



The regions and the global information society

by Monika Wulf-Mathies, Member of the European Commission

The use of the information society for regional development must become an integral part of European structural policy. We must prevent privatization and liberalization from leading to a two-speed European information society. The information highways must not become a one-way street, benefiting only industrialized regions, their presence in disadvantaged areas being marked by signs reading 'cul-de-sac' and 'no entry'.

Marked disparities between rich and poor

According to a study of the regional impact of the information society, carried out on behalf of the European Commission, the disparities between rich Member States and poor ones are very great as regards the use of modern information and communication technologies. Portugal, for example, spends 2.5% of its gross domestic product (GDP) on telephone connections, as compared to a mere 0.4% by France, Finland and Italy. The quality of the links available is another criterion of ease of access to information technologies. Here, too, the differences between Member States are of great significance for them. There are 53 failures each year for every 100 main lines in Greece, as compared to only 11 on average in the six founding members of the European Union, except southern Italy. Nearly 85% of the territory of these six countries (without southern Italy) is linked to the integrated services digital network (ISDN), as against only 32% of the territory of the 'cohesion' countries — Ireland, Greece, Spain and Portugal.

Per capita expenditure on information technologies in the European Union came to ECU 317 on average in 1994. But such investments were far below the EU average in the case of Greece (ECU 47) and Portugal (ECU 85). However, each Dane invested ECU 591 in 1994, or more than 12 times as much as his or her Greek counterpart, while each Swede invested 11 times as much and each German more than nine times as much. It goes without saying that these figures not only reflect the information technology equipment of the population but also have an influence, indirectly, on its level of training and, consequently, its ability to use advanced electronics.

The fact is that we are still far from the ideal model of a European information area, in which every region, citizen, enterprise and organ has access to the network in the same way and at comparable cost. We are even running the risk of widening existing disparities, given the differences in investment levels.

A regional cooperation programme

The European Commission has recently begun to explore new paths, in order to support the regions in their transition to the information society. The interregional initiative for the information society (IRIS) is the best example of a European Union programme aimed at promoting regional cooperation in this field.

IRIS was launched at the end of 1994 in six regions: north-west England, Saxony, north-Pas-de-Calais, Valencia, central Macedonia and Piedmont. Each of these regions faces serious problems of structural change. The early results of the IRIS programme include the establishment, in all six regions, of regional level links with private industry, higher education and the main representative bodies, in the framework of pilot groups. These groups have the task of coordinating the preparation of a strategy and an action programme, and to secure the economic, political and financial backing necessary for its realization.

A 'mobilization conference'

In order to promote the proper development of the information society, and to stimulate initiatives at the regional level by interested parties, my colleague, Martin Bangemann, who has responsibility for telecommunications, and I plan to invite the representatives of all the regions taking part in structural projects promoting the information society to a conference in Brussels early next year. It will be a 'mobilization conference', with the aim of exchanging experiences of the best practices in the field, and of integrating them in the EU's structural policy.

I would like to call on all regional actors to contribute to the second stage of the realization of the information society. I am thinking of:

- telecom operators for the programming and management of complex information services (multimedia);
- manufacturers in the telecommunications sectors, to finalize tailor-made solutions which are both innovative and flexible;
- national and regional bodies and professional organizations in order to determine needs and provide coordination;
- the numerous users groups for a constructive debate involving new interactive services, with a view to mobilizing their creativity and energy.

■ 12 countries are heavily in the red

The EU Council of Ministers took note on 27 June of Germany's very substantial deficit; at the same time it removed Denmark from the list of member countries that are similarly placed. As a result, there are still 12 names on the list: the Fifteen less Ireland, Luxembourg and Denmark. Only these three countries therefore meet the public finance criteria set out in the Maastricht Treaty, in the context of a single currency. Meanwhile, on 12 June, the European Commission examined the budgetary situation of the four least well-off EU countries. In addition to Ireland, which is in conformity with 'Maastricht', the Commission was of the view that Greece, Spain and Portugal were meeting their deficit reduction goals. They will continue, therefore, to be helped by the Cohesion Fund. The Commission will re-examine their situation this autumn.

