

To what extent have the Commission and the Italian authorities followed up Parliament's requests in this regard within their respective areas of responsibility?

**Answer given by Mr Barnier on behalf of the Commission**

(6 January 2000)

Under Council Regulation (EC) No 1260/1999 laying down general provisions on the Structural Funds<sup>(1)</sup>, the Commission and the Member State are jointly responsible for defining which areas are eligible under Objective 2 for 2000-2006. The list of eligible areas will depend on the priorities determined by the national authorities on the basis of the criteria in that Regulation. It will be adopted by the Commission, in agreement with the Member State, at the earliest by the end of 1999 or the beginning of 2000. The Commission will ensure that the areas selected are in fact those which are most affected by structural conversion problems.

In the specific case of Italy, the zoning proposal forwarded by the Italian authorities on 1 October 1999 was considered by the Commission to be inadmissible. It does not comply with the requirement that at least 50% of the eligible population must be represented according to the criteria in Article 4(5) and (6) of Regulation (EC) No 1260/1999. The Commission therefore asked the Italian authorities to draw up a new proposal in line with the general Structural Funds regulation as soon as possible.

The Commission is consequently unable to comment on Venice's particular situation as regards its eligibility under Objective 2.

Regarding the exemption from social security contributions granted to undertakings in Venice and Chioggia in 1995-97, at its meeting on 24 November 1999 the Commission, as part of a review procedure under Article 88(2) (former Article 93(2)) of the EC Treaty, found that the aid granted in the form of relief from social security contributions is compatible with the common market, with the exception of the aid for job creation granted to big firms outside an area eligible for regional aid or aid for safeguarding employment.

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<sup>(1)</sup> OJ L 161, 26.6.1999.

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(2000/C 225 E/075)

**WRITTEN QUESTION E-2222/99**

**by Christopher Huhne (ELDR) to the Commission**

(1 December 1999)

*Subject:* Key features of the work test

What administrative guidance is issued in each Member State to officials responsible for administering the work test, i.e. the test of whether an unemployed person is available and looking for work prior to obtaining benefit? Please describe the key features of these tests for each Member State, particularly the level of earnings compared with previous earnings at which the unemployed can reject an available job offer, the test of whether the individual has looked for work and the test of availability for work. In addition, describe over what period, once a claimant has been accepted for payment of benefit, this work test is reapplied.

**Answer given by Mrs Diamantopoulou on behalf of the Commission**

(11 January 2000)

The definition and management of social benefit schemes fall within the responsibility and legal competence of the Member States.

The Commission has undertaken, together with the Member States, an analysis of reforms and the functioning of Member States' labour market policies in the context of the employment strategy. The definition and implementation of administrative procedures relating to work tests and the availability for

work among the unemployed should be consistent with the preventive and activation approaches in the employment guidelines<sup>(1)</sup>. The public employment services play a significant role in administering and developing preventive and employability-enhancing policies overall.

The array of regulations and administrative procedures applicable to work tests in each Member State is complex. An overview of some key features of different practices of the work test in selected Member States can be found in the recent report by the Organization for economic cooperation and development (OECD) 'Making work pay: the role of eligibility criteria for unemployment benefits' (1999). The Employment Observatory and its regular publications Mutual information system on employment policies (MISEP) and Community system of documentation on employment (SYSDEM<sup>(2)</sup>), operated by the Commission in collaboration with the Member States, is another useful source of detailed information on key features of current regulations and policy reforms in the Member States in the labour market and related social benefit

<sup>(1)</sup> OJ C 69, 12.3.1999.

<sup>(2)</sup> <http://www.ias-berlin.de/ias/first/1english.htm>.

(2000/C 225 E/076)

**WRITTEN QUESTION E-2233/99**

**by Christopher Huhne (ELDR) to the Commission**

(1 December 1999)

*Subject:* Capital flows into Switzerland

Detail the gross and net capital inflows into Switzerland, the gross flows, where possible, by source and by type of instrument purchased (bank deposit, bond, etc.), over each of the last ten years. Has there been any noticeable change in flows as a result (a) of the Swiss debate, including the referendum, on the nature of its relationship with the EU and (b) of the Commission proposal for a withholding tax (in the savings directive)?

**Answer given by Mr Solbes Mira on behalf of the Commission**

(21 January 2000)

The Commission is sending direct to the Honourable Member and to Parliament's Secretariat the available statistics (International monetary fund (IMF) statistics, financial accounts), which show that there has been an increasing net outflow of capital from Switzerland over the period 1989 to 1998. This corresponds over the years broadly to an excess of domestic savings over domestic investments that was channelled abroad. Among the various types of flows, direct investments show a marked trend of increasing net outflows, whereas portfolio investments and short-term flows ('Other flows in the statistics') exhibit large fluctuations around an only modestly increasing trend. The major peaks for portfolio investments are grouped in the two periods of 1993-1994 and 1996-1997, whereas short-term net outflows peaked in, respectively, 1990 and 1998. The movements observed, as well as the underlying gross flows, coincide rather well with periods of pronounced volatility on financial markets (for instance, the currency crises in Europe and the global bond crisis during 1992-1994; the increasing international presence of Swiss banks starting from 1995; the global financial crises of 1997-1998; and in addition market movements due to the advent of economic and monetary union). Possible results from the events mentioned by the Honourable Member seem apparent only in the case of direct investment.

Inward direct investments show a marked decline in 1992-1993, but have thereafter regained earlier levels. In contrast, outward direct investments started a period of pronounced increases after 1992, from having been relatively stable in the period before. These developments could perhaps to a certain extent be attributed to a change in confidence in the Swiss economy following the referendum.