

THE EUROPEAN COUNCIL

**RHODES
2-3 DECEMBER 1988**

Documents in the dossier include:

European Council: Rhodes, 2 and 3 December
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E.C. Summit Leaders Assess Progress of 1992 Program
European Community News No. 32/1988
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European Council

Rhodes, 2 and 3 December

1.1.1. The European Council commenced its deliberations at the Castle of the Knights, in Rhodes, on the afternoon of Friday 2 December, with the Greek Prime Minister, Mr Andreas Papandreu, in the chair, after an address by the President of the European Parliament, Lord Plumb. The summit was attended by the Heads of State or Government, the Foreign Ministers of the 12 Member States and the President of the Commission and ended at midday on Saturday 3 December. The European Council took stock of progress under the Single Act towards 1992 and the single market, stressing the importance of the social dimension and associated policies and giving fresh impetus to work on the environment along the lines set out in the declaration in Annex I to its conclusions. It also emphasized the importance of developing Europe's audiovisual capacity and expressed great interest in the French Government's communication on Audiovisual Eureka, which is set out in Annex II to the conclusions.

The European Council also adopted a declaration on the international role of the Community, making the point once again that the Europe of 1992 would be a world partner,¹ and adopted statements in the framework of European political cooperation.

Conclusions of the Presidency

1.1.2. The European Council examined the prospects for the future development of the European Community and its place in the world on the basis of the experience acquired to date in the implementation of the Single European Act. Particular attention was given to the progress made in establishing the single market and developing accompanying policies to strengthen economic and social cohesion, bearing in mind at the same time the beneficial changes which have taken place in the world and especially in East-West relations. The European Council notes with particular satisfaction that the decisions adopted with a view to making a success of the Single European Act, which are now being implemented, have already contributed to the creation of favourable con-

ditions for the smooth, steady and dynamic development of the Community as it moves towards 1992.

On the eve of the European elections in 1989, the European Council emphasizes the indispensable role of the European Parliament in the process of European unification. It welcomes the constructive contribution of the European Parliament to the attainment of the objectives of the Single Act, which is a positive factor for cooperation between the institutions in future.

Implementation of the Single Act: stocktaking

Establishment of the large market

1.1.3. The European Council took note of the report submitted by the Commission under Article 8b of the Single Act. The European Council notes with satisfaction that at the half-way stage towards the deadline of December 1992 half of the legislative programme necessary for the establishment of the large market is already nearly complete. This confirms, if such confirmation were necessary, the irreversible nature of the movement towards a Europe without internal frontiers in accordance with Article 8a of the Treaty and bears witness to the will of the Community bodies to complete the task by the deadline set. The European Council notes that the process of completing the internal market has already created a new dynamism in the European economy by contributing to economic adjustment and an increase in growth rates.

The European Council would point out that the creation of the large market forms a whole and that maintenance of an overall approach is one of the conditions for success. It is therefore necessary to make progress in a balanced and coordinated fashion in all areas (free movement of goods, services and capital, free movement of persons) and to ensure that the appropriate harmonization or approximation is carried out where necessary.

The pace of work must be stepped up in future, because if account is taken of the time needed to transpose Community law into national legislation the Council in fact has only two years in which to meet the 1992 objective.

The European Council expects the Council rapidly to complete adoption of the texts completing the internal market in the priority areas identified by the European Council last June: public contracts,

¹ Bull. EC 10-1988, point 1.2.1 *et seq.*

banking and financial services, the approximation of technical standards and intellectual property. At the same time, the European Council urgently appeals to the Council to step up its efforts in all areas where progress has not been so rapid. This applies particularly to transport and energy, animal and plant health controls and the free movement of persons. The European Council is aware that, in the latter area, the achievement of the Community's objectives, especially the area without internal frontiers, is linked to progress in inter-governmental cooperation to combat terrorism, international crime, drug trafficking and trafficking of all kinds. This cooperation will be stepped up in order to achieve rapid and concrete results which will enable the Community, for its part, to take the necessary measures to turn Europe into a tangible reality for its citizens. To this end each Member State will appoint a person responsible for the necessary coordination.