■ Educational cooperation

Centres of continuing education, businesses, universities and local groups will be able to engage in cross-border cooperation in several educational areas, thanks to the 109 projects selected by the European Commission on 27 June. These projects have been allocated some ECU 3 million (1 ECU = UK£ 0.81 or IR£ 0.79) from the EU budget in the framework of the Socrates programme. The projects relate to three educational areas: distance training, involving the use of new technologies, particularly multimedia; adult education, with the focus on languages and a knowledge of the European Union, and the training of language teachers. The next deadline for those wanting to participate in the Socrates programme, in the three abovementioned sectors, is 1 February 1997.

■ Criteria for future sanctions

In order to sanction those Member States that do not implement the rulings of the European Court of Justice, the European Commission will ask the same Court to impose periodic penalty payments, while the infringement continues. As for the infringements that would attract the severest penalties, the Commission has put at the top of its list violations of the principle of non-discrimination between EU citizens, along with attacks on the EU's four freedoms: the free movement of people, goods, services and capital. The Commission has also highlighted infringements which are detrimental to the smooth operation of the EU and harmful to its resources, the environment or an entire occupational category. This, in substance, is how the Commission intends to implement Article 171 of the EC Treaty, as modified by the Treaty of Maastricht, according to its decision of 5 June.

■ Protection for 328 typical foodstuffs

A total of 328 agricultural products and foodstuffs from 12 European Union countries — the Fifteen less Ireland, Finland and Sweden — are now protected throughout the 15-nation EU against imitations. The designations of these typical products — they include Kentish strong ale and Jersey royal potatoes — can only be used hereafter by producers located in a given area who respect certain rules. The European Commission registered 318 designations on 12 June, and a further 64 on 2 July. The products in question include meats, cheeses, fruit and vegetables, olive oil and sweets. The Commission selected these 382 products from the lists submitted by 12 EU governments, and the selection process will continue. On 21 June, the Commission launched a campaign promoting products of this type; it will last three years and has a budget of ECU 8.8 million.

■ Universities become more European

As many as 56 new full-time teaching posts devoted entirely to European integration; 47 new permanent courses on Europe; 49 European 'modules', or teaching units for part of the academic year and, finally, 18 complementary initiatives, leading to the creation of 'European centres of excellence' — taken together, they make up the 170 projects selected by the European Commission in the framework of the Jean Monnet project, for implementation during the coming academic year. The EU's financial contribution to these projects amounts to ECU 900 800 in all. Launched in 1990, at the request of the universities themselves, the Jean Monnet project has already supported 1 311 university initiatives, including 307 Jean Monnet chairs and 519 permanent courses.

■ EU/US negotiations are in the air

The creation of a common aviation area with the United States is the goal of the negotiating mandate which the EU Council of Ministers gave the European Commission on 17 June. The Commission will confine itself initially to competition rules and investment opportunities, in order that both European and American aviation companies may have the same statutory framework. In any case, bilateral agreements — whether in existence or under discussion — between each of the Member States and the US — will not be called into question. The Fifteen in fact will retain their freedom of manoeuvre until the conclusion of the final agreement with the US.

■ Seat belts to be fitted in all coaches

All large coaches will have to be fitted with seat belts with two anchorage points and shock absorbing seats, under the terms of the amendments to three EU directives approved by the European Commission on 17 June. The provisions covering large coaches will come into force as from October 1997, for new models and two years later for all new vehicles. In the case of medium-sized coaches, manufacturers will be able to choose between 3-point and 2-point seat belts, while the seats themselves will have to be of the energy absorbing type. As for minibuses of under 3.5 tonnes, they will have to be fitted with 3-point seat belts as from October 1999 for new models and two years later for all new vehicles. Only vehicles which meet these requirements will enjoy freedom of movement throughout the 15-nation EU.

CONFIDENCE PACT: STRATEGY CONFIRMED

Guidelines for employment, growth and competitiveness were decided on by the 15 Heads of State or Government of the European Union Member States at their Florence summit on 21 and 22 June. The guidelines aim at an integrated approach, which must mobilize the authorities at the European, national, regional and local levels. Its main features are a reduction and restructuring of government spending and the promotion of investment in training, research, innovation and infrastructure, together with active employment policies. At the end of the Florence session of the European Council, the Commission President, Jacques Santer, claimed that his strategy of a confidence pact for employment, launched at the beginning of the year, had been confirmed. He nevertheless regretted the absence of any decision as regards the trans-European transport network.

□ BRIEFLY

The EU Council of Ministers adopted on 27 June an **action programme designed to make European industry more competitive**. It involves the elimination of legal and administrative constraints on enterprises, particularly small and medium-sized ones (SMEs), the strengthening of industrial cooperation and the promotion of training and technology transfer. There are no specific budgetary provisions for the new programme.

