine Community perspective inherent in many of the Commission's proposals. Moreover, it will continue to contribute to the reforms of the structural funds resulting from the Commission's latest detailed proposals for "implementing" regulations for each individual fund (August 1988). These are currently being examined in Committee and it is intended that Parliament should give its opinion and adopt amendments in time for the regulations to enter into force on 1 January 1989.

10 OJ No. C 345, 21.12.1987; GOMES report, Doc. A2-205/87
OJ No. C 281, 19.10.1987; LAMBRIAS report, Doc. A2-115/87

ENVIRONMENTAL PROTECTION LEGISLATION

A number of examples from the consultation procedure (Section I) and one example under the cooperation procedure laid down in the Single European Act (Section II) in the area of environmental policy are discussed below. To complete the picture, an example of an initiative by the European Parliament to which the Commission has recently given an initial reaction, is discussed in Section III.

I. Consultation procedure

1. Council Directive amending Directive 78/1015/EEC on the approximation of the laws of the Member States relating to the permissible sound level and exhaust system of motorcycles (87/56/EEC)

- Commission proposal: OJ NO. C 263, 2.10.1984 = COM(84) 438 final
- Opinion of the European Parliament: OJ No. C 94/142, 15.4.1985;
- Revised Commission proposal pursuant to Article 149 (2) of the EEC Treaty: OJ No. C 139/2, 7.6.1985 = COM(85) 228 final
- Council Directive 87/56/EEC (OJ No. L 24/42, 27.1.1987)

A comparison of the positions adopted by the Commission, Parliament and the Council shows that the amendments tabled by Parliament were taken into account by the Commission in its revised proposal, particularly as regards the reduction in the noise level of 80 dB(A). These proposals were subsequently incorporated into the Council directive.

2. Directives 83/129/EEC and 85/444/EEC concerning the importation into the Member States of skins of certain seal pups and products derived therefrom

- Commission proposal: Basic Directive OJ No. C 285/7, 30.10.1982 = COM(82) 639 final, 19.10.1982
- Directive extending the provisions: 83/100/EEC, COM(85) 246 final, 11.6.1985, not published in the Official Journal

- Opinion of the European Parliament:
 - (a) OJ No. C 334/133, 20.12.1982
 - (b) OJ No. C 94/154, 15.4.1985
- Council Directive: (a) 83/129 (OJ No. L 91/30, 28.3.1983)
 - (b) 85/444 (OJ No. L 259/70, 27.9.1985)

Although the directive does not incorporate all the proposals made by Parliament, it was nonetheless the EP which was instrumental in getting these directives and their extension through the Council.

3. Council Directive on the approximation of the laws, regulations and administrative provisions of the Member States on the protection of animals used for experimental and other scientific purposes (86/609/EEC)

- Commission proposal: OJ No. C 351/16, 13.12.1985 = COM(85) 637 final
- Opinion of the European Parliament: OJ No. C 255/250, 13.10.1986;
- Revised Commission proposal pursuant to Article 149(2) of the EEC Treaty: COM(86) 643 final, not published in the Official Journal
- Council Directive: 86/609/EEC (OJ No. L 358/1, 18.12.1986)

This directive is also attributable to a European Parliament initiative. It is clear that both the Commission and the Council gave due consideration to the points raised in Parliament's opinion, the substance of which is broadly reflected in the directive.

II. Cooperation procedure

Council Directive of 16 June 1988 amending Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from engines of motor vehicles (restrictions of particulate pollutant exissions from diesel engines) (88/436/EEC)

- Commission proposal: COM(86) 261 final = OJ No. C 174/3, 12.7.1986
- Opinion of the European Parliament: OJ No. C 190/178, 20.7.1987 and OJ No. C 167, 27.6.1988;
- Common position of the Council of 3.12.1987: SEC(88) 55
- Council Directive: 88/436/EEC (OJ No. L 214/1, 6.8.1988)

On the basis of Parliament's opinion, which proposed 1.1 g or 1.3 g/test as the limit value for particulate pollutant emissions from motor vehicles with diesel engines (Commission 1.3 or 1.7/test), the Council set the figure at 1.1 g or 1.4 g/test. Parliament had also proposed that the limit values should be reduced further in a second phase. The Council responded by agreeing to consider a further reduction before the end of 1989.

Both these amendments pushed through by Parliament are extremely important. In addition, the seventh recital of the directive refers to the work of Parliament.

III. Initiative which has provoked an immediate response from the Commission

Free access to environmental pollution information

On 16 July 1985 Mr Collins and Mrs Weber tabled a motion for a resolution (Doc. B 2-736/85) calling on the Commission to draw up proposals giving Community citizens access to information on environmental pollution. A report was drawn up on this topic, which was debated in the House on 14 May 1987. The initiative of Parliament has been taken up by the Commission which, in October 1988, announced a proposal (COM(88) 489), which seeks to guarantee a public right of access to environmental pollution information.

CONSUMER PROTECTION AND PUBLIC HEALTH

I. CONSUMER PROTECTION

Commission Proposal: for a Council Recommendation on fire safety in existing hotels (COM 83.751 final, OJ C 49 p. 7, 21.2.84)

Opinion of the EP: OJ C 262 p. 20, 14.10.85 based on reports 1 and 2 (A2-78/85 and A2-156/85).

Commission modification to the Proposal: for a Council recommendation on fire safety in existing hotels (COM 86.231 final, OJ C 131, p. 5, 29.5.86).

Council Recommendation: of 22.12.86 on fire safety in existing hotels (86/666/EEC) publ. in OJ L 384, p. 60, 31.12.86.

ANALYSIS

A.

- 1) The Commission proposed a non-binding Council Recommendation.
- 2) Parliament amended this to a Council Regulation
- 3) The Commission did not alter its proposal for a Recommendation
- 4) The Council adopted a Recommendation only

B.

