



Strengthening economic and social cohesion

■ by Bruce Millan, Member of the European Commission

There is a close link between the internal market programme and the Community's reformed structural policies. Indeed, the single market can only function properly and realize its full potential if the Community fulfils at the same time its commitment, made in the Single European Act, to strengthening economic and social cohesion. In other words, the wide regional disparities which exist in terms of income, employment, productivity, etc. have to be reduced and every region given the chance to benefit from growing prosperity. This is the task set for the structural Funds.* We entered 1989 with a large and increasing amount of money to disburse. By 1993, the Funds will have doubled in real terms from their 1987 base.

1989 was spent mainly in negotiating Community support frameworks (CFSs) which spell out the regional development priorities for three to five years. By the end of 1990, had put in place almost all the multiannual operational programmes which will turn the CFSs into action on the ground. In spending terms, the Funds are on target, with commitments very close to the original forecasts. By the end of 1990, over ECU 12.5 billion had been committed in the structurally weak Objective 1 regions, which are the Community's main priority and which will receive about two-thirds of all resources allocated for the period 1989-93. Commitments for the regions undergoing industrial restructuring (Objective 2) and for rural development (Objective 5b) are also on schedule.

Putting into practice the new principle of partnership has also been largely successful. With regional authorities as well as national ones involved in discussions with the Commission about priorities and largely responsible for implementing programmes, the result is a regional policy much more responsive to needs on the ground.

The next major challenge for the partnership is the establishment of an efficient monitoring system. The Commission has sought the cooperation of its partners in simplifying and lightening procedures to ensure the rapid and effective delivery of Community assistance. The Commission is also determined that Community funding should be genuinely additional to national spending so that it has a real economic impact.

Now, as we move towards economic and monetary union, important new questions must be addressed: to what extent will EMU contribute to the Community's objective of strengthening its economic and social cohesion? What further action should the Community take to ensure that its weaker regions share in the benefits of closer economic integration?

Some of the main benefits of EMU will be particularly relevant for the Community's weakest Member States. For example, transaction costs on currency exchange operations are considerably higher in the weaker Member States. They also stand to gain more than others from the expected convergence in interest rates and the resulting reduction in the cost of capital. But it is clear that EMU will not in itself guarantee faster convergence in living standards across the Community. It may even create dangers for the least developed regions.

National economies will have to face any externally induced economic shocks, such as sudden oil price rises, without the benefit of exchange rate flexibility. It is the poorest regions of the Community which are generally most vulnerable to such shocks.

In these circumstances, we must make sure that we have all the necessary instruments in place to deal with any negative effects as they arise. This requires a Community response on four tracks. First, we must ensure that the Community has the resources it needs to be able to carry through its enhanced responsibilities in economic and monetary union. The Community budget is at present equivalent to a little over 1 % of GDP, much less than in other economic and monetary unions. Second, we have to do more to ensure that all Community policies make an effective contribution to economic and social cohesion. For example, the future of the CAP should be framed with regional needs in mind. Third, the Community has to put in place adequate instruments to absorb the negative effects of country-specific shocks. Fourth, Community structural policies will need to be strengthened and we may need to widen their scope in order to increase the effectiveness of their interventions.

* The European Regional Development Fund, the European Social Fund and the Guidance Section of the European Agricultural Guidance and Guarantee Fund.

DECISIONS

■ VAT: Exchanging officials

Some 50 government officials dealing with VAT and excise duties — the taxes on alcohol, tobacco and petrol — will undergo a training programme this year in a European Community country other than their own. The European Commission adopted on 4 March a pilot programme which provides for the training and exchange of government officials specializing in indirect taxation. The aim of the operation is to give them an opportunity to get to know each other better, thus generating the confidence so necessary for effective cooperation in the 1992 single market. The programme includes, for other officials, training seminars and working sessions between specialists from the different EC countries.

■ Scholarships for teachers

Some 400 secondary school teachers will be able to work for at least three weeks in the course of this year in a European Community country other than their own. The European Commission decided on 15 February to grant 400 scholarships to encourage exchanges and links between educational institutions from different Member States. Applications must be submitted by the heads of these institutions to the bodies designated by the national authorities. The list of these bodies can be had from either the European Community Youth Exchange Bureau: place du Luxembourg 2-3, B-1040 Brussels, Belgium, tel. 511 15 10, or the offices of the European Commission in the Member States: United Kingdom: Jean Monnet House, 8 Storey's Gate, London, SW1P 3AT, tel. 222 81 22; Ireland: 39 Molesworth Street, Dublin 2, tel. 71 22 44.