An EU Member State cannot **tax the income of a self-employed person, or the manager or owner of an SME**, working on its territory but resident else-

THE INFORMATION SOCIETY (I)

As information and communications technologies continue to race ahead, they will bring with them sweeping economic and social change in the European Union. Indeed, there is already talk of a third industrial revolution, ushering in the information society. The new technologies provide the EU with some of the tools it needs to embark on some of the urgent tasks facing it, such as maintaining Europe's competitiveness, reducing long-term unemployment and protecting the environment.

In the long term, the information industry will create a great many new occupations and jobs are gradually being created in the information industry. In this new industry, the product, information, is delivered to users on 'pollution-free' information highways. The Europeans need to move quickly to keep up with the global competition. There will always be strong demand for information in Europe, but the suppliers could be anywhere in the world; European suppliers cannot use delivery times as a competitive argument since delivery is instantaneous.

The European Union is running pilot projects aimed at helping Europe become a major information supplier. It is not just an economic challenge that the EU is facing; socially, too, it is important that all citizens of the Union have equal access to information technology.

The economic significance of knowledge

On 28 April 1850, Julius Reuter started his career as an information broker with 45 carrier pigeons. At that time, there were no telegraph wires connecting Brussels and Aachen. Reuter's pigeons, which he had hired from a brewer, could cover the 200 km stretch in just over two hours. Reuter demonstrated that information is a commodity like any other. The faster it can be transported from A to B, the more valuable it is to the recipient.

Today, Reuters, the British news agency, is an international company with a turnover running

into billions. It uses radio, cable and satellite technology to supply its customers instantaneously with vast amounts of data — the essential element in the functioning of an information society. Modern data-transmission technology has made the distance between the source of the information and the consumer irrelevant. They may be on different continents; the information will be just as quickly and readily available as if they were next door.

Traditionally, the provision of information has been a one-way activity, for which fees are charged, making information less attractive to the final consumer. If the information society is to become reality, two-way communication at reasonable prices is essential. The information consumer must also be a supplier and vice versa.

The theoretical possibilities offered by telecommunications technology are truly fascinating. A worldwide network, capable of serving millions of users simultaneously will make it easier to find a wider variety of solutions to problems, and faster.

An engineer faced with a tricky problem can either stick with the limited selection of familiar reference books and other sources of information that are in his immediate vicinity or he can throw the question out to other engineers around the world on a data-network. The chances of getting an innovative answer are many times higher than if he confines himself to the more conventional sources.

Another advantage from the economic point of view is that, if information can be sent half way around the world, people do not need to be. Suppose you are a specialist in your field and need to talk with other experts from the same field; instead of having to travel for hours on end, you can achieve the same result with a video conference. The same principle applies to teleworking. Human resources are too valuable to be sent out to waste time fighting their way through our overloaded transport networks.

Teleworking turns the premise underlying traditional work practices on its head: instead of the

people going to work, the work comes to the people. The world shrinks to the size of a global village.

What is the information society?

While the idea of information as a commodity predates the advent of the information society, the notion of value-added in relation to information has been revolutionized by the new information and communications technologies. The falling cost of hardware (PCs, modems, telephones, etc.) and software has played a particularly important role in spreading the technology and increasing the number of users. The following factors are of primary importance:

- inexpensive ways of recording large amounts of data on data mediums, e.g. via scanners;
- storage of information in mass stores, e.g. on hard disks;
- fast computers for processing information;
- user-friendly software to enable users to find and cross-reference data;
- transmission technology enabling data to be transferred from A to B in the shortest possible time.

With access to information stored anywhere in the world and, above all, the ability to combine and analyse large quantities of data, it is possible to create new knowledge, which other people do not have and which has (added) value. In an information society, information is the most important commodity.

Advantages: new occupations and markets are created; the environment benefits from the use of electronic 'highways' instead of the tarmac variety; peripheral areas are linked to the centre with no increase in the volume of traffic; new possibilities for creating knowledge help us to find innovative answers to the problems of tomorrow.

Possible risks: new electronic services are not used by consumers; employers and employees fail to agree on new forms of working (e.g. teleworking from home); jobs are lost to other countries, where business costs and the level of data protection are lower; access to information is not equally distributed in the Union; knowledge can be used as an instrument for abusing power.