- 1) The Commission text proposed 'allowing for the differences in existing hotels throughout the Member States'
- 2) Parliament amended this to 'differences in type or construction ...'
- 3) The Commission accepted this amendment in its modified proposal.
- 4) The Council adopted the amended text.

C.

- 1) The Commission proposed that in the case of modifications made to an existing hotel, a new document of conformity should be required.
- 2) Parliament amended this to 'further inspection and certification shall be required'.
- 3) The Commission accepted this in its modified proposal.
- 4) The Council did not adopt the proposed text as amended, but used a form of words leaving much greater leeway to national inspection bodies.

D.

- 1) The Commission proposal envisaged the right of hotels to display a document of conformity with fire-safety standards.
- 2) Parliament added 'both in the hotel and in any publicity relating to the hotel'.
- 3) The Commission accepted this amendment in its modified proposal.
- 4) The Council did not accept this proposal, leaving the matter to national authorities' legislation.

E.

- 1) The Commission proposal suggested that every effort be made to bring into force national measures within two years.
- 2) Parliament strengthened this proposal to 'shall adopt ... within two years' and added the requirement to ensure that all existing hotels conform to the minimum safety provisions within five years of entry into force of national measures.
- 3) The Commission accepted, in essence, Parliament's amendment.
- 4) The Council did not accept this proposal.

CONCLUSIONS

This is a classic case of Community competences. It shows, firstly, that amendments put forward by Parliament are frequently accepted by the Commission. Many other such modifications to Commission proposals are never recorded, but result from dialogue between Commission and Parliament in the Committee stage.

Whereas Parliament wants to extend Community competence in all spheres, the Council takes the minimalist approach of voluntary harmonisation of national practices, monitored by the Commission. This is very often the case in the field of Consumer Protection, which is a Community concern only in a tangential sense and not as the result of direct Treaty dispositions. The Council therefore proceeds on the basis of coordination between Member States.

Commission Proposal: for a Council Directive amending Directive 81/602/EEC concerning the prohibition of certain substances having a hormonal action and of any substances having a thyrostatic action. (COM 84.295 final, OJ C 170 p. 4, 29.6.84)

Opinion of the EP: OJ C 288 p. 153, 11.11.85 based on report A 2-100/85.

Amendment to the Commission Proposal: for a Council Directive amending Directive 81/602/EEC (COM 85.607 final, OJ C 313 p. 4, 4.12.85)

Council Directive: of 16.7.85 supplementing Directive 81/602/EEC. (OJ L 191 p. 46, 23.7.85)

Amended proposal for a Council Directive: prohibiting the use in livestock farming of certain substances having a hormonal action (COM 85.832 final, OJ C 351, p. 13, 31.12.85).

Council Directive: of 31.12.85 prohibiting the use in livestock farming of certain substances having a hormonal action.

ANALYSIS

- 1) The Commission, in the context of internal market dispositions concerning intra Community trade in fresh meat and the harmonising of different national rules regarding the use of hormones for fattening purposes in livestock rearing, proposed an amending Directive which would authorise as safe the hormone preparations Oestradiol 176, Testosterone and Progesterone for use as growth promoters in farm animals.
- 2) Parliament considered that, as there was doubt regarding the long-term safety of these substances, and no effective method for controlling their use is available, these substances should be allowed only for therapeutic

purposes in strictly controlled circumstances under veterinary supervision, and not for indiscriminate fattening. Parliament was reflecting increasing public disquiet regarding the use of hormones and their resulting residues in meat.

- 3) As a result of Parliament's pressure, the Commission withdrew its original proposal and substituted an amended proposal which followed Parliament's line in prohibiting Oestradiol 17 β , Testosterone and Progesterone as fattening agents, and authorising their use only for therapeutic purposes under very strict veterinary control.
- 4) The Council rapidly adopted the proposed Directive.

CONCLUSIONS

This case was a particular success for the European Parliament and an excellent illustration of Parliament's role. A technical proposal for regulation of the internal market was referred by Parliament's Bureau to its Committee on Environment, Consumer Protection and Public Health, thus ensuring that the latter aspects of the proposal would be paramount. Parliament then acted in a classical fashion. Both informing, and being informed about, public opinion, Parliament insisted on a ban on hormones for animal fattening for the political reason of consumer resistance and public opposition, even though, as Parliament itself acknowledged, the scientific case for harm was not proven.

II. PUBLIC HEALTH

Commission Proposal: for a Council Recommendation concerning the adoption of a European emergency health card. (COM 83.750 final, OJ C 21 p. 7, 28.1.84)

Opinion of the EP: OJ C 337 p. 449, 17.12.84, based on report 2-956/84..

Modified Commission Proposal: OJ C 223 p. 4, 3.9.85

Council Resolution (with representatives of the Governments of the Member States meeting within the Council): 29.5.86 concerning the adoption of a European emergency health card. (OJ C 184 p. 4, 23.7.86)

A.

- 1) The Commission Proposal recommended that Member States make it possible for 'those suffering from serious or chronic illness which could require urgent treatment during travel' to carry a standardised emergency health card.
- 2) Parliament amended the proposal to include among possible holders of the card 'any person who so wishes'.
- 3) The Commission accepted Parliament's amendment.
- 4) The Council effectively extended the possible possession of the card to anyone, but did not adopt the proposed text as such.

B.

- 1) The Commission proposal included a recommendation to include among the medical details reference to the patient's hospital medical file.
- 2) Parliament amended the proposal, on the grounds of infringement of personal confidentiality, to specifically exclude any reference to a hospital medical file number.
- 3) The Commission, in its revised Proposal, accepted Parliament's amendment.
- 4) The Council Resolution, in its 'model' European health card, included no reference to hospital medical files. The Resolution also states that 'matters concerning ... the confidentiality of information will be for the Member States to deal with in accordance with national legislation and practice'.