With regard to the approximation of taxation in accordance with Article 99 of the Treaty, the European Council expresses the wish that the contacts taken up with Governments at the initiative of the Commission, and its proposals, will permit a convergence of views and it calls on the Council to speed up its work so that tax measures, to the extent that they are necessary for the establishment and operation of the internal market, can be adopted in accordance with the timetable set.

Social dimension

1.1.4. The European Council considers that progress in implementing the provisions of the Single European Act on the completion of the internal market must be accompanied by progress in implementing its provisions on social policy, in particular Articles 118a and 118b, and by the strengthening of economic and social cohesion.

The Presidency drew the European Council's attention to the memorandum which it had circulated on this subject before the beginning of the Presidency.

Completion of the single market cannot be regarded as an end in itself; it pursues a much wider objective, namely to ensure the maximum well-being of all, in line with the tradition of social progress which is part of Europe's history.

This tradition of social progress should be a guarantee that all citizens, whatever their occupation, will have effective access to the direct benefits expected from the single market as a factor of economic growth, and as the most effective means of combating unemployment.

The European Council notes that a start has already been made on applying the Single European Act and the guidelines deriving therefrom.

The European Council welcomes the progress made with the framework Directive on health and safety at the workplace and calls on the Council to complete the establishment of this important aspect of the Community's social action without delay.

The European Council would give a reminder of the increasing importance attaching to the systematic pursuit of a constructive dialogue between management and labour at Community level, in accordance with Article 118b of the Treaty. The aim of this dialogue should be the active involvement of both sides of industry in completion of the large market.

The European Council meeting in Hanover asked the Commission to carry out a comparative study of Member States' legislation on working conditions. The European Council notes that that study, which should enable the common *acquis* in this area to be identified, is in progress.

As regards implementation of social rights, the European Council awaits such proposals as the Commission might consider useful to submit having drawn inspiration from the social charter of the Council of Europe.

The European Council emphasizes that the Community's action should contribute towards putting the available human resources to the best use and towards the preparation of change and future technical adjustments. Reform of training schemes, including continuing vocational training, will be a determining factor in achieving these objectives.

The European Council requests the Council to examine the above proposals with a view to taking, in the course of 1989, the necessary decisions to guide Member States' action on social matters in relation with the large market.

Associated policies

1.1.5. The European Council recalls that a significant number of Community policies or projects are contributing, directly or indirectly, towards completion of the internal market or are linked to it in one way or another. It accordingly invites the Council to ensure that the necessary progress is made in various sectors covered by the Single Act (structural policies, research and technology, cooperation on economic and monetary policy) in order that, in due course, all the conditions enabling the Community to derive every possible benefit from the large market may be brought about.

In connection with structural policies, the European Council notes with satisfaction that all the legislative texts on the reform of the various Funds (ERDF, Social Fund, EAGGF Guidance) will be adopted by the end of the year, so that they will be operational from 1989.

The European Council calls on the Commission to supplement its analysis of the macroeconomic consequences of the internal market as regards its regional impact.

In regard to economic and monetary policy, the European Council is aware that this sector has both a direct and an indirect impact on the completion of the internal market. In this connection, it attaches particular importance to the work undertaken, at its request, by the Delors Committee on the concrete stages leading towards economic and monetary union and to the conclusions to be drawn therefrom at the forthcoming European Council meeting in Madrid.

Environment

1.1.6. The European Council notes that efforts are actively being pursued at various levels and in different forums with a view to responding to ever-increasing concern over the threats to the environment; in this connection, the Council expresses satisfaction at the important decisions taken by the recent Environment Council.