International competition

The intensity of global competition between the companies that supply information and transfer it

from one place to another is steadily increasing. The United States and Japan have a head-start when it comes to promoting information and communications technology and exploring possible applications.

Both countries have two distinct advantages over the EU, which make for more rapid development: they each have a single system of standards and a single national language.

What is worse, the EU Member States are not just competing with the two economic giants for technology and information markets. The newly industrializing countries also see opportunities for business in the information market. Companies are already having large amounts of data recorded in places like India, rather than the industrialized countries, where the cost of labour is that much higher.

To give another example, robots on a production line can be monitored via high-speed data networks from locations far removed from the factory, making a new division of labour possible: at the end of a working day, when the late shift has finished, the machines in the factory in Europe can be serviced and programmed by people in another part of the world where the day is just starting.

Where machines are controlled by computers, people no longer need to be on the production site itself.

Potential for new services

The new technologies are generating a lot of potential for new services. In many cases, all that is required is a computer and a telephone link. Investment costs are relatively low, as are the fees for transmitting and receiving data, making it a more attractive proposition than building a new plant for countries where capital is in short supply.

The EU countries are facing an enormous challenge. Despite the fact that two thirds of people currently alive on this planet have never held a telephone in their hand, the development of the information society has to be seen in global terms. The European Union has no alternative but to create whatever structures are required to stay on top of the expanding information market.

The second part of this article will appear in our next issue, No 9/96.

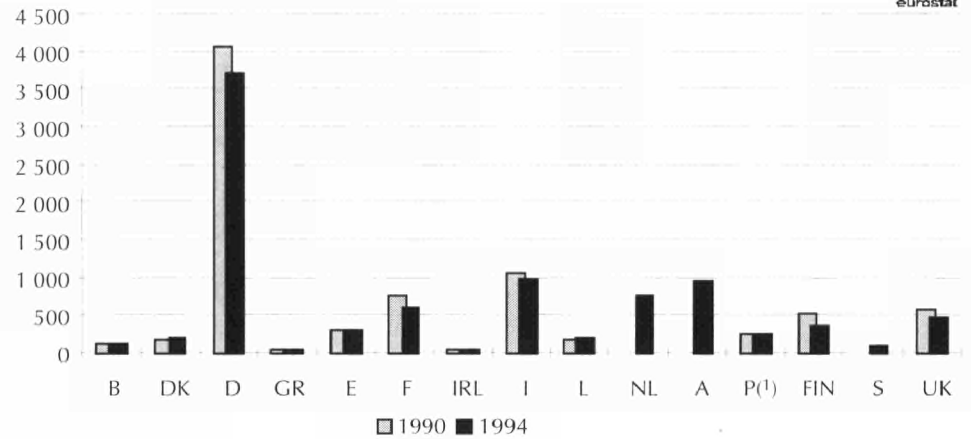
Credit institutions in the European Union, 1994

In terms of total population, the credit institutions in the European Union of Fifteen are concentrated in Germany, Italy, France and the United Kingdom.

The lowest populations are in Greece and Ireland, where only around 50 companies are active on the market.

The number of credit institutions in the European Union has declined over the past five years, often on account of mergers and acquisitions mainly affecting the smallest companies.

Number of credit institutions



(1) 1990 and 1993.

Number of credit institutions

	EUR 15	B	DK	D	GR	E	F	IRL	I	L	NL	A	P(1)	FIN	S	UK
1990	8 224	127	189	4 071	44	327	787	47	1 061	177	:	:	261	540	:	593
1994	9 261	130	208	3 736	49	316	606	52	1 002	222	768	955	259	362	111	485

