ISSN 0776-8508

COMMISSION OF THE EUROPEAN COMMUNITIES
Directorate-General Audiovisual, Information, Communication and Culture

Monthly newsletter on the single internal market

target 92

The duty to inform about the Community

■ by Colette Flesch, Director-General for Audiovisual, Information, Communication and Culture in the European Commission

The single market will be completed at the end of this year. There will be a single currency, the ecu, from 1999 at the latest. The framework for political union is ready. The European Community, in other words, is forging ahead. This is good but it is not enough. To perpetuate itself the Community must become much more than an ingenious system based on European regulations and directives: it must become a Community of people. But this is possible only if the people in question — the Irish, the Italians, the Portuguese, the Danes and the others — meet each other without arrogance, without mistrust. They must be open to each other.

A transnational society In order to be open to others one must first get to know them. The Luxemburger who has an idea of how the Spanish mind works will find it easier to work with his Spanish colleague. The Dutchman who is not prejudiced towards Germans will not mind competing with the German doctor who now practises in the next street. The free movement of people and services in the single market will make a lot of people mobile. The outcome will be a new, transnational society, requiring a high level of tolerance from everyone. The same principles are valid for monetary union, which will work only on condition that people do not suspect each other of wanting to get rich at each other's expense. The art of compromise will come into its own later on in the European Union — that is to say, when the time comes to implement common foreign and defence policies.

The French claim that to know is to love. They are right. But how to know the other? It's very simple: one must take an interest in him, by paying attention to the press, the radio and the television, which all provide information daily on events in the other European Community countries.

Becoming receptive Learning about others is also a way of opening up, when travelling abroad, not only to natural and cultural beauty but also to the ways of being and of living of the peoples of Europe. Citizens must 'work' for the Community by familiarizing themselves with the traditions and ways of life of their fellow citizens in other countries. This principle is equally valid for organized sectors. It is up to them to remind their members that they are not the only ones who have problems to face and claims to press. The Spanish farmer must be told about the lot of the Irish farmer, just as the British trade unionist must know about the condition of his Belgian colleague. Adding a Community dimension to our thoughts and sensitivities is essential for the development of European solidarity.

A European awareness The Community itself, therefore, has a vast information task. It must not limit itself to knowledge of the cares and grievances of its partners but will have to be extended to what the Old World has to offer to its citizens. The world is very envious of Europe: its secular traditions and, at the same time, its progressive political and social structure, its thinkers and its artists, its scientists and its inventors. They have all contributed to what the world calls 'the European spirit'. The Community's citizens should be conscious and proud of it. Let them regard themselves as Europeans of French, Greek or some other nationality.

The European Commission is contributing to the development of a Community awareness. But 'Brussels' will not be able to undertake this task unaided. Governments and the media will have to do their share, as will all who make and disseminate news. It is under these conditions that the Community of regulations and directives will become a Community of people.

3
MARCH 1992
The text of this issue was completed on 12 February 1992.

DECISIONS

■ The Twelve sign the Treaty on European Union

On 7 February 1992, at Maastricht, the European Community's foreign and finance ministers signed the Treaty on European Union which the Heads of State or Government had adopted in the same city during the night of 10 and 11 December 1991 (see *Target 92,* No 1/92). This Treaty will become the European Community's 'constitution' from 1 January 1993. Before that it must be ratified by the European Parliament and the 12 national Parliaments, and approved by referendum in Denmark and Ireland, and perhaps in France as well.

■ Definitive agreement on excise duties

EC ministers adopted on 10 February 1992 a 'European law' which allows Community residents to bring home, without restrictions, alcoholic beverages, tobacco and petrol bought in any of the 12 Member States. This directive sets out the definitive system of excise duties — the special taxes on the abovementioned products — for 1 January 1993. (For details, see *Target 92,* No 2/92.) The Twelve must now adopt the 'laws' fixing the rates at which these taxes will be levied for 1 January 1993.