■ New money for the Channel tunnel

The European Commission decided on 26 February to grant additional funds for the construction of the Channel tunnel, now entering its final phase. The European Coal and Steel Community (ECSC) is to lend ECU 285 million (approximately UKL 200 million, or IRL 220 million) for the purchase of the European steel needed to complete the tunnel. The beneficiary is the Franco-British group, Eurotunnel. This Community loan should enable the tunnel, which is expected to be operational in 1993, to be completed on time.

■ Universities to be more European

The start of the academic year this autumn will be marked by the creation of 45 university chairs in European integration, thanks to funds provided by the European Commission. This will be one of

1992 GAINS IN POPULARITY

Support for the 1992 single market is growing among the general public. Last autumn 51 % of those polled for Eurobarometer, the survey of public opinion in the European Community, saw the single market as a good thing for themselves. This compares with 45 % during the previous poll, carried out in the spring of last year, and 49 % in the autumn 1989 poll. Support was highest in the autumn of 1987, when 57 % of those polled responded positively. Last autumn only 7 % saw the single market as a bad thing. At the same time the percentage of those who saw it as neither good nor bad fell slightly (31 % as compared to 32 % in the spring of 1990), as did the 'don't knows' (11 % against 14 % in the spring of 1990). The results of the same Eurobarometer poll, published at the end of February 1991, showed that 1992 is synonymous with hope for 61 % of Europeans — unchanged since 1988. Even so, 23 % were fearful of the single market, as compared to 26 % in the spring of 1990. In nearly all EC countries the dominant feeling was one of hope — with a high of 72 % of those polled in Italy and a low of 54 % in France. Luxembourg was an exception: 44 % of those polled feared the arrival of the single market, as compared to the 42 % who were hopeful. It is worth pointing out that in a reunited Germany 61 % await the arrival of the single market with hope (69 % in the former East Germany, 60 % in West Germany). In the spring of 1990 only 52 % of those polled awaited the arrival of the single market with hope.

the achievements of the second Jean Monnet action programme, which the Commission approved on 5 March. Last year 46 European chairs were created in the framework of the first Jean Monnet action programme; and an equal number should be set up in 1992, the programme's third and final year. These actions, named after one of Europe's founding fathers, are aimed at promoting the study of Community affairs in universities throughout the 12-nation Community. This year's programme also provides for the launch of 128 teaching courses and 60 European study units devoted to Europe as well as nine research grants. Four fields are covered: law, economics, history and political science.

■ Sport for all on television

The European Commission banned on 20 February an agreement between the two television companies, Eurosport and Sky Channel, giving them privileged access to the coverage of sporting events provided by the national public service channels that are members of the European Broadcasting Union (EBU). The agreement between Sky Channel and Eurosport, which in turn is managed by a group of EBU members, restricted access by other television companies to the retransmission of sports programmes. One of the latter, Screensport, lodged a complaint with the European Commission, which held that the agreement in question violated EC competition rules.

■ Help for fisheries and aquaculture

The European Community will spend ECU 156.3 million (ECU 1 = UKL 0.70 or IRL 0.77) over the period 1991-93 to stimulate investments amounting to ECU 623 million in all in fisheries and aquaculture. The aim is to make these sectors more competitive in the run-up to the single market. The Commission committed itself to this course of action when it approved on 11 March the priorities submitted by all the EC countries, with the exception of land-locked Luxembourg.

■ ECU 2.2 billion loan for Greece

The EC Council of Ministers decided on 25 February to grant a Community loan of ECU 2.2 billion to Greece, to enable it to carry out its programme of economic recovery and thus participate fully in not only the single market but also the moves towards economic and monetary union. Greece is the only European Community country with a 12-month inflation rate in excess of 20 %. The loan is in three tranches, each for a maximum of six years. The first tranche, of ECU 1 billion, was released as soon as the loan agreement was signed on 13 March; the two others, each of ECU 600 million, will be made available in 1992 and 1993 respectively at the earliest, after a decision of the Council of Ministers, taken in the light of the country's economic results.

□ **The European Community's rules of origin** are to be extended to include petroleum products. In taking this decision on 25 February, the EC Council of Ministers sought to put an end to the differences between national laws, incompatible with the single market.