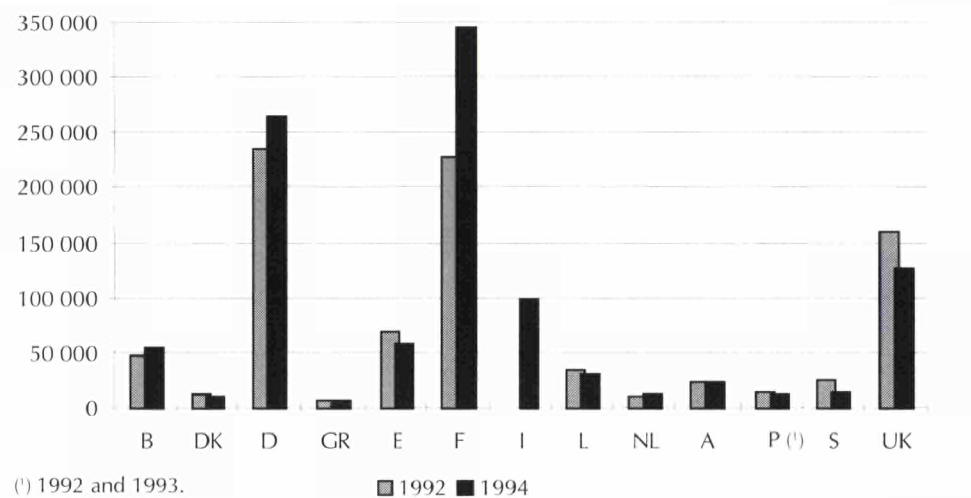
(1) 1990 and 1993.

A comparison between the Member States shows that the credit institutions in France, Germany and the United Kingdom derive most of their income from interest and commission.

From 1992 to 1994, income from interest and commission in France and Greece showed high growth rates in national currency terms.

In Denmark, Austria, Luxembourg, the United Kingdom and Sweden, by contrast, the amount of interest and commission received fell over the same period.

Interest and commission received (million ECU)



(1) 1992 and 1993.

Average annual growth in interest and commission received (1992 - 94)

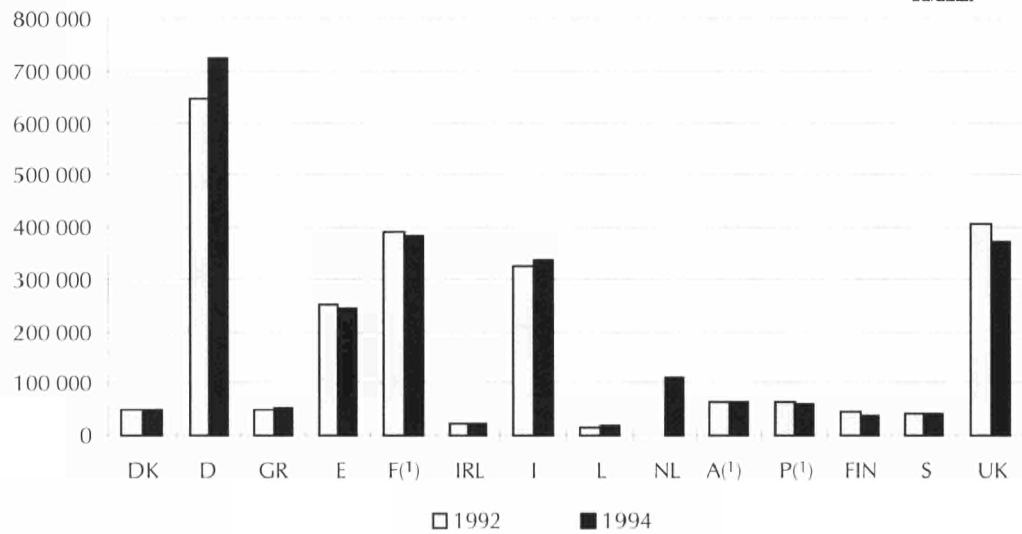
	B	DK	D	GR	E	F	L	NL	A	P(1)	S	UK
ECU	7.07	-9.59	6.23	7.06	-7.43	23.06	-4.98	10.20	-2.00	-7.00	-26.36	-10.83
National currency	4.54	-11.15	3.66	15.60	1.37	20.65	-7.21	7.34	-4.37	0.27	-18.78	-8.54

(1) 1992 and 1993.

In the European Union of Fifteen, the total number of persons employed in the banking sector in 1994 stood at 2 530 314.

In many Member States, employment began to decline after 1992, not only in the wake of rationalization but also on account of mergers and acquisitions. The highest percentage of persons employed compared with total employment was recorded in Luxembourg, where the banking sector plays a major role.

Number of persons employed



(1) 1992 and 1993.