CONCLUSIONS

Public Health questions, even more than Consumer Protection, illustrate the lack of direct Community competence or responsibility. In this field, the Council was unable even to countenance a Recommendation, opting for a Resolution instead, on the part of Government representatives. This represents the lowest level of Community action.

Parliament's amendments were, however, adopted by the Commission and ultimately, though not directly, followed by the Council.

DRUG ABUSE

No mention of public health could be made without reference to the drug abuse problem and the European Parliament's own-initiative enquiry into it.

On 10 January 1985 the European Parliament set up a special Committee of Enquiry into the problem of drug abuse in the European Community. The Committee was set up as a result of the direct will of the Parliament, more than half of all members signing a resolution in its favour. The Committee was given a year in which to report and present its findings to the Plenary.

In the course of its work, the Committee collected and collated information from all parts of the Community and the rest of the world, holding three full public hearings as well as its normal public meetings. Its findings were widely publicised and reported in the media and a special plenary session of the Parliament was given over to the presentation of the Committee's findings.

SUMMARY

Parliament's impact, if studied only from the viewpoint of textual amendments to Commission proposals ultimately adopted by the Council, risks appearing negligible in certain fields, of which consumer protection and public health is one. Examined in a wider context, Parliament's impact can be alluded to only by circumstantial evidence, but ultimately this is also the case with amended proposals and adopted texts since cause and effect can never be definitely proven. To appreciate the impact of the European Parliament on the European Community policy-making process one must venture into the vaguer areas of media influence, public opinion, the conditioning of public debate, dissemination and collation of information, own-initiative acts which may have very long-term consequences. In addition to recognising proposals for which Parliament has provided the initiative, it must be recognised that there are many cases of potential proposals which never saw the light of day owing to Parliament's dis-incentive.

THE COMMON AGRICULTURAL POLICY

Since 1984 there have been a number of instances in the agricultural sector where the influence of the European Parliament has made itself felt if not in legislation at least in Commission proposals which are being considered by the Council. It should be remembered that agriculture is not directly affected by the new procedures laid down in the single European Act.

The most significant cases are discussed below:

1. Regulation No. 1760/87 on agricultural structures

The position of the European Parliament, set out in its amendments and in its resolution of 10 July 1986, was so far from the common position adopted by the Council that the latter agreed to a conciliation procedure which took place during June 1987.

The outcome of the conciliation procedure was satisfactory in that the Council accepted a number of modifications, particularly to Article 1 of the Regulation, by agreeing with Parliament's position.

2. Measures in favour of hazelnuts and nuts

In December 1987, the European Parliament adopted an own-initiative report on nuts. This report was a new departure in that the European Parliament submitted a proposal for a regulation without there having been any initiative by the Commission.

Subsequently, in April 1988, during its discussion on farm prices, the Council asked the Commission to submit a proposal for the nuts sector as a whole based on Parliament's report.

On 26 October 1988, the Commission adopted a comprehensive plan for the sector which will now go through the normal procedure for adoption.

3. Farm prices and related measures for the 1988/89 marketing year

The position of the European Parliament, reflected in its amendments and in its resolution of 14 June 1988, was in favour of the phasing out by 1992 of monetary compensatory amounts which, in its view, will no longer be justified in the single European market advocated by the Single Act.

The Council's final decision of 18/19 July 1988 is consistent with this approach.

4. The future of the rural environment

As part of its reform of the structural Funds, advocated in the Single European Act, the Commission has proposed the introduction of a new policy for rural areas.

Once again, such a measure has been called for by the European Parliament in several resolutions focusing particularly on structural problems.

Although this policy has not yet been formulated in detail, the Commission's general approach to the future of the rural environment implies broad acceptance of the position of the European Parliament.

THE COMMON FISHERIES POLICY

1. Despite the major contribution made by the European Parliament to the common fisheries policy, the procedures introduced with the adoption of this new common policy exclude Parliament from a number of aspects of its management.

2. Parliament nonetheless continues to deliver its opinion on legislation on structures, and on fisheries agreements. In these spheres, Parliament has exercised a degree of influence on Council decisions, particularly in the following cases:

(1) Structural Regulation No. 4028/86

When this regulation on structures was amended for the last time, the European Parliament secured the abolition of the upper limit of 33 m on vessel length for the granting of aids.

This provision takes greater account of the requirements of the fisheries sector which plans to operate in more distant areas, hence requiring larger and better equipped vessels.

A further aspect of the new structural regulation which satisfies a more general wish expressed by the European Parliament is the concentration of financial resources by raising the minimum amount eligible for financing by 50%. This prevents resources from being spread too thinly and makes Community intervention more effective.

(2) Measures for the temporary cessation of fishing

Another field in which criticisms made by the European Parliament have produced a favourable response is the change in measures on the cessation of fishing. As requested by the European Parliament, the Council has agreed to convert the relevant directives into a regulation which will be directly applicable without having to be incorporated into national legislation.

COMMUNITY TRANSPORT POLICY

1. In the field of transport the most important event has undoubtedly been the judgement of the Court of Justice of the European Communities (Case 13/83, of 22 May 1985), condemning the Council of Ministers for failure to act and requiring it to take the necessary measures to establish freedom to provide services in the field of transport which is foreseen in the Treaty.
2. The case before the Court of Justice had its origin in a report by the Parliament's Committee on Transport (doc.1-420/82, OJ No C 267, 11.10.1982). In fact a large majority in the European Parliament has since 1958 demanded the establishment of an overall approach under the common transport policy and has regretted the policy of small steps undertaken by the legislative power which had failed to introduce coherence to the Community's transport policy. In July 1982 as the Council of Ministers had still failed to act, despite a great many proposals from the Commission and resolutions passed by large majorities in Parliament, the European Parliament finally decided to bring the Council before the Court.

