



Monthly newsletter on the single internal market

## German unification gives an impetus to the completion of the single European market

by Martin Bangemann,  
Vice-President of the Commission of the European Communities

The construction of the single European market and the reform movement in Central and Eastern Europe began independently of each other. But they have stimulated and enriched each other. The Community, thanks to its new-found dynamism, has helped its neighbours to a better appreciation of the real advantages and drawbacks of political and economic systems and to find the courage to embark on ambitious reforms at home. In return, the additional responsibility which has fallen on the Community because of the change in direction of its neighbours has given it wings, in its efforts to form an economic and monetary union and to free a political will more effectively.

The German Democratic Republic (GDR) has had a special place in the Community from the beginning. Its position was never comparable to that of an ordinary third country seeking membership. For the Federal Republic of Germany in particular the GDR was not a third country; and nor was it altogether one for the other Member States. Inter-German trade has always been recorded in the framework of the internal Community market, in accordance with a protocol annexed to the EEC Treaty. And citizens of the GDR had German nationality. This formula now makes the legal and economic integration of the GDR into the Community easier for the other Member States.

German unification has not and is not acting as a brake on the single market programme. Meanwhile the European Commission has tabled all the proposals required by '1992' more quickly than was foreseen by the White Paper on the internal market. The Council of Ministers has already adopted two-thirds of the single market legislation. Its completion is therefore irreversible. German unification will not mean the introduction of new checks at the borders of the other Member States or any other backward step. Besides, previous entry negotiations with third countries lasted six years at least; the legislative package covering German unification was put together in six months.

Community law applies in principle automatically in the former GDR from the date of unification. There will certainly be some exceptions to Community directives for the single market, especially as regards technical standards. But this does not affect the hard core of the internal market.

- Some 80 % of the provisions concerning the single market are being taken over, without any transitional period, by the five new regional states (*Länder*), that is to say, by the former GDR.
- As a matter of principle, the derogations will remain in force only until the end of 1992 at the latest; they will have no effect, therefore, on the completion of the single market.
- The derogations will apply only to products originating in the GDR which are consumed locally. The former GDR cannot export to the rest of the Community products which do not meet Community rules. Nor does it have the right to prevent the import from other Member States of goods which meet these rules.
- Germany had begun, already prior to unification, voluntarily to implement in the GDR Community rules dealing with competition and State aids.

This plan gives the GDR economy time to adapt, without the former Community having to deny itself access to the GDR market and competition finding itself seriously distorted. This distinctive feature, unknown during the earlier enlargements, also justifies the special procedure which is being followed for the integration of the GDR into the Community.

This positive outcome was made possible thanks to the close collaboration between the competent German and Community authorities. The group of European Commissioners that was entrusted from the beginning of the year with the task of following events in Germany met regularly with the competent German ministers and secretaries of State. A Commission representative took part in the entire inter-German negotiations over the unification treaty.

In the single market of 1992 the various regulations and directives are not an end in themselves. Rather they seek, by eliminating border controls and bureaucratic obstacles to trade, to help businessmen take advantage of the effects of rationalization of a vast home market, and at the same time to expose them to healthy competition, of a kind which will enable them to survive in Europe and in the world. The more quickly the common market is successful in absorbing the 16 million citizens of the former GDR, the more quickly and effectively will it reach the objective of the single market economic policy.

## Decisions

### ■ EC to control mergers

The European Community's control over mergers of large companies, in force since 21 September 1990, must be transparent in its operation. Hence the adoption of a series of measures by the European Commission on 25 July 1990. They include three texts which complete basic Community legislation in this matter, by spelling out the meaning of certain terms and defining the rights and obligations of the Commission and the companies concerned. The Commission in addition has prepared a questionnaire to be used by companies when informing it of a projected merger. The Commission has also set up a task force within its Directorate-General for competition, to examine completed forms and prepare files as well as provide all interested persons with information and advice. Those in need of its services can write to 200 rue de la Loi, B-1049 Brussels. They can also call the Brussels number 235 71 96. The Commission is of the view that between 25 to 30 mergers will fall within the scope of the new regulation in any year. It will be able to approve most of the projects received within a month; doubtful cases will take four months. It must be remembered that EC legislation regarding mergers (see Target 92, No 2/90) is limited to mergers between companies with a combined turnover worldwide of at least ECU 5 billion (ECU 1 = UKL 0.69 or IRL 0.77).

### ■ EC opens up more public contracts

The four sectors which so far have remained outside the 1992 legislation (water, energy, transport and telecommunications) will be opened up to Community-wide competition from 1 January 1993. A UK company, for example, will be able to sell equipment to Italian or German public utilities, while a Dutch dredging company could undertake work in a British port. However, the new rules apply only to works and supply contracts above a certain threshold: ECU 5 million (ECU 1 = UKL 0.69 or IRL 0.77) in the case of public works; ECU 600 000 for telecom supplies and ECU 400 000 for other supplies. Exceptionally, Spain will not open up its public procurement contracts to Community-wide competition until 1 January 1996 and Greece and Portugal until 1 January 1998.

