target'92

COMMISSION OF THE EUROPEAN COMMUNITIES

Directorate-General Information, Communication and Culture

Monthly newsletter on the single internal market

Half the 1992 programme has already been adopted

The Twelve have already reached the half-way mark on the road to the single European market. Nearly 47 % of the 279 measures needed to complete the single market had been adopted by the end of July — as compared with only 32 % a year before, on June 23. And if one takes into account the texts which (1) the EC Council of Ministers has already approved, but which now await examination by the European Parliament and (2) have been only partly adopted, the total is over 50 %.

The Council has done so well because a large number of decisions require a majority vote rather than unanimity, since the Single European Act came into force on 1 July 1987. In its annual report on the completion of the single market, published at the beginning of summer, the European Commission drew attention to the extent to which this more flexible voting procedure has speeded up the Community's decision-making process. It took 12 months to adopt important Community legislation on machinery safety, as compared to the 70 that were needed for the unanimous adoption of the first EC directive on the noise made by lawn-mowers!

In the areas which still require unanimity, 'no wide-ranging decision could be adopted', according to the Commission. This was the case as regards the free movement of persons, VAT and the tax on savings. On these issues, the Commission regretfully noted, discussions in the Council are on the basis of special cases, like fraud and smuggling, with honest citizens subjected to restrictive measures, something which can hardly improve the Community's image.

The European Commission, for its part, has carried out its undertakings. It has sent the Twelve more than 90 % of the proposals required of it, excluding questions relating to plants and animals. This amounts to 85 % of the overall total. The remaining 15 % will be tabled before the end of the year.

The European Parliament has also contributed to the smooth execution of the 1992 programme. In the words of the Commission it has 'considerably speeded up the rhythm of work' and its effectiveness has enabled it to influence the decisions of the Council of Ministers.

However, the '1992' measures, even when duly prepared by the Commission, amended by the European Parliament and voted by the Council of Ministers, remain without effect until incorporated into the national legislation of the 12 Member States. However, of the 68 measures which were due to come into force by 31 May 1989, only two had been translated into national law in all 12 EC countries. The Commission's call to the national governments to 'modify their behaviour' was hardly surprising under the circumstances.

The message of 1992 has been received by the Community's economic leaders, according to all the surveys that have been carried out on the Commission's behalf. It is also borne out by recent statistics, especially those which point to the recovery in investments and the strong growth of intra-Community trade. The Commission has announced in its report that it 'intends to step up its information activities, in order to bring the significance and contents of the measures adopted and envisaged to the attention of the largest possible number of people'. A team of speakers, called 'Team 92' has been doing just this in recent months in the various regions of the Community. Incidentally, we have been trying to do much the same thing with **Target '92** since last year.

The measures required by the 1992 programme in figures

The total number to be adopted	279
Proposed by the European Commission	238
Definitively adopted by the EC Council of Ministers	130
Partially adopted by the Council	5
Adopted by the Council, but awaiting Parliamentary examination	8

8

SEPTEMBER 1989

Decisions

■ A timetable for monetary union

The European Community's Finance Ministers will have to decide by 18 December on how to launch the first stage of the Delors Plan for economic and monetary union, if they are to meet the timetable they set themselves on 10 July. The first stage, which should begin on 1 July 1990, implies closer monetary cooperation among the Twelve; the unrestricted use of the ecu, the Community's currency unit, by businesses as well as individuals and the inclusion, in the European exchange-rate mechanism, of the currencies still outside it — sterling, the Greek drachma and the Portuguese escudo. The timetable adopted by the ministers also notes that during their summit meeting this December, the Community's Heads of State or Government will arrange for a conference on the subsequent stages of the road to economic and monetary union. The European Commission will submit a proposal to the Twelve at the beginning of next year on the substance of these stages.