Main developments after the judgement of the Court

3. From a legal point of view it became clear that the European Parliament possessed the power to bring an action under Article 175 of the EEC Treaty against the other Institutions for failure to act if they did not put into effect important treaty provisions. Parliament can now thus set in motion or influence political developments in the Community.
4. On the substance of the case the Council of Ministers has been given a "reasonable period of time" to take the necessary measures to comply with the judgement of the Court of Justice. The Council was thus obliged to take the measures set out in Article 75 (1) (a) and (b) of the Treaty and establish the freedom to provide transport services. An essential requirement of this freedom to provide services was the elimination of any discrimination by virtue of the nationality of the provider of a service or the fact that he is established in another Member State.

5. An important step forward was taken by the Council when in June 1988 it adopted a regulation providing for the abolition, from 1 January 1993, of the present restrictions on quantities affecting the access to the market in the international transport of goods by road. As from that date all Community quotas, bilateral quotas between Member States, and the quotas applicable to transport in transit to or from third countries will be abolished, and the access to the market will be governed by a system of Community licences issued on the basis of common quality-based criteria.
6. Similar progress has yet to be made as regards the access of nonresident carriers to the national road haulage markets. The Commission's proposal on so-called "cabotage" still faces the opposition from several Member States.
7. However, the requirements of a Common Transport Policy demand more than the simple elimination of discriminations. Complying with the point of view of the European Parliament the Commission put forward other proposals to Council in order to implement the Community policy laid down by the Treaty. These so-called "accompanying measures" are two-fold: some constitute an addition or are designed to render the freedom to provide services more effective (e.g. access to the profession of carrier), while others are aimed more at harmonising the conditions of competition in order to avoid distortions caused by diverse national legislation (e.g. weights and dimensions or adjustment of national taxation systems for commercial road vehicles).
8. The Community achieved a major breakthrough with regard to technical harmonisation. A solution was finally found to the problem of maximum weight and dimension for lorries. It should be noted that the compromise over this matter was reached during discussions in the European Parliament (Directives of 19.12.1984 and 24.02.1986, OJ no. L 2, 3.1.1985 and L 217, 5.8.1986).
9. Following the Parliament's proposals for the taxation of vehicles (OJ No C 281, 19.10.1987) the Commission presented at the end of 1987 a proposal which aims to ensure that heavy goods vehicles meet some of the costs of the roads which they use outside their country of origin, so replacing the principle of nationality with the principle of territoriality. This proposal would also minimise the substantial differences which currently exist in heavy vehicle tax rates in different Member States.

10. The Court declared the Council's failure to act in respect of the provisions of Article 75 (1) (a) and (b) and (2), which currently apply only to inland transport. Article 84 (2) sets no date for appropriate provisions to be laid down for sea and air transport, and the Court has taken no decision to apply Article 75 to them. That did not mean, however, that the Treaty does not oblige the Council to establish the freedom to provide sea and air transport services within a reasonable period.

11. Progress has also been made in two further sections:

a) On maritime transport four regulations were adopted laying down the competition rules for the application of Articles 85 and 86 of the Treaty and also concerning the principle of freedom to provide services in maritime transport within the common market and between the Member States and third countries.

b) On aviation there has been also important progress with the adoption by the Council of a package of Air Transport measures covering fares, capacity and market access of scheduled passenger air carriers licensed to operate services within the Community. The package also includes provisions applying the competition rules of the EEC Treaty. The liberalisation introduced is bound to increase competition between airlines and the growth in European air traffic. The European Parliament stressed in several reports that these developments should not result in lower safety standards for this mode of transport. Following the Parliament's proposals on air transport safety, the Commission has proposed a series of measures which will allow the European network to cope with the increase in aircraft movements. These proposals are in line with the Parliament's requests and foresee the creation of a centralized air flow management system to coordinate the existing independent units; technical harmonisation in order to improve communication, technical compatibility and training; the coordination of airport infrastructure planning; and research into the development of a fully integrated and automated system for air traffic management throughout European air space.

ENERGY POLICY

1. In the past the implementation of a joint Community energy policy has often been thwarted by national considerations and even national self-interest. In this situation the European Parliament has always regarded its main duty as being to make the Member States appreciate that in the area of energy policy the long-term interests of the Community outweigh short-term national interests which would favour other solutions. The EP has repeatedly expressed its concern at the lack of a genuine common energy policy and has called on the Council to make substantial progress in this important area. It is, however, difficult to assess the European Parliament's real influence on energy policy since that influence is often exercised through informal channels rather than by direct action (e.g. reports and resolutions). Although this influence, often very informal, is difficult to assess or quantify, it should not be overlooked; an effort has been made below to assess the influence of Parliament on energy policy through a number of practical examples.

2. The energy policy objectives of the Community for 1995(1) adopted by the Council in September 1986 were partly a response to pressure from the European Parliament, which had repeatedly called for a consistent and coordinated Community energy policy. In establishing these objectives, Parliament had urged that the goals should be more ambitious and that the ways and means of achieving them more closely defined. The objectives actually adopted should therefore be seen as the outcome of the energy policy demands of the European Parliament on the one hand and inertia on the part of the Council arising from national considerations.