The European Council considers that protection of the environment is a matter of vital significance to the Community and to the rest of the world, and urges the Community and the Member States to take every initiative and all essential steps, including at international level, in accordance with the fundamental lines of the statement set out in Annex I. The European Council emphasizes the special importance of cooperation in this area with other European countries, i.e. both EFTA countries and East European countries.

Transport infrastructures

1.1.7. The European Council considers that the creation of major transport infrastructures is one method of speeding up the unification of the European economic area.

It has noted with interest the ideas put forward by the Commission on the subject. It requests the Council to consider with the Commission possibilities in this area. In the mean time it calls on the Council to adopt measures before the end of the year within the limit of the appropriations provided for that purpose in the budget.

Islands

1.1.8. The European Council recognizes the particular socio-economic problems of certain island regions in the Community. It therefore requests the Commission to examine these problems and submit, if appropriate, any proposals which it deems useful, within the financial possibilities offered by the Community's existing policies as they have been decided.

Audiovisual

1.1.9. The European Council pointed out that it is extremely important to strengthen efforts, including cooperation to develop Europe's audiovisual capacity, whether with regard to the free movement of programmes, the promotion of the European high-definition television system or to a policy of encouraging creativity, production and broadcasting so as to provide an opportunity of demonstrating the richness and diversity of European culture. The European Council considers it important that the Community's efforts should be deployed in a manner consistent with the Council of Europe Convention.

The European Council requests the Council to speed up work on the 'television without frontiers' Directive. It noted that the Commission will adapt the proposal in the light of the Council of Europe Convention.

The European Council received with great interest the communication from the French Government set out in Annex II, and endorsed the convening next spring of a meeting which will bring together all the parties concerned in the audiovisual sector in the Community, and also outside the Community, and, on the basis of the experience with Eureka, will seek to encourage the emergence of a truly European audiovisual market.

These proposals will contribute to a substantial strengthening of a European cultural identity and will be discussed at Community level, and in cooperation with the other countries in Europe.

International role of the European Community

1.1.10. Reaffirming its commitment to achieve concrete progress towards European unity on the basis of the Single European Act.

(i) determined to strengthen and expand the role of the European Community and its Member States on the international political and economic stage, in cooperation with all other States and appropriate organizations, and

(ii) aware that the completion of the internal market in 1992, which is already inspiring a new dynamism in the Community's economic life, will equally affect the Community's political and economic role in the world. The European Council reaffirms that the single market will be of benefit to Community and non-Community countries alike by ensuring continuing economic growth. The internal market will not close in on itself. 1992 Europe will be a partner and not a 'fortress Europe'. The internal market will be a decisive factor contributing to greater liberalization in international trade on the basis of the GATT principles of reciprocal and mutually advantageous arrangements. The Community will continue to participate actively in the GATT Uruguay Round, committed as it is to strengthen the multilateral trading system. It will also continue to pursue, with the United States, Japan and the other OECD partners, policies designed to promote sustainable non-inflationary growth in the world economy.

The Community and its Member States will continue to work closely and cooperatively with the United States to maintain and deepen the solid and comprehensive transatlantic relationship. Closer political and economic relations with Japan and the other industrialized countries will also be developed. In particular, the Community wishes to strengthen and to expand relations with EFTA countries and all other European nations which share the same ideals and objectives. Open and constructive dialogue and cooperation will be actively pursued with other countries or regional groups of the Middle East, the Mediterranean, Africa, the Caribbean, the Pacific, Asia and Latin America, with special emphasis on interregional cooperation.

The European Council emphasizes the need to improve social and economic conditions in less-developed countries and to promote structural adjustment, both through trade and aid. It also recognizes the importance of a continuing policy to tackle the problems of the highly indebted countries on a case-by-case basis. It looks forward to the successful conclusion of the negotiations for the renewal of the Convention between the European Community and its 66 African, Caribbean and Pacific partners during the coming year.