■ Over 24 000 Erasmus scholarships in 1989/90

During the 1989/90 academic year more than 20 000 European university students will be able to pursue their studies in another European Community country, thanks to an Erasmus scholarship. The names of those selected were announced in June. The names of the 4 046 teachers who have been awarded similar scholarships for the coming academic year were announced in July. The teachers can visit a university in another EC country in order to prepare cooperation programmes, improve the contents of their courses or their knowledge of the educational systems of other Community countries. The 84 universities or university bodies taking part in the European system of transferable credits chose in July the 594 students who can spread out their studies between several European countries and yet obtain their degrees in the normal length of time.

*

* *

BRIEFLY

■ Some 300 exchanges between secondary-school teachers can take place during the 1989/90 school year, thanks to the scholarships granted by the European Commission, at the initiative of the European Parliament. Teachers employed in schools wishing to cooperate with similar teaching establishments in other European Community countries will be able to spend at least three weeks in the country of their choice, to prepare or carry out 'European' projects.

■ Universities in the 12 European Community countries will find it easier to set up courses in European integration, in law, economics, history and other social-science faculties. The European Commission decided this summer to finance European chairs in universities, through an action named after the 'Father of Europe', Jean Monnet.

■ Some 25 studies on the theme 'After 1992 — monetary, political or institutional developments linked to the realization of the single market', received awards of up to a maximum of ECU 5 000 from the European Commission in mid-July. Their authors all teach at universities.

■ The 12-nation European Community will have a single market in lamb meat from 1 January 1992 at the latest. The European Community's Agriculture Ministers decided on 26 July that premium levels for this sector will no longer be set according to the country but the type of production in question.

Initiatives

● Acceptance of professional qualifications

The European Commission would like physiotherapists, air hostesses and other professionals with short-term training (less than three years), to be able to practise freely throughout the 12-nation European Community. It has sent a proposal to this effect to the Twelve in July, in order to give a European dimension to occupations to which access is governed by national regulations in each Member State. The Commission is asking each of the Twelve to accept automatically the training provided in the other 11 Community countries, when it is equal or superior to that required at the national level. However, where this training is quite inferior, whether because of its duration or contents, the authorities in each EC country could require the candidate to undergo further training or sit for an examination. They could also require proof of professional experience.

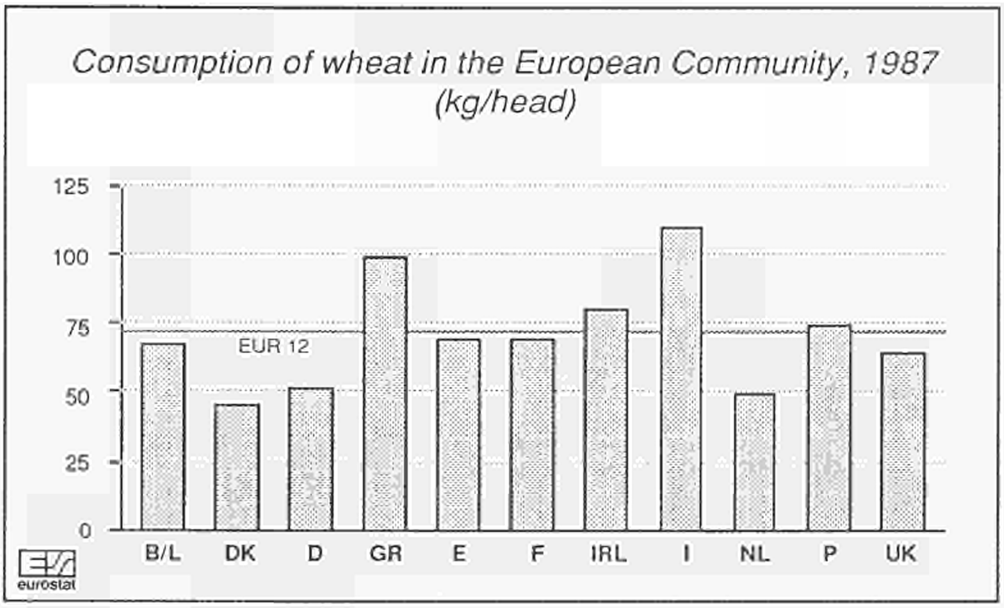
● Fewer formalities while waiting for 1992