Percentage of persons employed compared with total employment, 1994

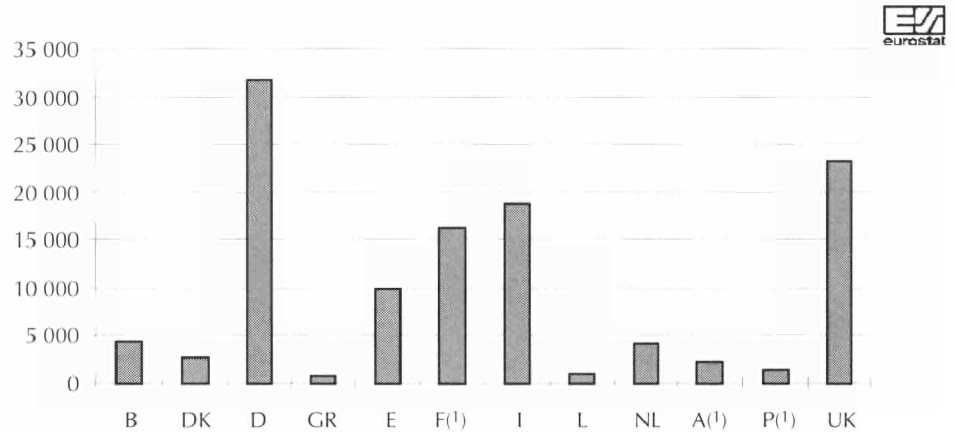
EUR 15	B	DK	D	GR	E	F (1)	IRL	I	L	NL	A (1)	P (1)	FIN	S	UK
1.77	:	1.89	2.09	1.38	2.06	1.72	1.90	1.68	8.48	1.67	1.82	1.42	1.84	1.10	1.46

(1) 1993.

There are major differences among the Member States in terms of the average cost of employment per person

Staff expenditure in the Luxembourg banking sector is higher than average. The average cost of employment per person in Portugal and Greece is the lowest in the European Union of Fifteen.

Staff expenditure, 1994 (million ECU)



(1) 1993.

Staff expenditure per person, 1994 (ECU)

B	DK	D	GR	E	F (1)	IRL	I	L	NL	A (1)	P (1)	FIN	S	UK
:	54 894	43 706	17 178	40 169	42 587	:	55 484	62 873	37 811	36 090	24 233	:	:	62 861

(1) 1993.

where, at a rate higher than that applied to its own residents. In handing down this ruling on June 27, the European Court of Justice ruled in favour of a Dutchman, resident in Belgium and managing a small company in each of the two Member States.

On 27 June, the EU Council of Ministers authorized all Member States to **apply VAT at a reduced rate to all deliveries of living plants and other floral products**, including not only cut flowers and leaves for ornamental purposes but also bulbs and roots. The measure, which also covers firewood, is aimed at ending competitive distortions between Member States.

A national of an EU Member State who finds himself **without identity papers in a country in which his own State has neither embassy nor consulate**, can obtain a provisional travel document from the embassy or consulate of another Member State. A decision to this effect was taken by the Fifteen on 27 June.

As from next year, **insecticides, fungicides and herbicides** will be protected for a further period of five years, after the expiry of the relevant patent, thanks to a supplementary protection certificate. This new measure for the protection of intellectual property is contained in a regulation adopted by the EU Council of Ministers on 10 June.

The Fifteen must notify the European Commission of the list of **flavours whose use is authorized in the preparation of foodstuffs**, according to a regulation adopted by the EU Council of Ministers¹ on 25 June. On the basis of these lists, the Commission will prepare a directory, within 12 months, for the mutual recognition of these flavours within the EU. The Commission will then have five years in which to draw up a list of flavours, whose use is authorized throughout the 15-nation EU.

The European Court of Justice condemned **Belgium, Greece and Luxembourg** on 2 July for reserving civil service jobs for their own nationals, even when the employment in question did not involve the exercise of State powers. In Belgium, these jobs are in water, gas and electricity supply, in Greece and Luxembourg throughout much of the public sector.

Within two years at most, EU countries which have signed the social policy agreement — the Fifteen without the UK — will have to implement the **directive on parental leave**, adopted definitively on 3 June by the EU Council of Ministers, without the UK. The directive provides for leave of three months at least in order to look after an infant.

As from 1 January 1997, **animals and products of animal origin, imported from non-EU countries** will be subject to a flat charge of ECU 5 per tonne for veterinary inspection. The aim is to prevent trade distortion resulting from competition at border inspection points.

The **French regulation on the year of manufacture of motor vehicles** is contrary to the EC Treaty, according to a 27 June ruling of the European Court of Justice. This is because only vehicles sold in France by authorized dealers are granted, as from 30 June, the year of manufacture for the following year. Vehicles imported in parallel from other EU countries are thus at a disadvantage.