■ Computers in place of borders

In the single market computers will replace checks at the Community's internal borders. However, the ending of customs' formalities and checks from 1 January 1993 will not provide companies which are a shade dishonest an opportunity to avoid paying VAT on goods bought in order EC countries. EC ministers adopted on 28 January 1992 a regulation (a 'European law') setting up a computerized Community-wide system, to become operational from this October. Thanks to this system, a Member State's tax authorities will be able to obtain very quickly from their colleagues in the other 11 EC countries the information needed to unearth fraud. At the same time companies will be able to ask their national tax authorities whether a client of theirs, established in another EC country, is subject to VAT. For companies this new method of control, linked to the Community-wide VAT system adopted by the Twelve last November (see *Target 92,* No 1/92), will mean less paperwork and guarantee confidentiality.

■ Rules for meat-based products

To eliminate checks at the EC's internal borders on meat-based products and at the same time to safeguard the health of consumers — these are the twin objectives of a directive (a 'European law'); the principle of such a directive was adopted by the Twelve on 28 January 1992 — pending its definitive adoption. The directive stipulates that the health rules which are already mandatory for meat-based products sold in another EC country will be extended, from 1 January 1993, to all products not leaving their country of origin. As a result, health checks at the EC's internal borders, which make it possible to ensure that the present European standards are being met, will become unnecessary. In order to be able to sell their products throughout the single market, slaughterhouses and other companies in this sector will have to obtain a special authorization certifying that they are meeting the Community's health regulations. In addition, the directive provides for a national and Community-wide inspection system.

POLL: WIDESPREAD AWARENESS OF '1992'

Last autumn 76 % of European Community citizens were aware of the '1992 project' for the single market, according to a Eurobarometer poll, whose results were published on 17 January 1992. Awareness of the single market has never been as widespread. 60 % of Europeans relate the single market to 'hope'. This is the same as in the autumn of 1990 but below the 65 % recorded last spring. 28 % of those polled relate the single market to 'fear', as compared to the 25 % recorded during the two earlier polls. Hope is the dominant feeling in Italy and Ireland (more than 70 %) and in the Netherlands and Portugal (65 %); it is closer to the Community average in Belgium and Denmark and it is somewhat weaker, although still in a clear majority, in Spain, Germany, the United Kingdom and Greece. In France '1992' represents hope for 52 % of those polled, but fear for 42 % of them — a record figure, which also covers Luxembourg, where only 43 of those polled are hopeful as regards the single market — the lowest for any country in the EC.

■ 'European' vocational training

What is the future in a Europe in which borders are disappearing and the weakest will no longer be protected? This is a question which companies, regions and economic sectors are asking — and several hundred vocational training bodies are trying to answer, by joining forces across national borders. If their projects are based on innovations of interest to the Community as a whole, they can receive financial support from the Community budget. On 3 February 1992 the European Commission in fact adopted 42 programmes of aid for vocational training — at least three per Member State. It granted them ECU 525 million out of the ECU 600 million total which has been earmarked fo three Community actions: Euroform, NOW and Horizon (ECU 1 = UK£ 0.71 or IR£ 0.77). Euroform seeks to subsidize European vocational training initiatives in several economic sectors, in particular cars, motorbikes, textiles, clothing, footwear, household appliances, electronics and greenhouse agriculture. This action also seeks to narrow the gap in the level of professional qualifications between regions which are more or less developed as well as to make qualifications and competences more comparable. In this way the mutual recognition between the Twelve, envisaged for 1993, is made easier. NOW aims to create fresh employment possibilities for women and Horizon aims to integrate the most disadvantaged more easily into the labour market.