### ■ Three new regional programmes

Border and overseas areas and economically underdeveloped regions of the European Community will receive fresh financial assistance for a total of ECU 1 400 million (ECU 1 = UKL 0.69 or IRL 0.77), to enable them to ready themselves for 1992. This assistance will be provided in the framework of three regional programmes, approved by the European Commission on 25 July 1990, and baptized Interreg, Regis and Stride. The lion's share of the funds, amounting to ECU 800 million, has been earmarked for Interreg, and will be used to help problem areas located along the Commu-

### Record number of mergers in 1988/89

The number of mergers in industry in the European Community rose by a record 28 %, to reach the figure of 492 in the 12 months to June, 1989, as compared to the previous 12 months. These figures, published by the European Commission at the end of July, in its latest report on competition within the EC, give an idea of the efforts that are being deployed in the run-up to 1992. During the same period there was a moderate rise in the number of joint ventures, while minority takeovers even declined slightly. The total number of mergers, takeovers and joint ventures within the EC reached a record level of 1 122 operations, an increase of 9 % in relation to the previous 12 months. However, there was a slight fall in the number of such operations in the banking sector. The Commission's report also notes that companies are showing greater interest in the Community dimension. Operations between firms from different Member States increased much more strongly, during the period in question, than operations involving firms from the same country. The number of operations involving third country firms fell in absolute terms.

ity's internal and external borders. This programme will make it possible to stimulate cooperation between the neighbouring areas of different Member States and develop small and medium-sized enterprises (SMEs), tourism, environmental protection and vocational training. Regis, which is to receive ECU 200 million, will encourage the diversification of economic activities in France's overseas departments and the Canary Islands, Madeira and the Azores. Finally, Stride, with its budget of ECU 400 million, will help with the technological development of economically-backward regions, located in the south and west of the Community. The aim is to multiply the number of research institutes, encourage researchers and industrialists to work together and get these regions to take part in Community R&D activities.

## Initiatives

### ● A date for economic and monetary union?

The second stage of economic and monetary union of the Twelve (EMU) could start on 1 January 1993; it would be of short duration and would see the creation of a European system of central banks called EuroFed, set up through a modification to the Treaty of Rome, the European Constitution. At the same time, a revised Treaty of Rome would designate the ecu as the single currency of the European union. The ecu would be introduced during the third stage of EMU, on a date to be set by the Community's Heads of State or Government. Such are the outlines of the plan put forward by the European Commission in a proposal submitted to the Twelve on 21 August in view of the intergovernmental conference convened for 13 December 1990. Its task: to approve the constitutional changes needed to complete the EMU. It will be remembered the first stage of EMU began on 1 July. The Community's finance ministers examined the Commission's proposal in Rome on 8 September. They reached agreement on the role of the ecu but not on the need to set a date for the second stage of EMU or fix its duration. The Heads of State or Government should take a stand during a special summit, to meet in Rome at the end of October.

### ● Public sector/trade union accord

European Community railways and public utilities in the energy sector will organize European vocational training courses and make it easier to hire workers across the Community's internal borders. These are the most tangible short-term results of the framework agreement, signed in Brussels on 6 September by the European centre for public sector undertakings (CEEP, the public sector employers' organization) and the European Trades Union Confederation (ETUC). The two bodies have chosen rail transport and energy as pilot sectors; but they fully intend to eliminate the obstacles to free movement and stimulate vocational training in the whole of the Community's public sector. This accounts for 10 % of workers, 12 % of added value and 18 % of investments in the 12-nation Community. The CEEP/ETUC agreement, which provides notably for the smooth transition from a national social security system to another, was greeted as the first concrete achievement of the European dialogue between employers and trade unions launched by the European social affairs Commissioner, Ms Vasso Papandreou.

### ● A citizens' lobby

'Eurocitizen action service' (ECAS) is the name chosen by an association launched in Brussels this summer. Its aim is to assert the rights and interests of the man in the street before EC institutions. Its founders took the view that individuals are at a disadvantage, as compared to bodies representing economic and commercial interests, in the preparations for the single market. They decided, therefore, to provide citizens' organizations with the means to make themselves heard at the Community level. ECAS will concentrate its activities on a priority basis in areas which other European organizations do not cover: voting rights, the right of residence, education, culture, health and the fight against poverty. ECAS is a non-profit-making organization, which provides citizens' organizations with information and advice, and helps them locate their counterparts in other European Community countries. It can be reached at 98 rue du Trône, Bte 8, B-1050 Brussels, tel.: 512 93 60.

# '1992' IS POPULAR WITH PEOPLE

by the Eurobarometer team

Public opinion polling plays an important role in shaping Community policy, allowing the Commission to review on a continual basis the speed with which European integration is being asked for — and accepted — by the general public and specific groups most affected by it. The European Commission's public opinion polling programme — the Eurobarometer — is the main tool for achieving this.

At first thought, '1992' is the sort of initiative one would think appeals primarily to those who seem to be in the front line of making the single European market happen — political leaders, civil servants in national and EC administrations, businessmen, trade union leaders and pressure groups lobbying for the defence of the environment or of consumers' and taxpayers' interests. Yet one of the foundations of '1992' has been the strong support that the Community has received for this idea from the person in the street.