(1) Council resolution of 16.9.1986, OJ No. C 241, 25.9.1986; cf. Doc. A 2-223/85 (ADAM report)

3. The adoption of the energy policy objectives in September 1986 more or less coincided with two important events that will undoubtedly have a major impact on energy policy in the future; these events were the Chernobyl disaster in April 1986 and the fall in oil prices since the beginning of 1986. These developments led the European Parliament to call for a review of the Community's energy policy objectives for 1995. In a much discussed own-initiative report and a resolution of April 1987(2) the European Parliament emphasized that the fall in the oil price and its repercussions on other sources of energy could put the long-term objectives of Community energy policy at risk (energy saving, rational use of energy and substitutes for oil). Parliament urged the Council and the Member States not to abandon the 1995 energy objectives and to take appropriate action. In this instance the wide-ranging demands made by Parliament for a review of the common energy policy also influenced subsequent action by the Commission or the Council.
4. Following the Chernobyl disaster, the European Parliament reopened the debate on the future role of nuclear energy. Two resolutions adopted in April 1987(3) clearly show that as regards the role of nuclear energy in the Community's energy strategy, Parliament is divided into two lobbies one in favour and one against nuclear energy. However, Parliament was unanimous in insisting that even if the nuclear option is not abandoned, everything possible should be done to improve safety standards and greater attention should be paid to health and environmental considerations to ensure that nuclear energy is socially acceptable. The European Parliament also called for strict compliance with the provisions of the EURATOM Treaty and for the inspection of national nuclear installations by the International Atomic Energy Agency (IAEA) in Vienna. It pointed out in no uncertain terms that in the event of a major nuclear accident, such as the Chernobyl disaster, the Community would not have the facilities to respond adequately. Parliament therefore called for a review of the EURATOM Treaty, particularly to harmonize safety standards, health

(2) Doc. A 2-242/86 (ADAM report) and EP resolution of 8.4.1987, OJ No. C 125, 11.5.1987, p. 86

(3) cf. resolution and Doc. A 2-1/87 (SELIGMAN report) and corresponding resolution of 8.4.1987, OJ No. C 125, 11.5.1987, p. 86

protection provisions and emission levels. The European Parliament has monitored these issues closely and when the incidents at the nuclear installations in Mol (Belgium) and Hanau (Germany) came to light in the spring of 1988 it immediately set up a committee of inquiry which revealed numerous irregularities in nuclear energy policy, which will undoubtedly have repercussions at both Community and national level in the foreseeable future(4).

5. As in the past, Parliament continues to recognize the special importance of coal for the Community's energy supplies and regards maintaining an efficient coal industry as a material factor in securing energy supplies. The highly controversial new Community rules for state aids to the coal industry, which entered into force on 1 July 1986 and will apply until the end of 1993, must also be seen to a large extent as the result of the continuous pressure brought to bear by the Parliament(5). The importance which it attaches to coal as a secure, long-term and economic source of energy for the Community was also highlighted by the hearing on coal policy in December 1987 which brought together economic and political experts from a number of countries(6). This approach was endorsed by an own-initiative report on coal policy(7) recently adopted.

(4) cf. Doc. A 2-120/88 (SCHMID report) and resolution of 6.7.1988 (PE 124.803)

(5) cf. Doc. A 2-224/85 (CROUX report) and resolution of 13.3.1986, OJ No. C 88, 14.4.1986, p. 86

(6) See public hearing on European coal policy, published by the European Parliament, Directorate-General for Research; Research and Documentation, 'Energy and Research' Series No. 5, 1988

(7) Doc. A 2-147/88 (WEST report)

6. More recently, the European Parliament has paid particular attention to the issues connected with completion of the internal market. In the energy sphere, the Committee on Energy, Research and Technology has applied for authorization to draw up an own-initiative report which will follow on from and supplement its earlier activities⁽⁸⁾.
7. In addition, the European Parliament has consistently called for tougher action on energy saving and measures to develop new and renewable sources of energy, particularly through research, development and pilot projects (see following section on research and technology policy).

(8) See European Parliament, Directorate-General for Research, Research and Documentation; Energy and Research Series No. 6, 1988 and summary (PE 121.291); in November 1988 the Committee on Energy, Research and Technology held a hearing on the issues raised by 'the internal market and energy'.

RESEARCH AND TECHNOLOGY POLICY

1. The Single European Act (SEA) put Community policy in the area of research and technology on a new basis explicitly referred to by Treaty (Article 130f to 130q). Under Article 130i of the Treaty, the Community is to adopt a framework programme for research (to be adopted unanimously by the Council), setting out the main lines of the activities envisaged in research and technology (specific programmes to be adopted by a qualified majority). Adoption of the Single European Act considerably strengthened the position of the European Parliament in the area of research and technology policy in that it must be informed at an early stage of planned research and development projects or decisions to be taken in this area by the Commission and the Council; other provisions are the preliminary clarification of important points with the other institutions (e.g. on research and technology programmes which can then be adopted more quickly) and closer involvement of the EP in the ongoing decision-making and consultation process. Under the various Council presidencies (in particular during the Danish and German presidencies) meetings were arranged between the Committee on Energy, Research and Technology and representatives of the respective presidencies (plus official representatives of the Council and Commission) to establish long-term guidelines in the area of research and technology.

2. In assessing the actual influence of the European Parliament in shaping the Community's research and technology policy, it is important to recall the lengthy debate over the adoption of the research and technology programme. Parliament has consistently advocated that European research and technology policy should be given a greater role, repeatedly calling for the adoption of the framework programme. The importance of the pressure brought to bear by Parliament in numerous resolutions⁽¹⁾ and by using its influence through different channels cannot be overestimated; of

(1) See inter alia: own-initiative report Doc. A 2-49/86 (SALZER report) and resolution of 14.7.1986, OJ No. C 176/86; Doc. A 2-155/86 (SALZER report) and resolution of 8 December 1986, OJ No. C 7/87; EP resolutions of 22 January 1987 (OJ No. C 46/87) and 9 April 1987 (OJ No. C 125/87); and resolution of 17 September 1987 on the conciliation procedure, (OJ No. C 281/87)

particular importance was Parliament's influence over national governments which had initially opposed adoption of the framework programme (France, United Kingdom and the Federal Republic of Germany). More specifically, in September 1987 the President of the European Parliament, Lord PLumb, and the Chairman of the Committee on Energy, Research and Technology, Mr Poniatowski, were invited to present the views of the European Parliament, or of its committee, to the Council of Research Ministers. Not only was this the first time that a committee chairman attended a Council meeting but also the first occasion on which Parliament actually expressed its views. In the final analysis, the tactics adopted by Parliament ensured that the framework programme was not cut back further and was eventually adopted with a budget of 5.4 bn ECU (a budget of 10.34 bn ECU having originally been proposed); the figure eventually adopted had been stipulated by Parliament as a sine qua non for its approval without which the framework programme could not have been adopted.