The acronym 'CEE' will be replaced by 'CE' in the classification, packaging and labelling of dangerous substances. The EU Council of Ministers modified¹ the relevant directive on 25 June, to bring it into line with the Treaty on European Union.

An EU Member State can **ban the sale of a product containing dangerous substances**, even if the product in question is on sale legally in another Member State, in the absence of a European regulation for the sector as a whole. In handing down this ruling on 27 June, the European Court of Justice upheld a decision of the Belgian authorities, banning a shop from selling biocide cleaning agents imported from Holland.

INITIATIVES

● Checks on State aid for employment

The European Commission views favourably in principle national measures which promote employment, particularly those which reduce labour costs, especially as regards unskilled jobs. But, as the guardian of the common European interest and of competition, it cannot accept State aid which would simply shift the unemployment problem from one EU Member State to another. The Commission has set out its position in a communication to the Fifteen dated 19 June. It sees a danger in the aid given to sectors in difficulty, and facing intense European and even global competition, such as the textile and clothing sector, for example. On the other hand, it advises the Fifteen to take measures in sup-

¹ After examination by the European Parliament.

port of certain service activities, where international and even European competition is far more limited, and where EU companies are not in competition with low-wage countries. What is more, as these are the very sectors in which tax fraud and moonlighting appear very widespread, a reduction in non-wage labour costs or taxes could also have a healthy effect.

● Coming: A strategy for textiles

In 1995, the European Union textile and clothing industry shed 67 000 jobs; the industry has been losing jobs for several years in fact. Textile production has fallen and clothing production remains stagnant. At the invitation of the European Commissioner for industry, Martin Bangemann, manufacturers, trade union leaders and those in charge of policy at both the national and European levels met on 19 June to fight unemployment. They decided to draw up a European strategy aimed at (1) strengthening competitiveness through research, training and the use of information technology; (2) gaining access to world markets for European products and fighting fraudulent imports of foreign goods and (3) promoting cooperation between European firms.

○ BRIEFLY

With a view to improving the **management of its research programmes**, and ending the frustration experienced by firms which failed to be selected, the European Commission organized a seminar on 26 June for the representatives of industry, including SMEs. The Commission will publish a new guide to these programmes, on the basis of the ideas expressed at the seminar.

Finland's Parliament amended on 4 June the country's financial legislation in order to create the conditions needed to align the Finnish markka on the exchange rate mechanism of the European monetary system. The markka has been floating since 1992 in relation to other European currencies.

European Commissioners Ritt Bjerregaard — environment — and Martin Bangemann — industry — wrote on 2 July to the Association of European Automobile Manufacturers (AEAM), inviting the profession to study, with the Commission, ways of **reducing petrol consumption**. The aim is to reduce emissions of carbon dioxide.

The European Commission announced on 2 July that Bangladesh is now required to issue **export licences which cannot be falsified** for all textile products sold in the 15-nation European Union. This experiment in the fight against fraud could be extended to other supplier countries eventually.

The institute for financial services is organizing in Strasbourg on 27 and 28 September an **international conference** on the theme of the European monetary union and the regional responsibility of **financial institutions vis-à-vis consumers**. For further information, contact the Alsace chamber of consumption, tel. +33 88 15 42 42, fax +33 88 15 42 41.

Since the creation of the network in 1984, the 117 **business and innovation centres** to be found throughout Europe, and more particularly in problem regions, have assisted at the birth or development of 7 400 innovative businesses. These firms have generated more than 48 000 direct jobs and roughly 100 000 indirect ones. After five years of activity, the survival rate of these firms stands at 89%, as compared to 50% on average for all European enterprises. For further information contact: EBN — tel. + 32 2 772 8900, fax + 32 2 772 9574.

The European Institute at the University of Liège is organizing from 3 to 5 October a **conference** on regional agreements and multilateral rules **after the Uruguay Round**. For further information: tel. + 32 41 66 31 56, fax + 32 41 66 31 55; Internet: <http://www.ulg.ac.be/ieje/conf2/>

SEEN FROM ABROAD

▶ Slovenia applies for membership

Slovenia officially applied to join the European Union on 10 June, on the occasion of the signature in Brussels of a Europe agreement between Ljubljana and the European Union. Slovenia thus becomes the 10th Central and East European country to sign such an agreement, which implies the prospect of membership in due course. Slovenia is also the only ex-Yugoslav Republic to find itself in this situation.