INITIATIVES

● Completing the life assurance edifice

A single market from 1993, with life assurance companies free to offer their services throughout the 12-nation European Community and consumers able to choose from a very wide range of services, at the most competitive prices, is the aim of the third Directive (European law) on life assurance, which the European Commission sent to the Twelve on 20 February. The text is aimed at completing the 1979 and 1990 Directives; this means that once it has been adopted the Community edifice in the field of life assurance — and insurance generally, in fact — will be complete. The proposed Directive provides for the harmonization of the reserves to be constituted by life assurance companies to meet their financial engagements, as well as the rules for consumer protection. They make it obligatory for the company to provide, before signature, precise information on the policy and the company which will issue it; a 14- to 30-day period during which the policyholder can change his mind and equality of treatment for all policy-holders, regardless of nationality and place of residence, in the event of liquidation.

THE SOCIAL DIMENSION OF THE INTERNAL MARKET

by Wilfried Schneider, Brussels

'Social dimension' is, admittedly, a hazy expression. In 1988 a Commission working party narrowed it down as comprising the conditions for freedom of movement in the Community, for the social aspects of legislation designed to create the internal market and for the social changes which were expected to be initiated or accelerated by the creation of the internal market.

'Internal market 1992' means different things to the two sides of industry.

The employers, united at European level in the Union of Industries of the European Community (Unice), are of the opinion that social improvements will be the logical consequence of an integrated market. Their view is that the European social policy is largely superfluous and that the gradual harmonization of the differing levels of social standards should be left to market mechanisms.

On the other hand, the trade unions, represented by the European Trade Union Confederation (ETUC), fear that 1992 will see the dismantling of existing protective legislation for employees in a process of 'social underbidding' and are for this reason demanding a European harmonization of social legislation and binding regulations to underpin it.

The European principle

The European Commission is attempting to find a compromise between these two positions. On the one hand, it follows the 'subsidiary principle' in its social policy. This means that the Commission only intervenes when Community rather than national provisions are a better means of attaining its aims. On the other, the Commission is convinced that it should contribute actively to carving out social policy, given that an enlarged market is meaningless if it jeopardizes people's social protection.

The employers view Commission policy as premature and too centralized in nature, while the trade unions see it as insufficient.

At Community level the point of departure is the Treaty establishing the European Economic Community (EEC Treaty) although this contains only the seeds of Community social policy. One of the aims stated in Article 2 which is to be facilitated by the creation of a common market is 'an accelerated raising of the standard of living'.

In Article 117 the Member States agree upon the need to 'promote improved working conditions and an improved standard of living for workers, so as to make possible their harmonization while the improvement is being maintained'. For the rest, the EEC Treaty confines itself to provisions on freedom of movement within the Community, equal opportunities for men and women, vocational training and security for migrant workers, and envisages the creation of a social Fund. It is evident from even the most superficial analysis of these few provisions that the Treaty obliges the Community to prevent a deterioration in social provisions.

The first social programme, launched in 1974, ended the Community's reserved stance in the social policy sphere and resulted in the Council adopting a number of important directives covering protection for workers in the case of collective redundancies, transfers and mergers of companies, insolvency of employers as well as provisions on equal pay for men and women.

The polarized discussion

Unemployment figures almost tripled in the Community between 1974 and 1984, leading to a greater readiness on the part of the Member States to coordinate labour and social policy.

In 1985 the Commission's White Paper on completion of the internal market, although excluding reference to social policy, revived discussion on more than just the internal market. It effectively polarized the social policy debate against a background of major regional imbalance in standards of living, pay and worker protection. Unemployment rates, for example, varied between 3% (Luxembourg) and 22% (Spain). Wage costs in the Federal Republic of Germany were five times higher than in Portugal and there were and still are major divergences in the extent of employee participation in management. For the trade unions in those Member States with a high standard of living this gave rise to the fear that companies or even whole branches of industry would move to areas of 'cheap' labour. The official statements from national employer associations confirmed these fears by stating openly the expectation that future decisions on company location would be influenced by such factors as labour and social provisions and social welfare costs.

This was a new challenge to the Community's social policy if social divergences were not to endanger the Community aims of harmonious development and economic and social cohesion. In 1987 the revision of the Treaty establishing the European Economic Community which came with adoption of the Single European Act (SEA) gave fresh impetus to Community social policy.

Not only did the SEA state the aim of completing the internal market by 31 December 1992, it also introduced the principle of majority voting in the Council as a means of attaining this goal. Social policy provisions were also extended considerably. Going beyond the declaration of intent in Article 177, the Member States now state that they will pay particular attention to improving the working environment, as

regards the health and safety of workers (Article 118a). The dialogue between management and labour at European level is to be developed (Article 118b). Economic and social cohesion is to be strengthened and the backwardness of the least-favoured regions in the Community reduced. To this end the SEA initiated a reform of the Community structural Funds: their aims are now more clearly defined and funding has been increased substantially.