The European Community and its Member States are determined to play an active role in the preservation of international peace and security and in the solution of regional conflicts, in conformity with the United Nations Charter. Europe cannot but actively demonstrate its solidarity to the great and spreading movement for democracy and full support for the principles of the Universal Declaration on Human Rights. The Twelve will endeavour to strengthen the effectiveness of the United

Nations and to actively contribute to its peace-keeping role.

Against the background of improved East-West relations, the European Council welcomes the readiness of the European members of the CMEA to develop relations with the European Community and reaffirms its willingness to further economic relations and cooperation with them, taking into account each country's specific situation, in order to use the opportunities available in a mutually beneficial way.

The European Council reaffirms its determination to act with renewed hope to overcome the division of our continent and to promote the Western values and principles which Member States have in common.

To this effect, we will strive to achieve:

- (i) full respect for the provisions of the Helsinki Final Act and further progress in the CSCE process, including an early and successful conclusion of the Vienna follow-up meeting;
- (ii) the establishment of a secure and stable balance of conventional forces in Europe at a lower level, the strengthening of mutual confidence and military transparency and the conclusion of a global and verifiable ban on chemical weapons;
- (iii) promotion of human rights and fundamental freedoms, free circulation of people and ideas and the establishment of more open societies; promotion of human and cultural exchanges between East and West;
- (iv) the development of political dialogue with our Eastern neighbours.

The European Community and the Twelve are determined make full use of the provisions of the Single European Act in order to strengthen solidarity among them, coordination on the political and economic aspects of security, and consistency between the external policies of the European Community and the policies agreed in the framework of European political cooperation. They will strive to reach swift adoption of common positions and implementation of joint action.

The European Council invites all countries to embark with the European Community as world partner on an historic effort to leave to the next generation a continent and a world more secure, more just and more free.

Annex I

Declaration on the environment

1.1.11. Today's world is confronted by environmental problems of increasing magnitude. In the

interests of sustained growth and a better quality of life, it is urgent to find solutions to such global issues as the depletion of the ozone layer, the rise in the temperature of the earth's atmosphere (the 'greenhouse' effect), threats to the natural environment, the problem of water resources, soil erosion, safe management of toxic chemicals and waste, air pollution, particularly 'acid rain', and problems of urban areas. Effective action will in many cases require better scientific research and understanding.

The goals of environmental protection laid down for the Community have recently been defined by the Single European Act. Some progress has been made in reducing pollution and in ensuring prudent management of natural resources. But these actions by themselves are not enough. Within the Community, it is essential to increase efforts to protect the environment directly and also to ensure that such protection becomes an integral component of other policies. Sustainable development must be one of the overriding objectives of all Community policies.

The expected achievement of the single market by 1992 and the accompanying economic growth offers both a challenge and an opportunity. Europe's industrial future and international competitiveness will depend in part on applying the high level of environmental protection foreseen in the Treaty. Special attention needs to be devoted to the seas and coastal regions of the Member States, which are of outstanding importance from the economic and ecological standpoint, particularly the Mediterranean region, the North Sea and the Irish Sea. The Community should redouble its efforts to protect these vital resources.

In the wider international context, the Community and the Member States are determined to play a leading role in the action needed to protect the world's environment and will continue to strive for an effective international response, particularly to such global problems as depletion of the ozone layer, the greenhouse effect and the ever-growing threats to the natural environment, thus contributing to a better quality of life for all the peoples of the world.

Annex II

Audiovisual Eureka Eight proposals for Rhodes

For the promotion, experimentation and development of high-definition television

1.1.12. The European standard and the European high-definition television system successfully dem-

onstrated in Brighton on 23 September 1988 create a basis for the future of the European audiovisual industry. The Community should therefore work effectively and with determination to promote the said system among the other European States, notably those in Eastern Europe.

To this end, encouragement and support should be given to the Commission's initiative in creating a European Economic Interest Grouping (EEIG) whose task is, in particular, to devise the technical means whereby the European standard can be demonstrated and promoted. A demonstration will be organized at the next European Council in Madrid, in June 1989, and at the summit of the seven industrialized countries in July 1989.