People are realizing that '1992' means some fundamental changes in their lives, changes that will also benefit them and their children in years to come. The prospect seems to excite them. But the single European market is not a Christmas present that will fall into people's laps on New Year's Day 1993. It is a challenge that will succeed more fully with the active participation and involvement of as many people as possible.

The latest Eurobarometer survey of spring this year shows that overall support for the European Community continues to grow apace in many countries. This is especially true in the United Kingdom and Denmark, where majorities supporting the European Community have been traditionally weaker. Now 65 % of European citizens think membership of the European Community is a good thing, including 53 % of Britons and 49 % of Danes, and a majority of people with an opinion say their countries benefit from their membership of the Community. The Community's greatest supporters are to be found in the Netherlands and Italy, where a staggering 82 % and 75 % respectively think membership of the Community is a good thing, with only 3 % of those populations believing the opposite (compared with 25 % in Denmark and 19 % in the United Kingdom).

The '1992' initiative also commands majority support. 45 % of European Community citizens think '1992' is a good thing for them personally, compared to only 8 % who believe it is a bad thing and 32 % who do not think '1992' will make any difference to people like them. Support for '1992' is particularly strong from people in the southern member countries of the Community — Italy, Spain, Greece and Portugal — as well as Ireland. A majority of people from these countries see specific benefits in being part of a larger free market. This is perhaps the case because they believe that the standard of life in their communities will be brought up to the level of the richer parts of Europe. They may also be expressing the hope that low labour costs will mean an increase in the number of jobs in their area once barriers of employment within the Community are more completely removed.

On the other hand, the richer nations in the north of the European Community are growing less enthusiastic about the single European market. Between 1987 and 1990, the percentage saying that '1992' is a good thing has declined gradually in the Community as a whole from 57 % in 1987 to 45 % in 1990, while the percentage of those who say '1992 makes no difference' has increased. In part this might be explained by the fact that people are already getting used to the idea of '1992'. The greatest reductions for '1992' have been in Luxembourg (61 % to 36 % saying it is a 'good thing'), Belgium (66 % to 41 %) and France (56 % to 36 %). It should also be remembered that support for the '1992' initiative was exceptionally high in many countries at the start of the information cam-

paigns on this subject and one would expect a lessening of enthusiasm once the event has been publically debated in more controversial terms — as is normal in any democracy. It should be emphasized that this has not translated into an increase of hostility towards '1992'. Since 1987, only between 6 % to 8 % of the population of the European Community as a whole has felt that the single European market is a bad thing. Indeed, with the exception of Denmark and Luxembourg (where 17 % believe '1992' is a bad thing), no country has more than one in 10 of its citizens feeling negative about '1992'.

The Community is fortunate in that its supporters for '1992' include some of the most influential members of European societies, especially opinion-formers, 57 % of whom are supportive with only 9 % against. Supporters of '1992' are more likely to be males, younger people, the better educated and those with higher incomes and from higher socio-economic groups. Unsurprisingly, professionals, managers and owners of businesses are the most positive of occupational groups towards it. This gives '1992' a strong foundation, especially with those who lead public opinion in the economic field.

One would have thought that some people might feel threatened by the enormity of the implications that '1992' may have for everyone. Yet most Europeans feel quite hopeful about how things will turn out. In the spring of 1990, 60 % of European Community citizens said that they felt very or rather hopeful about the single European market while 20 % declared themselves 'rather fearful', and only 6 % 'very fearful'. This point of view has remained fairly steady for the Community as a whole since it was first measured at the beginning of 1988. In no country does less than half the population feel hopeful about the single European market except for Luxembourg where the population is split down the middle on the issue (44 % hopeful versus 45 % fearful). The people most likely to be optimistic about the future in this respect are, once again, found primarily in the less wealthy and/or southern countries of the Community — Ireland, Italy, Spain and Portugal in particular.

People more hopeful than average about the single European market are professionals, students and people from higher socio-economic strata. Those more likely to be fearful of the future are supporters of parties at the extremities of the political spectrum or working class and non-office employees — results which underline the need not to neglect the social dimension of the single market.

Support for such a big idea as '1992' clearly has to centre around how people in the street feel they can themselves benefit from this aspect of their European Community citizenship. Many are already aware of some of the benefits of their general association with the Community, such as guaranteed equal rights for men and women. Nevertheless, this awareness is becoming more linked with an appreciation of the personal advantages that '1992' will bring in terms of free circulation of persons, goods and capital as well as a common benchmark for the rights and responsibilities of workers and employers.

Between 1987-89, Community-wide polls show large majorities of Europe's citizens convinced of the advantages of the single European market. At least four out of five Community

citizens see making payments without formality, carrying unlimited amounts of money within the Community, buying products marketed elsewhere in the Community and residing anywhere without restriction as clear-cut advantages. More than two-thirds like the idea of being able to work, open a bank account and buy land anywhere they want within the Community as well as see border controls eliminated and VAT rates of different countries being brought together. The only advantage that seems to provoke some marginal uncertainty is the right for any country to contract its public works to another country's company if the latter company was able to offer the same quality at less expense (56 % advantage versus 32 % disadvantage).