At their summit conferences in Hanover, Rhodes and Madrid (1988/89), the Heads of State or Government of the Member States were in agreement that the internal market must benefit all sectors of the population and that the social aspects of an integrated European market must rank equal in importance to the economic aspects. The effective support of the European Parliament and the Economic and Social Committee of the European Communities culminated in the Council adopting the landmark Community Charter of basic social rights at the end of 1989. Even though the Charter ranks as no more than a declaration and was adopted by only 11 of the 12 Member States, it lists the major work areas (including freedom of association and collective bargaining, employment and pay, information and co-determination of workers) and gives the Commission a clear mandate to make legislative proposals.

The first proposals for directives

At the end of 1989 the Commission responded with an action programme relating to the implementation of the Community Charter containing 48 separate proposals for translating the Charter into Community law. In addition to numerous initiatives on health and safety in the working environment, proposals on the following topics are worthy of special mention: — Informing and consulting employees in Community-scale companies or groups of companies. With this proposal the Commission has taken up a topic which for years has been a bone of contention. For the trade unions provisions for employee representation at European level are indispensable. Employers, on the other hand, regard them as superfluous. Not for nothing has the proposal for a directive initially made by the Commission in 1980 on procedures for informing and consulting the employees of undertakings with complex structures, in particular transnational structures — the Vredeling Directive — still not been adopted by the Council. The initial proposal for the Statute on a European (public-limited) company (Epic) suffered a similar fate. The proposal was drawn up in 1970 and amended in 1975. It was then put on ice and not revived until 1989 in a new proposal, complemented by a proposal for a Directive on the position of workers.

— Certain aspects of the organization of working time: provisions on rest periods, shift and night-work and regular overtime, with the aim of protecting the health of workers.

— Improved health protection in the case of employment relationships other than those of an open-ended nature, such as temporary, part-time and seasonal work. While the Council has already adopted part of a proposal put forward by the Commission, other aspects remain to be discussed. These include the rights of part-time workers to company benefits and training opportunities and placing part-time employment on a par with open-ended employment relationships.

— The introduction of written declarations by employers on employment laying down the terms of employment.
— Protection of pregnant women and nursing mothers at work.

The Commission also adopted in 1990 the third Community programme of action on equal opportunities.

Poor decision-making procedures

Commission officials realize of course that the social dimension cannot be dictated by a remote bureaucracy. This is why they consult representatives of employers and trade unions before formulating their proposals, to ensure that a consensus can be found on the Commission's proposals when they are presented to the European Parliament, the Economic and Social Committee or the Council. Within the framework of the social dialogue initiated by the Commission, the two sides of industry have an opportunity to discuss their points of view and reach a compromise.

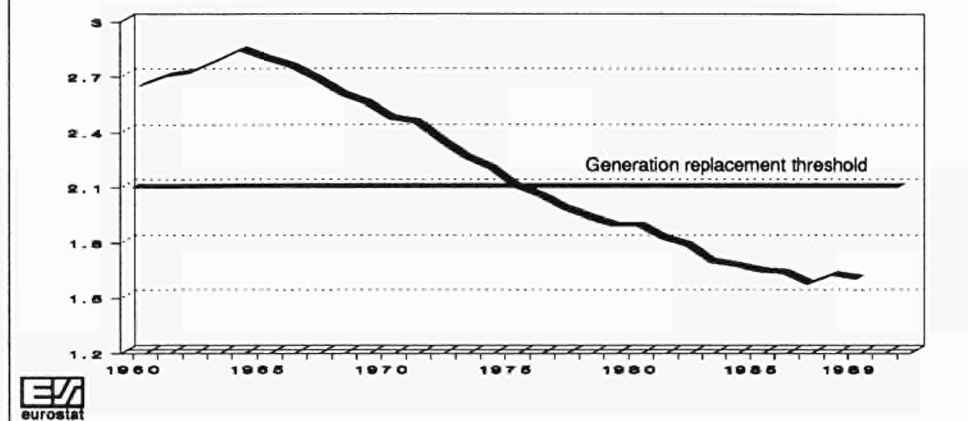
In the course of 1991 the Commission intends to put forward additional proposals under the social action programme to enable the Council to take decisions before the end of 1992. The speed at which these proposals can be translated into European legislation depends, *inter alia*, on whether majority voting within the Council can be made to apply to social affairs. One of the two intergovernmental conferences which has been meeting since December 1990 to prepare treaties on economic and monetary union and on political union will have to deal with this issue. After all, the conclusions of the Rome meeting of the European Council in December 1990 say that political union should be based on greater economic and social cohesion and should amplify and strengthen Community responsibility in certain domains, including the social dimension and social dialogue. The European Council also said that a more determined effort should be made to implement the action programme.