INITIATIVES

● Greater cohesion towards 1997

Some ECU 20 billion of additional resources to make available between 1993 and 1997, including ECU 11 billion for reducing the disparities between regions on the one hand and social categories on the other — these are the guidelines which the European Commission is asking the Twelve to adopt before the end of the year in order to finance the 'post-1992' period. These guidelines are part of a package of measures, the 'second Delors package', designed to provide the European Community with the funds needed to reach its goals, particularly that of a single currency. 'Delors II' must be the follow-up to the 'first Delors package' which stipulates the Community's income and expenditure for the years 1989 to 1993. The Commission President listed three 'superpriorities' requiring additional resources when he presented his 'package' to the European Parliament on 12 February 1992. They are: (1) reducing disparities, or 'economic and social cohesion'; (2) making the economies of the Twelve, and more especially their companies, more competitive, for ECU 3.5 billion and (3) financing Community actions in the rest of the world, for ECU 3.5 billion. If the Twelve accept these proposals, Greece, Ireland and Portugal will receive, between 1993 and 1997, twice as much money from the Community budget as in 1992. The same measure would apply to the most disadvantaged regions of Spain. Help for the other economically backward regions — the Italian Mezzogiorno, Corsica and France's overseas departments, Northern Ireland and, hereafter, the former East Germany — would increase by two-thirds between 1992 and 1997. Help for regions facing industrial decline and rural areas in difficulty would rise by 50 %. A higher proportion of the Community's budget — 40 % instead of 20 % as at present — would be met by national contributions, based on the level of prosperity of each country. At the same time VAT's share of the budget would be reduced, as it is regarded as the more 'unfair' element, since it is levied indiscriminately on both rich and poor.

TERM INSURANCE: AN EXCEPTION?

Will term insurance, supplementary pensions and life insurance remain on the fringes of the single market? European legislation in this field, whether adopted or in preparation, is likely to prove inadequate. In two rulings which it handed down on 28 January 1992 the Court of Justice of the European Communities justified a case of discrimination between Member States: the impossibility of treating as tax-deductible the premiums paid in another EC country for this type of insurance. The Community's judges held that Belgium has the right to discriminate in this way, even though it is contrary to the EEC Treaty to do so, in order to maintain the coherence of its tax system. The fact is that the taxpayer in Belgium who has been able to treat his insurance premiums as tax-deductible will have to pay income tax when he collects on his insurance policy. By the same token the taxpayer who has paid income tax on insurance premiums does not have to pay income tax on payment received under his insurance policy. The German, Danish and Dutch governments supported Belgium in court. In order to avoid problems for people moving from one country to another, some EC countries have entered into conventions with one another. The generalization of this practice, or the adoption of a special 'European law', would put an end to such discrimination, as the judges themselves pointed out. The impossibility of treating as tax-deductible the insurance premiums paid in another EC country is among the problems dealt with in a report by the European Bureau of Consumers' Unions (BEUC), devoted to term insurance in the 12-nation European Community and published on 23 January 1992. BEUC pointed to price differences ranging from 1 to 3.5 on average between EC countries.

● More 'European' insurance brokers

The single market in insurance is likely to prove a jungle if brokers, agents and other intermediaries continue to work with different national rules — or no rules at all. In order to offer consumers guarantees and intermediaries conditions of fair competition, the European Commission asked, on 28 January 1992, those of the Twelve who have not already done so to adopt three types of measures. They would (1) require a minimum level of competence for all intermediaries, including banks, post offices, department stores and others; (2) make a clear distinction between intermediaries who are genuienly independent and those who maintain links with insurance companies and (3) require all intermediaries to be listed in a special national register. These recommendations are not legally binding. The Commission submitted them with the agreement of the European association of intermediaries. The Twelve will have to inform the Commission of the measures taken by end 1994 at the latest; if it finds it necessary, the Commission will then propose a 'European law'.

● 400 scholarships for teachers

The European Commission will grant 400 scholarships for exchanges between primary and secondary school teachers during the academic year 1992-93. Teachers receiving these scholarships will have to spend three weeks at least in a school in another EC country. Scholarships will be granted to foster teacher exchanges which contribute to cross-border cooperation between schools, in the preparation for example of common programmes or methods. Teachers who are interested should write: In the United Kingdom to Ms Judith Hemery, Central Bureau for Educational Visits and Exchanges, Seymour Mews House, Seymour Mews, London W1H 9PE, tel.: 71 486 51 01, fax: 71 935 57 41; in Ireland to Mr Sean Feerick, Youth Exchange Bureau, Avoca House, 1st Floor, 189/193 Parnell Street, Dublin 1, tel.: 1 73 14 11, fax: 1 73 13 16.