Again certain differences reveal themselves within the Community. For Spaniards, the Irish, the Italians and the Portuguese, the right to work in any country within the Community comes top of the list of advantages coupled with the ability to take up residence anywhere. For northern countries, such as France, West Germany and the United Kingdom, the advantages lie more with the ability to make payments and carry any amount of money without complication within the Community.

One of the objectives of the single European market is to close the gap in prosperity between the Member States by increasing the wealth of less-developed regions of the Community. EC citizens support that aspect of the 1992 programme as well. When this question was asked in 1988, 45 % of European Community citizens, as opposed to 10 %, believed that EC grants should be doubled for regions in difficulties while, by 54 % to 4 %, people agreed that the EC should take action to improve infrastructure, such as roads, airports and training centres, in these regions. Majorities in all EC countries support, rather than oppose these additional initiatives with, of course, those countries with less-developed economies more enthusiastic than the richer ones.

One of the concerns expressed in less wealthy regions of the Community is that fewer funds might be available for them as East Germany and other Central and Eastern European countries need a considerable infusion of Community money to assist the rebuilding of their economies. When the question was asked in 1990, European Community citizens said they did not support assistance to Eastern European countries if it is at the expense of the less-developed regions of the Community by a margin of 50 % to 30 %. This fact is true of all countries within the Community, even if, by very large majorities they are in favour of assistance to Eastern Europe in general.

As is well known by now, '1992' is not just about economic change — there is an important social dimension which is meant to benefit all social strata. In December 1989, the

European Council of Heads of State or Government of the European Community adopted a declaration constituting a Community Charter of Fundamental Social Rights, or Social Charter, to set in motion the procedures to bring this about. This idea is very popular within the Community, to the extent that there is more public support for the idea of the Social Charter than the concept of '1992' as a whole — 64 % supporting the Social Charter compared with 45 % for '1992' as a whole (including 67 % of Britons supporting the Social Charter, despite the UK Government's opposition to this measure).

The Social Charter receives support from a majority of people in all countries of the Community, including more than two-thirds of people answering the question in Greece, the Netherlands, Italy and the United Kingdom. Even in Luxembourg, where support is least enthusiastic, half the population believe the Social Charter is a good thing.

The European Commission is preparing a programme of Community legislation on the social dimension. People agree with the Commission's idea for a Social Action Programme, believing that legislation on basic principles should be applied in all countries of the Community, in particular measures such as protection for the social rights of the elderly, the disabled and young workers. All measures received the support of no less than 77 % of people (with no more than 15 % against) with the exception of one issue — social rights in the EC for people from non-member countries, where nevertheless 62 % supported the idea, while 22 % opposed.

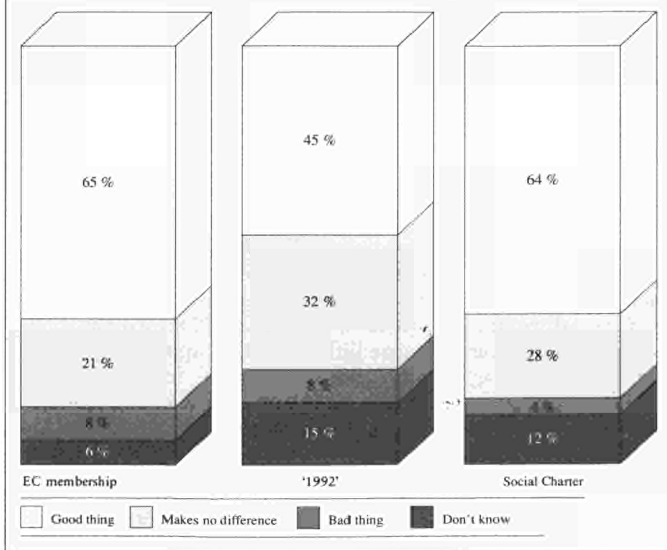
Overall, it is undoubtedly true that the 1992 programme has been a shot in the arm for the Community as a whole. Between 1985 and now, 60 % of the 279 measures to bring about the single European market have been agreed upon. EC companies are already moving towards joint ventures in anticipation of the benefits of '1992'. In addition, the Community has been broadening its horizons into other areas — the creation of a European economic space with the six countries of the European Free Trade Association (EFTA), the coordination of Western assistance into Eastern Europe, moves towards economic and monetary union as well as political union. The sudden expansion of activity has added value to being a citizen of the Community. The ever-widening portfolio of EC activities has, however, also perhaps led to less attention being placed on the issue of '1992' by the media. In 1988-89, around three-quarters of EC citizens regularly said that they had heard something in the media about '1992', while the percentage for the spring of 1990 was two-thirds, a still-high 66 %.

It is therefore of no great surprise that the onslaught of new responsibilities is in part diverting public attention away from '1992'. The tremendous historic changes that have been taking place in Central and Eastern Europe have divided the European Community citizens 43 % versus 39 % in terms of whether the single European market or the coming much closer together of Western and Eastern Europe should come first. A majority of people from Belgium, Greece, France, Ireland, Italy, Luxembourg and Portugal feel the single market should come first, while most people with an opinion from Denmark, West Germany, Spain, the Netherlands and the United Kingdom feel Eastern Europe should have the priority. This is not something to be greatly concerned about, as the forces of European unity are working in different ways towards the same final goal. Both objectives are compatible with each other and people only differ as to which issue should have the higher priority.