The stance adopted on voting procedures within the Council by the Rome Summit of the European Council is less clear, although the European Council does recommend that consideration should be given to qualified majority voting to implement agreed policies.

It is no coincidence that, when looking back over the first year of the action programme, the brunt of the ETUC's criticism is directed at the principle of unanimous voting, given that in the past year a number of Council decisions on Commission social policy proposals foundered on account of the Council's rigid voting procedure. The ETUC believes that there is a lack of political will to use majority voting to secure a social dimension for the internal market.

The ETUC's view concurs with that of the Commission. President Jacques Delors is convinced that the present legal basis for social policy is inadequate in scope and in terms of decision-making procedure. He reiterated this conviction in December 1990 on being presented with the Hans-Böckler Prize by the German Trade Union Confederation. The laudatio paid tribute to President Delors as an outstanding European who was committed to the social interests of workers and their right to co-determination.

Evolution of fertility (average number of children per woman of child-bearing age) – EUR 12



Demography: non-replaced generations

Since 1975 the European population has no longer been replaced and the average number of children per woman reached its lowest level (1.55) in 1987.

Only in Ireland was the population replaced in 1988, but there has nevertheless been a fall since 1960.

This general downward trend is most marked in Spain and Italy, with the lowest fertility rates in the Community.

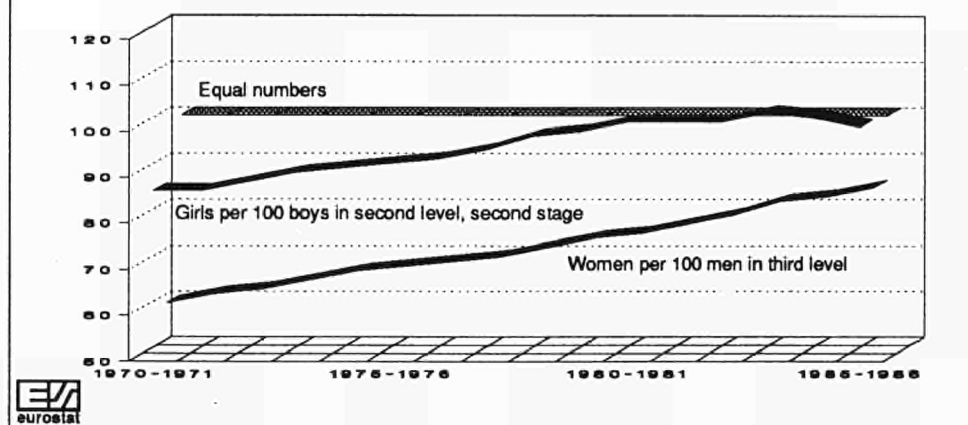
Evolution of total fertility

| | EUR 12* | B | DK | D | GR | E | F | IRL | I | L | NL | P | UK |
|-------------------|---------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1960 | 2.63 | 2.58 | 2.54 | 2.37 | 2.28 | 2.86 | 2.73 | 3.76 | 2.41 | 2.28 | 3.12 | 3.01 | 2.69 |
| 1989 ¹ | 1.58 | 1.58 | 1.62 | 1.39 | 1.50 | 1.30 | 1.81 | 2.11 | 1.29 | 1.52 | 1.55 | 1.50 | 1.85 |

¹ Provisional figures

* Estimate

Evolution of number of girls per 100 boys in the second stage of the second level and the third level – EUR 12



Education

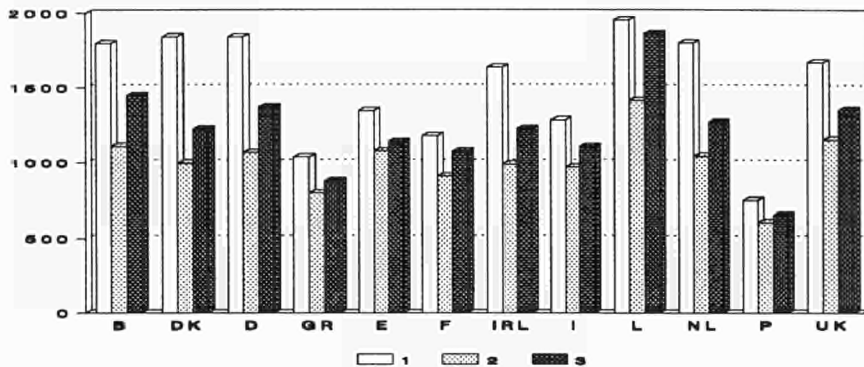
In second-level education, the number of girls progressively reached the same level as the number of boys during the 1970s and 1980s.