Proposals which would (1) double the duty-free allowance for travellers arriving from another European Community country and (2) eliminate the transit advice note (see p. 4) were sent by the European Commission to the Twelve in July. The Commission's aim is to reduce the irksome formalities that must be completed when crossing one of the Community's internal frontiers, pending their elimination in the context of the 1992 programme. The Commission wants the duty-free allowance raised from the present ECU 390 to ECU 800 at the beginning of 1990, then to ECU 1 200 a year later and to ECU 1 600 in 1992. The quantities of tobacco, alcohol and perfume that travellers are authorized to import would be doubled between now and 1992.

THE EUROBAROMETER SURVEYS
The 1992 programme is still welcome

Three out of four Europeans know of the existence of the 1992 programme, while three out of five regard it as 'a good thing'. The two Eurobarometer surveys conducted on behalf of the European Commission, one this spring, the other at the beginning of summer, thus confirm the findings of the previous survey, carried out last autumn. A majority of those polled were favourable to the single European market in all 12 European Community countries. In the Community as a whole, two-thirds of those polled, and nearly three-quarters of those who expressed an opinion, saw in the single market a source of hope, while 27 % were afraid of it. As for the concrete goals of the single market, the list presented by the pollsters enjoyed greater success this spring than six months earlier. In the lead, with more than 80 % in favour, was the possibility to (1) buy in one's own country all the products legally on sale in the 11 other EC countries; (2) move money from one EC country to another without restrictions and (3) reside anywhere in the Community for as long as one wished. However, the harmonization of VAT rates, which was favoured by 69 % of those polled in the Community as a whole (an increase), was welcomed by no more than 22 % of Luxembourgers. Similarly, the elimination of border controls aroused the enthusiasm of just 45 % of the British, as compared with 66 % in the Community as a whole.

eurostat
Key figures
Statistical Office of the European Communities, L-2920 Luxembourg, Tel. 4301-4567



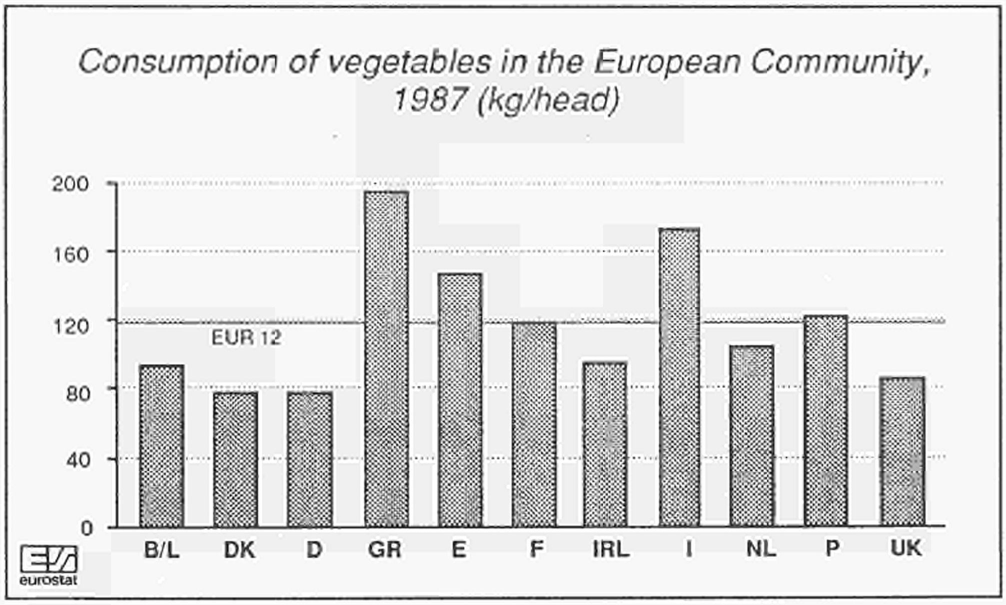
Consumption of wheat in the European Community, 1987 (kg/head)

EUR 12	B/L	DK	D	GR	E	F	IRL	I	NL	P	UK
72.3	67.5	45.9	51.8	99.2	69.3	69.6	79.9	110.0	49.7	74.8	64.3

Wheat

In the European Community countries, wheat consumption in 1987 was 72.3 kg per head.