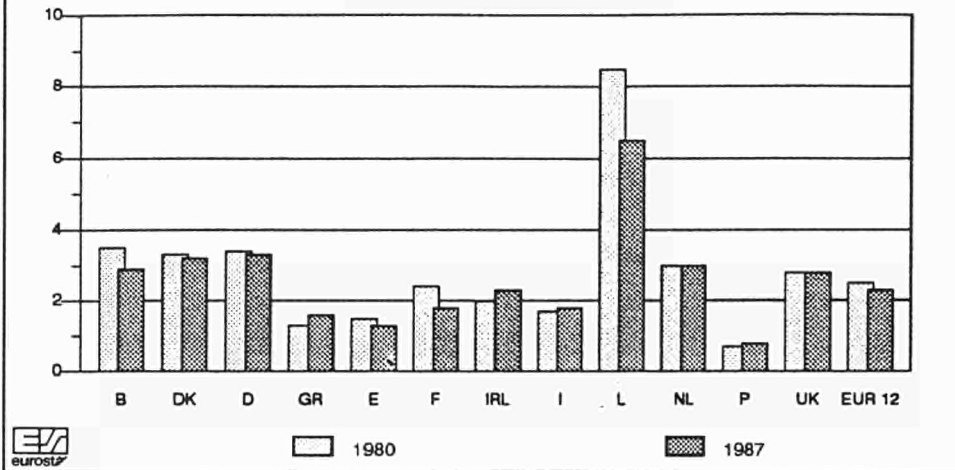
We live in historic times with the European Community at the centre of the world's stage. '1992' has been the chief force that has made the Community once again attractive to peoples and their governments and is a source of its strength and stature. Maintaining public support for this initiative is a priority for the Commission as a driving force for positive change in the world.

*For further information, please contact Eurobarometer in Brussels, tel.: 236 13 45.*

**Eurobarometer (spring 1990)**



*Carbon dioxide emissions from fossil fuels, tonnes per capita, 1980 and 1987*



## The environment and the Community

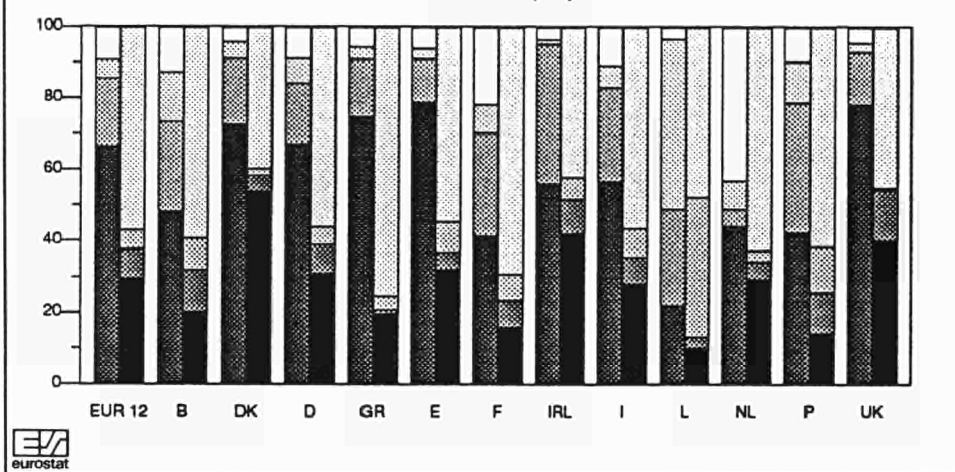
Per capita emissions of carbon dioxide in the Community fell slightly between 1980 and 1987 due to increased use of natural gas instead of coal.

Four countries recorded an increase in emissions.

Emissions in Luxembourg are well above the Community average (due chiefly to the size of the steel industry).

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR12
1980	3.5	3.3	3.4	1.3	1.5	2.4	2.0	1.7	8.5	3.0	0.7	2.8	2.5
1987	2.9	3.2	3.3	1.6	1.3	1.8	2.3	1.8	6.5	3.0	0.8	2.8	2.3

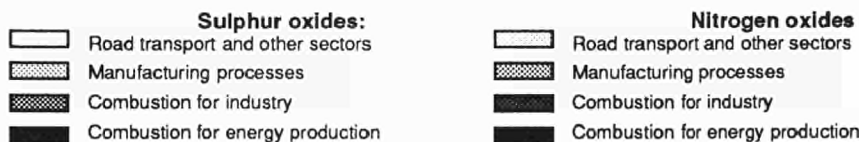
*Emissions of sulphur and nitrogen oxides by sector for 1985 (%)*