It is now only in the third level that a slight degree of inequality persists in spite of the considerable increase in the number of women in this field. In 1986/1987 women accounted for 46% of third-level students in the Community as a whole, with 52% in Portugal compared with 41% in Germany.

Evolution of the percentage of girls by level of education in the third level

| | EUR 12 | B | DK | D | GR | E | F | IRL | I | L | NL | P | UK |
|-----------|--------|----|----|----|----|----|----|-----|----|----|----|----|----|
| 1976-1977 | 40 | 42 | 47 | 38 | 37 | 36 | 46 | 39 | 39 | 33 | 32 | 46 | 42 |
| 1986-1987 | 46 | 48 | 50 | 41 | 49 | 50 | 51 | 46 | 47 | : | 41 | 52 | 44 |

Net and gross monthly earnings – 1987 (in PPS)



1 = Gross earnings of manual worker (I: 1985; UK: 1986); 2 = average net earnings of an unmarried manual worker (I: 1985; UK: 1986); 3 = net earnings of a married manual worker with two children.

Standard of living in Europe

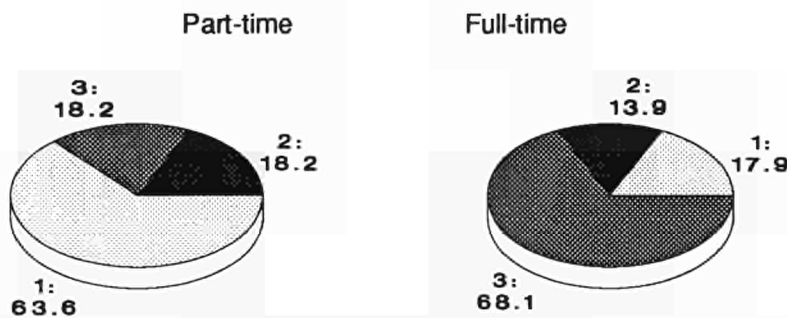
In Luxembourg, gross earnings of manual workers are 2.6 times the level in Portugal.

If these two Member States are left out of account, the disparity in net earnings between the various Member States is not so great.

Statutory deductions (taxes and social security contributions) from the earnings of a married manual worker with two children vary from 13.9% in Luxembourg to 37.5% in Denmark.

PPS (purchasing power standard): since the exchange rates do not necessarily reflect the purchasing power of a given currency on national territory, Eurostat uses the unit 'PPS' to cancel out the differences in general price levels between the countries in order to improve comparison of the figures.

Breakdown by sex of full- and part-time work – EUR 12, 1988 (%)



1 = Married women; 2 = unmarried women; 3 = men.

Part-time work

More women (81.8% of the total) than men (18.2%) worked part-time in 1988, while women represented 31.9% of the total number of persons working full-time.

The highest percentage of female part-time workers was in the Federal Republic of Germany with 90.5%, compared with only 62.2% in Italy.

Breakdown of part-time work between men and women in 1988 (%)

| | EUR 12 | B | DK | D | GR | E | F | IRL | I | L | NL | P | UK |
|---------------|--------|------|------|------|------|------|------|------|------|------|------|------|------|
| Men | 18.2 | 12.9 | 20.5 | 9.5 | 34.2 | 26.3 | 16.3 | 31.6 | 37.8 | 19.4 | 30.2 | 32.9 | 14.3 |
| Women (total) | 81.8 | 87.1 | 79.5 | 90.5 | 65.8 | 73.7 | 83.7 | 68.4 | 62.2 | 80.6 | 69.8 | 67.1 | 85.7 |
| Married women | 63.6 | 68.4 | 51.1 | 75.0 | 49.2 | 48.3 | 59.8 | 50.1 | 45.4 | 60.0 | 47.9 | 43.6 | 71.2 |

Just published

'Social Portrait of Europe' is a new one-off publication available in all the official languages of the Community. These 'Key figures' are taken from this publication.