Wheat consumption was by far the highest in Italy (110.0 kg/head/year), and lowest in Denmark (45.9 kg/head/year).



Consumption of vegetables in the European Community, 1987 (kg/head)

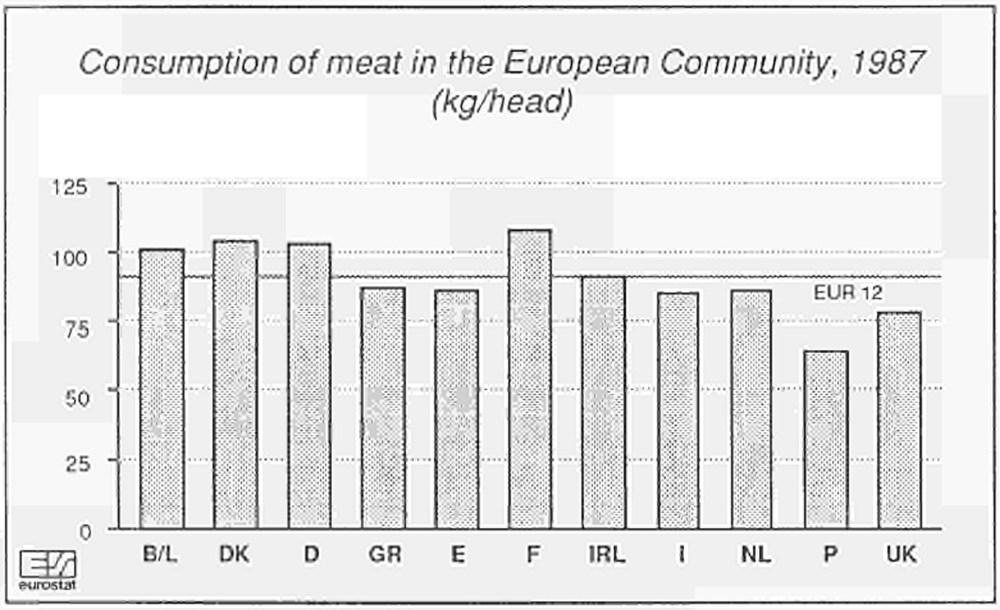
EUR 12	B/L	DK	D	GR	E	F	IRL	I	NL	P	UK
118.5	92.9	77.1	77.4	195.4	147.9	118.8	94.9	173.3	103.9	122.9	86.2

Vegetables

In 1987 each inhabitant of the Community consumed on average 118.5 kg of vegetables.

Annual consumption was highest in the producer countries in the Mediterranean Basin, in particular in Greece, (195.4 kg/head/year). In the Northern European countries consumption was well below the Community average (Denmark: 77.1 kg/head/year; Germany: 77.4 kg/head/year).