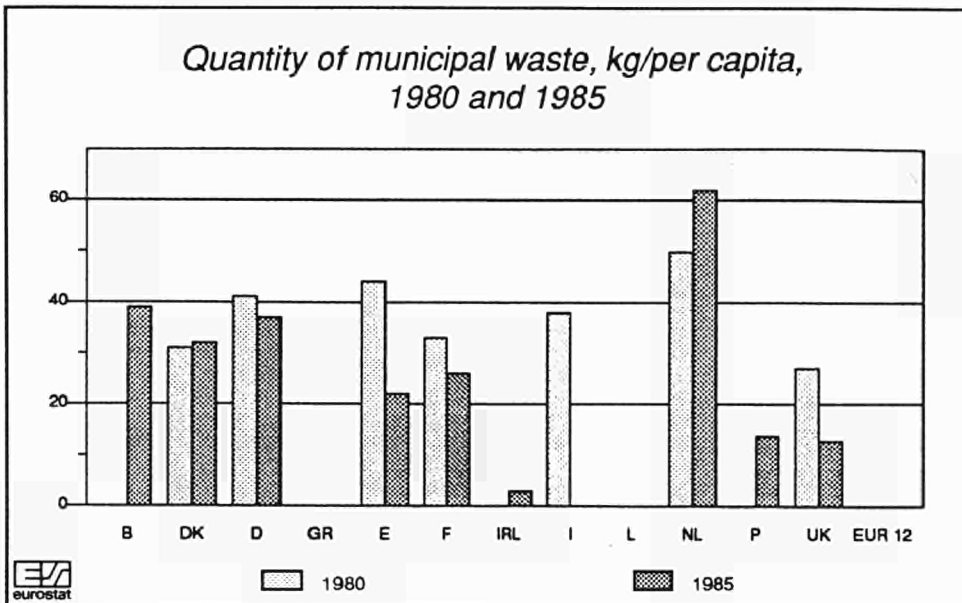
## Sectors producing emissions of sulphur and nitrogen oxides

The energy sector is the main source of emissions of sulphur oxides, accounting for 66.6% of overall emissions in the Community (78.8% in Spain compared with 22.1% in Luxembourg, where the main source is manufacturing processes).

55.7% of emissions of nitrogen oxides in the Community derive from the transport sector (74.8% in Greece and 39.3% in Denmark).



Quantity of municipal waste, kg/per capita, 1980 and 1985



## Municipal waste

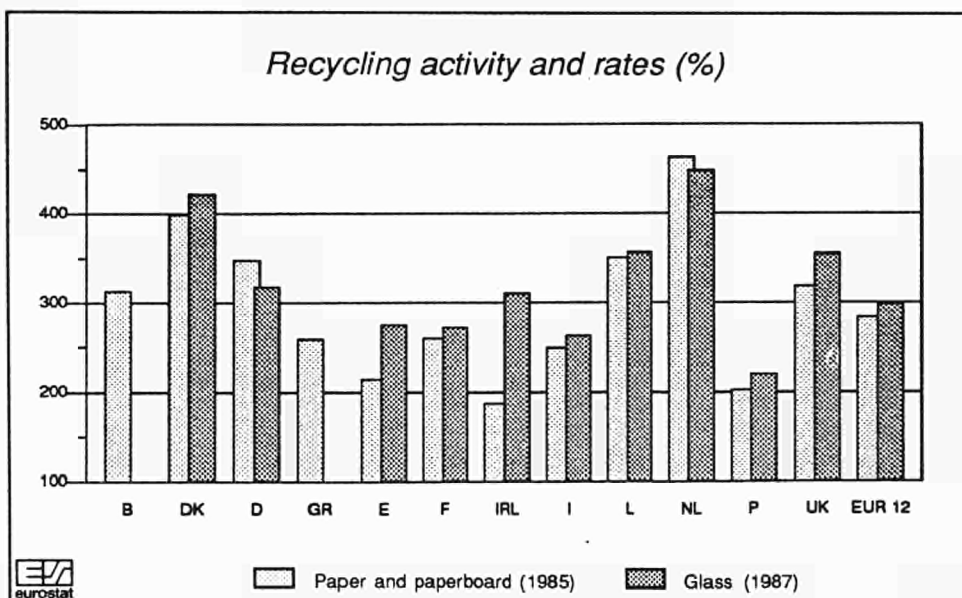
Within the space of five years the quantity of municipal waste rose in the Community by 5%.

Denmark recorded an increase of 6%, the United Kingdom 11%, Spain 28% and Ireland as much as 65%, thus placing it above the Community average.

Only the Federal Republic of Germany and the Netherlands recorded falls (-8.6% and -3.2% respectively), but these countries were still above the Community average.

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR12
1980	313	399	348	259	215	260	188	249	351	464	203	319	284
1985	:	423	318	:	275	272	311	263	357	449	221	355	298

Recycling activity and rates (%)



## Recycling in the Community

The recycling rates for used materials vary widely from one Member State to another.

For paper and paperboard, the rate is highest in the Netherlands and lowest in the United Kingdom.

The Netherlands is also the country which does most to recover and recycle glass.