3. In this protracted tussle over the adoption of the framework programme (which virtually amounted to a game of poker between the Parliament and the Commission on the one hand and the Council representatives of France, Germany and the United Kingdom on the other), the European Parliament showed proof of a great deal of political perception and tact, perseverance and stamina; without the broadly-based support of Parliament, the independent European research and technology policy would soon have been reduced to a negligible factor in terms of quantity and quality; without the political influence of Parliament, adoption of the framework programme would have been further delayed, which in turn would have made the adoption of specific programmes impossible; this would have prevented successful programmes such as ESPRIT (information technology) and RACE (telecommunications) from being continued and would have meant the collapse of a number of highly skilled research teams with members from all twelve Community Member States; Community research and technology policy would have lost ground in many areas of research of vital importance for the future - particularly vis-à-vis its main competitors in the USA and Japan - which it would have taken years to make up.

4. The actual substance of the framework programme eventually adopted is based in no small measure on the European Parliament's initiatives and numerous suggestions in the area of research and technology policy; of particular significance here were Parliament's widely-discussed own-initiative reports(2) on Europe's answer to the technological challenges of the modern age and the symposium on the same topic with an exhibition of pilot projects held in Strasbourg in October 1985.
5. In these initiatives the European Parliament has, time and again, advocated an increase in Community resources for research and technology in order to make up the loss of competitiveness of European industry in high-tech fields and to meet the growing challenge from its main competitors on the world market (USA and Japan). In this context, Parliament has always stressed the special importance of research and technology policy for the position of the Community in the future and has repeatedly pointed out that joint research efforts will bring much greater success and returns for all those involved than isolated national programmes.
6. The new awareness of research policy issues now seen in economic and political circles and among interested members of the public in Europe is due in no small part to the numerous initiatives and ideas launched by the European Parliament. It is to be hoped that this new awareness will in future be translated into practical research policy measures.
7. A number of illustrations of the impact of Parliament on specific areas of research and technology policy are given below:

(2) Doc. A 2-109/85 (PONIATOWSKI report) and resolution of 8.10.1985, OJ No. C 288, 11.11.1985; Doc. A 2-14/87 (PONIATOWSKI report) and resolution of 17.6.1987, OJ No. C 190, 20.7.1987, p. 32; see also EP own-initiative reports on the following issues:

- Technology transfer, Doc. A 2-99/85 (METTEN report), resolution of 21.2.1986, OJ No. C 68, 24.3.1986;
- Differences in the technological development between the Member States of the European Community, Doc. A 2-106/85 (LONGUET report), resolution of 9.10.1985, OJ No. C 288, 11.11.1985, p. 61;
- Consequences of the new technologies for European society, Doc. A 2-110/85 (CIANCAGLINI report), resolution of 8.10.1985, OJ No. C 288, 11.11.1985, p. 37

- Joint Research Centre (JRC)

In the past Parliament has been instrumental in maintaining the JRC. It is largely thanks to the many initiatives on the part of Parliament or its Committee on Energy, Research and Technology that JRC research has been revamped (to include the environment, a bridging role in the Community's North-South dialogue, the research policy interests of the smaller Member States, etc.).

- Biotechnology and genetic engineering

It is partly thanks to Parliament's own-initiative report on biotechnology(3) that the vital significance of biotechnology for the future has been recognized at Community level and that greater attention has been devoted to the urgent issues raised by genetic engineering.

- Medical research and AIDS

The European Parliament was quick to recognize the need for joint research efforts at European level to combat AIDS. It was only following proposals made and pressure brought to bear by Parliament that this sector of research was included in the Community's medical research programme(4).

- European space policy

In its own-initiative report(5) on European space policy, the European Parliament was quick to point out the significance of this sector for future research and technology policy and for safeguarding Europe's international competitiveness in high-tech areas. This initiative has since been taken up by the Commission(6) and will, in all probability, soon be incorporated into the Community's research programme.

(3) Doc. A 2-134/86 (VIEHOFF report) and resolution of 23.3.1987, OJ No. C 76/87

(4) See: Doc. A 2-118/87 and Doc. A 2-176/87 (SCHINZEL report) and resolution of 18.9.1987 (OJ No. C 281/87) and **II of 28.10.1987 (OJ No. C 318/87) and the Council resolution of 24.11.1987, OJ No. L 334/87

(5) Doc. A 2-66/87 (TOKSVIG report) and resolution of 17.6.1987, OJ No. C 190/87

(6) See: COM(88) 393 final

- EUREKA

It was largely due to pressure from the Parliament(7) that EUREKA research projects were not run independently of Community research but were closely dovetailed with it, and that Parliament is kept properly informed of EUREKA policy.

- Technological options assessment

Action by Parliament, and in particular by its Committee on Energy, Research and Technology(8), has been instrumental in ensuring that greater attention is paid at European level to the important issues of technological options assessment, evidenced by the decision, after a 18-month trial period, to set up permanent advisory body within the European Parliament (STOA = Scientific and Technological Options Assessment).