Outstanding cultural or sporting events (for example the 1992 Olympic Games) will be filmed with equipment using the European-standard digital-component system. These too will provide an opportunity for demonstrating the high-definition system.

Towards a European audiovisual area

1.1.13. To give practical shape to the European audiovisual Eureka initiative, a conclave will be held next spring, bringing together interested States and professionals concerned (public and private-sector broadcasters and producers, writers, directors, advertisers, etc.). This 'European audiovisual conclave' will be intended primarily for the Community, its Member States and the Commission; but it will also be open to other European countries, including Eastern European ones, according to arrangements to be worked out and in the same spirit as presided over the launch of Technological Eureka in 1985. France is prepared to organize and host this conclave.

With this end in view, each interested State and the Commission will appoint a head for Audiovisual Eureka at the earliest opportunity. The tasks of these representatives will be to conduct all necessary consultations with persons working in this field and to affirm the ambition of Audiovisual Eureka, which is to encourage the emergence of a strong European audiovisual market and foster the development of common policies for the purchase and production of programmes among both public and private-sector TV channels.

It will be necessary to mobilize the appropriate resources in support of public and private initiatives. France stands ready to provide substantial specific financing.

Initiatives taken by the Commission (such as the Media plan) should be pursued and encouraged. France would like them to be extended to include

the production and exchange of documentaries, school and university television programmes, and news magazines.

Filming of a major European work will start in 1989.

European political cooperation

East-West relations

1.1.14. Within the framework of East-West relations, the European Council had an in-depth discussion of the overall relations with the Soviet Union and the countries of Eastern Europe based on various contributions concerning the political and economic fields. Ministers for Foreign Affairs have been entrusted with ensuring the necessary follow-up.

The European Council has approved a paragraph on East-West relations, to be included in the text of a declaration on the international role of the European Community and its Member States, which it has decided to make public at the end of its meeting in Rhodes.

Middle East

Arab-Israeli conflict

1.1.15. The European Council had a thorough discussion on the situation in the Middle East. It reaffirmed the positions expressed by the Ministers for Foreign Affairs in their declaration of 21

November 1988, as well as in the declaration of 30 November 1988.

Lebanon

1.1.16. The European Council reaffirmed the importance it attaches to the election of a president of the Lebanese Republic.

It supports the efforts which the Lebanese are currently undertaking in order to search for a consensus which constitutes the condition for the maintenance of the sovereignty, independence and territorial integrity of Lebanon.

The European Council considers it essential that the international community continues to demonstrate an active interest in Lebanon and in the election of the president.

It expresses the view that the United Nations could in particular, if that would be useful, contribute to the satisfactory holding of the presidential election.

Cyprus

1.1.17. The European Council had a discussion on the Cyprus problem. It acknowledged the fact that the tragic division of the island remains unchanged and reaffirmed the previous declarations of the Twelve, which support without any reservation the independence, sovereignty, territorial integrity and unity of Cyprus.

While expressing its satisfaction at the resuming of the intercommunal dialogue, the European Council expressed the wish that this dialogue should progress and lead rapidly to a solution of the problem, on the basis of the above principles and the relevant UN resolutions.

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E.C. SUMMIT LEADERS ASSESS PROGRESS OF 1992 PROGRAM

European Community summit leaders last weekend said the program to create a unified E.C. internal market by 1992 "has already created a new dynamism in the European economy by contributing to economic adjustment and an increase in growth rates."

They said the work pace must be stepped up, however, particularly in the areas of taxation, transport and energy, animal and plant health controls and the free movement of persons. They also discussed the "social dimension" of the 1992 program, the environment and Europe's audiovisual capacity.

Meeting December 2 and 3 in Rhodes, Greece, the 12 E.C. Heads of State or Government (the European Council) also adopted a political declaration covering the Middle East, East-West relations and Cyprus.

The text of the summit conclusions follows.