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR12
Paper and paperboard (1985)	:	31.0	41.2	:	44.1	3.0	:	38.0	:	50.3	:	27.0	:
Glass (1987)	39.0	32.0	37.0	:	22.0	26.0	3.0	:	:	62.0	14.0	13.0	:

● **Protecting pregnant women at work**

Maternity leave on full pay for 14 continuous weeks at least, of which two at least are granted before the expected time of delivery — such a level of protection is to be found in only three countries within the 12-nation European Community: Germany, Greece and Luxembourg. The European Commission, however, would like to see it generalized. It therefore sent the Twelve on 12 September a Community directive — or law — for their approval. It includes other measures for the protection of pregnant women and women who have recently given birth, such as a ban on night work during 16 weeks; no actual or potential exposure to harmful agents and no dismissal for reasons linked to pregnancy or childbirth. The proposal is part of the series of measures the Commission is preparing in order to guarantee the single market's social dimension.

**BRIEFLY**

- The German car manufacturer, Volkswagen, has set up a European works committee, the very first of its kind. The committee, which came into existence on 31 August, represents nearly 200 000 workers. It has 17 members, eight from Volkswagen AG (Germany), two from Audi AG (Germany), five from SEAT (Spain) and two from Volkswagen-Brussels. The committee will deal with questions regarding employment, the siting of factories, the structure of the group, working hours and conditions, wages, safety at work and environmental protection.
- To enable them to take part in financing the infrastructure required by the single market, five credit institutions that specialize in financing public bodies have set up a European Economic Interest Grouping (EEIG). Called *Crédit local d'Europe*, the new EEIG has been operational from September. Its members are Belgium's *Crédit Communal*; *Crédit local de France*; *Deutsche Girozentrale-Deutsche Kommunalbank* (Germany); *Consorzio di credito per le opere pubbliche* (Italy) and *Banco de credito local de España* (Spain). The new EEIG will complement funding by the European Investment Bank.
- The European Commission asked the Twelve on 1 August to eliminate all customs controls and formalities from 1 January 1993 on the luggage of persons travelling within the 12-nation European Community, whether by air or sea. However, people travelling on a plane or boat whose point of departure or final destination was a non-EC country, or which stopped off in a non-EC country, would continue to have their baggage checked.
- The European Commission wants to make sure that the use of artificial sweeteners, such as saccharine and aspartame, in foodstuffs is subject to the same rules throughout the single market. To this end it has sent the Twelve a proposal for a directive (European law) setting the maximum permitted levels of such sweeteners.

**Subsidies a threat to 1992**

The European Commission will have to exercise much greater control on State aids, especially in the richer areas lying in the centre of the European Community. A declaration to this effect was made by Sir Leon Brittan, the European competition Commissioner, on the publication of the Commission's second report on State aids on 31 July. The report discloses that in the years 1986 to 1988 the Twelve paid out on average ECU 82.3 billion. (ECU 1 = UKL 0.69 or IRL 0.77) in subsidies each year, to a wide range of economic sectors: industry, agriculture, fisheries, rail and river transport and coal mining. The report does not deal with the other sectors; and yet the sum mentioned is twice the size of the Community budget. State aids are especially generous in Luxembourg, Belgium and Italy, when compared to their gross national products (GNP). However, in relation to the early 1980s, the level of State aids has fallen in all EC countries, with the exception of Germany and the Netherlands. Even so, Sir Leon believes that it is still high in several countries and that it threatens the completion of the single market. There is a risk, in fact, that Member States will replace the obstacles to trade that have been eliminated by the 1992 programme with subsidies. This would distort competition, undermine the effectiveness of Community aid and lead to the disappearance of the benefits expected from the single market.

► **Sweden envisages membership**

'If (military) alliances disappear and the conditions for cooperation on security matters change (in Europe), we will find ourselves in a situation in which we can become members of the EEC', the Swedish Minister for Foreign Affairs, Sten Andersson, declared in the Norwegian town of Molde on 12 September. He added that he did not rule out a membership application in 1993, thus putting an end to his country's steadfast opposition to membership of the European Community, because of its policy of neutrality.

**An essay competition on the ecu**

'Must Europe have its own currency?' This is the subject of an essay competition organized by the major banks in the 12 European Community countries. The competition is open to all students of economy in universities and other institutions of higher education. The essays must not be longer than 1 500 words (five or six typewritten pages). They must be accompanied by proof that the author is enrolled as a student for the 1990/91 academic year. The essays must reach the head office of the bank organizing the competition in the country in question by 31 January 1991 at the latest. Full information regarding the competition, including entry terms and prizes, will be available at these banks from mid-October 1990. The competition is being organized by the National Westminster Bank in the UK and Allied Irish Banks (AIB) in Ireland.

**BRIEFLY**

- Some 40 % of Japanese companies with manufacturing activities in the European Community believe they will benefit from the single market, as against the 25 % who see it as an inconvenience. This was one of the findings of a poll conducted by the Japanese external trade organization, Jetro, among 270 companies and published in August. However, only 31 % of these companies claimed they were satisfied with their European subcontractors.
- Why not divide the future European economic and monetary union (EMU) into 12 districts, whose territorial limits would not coincide with those of the 12 Member States? The suggestion was made by a US economist, Robert Graboyes, writing in the *Wall Street Journal* on 1 August. Under his plan, based on the US system, Catalonia, for example, would come under the jurisdiction of the central bank in Paris and the west of France under that of the central bank in London.
- 'The Europe of 1992 can be one of the best choices Iran can make in its economic and political relations ... taking into account the role of the common market on the international economic and political scene, Europe's future independence and the Community's future enlargement', according to Hossein Moussavian, director of the department for Europe and America, at Iran's Ministry of Foreign Affairs. He was speaking in Tehran on 29 July.