(7) Doc. A 2-50/88 (FORD report) and resolution of 20.5.1988, OJ No. C 167/88

(8) Doc. A 2-94/85 (LINKOHR report) and resolution of 10.10.1985, OJ No. C 288, 11.11.1985, p. 130

EDUCATIONAL AND CULTURAL POLICY

1. Cooperation among the Member States of the Community in the field of education and culture is inherent to the process of the construction of Europe, and reflects the spirit of the Treaties, since there is no doubt that it promotes closer relations between peoples and enhances their social, economic and technological development.
2. The European Parliament has long stressed the crucial importance of these two sectors for the dynamic of the Community, and has always supported initiatives designed to reinforce the Community's action in these fields, while respecting the individuality of national traditions and policies in the area of education and culture.
3. Given the absence from the Treaties of a concrete legal basis for Community action in these sectors, it is reasonable to affirm that Parliament has been one of the main agents in the progress achieved in the area primarily as a result of its budgetary powers and the impact of its resolutions.

A. EDUCATION

The first plan for cooperation at Community level in the field of education was submitted by the Commission in 1973; following the meeting of the Council of Ministers in June 1974, the decision was taken to set up an Education Committee. At their meeting of 9 February 1976, the Education Ministers meeting within the Council adopted a programme for cooperation at Community level, in which the priority objectives for the sector were defined.

4. Below are summarized some of the principal steps taken by Parliament in the field since 1984, and some of the most important practical measures for which those steps provided the main stimulus.

With regard to the mutual recognition of higher education diplomas, Parliament adopted, in March 1984 and on 18 April 1985 (OJ No. C 104, 16.4.1984 and OJ No. C 122, 20.5.1985), two resolutions deploring the extremely slow progress being made in the field. Again in 1985, Parliament was called on to deliver its opinion at first reading on the proposal from the Commission to the Council for a directive on a general system for the recognition of higher education diplomas (COM(85) 355 final, OJ No. C 217, 28.8.1985). The common position of the Council, approved by Parliament on 26 October 1988, incorporates most of the amendments adopted by Parliament at first reading (in particular, a more rigorous formulation of certain key concepts of the directive and the possibility of appeal to a competent authority in the host Member State in cases of refusal of the applicant's request to pursue a profession covered by the directive). The new directive, whose adoption is expected shortly, will mark a major step towards the creation of the single market, by guaranteeing freedom of movement and establishment for a large number of professions.

5. Positive results were also achieved by Parliament's resolution of 15 November 1985 (OJ No. C 345, 31.12.1985) containing its opinion on the proposal for a decision on the adoption of a Community programme for cooperation between universities and industry in the field of training in new technology, COMETT (Action Programme of the Community in Education and Training for Technology) 1986-1992. On 26 July 1986 the Council adopted the programme (OJ No. L 222, 8.8.1986), and it was launched in January 1987.
6. On 17 November 1988, Parliament expressed its support for the Commission proposal on the COMETT II programme (1990-1994), with an appropriation of 200 m ECU.
7. Also important is the resolution of 16 May 1986 (OJ No. C 148, 16.6.1986) embodying the opinion of Parliament on the proposal for a decision adopting a Community action scheme for the mobility of university students (the ERASMUS programme - European Action Scheme for the Mobility of University Students). On 10 December 1986, Parliament adopted a further resolution, in which it deplored the failure so far of the Council to adopt the ERASMUS programme. At a meeting of 14 May 1987 (EC Bulletin 5-1987, paragraph 1.3.1.) the Council and the Education Ministers meeting within the Council adopted the programme, earmarking 85 m ECU for its implementation over the first three academic years (1987/88 - 1988/89 - 1989/90). The ERASMUS programme directly affects nearly six million university students in the twelve Member States, and provides for the

setting up of a European cooperation network among the universities participating in the scheme, direct financial support for students attending a university in another Member State and a number of other measures aimed at overcoming the obstacles which have hitherto hindered student mobility.

On 13 November 1986, Parliament adopted an opinion (OJ No. C 322, 15.12.1986) on the proposal for a decision adopting an action programme ('YES for Europe') for the promotion of youth exchanges in the Community. On 16 June 1988 (OJ No. L 158, 25.6.1988), the Council formally approved the implementation of the programme.

On 24 October 1986 (OJ No. C 297, 24.11.1986), Parliament adopted a resolution on teacher mobility in which it requested the application to teachers of the principle of freedom of movement guaranteed by the Treaty, as well as the introduction of a Community statute for teachers.

8. On 20 November 1987, Parliament adopted a resolution on the European dimension in schools (OJ No. C 345, 21.12.1987), in which it protested at the delay in the adoption of measures to remedy the lack of emphasis placed in school syllabuses on education about the Community and proposed a series of practical measures on the question. After Parliament had taken this stand, on 24 May 1988 the Council and the Education Ministers meeting within the Council adopted a major resolution on the European dimension in education (EC Bulletin 5-1988, paragraphs 1.2.1. ff.), which proposed the launching of a series of concerted measures for the period 1988-1992, at both national level (incorporation of the European dimension in educational systems, school programmes, teacher training, etc.) and Community level (information exchange, teaching material, cooperation between educational institutions, etc.).

On 14 October 1988, the Commission adopted a working programme aimed at encouraging innovation in secondary education. This programme, which is to be discussed by the Education Committee, lists a number of priorities, including in-service training for teachers (as already advocated by the Council in its resolutions of 14 May 1987 - EC Bulletin 5-1987, paragraph 2.1.107) and the development of cooperation between secondary schools and industry.

9. In response to appeals from Parliament, the Commission also included the 'European dimension' in the ARION programme (study visits for educational specialists), and agreed to present a programme on the teaching and learning of foreign languages which would also contain a programme for school exchanges and provide a genuinely European dimension (COM(88) 203 final and EC Bulletin 4-1988, paragraph 2.1.88).