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CONCLUSIONS OF THE EUROPEAN COUNCIL
RHODES, GREECE, DECEMBER 2-3, 1988

The European Council examined the prospects for the future development of the European Community and its place in the world on the basis of the experience acquired to date in the implementation of the Single European Act.¹ Particular attention was given to the progress made in establishing the single market and developing accompanying policies to strengthen economic and social cohesion, bearing in mind at the same time the beneficial changes which have taken place in the world and especially in East-West relations. The European Council notes with particular satisfaction that the decisions adopted with a view to making a success of the Single European Act, which are now being implemented, have already contributed to the creation of favorable conditions for the smooth, steady and dynamic development of the Community as it moves towards 1992.

On the eve of the European Parliament elections in 1989, the European Council emphasizes the indispensable role of the European Parliament in the process of European unification. It welcomes the constructive contribution of the European Parliament to the attainment of the objectives of the Single Act, which is a positive factor for cooperation between the institutions in future.

I. IMPLEMENTATION OF THE SINGLE ACT: STOCKTAKING

Establishment of the large market

The European Council took note of the report submitted by the Commission under Article 8b of the Single Act. The European Council notes with satisfaction that at the halfway stage towards the deadline of December 1992, half of the legislative program necessary for the establishment of the large market is already nearly complete.

This confirms, if such confirmation were necessary, the irreversible nature of the movement towards a Europe without internal frontiers in accordance with Article 8a of the Treaty [establishing the European Economic Community] and bears witness to the will of the Community bodies to complete the task by the deadline set. The European Council notes that the process of completing the internal market has already created a new dynamism in the European economy by contributing to economic adjustment and an increase in growth rates.

The European Council would point out that the creation of the large market forms a whole and that maintenance of an overall approach is one of the conditions for success. It is therefore necessary to make progress in a balanced and coordinated fashion in all areas (free movement of goods, services and capital; free movement of persons) and to ensure that the

¹ The Single European Act, which took effect July 1, 1987, amends the Community's founding treaties in areas including the internal market, the environment, economic policy and research and technology.

appropriate harmonization or approximation is carried out where necessary. The pace of work must be stepped up in future, because if account is taken of the time needed to transpose Community law into national legislation the Council [of Ministers] in fact has only two years in which to meet the 1992 objective.

The European Council expects the Council [of Ministers] rapidly to complete adoption of the texts completing the internal market in the priority areas identified by the European Council last June: public contracts, banking and financial services, the approximation of technical standards and intellectual property. At the same time, the European Council urgently appeals to the Council [of Ministers] to step up its efforts in all areas where progress has not been so rapid. This applies particularly to transport and energy, animal and plant health controls and the free movement of persons. The European Council is aware that, in the latter area, the achievement of the Community's objectives, especially the area without internal frontiers, is linked to progress in intergovernmental cooperation to combat terrorism, international crime, drug trafficking and trafficking of all kinds. This cooperation will be stepped up in order to achieve rapid and concrete results which will enable the Community, for its part, to take the necessary measures to turn Europe into a tangible reality for its citizens. To this end each member state will appoint a person responsible for the necessary coordination.

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Social dimension

The European Council considers that progress in implementing the provisions of the Single European Act on the completion of the internal market must be accompanied by progress in implementing its provisions on social policy, in particular Articles 118a and 118b, and by the strengthening of economic and social cohesion.

The Presidency drew the European Council's attention to the memorandum which it had circulated on this subject before the beginning of the Presidency.

Completion of the single market cannot be regarded as an end in itself; it pursues a much wider objective, namely to ensure the maximum well-being of all, in line with the tradition of social progress which is part of Europe's history.

This tradition of social progress should be a guarantee that all citizens, whatever their occupation, will have effective access to the direct benefits expected from the single market as a factor of economic growth, and as the most effective means of combating unemployment. The European Council notes that a start has already been made on applying the Single European Act and the guidelines deriving therefrom.

The European Council welcomes the progress made with the Framework Directive on Health