## Euro-Info Centres: First annual conference

The first annual conference of the network of Euro-Info Centres (EIC) was held in Sophia Antipolis (France) on 14 and 15 September 1990. Organized and led by the 'SME' department of the European Commission (DG XXIII), the conference brought together, for the first time, those in charge of the 187 EICs and their 16 regional branches. As a result, it was possible to present the network to other Community institutions and the Press.

The organizers took advantage of the possibilities offered by Sophia Antipolis, Europe's first technopolis, as it were, to choose a theme that looked to the future: 'The European enterprise in the year 2000: role and prospects.'

The conference was opened by the European Commissioner for business policy, Mr Cardoso e Cunha. He reminded his audience of the dual role played by the EICs in the European business set-up: as a catalyst for Community information aimed at SMEs and as an observatory of their hopes and preoccupations.

Preparatory work on the conference was carried out by seven working parties. They analysed the role of the enterprise in the year 2000 in terms of the legal framework, production, innovation, training, management, marketing and finance. Each group had to ask a question of the round table of specialists, who included a Member of the European Parliament, two company directors as well as academics and journalists.

The conclusions reached by the conference were set out by Mr Heinrich von Moltke, Director-General of DG XXIII. They reflected (1) the relative optimism of the participants as regards the future of European SMEs, because of their reputation for quality, know-how and, above all, adaptability, and (2) the European Commission's concern to take the initiative as regards business policy, the better to defend the interests of SMEs.

The proceedings of the Sophia Antipolis conference will be available shortly. For further information, please write to Mr J. P. Haber, Head of the EIC project, Commission of the European Communities, DG XXIII, 80 rue d'Arlon, B-1049 Brussels.

## Publications: *Enterprises in Europe*

Published by DG XXIII, which has responsibility for business policy, and Eurostat, the European Community's statistical office, this volume is the first in a series of new publications aimed at presenting both a snapshot of European enterprises, especially SMEs, and an analysis of their situation.

The aim of this volume, available in English to begin with, is to establish the number of enterprises in the European Community. They are classified in terms of size, sector of activity and country as well as the numbers employed and level of output.

There were an estimated 13.4 million enterprises (outside the primary sector), employing a total of 91,5 million people in 1986. Firms employing up to nine people accounted for 91.3 %

of the total and for 27 % of the jobs. On the whole, SMEs (i. e. firms employing between 10 and 499 people) represented 8.6 % of the total and accounted for 45 % of the jobs. Large-sized companies (more than 500 employees) provided 28 % of the jobs but represented a tiny 0.1 % of all businesses.

The book also presents a panorama of the main activities under the Community's action programme in favour of SMEs and the European Commission's business policy.

The second chapter describes the research methodology, while the third presents the results of a Community-wide survey for the 12-nation Community as a whole, to start with, and then country by country. There is information on the total number of businesses, which are then classified in terms of size (very small enterprises; small and medium-sized enterprises and large-scale enterprises), employment, etc. The volume analyses the information that has been gathered and deals with questions related to the average size of businesses, by country and by sector; productivity models by sector; crossways comparisons of the importance and evolution in time of SMEs in relation to the total number of businesses.

For more information, contact Alexandra Cas Granje, DG XXIII, tel.: 235 62 69.

## Fresh initiatives

The Commission of the European Communities took two new initiatives in the field of regional development at the end of July. The two programmes in question should be formally adopted by the end of 1990.

Prisma (Preparation of industries situated in the regions for the single market), seeks to help enterprises located in the Community's most disadvantaged regions benefit from the completion of the single market, thanks to improvements in certain services and to the infrastructure. Prisma will receive roughly ECU 100 million for the period from 1990 to 1993. Its activities are limited to regions which have fallen behind in development terms, and in which services and the infrastructure are markedly inadequate.

Prisma will give the Commission the means of backing efforts to develop the infrastructure required for conducting tests and issuing certificates of conformity. More precisely, it is a question of setting up or reinforcing departments of standardization and metrology, which enable enterprises and laboratories to own or use the equipment they need to demonstrate to potential clients their ability to meet technical and quality standards.

In addition, SMEs will be helped to prepare for the throwing open of government contracts and the progressive elimination of the measures which make it possible to protect national markets from products imported from outside the Community. These objectives will generally lead to a tangible improvement in the methods used to manage production and distribution.

Telematic, with a budget of ECU 200 million, seeks to promote the use of advanced telecommunications services in the most disadvantaged regions. To this end, it strengthens the process begun with the STAR programme, encouraging the use of services linked to advanced telecommunications systems within SMEs. It also aims to help SMEs located in regions that have fallen behind economically to create or develop such services. Finally, Telematic seeks to encourage the development, within the public sector, of telematic services which can contribute to regional development.

The contents of this publication do not necessarily reflect the official views of the institutions of the Community.

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