◆ More effective services in support of SMEs

Since 1994, the integrated programme in support of small and medium-sized enterprises and craft industry brings together, in a global and coherent framework, the various initiatives that have been taken to develop the growth and employment potential of SMEs at the Community, national and regional levels. The integrated programme provides more particularly for the implementation of a new type of initiative, 'concerted actions'. They consist of encouraging the Fifteen, and all those concerned with the development of SMEs, to work together for greater effectiveness and coherence.

These actions are intended, on the one hand, to simplify the legal, administrative and fiscal conditions in which enterprises must operate (concerted action No 1) and, on the other, to examine the aid granted by the various Member States to enterprises (concerted action No 2), in order to support SMEs during the most sensitive stages of their development (creation, growth and transfer). The method proposed consists in particular of holding 'forums' which enable the Fifteen to exchange information on innovative experiences and to compare the 'best practices' selected at the national, regional or local level. A third concerted action, designed to stimulate the use of services offered to SMEs, has begun this year. It will result in the organization of a forum, the first of its kind, in Dublin on 18 and 19 November, on the theme of increasing the visibility and effectiveness of support services for SMEs. Combining workshops centred on specific themes and plenary sessions, the Forum will provide an opportunity to learn about the national, regional or local initiatives whose aim is the creation or development of support services for SMEs, and to identify ways of stimulating recourse to these services by them. The Dublin Forum will be open to government representatives, intermediaries offering their services to SMEs and to the managers of SMEs, and will allow them to obtain the most detailed information on how to adjust the offer of services to the real needs of SMEs. The Forum will also increase the effectiveness of the measures to be taken in this regard, through a better dialogue between entrepreneurs and the various support services.

◆ Helping European textile and clothing subcontractors

Small and medium-sized subcontracting firms account for 10 to 60%, depending on the Member State, of the European textile and clothing sector as a whole. The sector employs roughly 650 000 workers, including some 200 000 artisans, according to the latest estimates.

Community actions in favour of subcontracting have been concerned so far mainly with (1) the introduction of an environment favourable to these activities in the context of the single market and (2) improvements to the lines of communication between principals and subcontractors.

In a communication submitted to the EU Council of Ministers on 20 May, the European Commission has proposed a series of actions and the creation of a permanent complementary system of support for the efforts undertaken by the textile and clothing subcontracting industry to improve its competitiveness. The Commission, aided by a group representing this industry, could ensure the complementarity between the various partners, by playing a role involving both promotion and stimulation. In its communication the Commission has stressed in particular the difficulties facing SMEs in the matter of training. It is necessary to propose training which is adapted to the operating conditions of subcontractors (distance training or within the firm) and is affordable. Among the actions suggested to promote the textile and clothing subcontracting industry, the Commission has envisaged the possibility of backing the organization of 'inverted shows', for meetings organized beforehand between principals and subcontractors.

◆ More cooperation between craft industry and micro-enterprises

In order to enable craft and cottage industries to exploit more effectively the advantages offered by the European single market, the European Commission has decided to introduce a programme aimed at helping them in the field of cross-border cooperation. Published in the *Official Journal of the European Communities* (C 142, 14.5.1996 and 23.5.1996), the Commission's action is aimed at organizations which are experienced in advising firms and working alongside them.

Through meetings between firms, which have been prepared by these organizations, the projects must facilitate contacts between potential partners in the other Member States of the European Union and the European Economic Area, with the aim of creating durable inter-firm cooperation. Each project must involve advisory bodies and firms from at least two Member States. The European Commission can meet up to 50% of the total cost of each project which has been selected, up to a maximum of ECU 20 000. Projects must reach the Commission by 1 November 1996. Additional information and an explanatory note can be obtained from the European Commission, DG XXIII/A.4, 200 rue de la Loi, (AN80), B-1049 Brussels, fax +32 2 295 2154.

The contents of this publication do not necessarily reflect the official views of the institutions of the European Union.
Reproduction authorized with reference to the source.

A great deal of additional information on the European Union is available on the Internet.
It can be accessed through the Europa server (<http://europa.eu.int>).

European Commission

Directorate-General for Information, Communication, Culture and Audiovisual Media and Directorate-General for Enterprise Policy,
Distributive Trades, Tourism and Cooperatives, Rue de la Loi 200 — B-1049 Brussels



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES
L-2985 Luxembourg

Catalogue number: CC-AI-96-008-EN-C