Meat



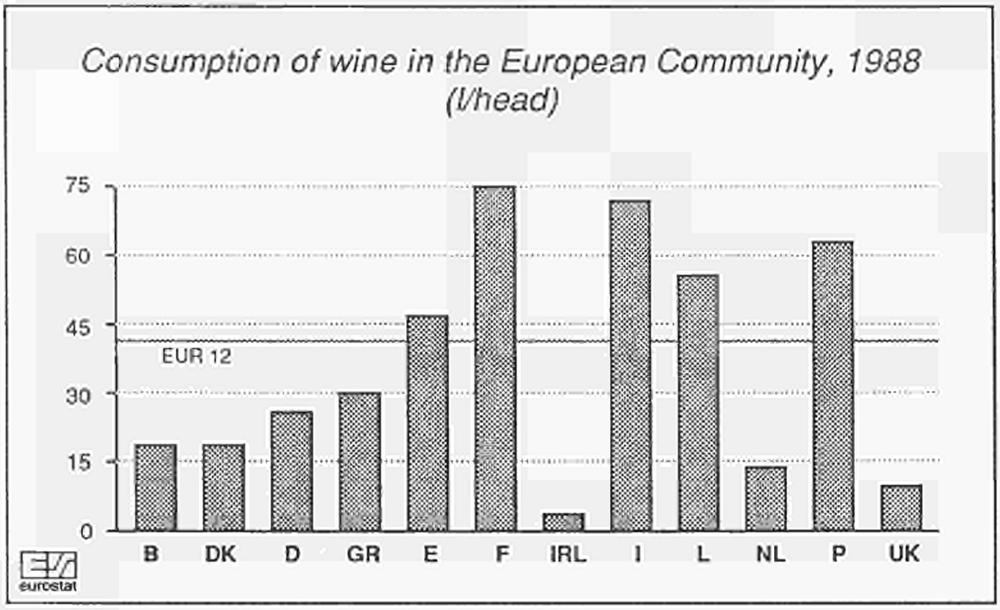
Consumption of meat in the European Community, 1987 (kg/head)

EUR 12	B/L	DK	D	GR	E	F	IRL	I	NL	P	UK
91.7	101.3	104.0	103.5	87.4	86.0	108.2	90.6	84.9	85.6	64.3	77.9

In the European Community average meat consumption in 1987 was 91.7 kg per head, having increased steadily over the past few years.

Consumption was highest in France, Germany, Denmark and Belgium/Luxembourg, in excess of 100.0 kg/head/year. The lowest consumption was in Portugal, at 64.3 kg/head/year.

Wine



Consumption of wine in the European Community, 1988 (l/head)

EUR 12	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
42.0	19.1	18.5	25.9	29.9	47.0	74.9	3.6	72.1	56.2	13.8	63.0	10.0

The average consumption of wine in the Community countries was 42.0 l per inhabitant in 1988.

The greatest drinkers of wine were the French (74.9 l/head/year) and the Italians (72.1 l/head/year), which was more than 20 times the consumption of the Irish (3.6 l/head/year).

● Confidence can eliminate frontiers

The free movement of goods in the single market will remain purely academic if the national authorities and businesses in each European Community country have little confidence in the goods produced in the other EC countries. To establish such confidence, the European Commission proposed to the Twelve in July a policy of mutual acceptance of laboratory tests and other quality-control methods. The Commission plans to get the 1 000-odd national bodies responsible for conformity to negotiate among themselves, thus creating a European network for the mutual acceptance of the tests carried out by the 10 000 laboratories to be found in the EC. The European Commission is also advocating the adoption, at Community level, of a system which originated in the United States and has been strongly developed in Japan: recognition of conformance testing by the producers themselves.

* * *

BRIEFLY

● With a view to deregulating the airline industry as much as possible, thus bringing down the cost of air travel, the European Commission proposed a series of measures, which it would like to see applied from next year, to the Twelve in July. It would be possible, for example, for an airline to introduce a new fare on the Brussels-Athens route with the approval of only one of the governments concerned. The Commission has recommended a special procedure to prevent 'dumping' in price terms and will propose the harmonization of safety standards at the end of the year.

● The 12-nation European Community could save ECU 1.3 billion in 1992 and up to ECU 5 billion in the year 2000 by allowing electricity to flow freely from one EC country to another. In the case of natural gas the savings would amount to ECU 625 million. It was on the basis of these estimates that the European Commission proposed the elimination of obstacles to the free transmission of electricity and gas to the Twelve in July. It has especially asked them to authorize the use of gas and electricity networks by others than the distribution companies. Also with a view to creating a single market in energy, the Commission has asked the EC countries to adopt common technical standards for the design and construction of their nuclear power stations. The Community would benefit in terms of both profitability and safety by selecting strict standards, according to the Commission.