● A European information channel for 1992

From next year viewers throughout Europe — from Ireland to the Ural — and the countries of the Mediterranean basin, will be able to watch European news programmes for nine hours a day. The public service companies which are members of the European Broadcasting Union (EBU) have undertaken to set up a European news channel. Baptized Euronews, it will broadcast via satellite in five languages (English, French, German, Italian and Spanish) news programmes put together by EBU members. In 1993 Euronews should be on the air night and day, like America's CNN (Cable News Network). The companies that are behind Euronews presented their project on 27 February to the European Commission, which is thinking of backing it financially.

● Mopeds and motor bikes in a single market

European manufacturers of moped and motor cycles have production costs which are 15 to 30 % higher at present than those of their competitors. This is because they must currently meet some 15 different technical definitions if they want to sell throughout the 12-nation European Community. In the run-up to the single market the European Commission proposed to the Twelve, on 6 March, the complete harmonization of the conditions under which motor cycles, with or without sidecars, and mopeds are put on sale. The proposal reduces the 15 technical definitions to two categories: (1) motorized bicycles with an engine capacity below 50 cc and a top speed of 45 km/h (28 mph) and (2) two- or three-wheelers with an engine capacity above 50 cc. EC countries which wanted it could have a subcategory for smaller mopeds, with a top speed of 25 km/h (16 mph). This would take account of the situation in Belgium, Germany and the Netherlands. At present there are 14 European manufacturers of mopeds and motor cycles, largely concentrated in three countries: Italy, France and Spain. Some 84 % of their output consists of mopeds with engines below 50 cc capacity. Sales of mopeds and motor cycles came to 1.6 million units for the EC as a whole in 1988, the latest year for which sales figures are available.

● EC Treaties and consumer protection

Consumer protection must be one of the stated objectives of the European Community, according to the Brussels-based European Consumers' Organization (BEUC). On the eve of World Consumer Rights Day, 15 March, BEUC has called on the European Commission, the European Parliament and the EC Council of Ministers to do all they can to ensure that consumer protection is written into the revised EC Treaties. The fact is that the Community and Twelve are working since last December on a new European constitution. BEUC is afraid that, given the Community's current powers, once the harmonization measures required to achieve the single market have been taken, it will not have the means to improve thereafter the situation of European consumers.

● Photocopiers: a threat to copyright?

Is it necessary to harmonize the copyright laws in force in the 12 European Community countries to ensure the success of the single market? Before giving an answer, the European Commission has preferred to send out a questionnaire to all interested individuals and organizations. Copies can be had from Mr Jean-François Verstryne at the European Commission, Division III F 4, 200 rue de la Loi — NERV 6/29, B-1049 Brussels. The Questionnaires must be returned by 15 May 1991. The Commission is meeting the bodies concerned on 26 and 27 June 1991 in Brussels.

● Telecom lines can soon be leased

From 1 July 1992 European companies will be able to lease telecommunication lines throughout the European Community on the same terms — provided the EC Council of Ministers approves the Directive European law proposed by the European Commission on 20 February. Such harmonization would simplify communications between companies in the single market; it would also make possible the development of services on a Community-wide basis, including databases, the electronic transfer of funds and electronic mail. In this case companies would no longer lease lines for their own use but in order to provide services to their customers.

● A delayed rendezvous for foodstuffs?

There is a danger that foodstuffs will not meet the 1992 deadline on time, according to European manufacturers and traders in the food sector. With the methods currently used to give Community approval to foodstuffs — and materials which come into contact with food — it is not possible to draw up quickly enough the necessary European laws required for the completion of the single market. In order to redress the situation the European Commission has proposed to the Twelve that the necessary laboratory tests be carried out by the various national food safety institutes, in collaboration with the EC Scientific Committee on Food. The SCF is currently flooded with applications from companies seeking Community approval and it can no longer handle the task alone.

○ The three German associations of cities, districts and parishes jointly opened a **German local government European office** in Brussels at the beginning of the year. This is because 120 of the 282 European laws that make up the 1992 programme must be translated into local regulations before they can be implemented. This is the first such initiative in the European Community.

○ **Agricultural trade unions and employers' organizations** decided on 7 March to relaunch their dialogue in the run-up to the single market, somewhat along the lines of the social dialogue which industry has been conducting for several years now. The two bodies (COPA, the committee of professional agricultural organizations, and EFA, the European federation of agricultural workers) want to define the guidelines that will make it possible to improve living and working conditions in rural areas.

○ Officials from the mints of the 12 European Community countries have decided to study the technical problems that would arise in connection with the **manufacture of European coins and banknotes**. They set up a committee for this purpose at their three day meeting in Rome at the end of February. The director of the Italian mint, Nicola Ielpo, proposed to his colleagues that a one-ECU commemorative coin be struck in all 12 Community countries in 1992.