○ BRIEFLY

The single market cannot be a pretext for works of art which the Twelve regard as **national treasures** being sent just anywhere. The European Commission has tried to ensure that such works are doubly protected in a proposal it sent to the Twelve on 15 January 1992. On the one hand the courts in a Member State would order the restitution of 'treasures' which had left another Member State without authorization, and on the other hand the Twelve would control exports to third countries of all Community treasures, and not simply their own.

A single market in gas and electricity, in which consumers and distributors choose their suppliers freely — this, in substance, is what the European Commission proposed to the Twelve on 22 January 1992 in two draft 'European laws'. Liberalization would take place in two stages: on 1 January 1993 only companies which are major consumers of energy — between 400 and 500 for the EC as a whole — and a hundred or so gas distributors — and as many of electricity — would benefit. Then, on 1 January 1996, the freedom to choose would be made general.

How can one take part in tenders announced by European local authorities, in a Community in which public procurement will have been thrown open to competition? A **European municipal directory** is now available, which presents the 10 000 largest municipalities in the 12-nation Community in the EC's nine official languages. The directory gives the chief characteristics of each municipality and the names of its main officials. The directory is priced at ECU 200 and is available from European Directories Limited, 4 rue de la Presse, B-1000 Brussels, Belgium.

In a single market **copyright protection** cannot be left to the individual EC countries. The European Commission proposed to the Twelve on 5 February 1992 that copyright be guaranteed for a period of 70 years after the death of the author. It would be 50 years in the case of 'neighbouring' rights — those of performers, producers of phonograms and broadcasters.

SEEN FROM ABROAD

▶ East Europeans view the EC positively

East Europeans are not always well-informed of the single market project; but those who know about it have a positive image of it. This is one of the findings of a special Eurobarometer poll carried out last autumn in 10 countries of Central and Eastern Europe and published on 28 January 1992. This was the first time that a Community poll was conducted in all of ex-Communist Europe — except for Belarus, Moldova and the Ukraine. The Albanians (63 %) and the European Russians (53 %) are the most aware of the single market project; they are followed by the Lithuanians (48 %), the Estonians and the Czechs (44 %), the Latvians (42 %) and the Bulgarians (40 %). The Poles are among the least aware (33 %), while only 29 % of the Hungarians and 27 % of the Romanians have even heard of the single European market. This means 35 % on average, if Russia is excluded. As for the impact of the single market on the relations which various East European countries have with Western Europe, it is viewed as positive by most of those polled who have a view on the subject. But this time it is the Lithuanians who are in the lead with 63 % with positive views, ahead of the Albanians (60 %) and the Estonians (56 %). European Russians and Latvians (49 %) are more reserved, as are the Hungarians and the Czechs (47 %). The average for countries other than Russia of those who view the impact of the single market positively is 40 %. Countries below this average include Poland (39 %), Bulgaria (37 %) and Romania (26 %). Very few East Europeans think that '1992' will harm their countries — a maximum of six percent in Czechoslovakia. However, in several countries a large part of public opinion views the single market as both good and bad: 23 % in Czechoslovakia, 21 % in Latvia, 20 % in Poland and 14 % in European Russia.

Commission of the European Communities
Directorate-General Audiovisual, Information, Communication and Culture, and Directorate-General Enterprise Policy, Distributive Trades, Tourism and Cooperatives, Rue de la Loi 200 — B-1049 Brussels

OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg Catalogue number: CC-AI-92-003-EN-C

Take part in Europe. We can help you.

If you're looking for detailed and precise answers to questions like:

• ***Do my products meet European standards?***

• ***Am I eligible for financial assistance?***

• ***What procedures must I go through to become established in a particular region in Europe?***

A 'Euro Info Centre' (EIC) can answer these questions and many others in a way that meets the specific needs of businessmen. The EIC's are set up in a decentralized network throughout Europe. There are more than 200 centres at the service of small firms to provide the information and assistance they need about regulations, practices, and opportunities in Europe.