● The European Commission has relaunched the idea of a European company, by proposing a draft statute to the EC Council of Ministers in July. It provides for a minimum capital of ECU 100 000; the possibility of offsetting the losses made in one European Community country against the profits made in the others when filing tax returns and a system of employee participation. The idea of a European company was first launched, if unsuccessfully, in the 1970s. The Commission's new draft should provide European companies with a legal framework suited to the single market. To overcome the main political difficulty — employee participation — the Commission has proposed that each EC country be allowed to choose between three options: co-management on the German model; factory committees on the French model and an agreement between employers and trade unions for a different system.

● The German trade union confederation (DGB) and the union of German employers' organizations (BDA) issued in Frankfurt, on 27 July, a joint declaration calling for minimum social standards, to apply to the entire 1992 single market. The two sides were unable to agree, however, on whether this was to be achieved through Community legislation or national measures. The next day, at Düsseldorf, Ernst Breit, President of the DGB and the European Trade Union Confederation, announced that European trade unions would shortly be putting the finishing touches to a joint strategy covering such issues as the 35-hour week and factory committees.

● The measures designed to liberalize Spanish stock exchanges — Madrid, Barcelona, Valencia and Bilbao — came into force on 31 July. Adopted by the Spanish Parliament last year, they imply the elimination of the monopoly hitherto enjoyed by authorized stockbrokers. The reforms are also aimed at providing Spanish industry with the capital it needs.

Cross-border television on hold

For the first time since the Single European Act came into force on 1 July 1987, European legislation dealing with the single market is in abeyance and could simply disappear before it has even been adopted. This is the fate which seems to await the directive on cross-border television, which sets out the rules that television stations must comply with if a given programme is to be broadcast throughout the Community. The EC Council of Ministers reached agreement by a majority vote on 13 April on a text (see **Target '92**, No 5) which the European Parliament amended at the end of May. The European Commission having agreed to some amendments, the amended text was returned to the Council for adoption. This is the normal procedure for all legislation relating to the 1992 programme. But the French and Dutch having changed their minds meanwhile, and thus having joined the opponents of the text, it failed to obtain the necessary majority vote when the Council met in June and again in July. Under the terms of the Single Act, the Council must adopt the text before 6 October, as it will be back to square one otherwise.

Seen from abroad

▶ Austria applies to join the EC

Austria's Foreign Minister, Alois Mock, formally presented his country's application to join the European Community to the EC Council of Ministers on 17 July. The Council forwarded the application to the European Commission, which must give its opinion. To succeed, a membership application requires the unanimous approval of the Twelve and a majority vote in the European Parliament. In presenting its application, the Austrian government pointed out that membership must not affect the country's neutrality. The Soviet Union's Deputy Foreign Minister, Vladimir Petrovsky, told a press conference in Vienna on 7 August that his country understood Austria's interest in developing economic relations with the EC but could not disregard the military side of the matter.

* * *

BRIEFLY

▶ Nine state governors from the United States were in Brussels from 5 to 7 July in order to learn more about the single European market and its implications for the businesses located in their states. The governors, whose states have very different economic characteristics, met the President of the European Commission, Jacques Delors, the Commissioner for External Relations, Frans Andriessen, and the Commissioner for Culture and Information, Jean Dondelinger. The President of the Association of Governors, Gerald Baliles, declared that the visit, the first of its kind, would not be the last.

▶ 'A blanket restriction that lies across 12 countries, that's a frightening prospect . . . We're in uncharted territory', was the reaction of Jack Valenti, head of the Motion Picture Association of America, to the European Community's project for cross-border television (see box). The project is designed to ensure that more than half the air-time devoted by television stations to films and serials is reserved for European programmes when practicable.

▶ 'Hungary should join the European integration process without becoming a member of the EEC', according to a text presented by the Hungarian Government on 1 August to a conference in Brussels on Western aid to Hungary and Poland.