SEEN FROM ABROAD

► East Europeans want to join

Most Czechs, Poles and Hungarians would like to see their country join the European Community — as would their governments. This is one of the findings of the Eurobarometer poll carried out in these countries last autumn and published at the end of February. The poll showed that 55 % of Poles and 51 % of Hungarians are for immediate membership. The Czechs were more prudent: only 25 % of them favour immediate membership. However, 37 % want Czechoslovakia to join within five years' time and 12 % within 10 years. In each of the three countries only 2 % of those polled were totally opposed to Community membership.

▷ An **Albanian technical mission** visited the European Commission on 19 February, in order to learn more about the Community and to look into possibilities of cooperation. The Albanian Government has asked for the opening of diplomatic relations with the EC. Albania is the only European country which has no diplomatic relations with the Community.

◆ Towards a single market for distribution

In the European Community economy, domestic trade and distribution account for about 17 % of production and employment. Commercial activities account, on the whole, for about half the services sector in the 12-nation Community. However, despite important changes in methods, the introduction of new technologies and the development of cross-border initiatives, trade within the Community is still conducted largely in the context of national markets.

But the completion of the single market should be felt by the wholesale and retail trades also. To this end the European Commission adopted on 6 March a work programme aimed at creating the conditions needed to establish a single market for the distributive trades (retail, wholesale and other related trades) in the Community.

The Commission is responding to a demand from the Twelve, who had concluded that a new approach to the problems of distribution was needed, one that took account of the sector and integrated it into existing Community policies.

The work programme drawn up by the Commission does not provide for the creation of new bodies. It is not a question of creating a new sectoral policy, but rather of highlighting and improving a set of measures aimed at guaranteeing that the importance of the distribution sector — particularly its key role in the development of the internal market — be taken into account in the various Community policies: business, information, education, training, competition, innovation, etc.

The aim of the work programme is to identify and eliminate obstacles to the completion of the single market for the distributive trades in the Community.

◆ Extending BC-Net to the EFTA countries

The Business Cooperation Network (BC-Net) is a computerized network linking more than 450 business consultants, capable of finding potential partners in other Member States or other regions of the Community, in response to an offer or a specific request for cooperation.

BC-Net has already handled more than 30 000 offers of and requests for cooperation, covering all sectors of activity and all forms of cooperation — commercial, technical and financial. The agreements concluded, thanks to BC-Net, cover fields as varied as advertising, industrial computer terminals and patents in the construction field.

BC-Net was set up in mid-1988; its experimental phase ended at the end of July 1990 when it entered a phase of consolidation and development. It will shortly have a membership within the Community of some 600.

The network's geographic coverage has widened. An agreement extending BC-Net to the countries of the European Free Trade Association (EFTA) was signed on 7 March in Brussels. Eight consultancy bodies from the EFTA countries were selected to join the network: two from Austria (Federation of Austrian Industrialists and the Federal Economic Chamber); one from Finland (Finnish Foreign Trade Association); one from Iceland (Technological Institute); one from Norway (Norwegian Trade Council); one from Sweden (National Industrial Board) and two from Switzerland (Swiss Office for Trade Promotion and Info-Chambers). All eight are already operational.

Several Polish, Hungarian and Czech organizations will also join BC-Net shortly.

◆ Europartenariat 91: Porto on 17 and 18 June and Leipzig on 2 and 3 December

Europartenariat was launched by the European Commission, in order to stimulate and promote cooperation agreements (commercial, technological and financial) between companies based, on the one hand, in regions of the European Community that are either lagging behind or facing industrial decline and, on the other, in the Community's more prosperous regions. Europartenariat is held in a different region each year; it is invariably one which must overcome a number of handicaps between now and the completion of the single market at the end of 1992.

Ireland (1988), Andalusia (1989) and Wales (1990) have already welcomed Europartenariat. Its success has continued to grow.

In 1991 Europartenariat will meet in Porto (Portugal) for the first time. A catalogue containing the cooperation projects submitted by selected small and medium-sized Portuguese enterprises is already available. Meetings between company directors will take place at Porto on 17 and 18 June 1991. But Portugal is not the only country to be favoured this year by Europartenariat. Because of the new situation created by the extension of the Community's frontiers to include the former German Democratic Republic, Europartenariat has launched a second action this year. It will be held in Leipzig on 2 and 3 December, so as to benefit Germany's five new states (*Länder*). Given the special circumstances of this region of the Federal Republic, Europartenariat will encourage contacts between companies based not only in the Community but also in the EFTA countries and in Eastern and Central Europe.

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

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