• ***Are you looking for confidential help in finding a commercial, financial, or technological partner in the European Community or in other countries?***

The 'Business Cooperation Network' (BC Net) is a network of some 600 business consultants in the private and public sectors throughout the entire Community and in a number of other countries. It is linked to a computerized information system to coordinate confidential queries about, and offers of, collaboration.

• ***Do you want to have access to opportunities for collaboration that are not confidential in nature?***

The 'Business Co-operation Centre' (BRE) is represented by 300 correspondents spread throughout 45 countries. It is also directly accessible to businesses.

This is the time to act. Take part in the European Week for Business <u>from the 23rd to the 27th of March 1992.</u>

• ***Do you prefer to speak directly without an intermediary to another businessman in the European Community?***

Participate in a **'EUROPARTENARIAT'** event that the Commission of the European Communities organizes twice a year in a specific region of the Community. The next meeting will be in Thessalonica, Greece, on the 22nd and 23rd of June 1992 and the following will be in Mezzogiorno, Italy, on the 3rd and 4th of December 1992.

For more information, contact your EIC:

GREAT BRITAIN

Belfast: Tel: (0232) 49 10 31 - Fax: (0232) 69 14 32
Birmingham: Tel: (021) 454 61 71 - Fax: (021) 455 86 70
Bradford: Tel: (0274) 75 42 62 - Fax: (0274) 39 32 26
Brighton: Tel: (0273) 22 08 70 - Fax: (0273) 20 79 65
Bristol: Tel: (0272) 73 73 73 - Fax: (0272) 74 53 65
Cardiff: Tel: (0222) 22 95 25 - Fax: (0222) 22 97 40
Exeter: Tel: (0392) 21 40 85 - Fax: (0392) 26 43 75
Glasgow: Tel: (041) 221 09 99 - Fax: (041) 221 65 39
Hull: Tel: (0482) 46 59 40 - Fax: (0482) 46 62 05
Inverness: Tel: (0463) 23 41 21 - Fax: (0463) 71 08 48
Leeds: Tel: (0532) 43 92 22 - Fax: (0532) 83 31 23
Leicester: Tel: (0533) 55 44 64 - Fax: (0533) 47 08 29
Liverpool: Tel: (051) 298 19 28 - Fax: (051) 207 13 42
London: Tel: (071) 489 19 92 - Fax: (071) 489 03 91
London: Tel: (071) 828 62 01 - Fax: (071) 834 84 16
Maidstone: Tel: (0622) 69 41 09 - Fax: (0622) 69 14 18
Manchester: Tel: (061) 236 32 10 - Fax: (061) 236 99 45
Newcastle: Tel: (091) 261 00 26/5131 - Fax: (091) 222 17 79/261 69 11
Norwich: Tel: (0603) 62 59 77 - Fax: (0603) 63 30 32
Nottingham: Tel: (0602) 62 46 24 - Fax: (0602) 85 66 12
Sheffield: Tel: (0742) 53 21 26 - Fax: (0742) 53 21 25
Slough: Tel: (0753) 57 78 77 - Fax: (0753) 52 46 44
Southampton: Tel: (0703) 83 28 66 - Fax: (0703) 23 17 14
Stafford: Tel: (0785) 59 528 - Fax: (0785) 21 52 86
Telford: Tel: (0952) 58 87 66 - Fax: (0952) 58 25 03

IRELAND

Cork: Tel: (021) 50 90 44 - Fax: (021) 27 13 47
Dublin: Tel: (01) 269 50 11 - Fax: (01) 269 58 20
Galway: Tel: (091) 62 624 - Fax: (091) 61 963
Limerick: Tel: (061) 41 07 77 - Fax: (061) 31 56 34
Sligo: Tel: (071) 61 274 - Fax: (071) 60 912
Waterford: Tel: (051) 72 639 - Fax: (051) 79 220

COMMISSION OF THE EUROPEAN COMMUNITIES

ENTERPRISE POLICY

From the 23rd to the 27th of March. European Week for Business.

20075 DMB&B