SMEs

Training in strategic management

The Commission of the European Communities adopted last December a programme of experimental training activities, aimed at testing the methods to be used for training the managers of small and medium-sized enterprises (SMEs) in strategic management, in the light of 1992; encouraging regional and sectoral analyses of the effects of the single market on SMEs, and setting up an exchange and cooperation network involving training institutions.

With the help of recently selected training and consultancy bodies, the experimental 'Training of managers of SMEs in strategic management in the perspective of 1992', will test the information tools of SME managers on what the completion of the single market means, and will help identify forthcoming changes for their companies in the new European environment. The training methods thus tested should offer managers the means of defining or modifying their strategy and of finding out, if need be, complementary training needs and the possibility of participating in specific Community programmes.

The Commission will put at the disposal of selected training bodies a training method in five autonomous sessions:

(i) the strategic stakes of the single market, i.e. competitiveness;

(ii) the commercial stakes;

(iii) the technological and technical stakes;

(iv) the stakes as regards the management of financial and human resources;

and

(v) a global strategic approach in the context of 1992.

Each of the five sessions will last two non-consecutive days at most, and will consist of lectures by company training instructors. For the company manager, this will amount to approximately 18 days of training, spread out over several months.

The bodies that have been selected will be entitled not only to receive the training methods and learning tools but also financial aid amounting to a maximum of 50 % of the cost of their activities in the field of training, with an upper limit of ECU 20 000.

The following organizations have been selected in the framework of the experimental activity 'Preparing managers of SMEs for the Europe of 1992 — Training in strategic management':

UNITED KINGDOM

- Trent Polytechnic, Nottingham
- ICOM, Leeds
- Into Business Ltd, Liverpool
- Tripos Consultants Ltd, Banbury
- Glasgow Opportunities Enterprise Trust (COG), Glasgow
- University College of Swansea, Swansea
- Northern Ireland Small Business Institute, Antrim
- Engineering Employers' West Midlands Association, Birmingham

IRELAND

- Irish Management Institute, Dublin
- Byrne Lowe and Associates, Dublin
- Irish Productivity Centre (IPC), Dublin
- Marketing Centre for Small Businesses, Limerick

The European Commission is also giving its backing to seminars on regional or sectoral analyses of the impact of the single market, carried out by regional organizations or branches of professional bodies.

These seminars must be limited to two days at most. The Commission will put at the disposal of the organizers the necessary information. It can also meet up to 50 % of the cost of organizing these seminars, with an upper limit of ECU 10 000.

The following organizations have been selected in the framework of the experimental activity 'Mobilizing sectoral and regional structures to inform and alert managers of SMEs in the light of 1992':

UNITED KINGDOM

- City of Wakefield MDC, Economic Development Department, Wakefield
- Lancashire Enterprise Limited, Preston
- Scottish Management Foundation, Stirling
- Segal Quince Wicksteed Ltd, Cambridge
- Ealing College of Higher Education, Small Business Unit, Ealing, London
- University of Newcastle-upon-Tyne, Newcastle-upon-Tyne
- West Midlands Enterprise Board Ltd, Birmingham

IRELAND

- The Chambers of Commerce of Ireland, Dublin
- Irish Export Board, Dublin
- Irish Cooperative Organization Society Ltd, Dublin

Simpler border formalities

Under the present regulations on crossing the Community's internal borders, operators must fill out and lodge a transit advice note. This document allows the authorities to determine, in the event of any irregularity in the payment of VAT and other taxes, the Member State in which the irregularity occurred. If the Twelve accept the European Commission's proposal, this document could be eliminated as from 1990. Its elimination would have a positive effect on traffic and on delays at customs posts, where some 10 million of these advice notes accumulate each year. The proposal is supplemented by measures allowing sums unpaid as a result of irregularities to be collected.

Commission of the European Communities

Directorate-General Information, Communication and Culture, and Directorate-General XXIII

Rue de la Loi 200 — B-1049 Brussels

OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg Catalogue number: CC-AI-89-008-EN-C

The text of this issue of *Target '92* was completed on 8 August 1989.