B. CULTURE

10. In response to numerous appeals by Parliament, the Commission set up an administrative unit in 1973 to deal with cultural affairs. In addition, the first informal meeting of Ministers of Culture was held in 1982; official meetings began in 1984.

Parliament has adopted large number of resolutions supporting Community actions in the cultural sphere or embodying major initiatives of its own in the sector. These include: the resolutions of 18 January 1979 (OJ No. C 39, 12.2.1979) and 18 November 1983 (OJ No. 342, 19.12.1983) on literary translation in the Community; the resolution of 10 July 1985 (OJ No. C 229, 9.9.1985) on International Youth Year; the resolution of 12 December 1985 (OJ No. C 352, 31.12.1985) on the European Foundation; the resolution of 8 October 1985 (OJ No. C 288, 11.11.1985) on a Community aid scheme for non-documentary cinema and television co-production; the resolution of March 1987 (OJ No. C 99, 13.4.1987) on the fixing of book prices, stressing the need for a Community framework system for book prices and requesting the Commission to submit within a short period a thorough analysis of the market in foreign-language books in the various Member States; the resolution of 10 February 1988 (OJ No. C 68, 14.3.1988) on the teaching and promotion of music in the Community; the resolution of 13 April 1988 (OJ No. C 122, 9.5.1988) on the Commission proposals for action to promote European culture, insisting on the need to develop a cultural policy at Community level; the resolution of 20 May 1988 (OJ No. C 167, 27.6.1988) calling for the setting up of a Community Youth Opera; and the resolution of June 1988 (OJ No. C 187, 18.7.1988) on the establishment of a European Foundation for East European Studies, on which Parliament invited the Commission to submit a formal proposal as soon as possible.

11. Parliament's constant action has stimulated a number of major decisions in the cultural sector.

12. For instance, acting on resolutions adopted by Parliament in this field, the Council and the Ministers responsible for cultural affairs decided, on 9 November 1987 (OJ No. C 309, 19.11.1987) to launch a pilot scheme to promote the translation of important works of European culture and encourage the wider distribution of works thus translated. On 13 November 1986 (OJ No. C 320, 13.12.1986), the Council of Ministers of Culture adopted a resolution on the European Cinema and Television Year (1988), with a view to ensuring the reflection of European identity in the audiovisual media and promoting enhanced European cooperation on the financing, production and distribution of audiovisual programmes.
13. Largely as a result of Parliament's actions, the current trend is promising, particularly in the following four areas: the circulation of cultural goods (television programmes, films, works of art, artists' materials and tools, books), the improvement of artists' living and working conditions (freedom of movement and the right of establishment, social security, copyright protection, tax arrangements, training for the cultural professions, artists' exchanges, support for artistic and cultural events), reinforced intervention in the media (radio, television, cinema, concerts, live theatre), and the conservation of the architectural heritage.
14. On 27 May 1988, the Council and the Ministers responsible for cultural affairs adopted a major resolution on setting up a Committee on Cultural Affairs, to consist of representatives of the Member States and the Commission. On the same occasion, they adopted a series of conclusions on a programme for priority actions in the cultural sphere, to a large extent taking account of Parliament's proposals and suggestions. The priority areas for the medium term will be the promotion of the European audiovisual sector, the book sector, training in the cultural sector, and business sponsorship (EC Bulletin 5-1988, paragraphs 2.1.90 ff.).
15. In a resolution adopted on 17 November 1988, Parliament expressed its support for the MEDIA programme (programme to encourage the development of audiovisual production) and for the Commission proposal for the creation of a European academy of cinema and audiovisual arts.

Glossary of Acronyms defining EC Programmes or Joint Activities within the EC

Note: The references in brackets are to the name of the rapporteur on the programme concerned; the date of the reports; and its Parliamentary number.

- BRITE** : Basic Research in Industrial Technologies for Europe
(cf. Stavrou/18.11.87 - A2-191/87)
- COMETT** : Community Action Programme in Education & Training for Technology
(cf. Lemass/11.88 (A2-251/88))
- COST** : Scientific and Technical Cooperation (CCE, DG XII)
- DELTA** : Developing European Learning through Technological Advance:
(cf. Peus/11.3.88 - Doc. A 2-322/87)
- ERASMUS** : European Community Action Scheme for the Mobility of University Students
(cf. Coimbra/5.86 - Doc. A 2-22/86)
- ESPRIT** : European Strategic Programme for R & D in Information Technology
(cf. Rinsche/18.11.87 - A 2-190/87)
- EUREKA** : A framework for promoting collaborative high-technology projects involving firms and research institutes. It involves 18 European countries and the European Commission.
(European Research Coordination Agency)
(cf. Ford/5.88 - A 2-50/88)
- FAST** : Forecasting and Assessment in the Field of Science and Technology
(cf. Viehoff/9.3.88 - Doc. A 2-299/87)
- JET** : Joint European Torus (nuclear fusion)
- NET** : Next European Torus
- RACE** : R & D in Advanced Communications technologies for Europe
(cf. Turner/17.9.87 - Doc. A 2-119/87)
- SPRINT** : Strategic Programme for Innovation and Technology Transfer
(cf. Bonaccini/4.87 - A 2-241/86)
- STAR** : Community Programme for the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services
(cf. Newman/6.86 - Doc. A 2-60/86)
- STOA** : Scientific and Technological Options Assessment (EP project)
- VALOREN** : Community Programme for the development of certain less-favoured regions of the Community by exploiting indigenous energy potential
(cf. Gerontopoulos/6.86 - A 2-62/86)
- YES** : Young Workers' Exchange Scheme
(cf. Fontaine/11.86 - Doc. A 2-109/86)