

European Parliament resolution on the implications of German unification for the EC (17 July 1990)

Caption: On 17 July 1990, the European Parliament adopts a resolution which sets out the implications of German reunification for the European Community.

Source: Official Journal of the European Communities (OJEC). 17.09.1990, No C 231. [s.l.].

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Publication date: 23/10/2012

European Parliament Resolution on the implications of German unification for the European Community (17 July 1990)

The European Parliament,

- having regard to the European Council Summits of 28/29 April 1990 and 25/26 June 1990 in Dublin,
- having regard to the State Treaty of 14 June 1990 between the two German states on Economic, Monetary and Social Union,
- having regard to its resolutions of 4 April 1990 ⁽¹⁾ and 17 May 1990 ⁽²⁾,
- having regard to the interim report of its Temporary Committee to consider the impact of the process of German unification on the European Community, and the opinions of the Committee on Agriculture, Fisheries and Rural Development, the Committee on Budgets, the Committee on Economic and Monetary Affairs and Industrial Policy, the Committee on Energy, Research and Technology, the Committee on External Economic Relations, the Committee on Legal Affairs and Citizens' Rights, the Committee on Social Affairs, Employment and the Working Environment, the Committee on Regional Policy and Regional Planning, the Committee on Transport and Tourism, the Committee on the Environment, Public Health and Consumer Protection, the Committee on Youth, Culture, Education, the Media and Sport, the Committee on Development and Cooperation, the Committee on Budgetary Control and the Committee on Women's Rights (Doc. A3-183/90)

Initial considerations

1. Notes the rapid progress that has been made towards achieving German unification;
2. Welcomes the efforts made to bring about European integration in parallel with German unification;
3. Considers that rapid progress towards European Union will lessen the threat of a resurgence of narrow nationalism at European level;
4. Believes that German unification must contribute to strengthening the Community politically and economically, act as a spur for the economic, social and ecological development of the former GDR and of the Community and serve as a valuable bridge between the Community and the countries of Central and Eastern Europe, including the Soviet Union;
5. Considers that the process of German unification and of East German adaptation to a social market economy and to the rules of the Community will be a manageable one, but that considerable economic, social and ecological problems will emerge in the short and medium term, which will have to be minimized by a combination of action at German and Community level;
6. Considers that the following conditions should be observed throughout the rapid adaptation process:
 - having regard also to the understandable emphasis on unification at as fast a speed as possible, the Community institutions should promptly draw up a thorough and careful response to the many consequences of the unification process within the given deadline,
 - that any derogations and transitional measures granted to the former GDR should not weaken central Community objectives, including the full achievement of the internal market and of Economic and Monetary Union but are, nevertheless, sufficient to cushion its economy during the difficult period of adaptation to market conditions,

- that accurate statistics on the GDR and its economy must be notified to the Community institutions as soon as they become available,
- that Community financial assistance to help in the process of adaptation must not be at the expense of the Community's present commitments to its disadvantaged and peripheral countries and regions, and to the developing world, and welcomes the declarations by the EC and both German Governments to that effect,
- that measures are taken by the Community to help lessen the potentially severe social impacts within the territory of the existing GDR in the short and medium term,
- that measures are taken by the Community to help mitigate the severe ecological problems within the territory of the existing GDR in the short and medium term,
- that the emerging democracies of Eastern Europe and the Soviet Union are not destabilized as a result of the inevitable changes in existing trading relations,
- that the opportunity is taken to develop new security structures within Europe, overcoming Cold War divisions and enabling the European Community to play a much greater role,
- that the momentum for European Union is fully maintained;

The State Treaty and the interim phase of adaptation

7. Believes that the signing and ratification of the State Treaty between the two Germanies represents an important step on the road to unification;
8. Recognizes the fact that the State Treaty begins the complex process of alignment of the GDR to Community rules before unification is completed;
9. In that this interim period of adaptation poses considerable practical problems for the Community, in that Community legislation will generally not directly apply, and the means open for it to intervene will be of an informal rather than formal nature;
10. Recognizes, therefore, that the Community's response during this period will be dependent on information to be provided by the German authorities, and on their cooperation should problems arise; welcomes the willingness of the competent German offices to do so and the fact that a representative of the Commission will take part in the negotiations for the second State Treaty;
11. Considers that there must be a strong commitment on the part of both German governments to take into account Community concerns during this period, and calls for conciliation procedures to be established to ensure that the Institutions of the Community, including Parliament, are fully informed of developments and fully involved in the decision-making on Community-related matters; calls, further, for regular reports to be given to Parliament by the German authorities on progress made during this vital interim period; believes, moreover, that direct contacts should also be established and strengthened during this period between the GDR government, the Volkskammer and the Community institutions;
12. Notes that the State Treaty conforms to EC legislation currently in force, and that equality of treatment consequently applies between German citizens and firms and those from other Community Member States;

13. Calls, moreover, for the maximum transparency of state aids granted by the German authorities during the interim period and hopes that the Federal Government will inform the Commission in future of all aid measures for the GDR;

14. Believes that two information gaps will have to be closed as fast as possible, that of East German citizens about the European Community and its rules, and that of non-German Community citizens and firms about the situation in the GDR; in this context:

— will consider the possibility of holding a special plenary session in November in Berlin to discuss the integration of the GDR within the European Community and should decide on this at its September part-session;

— recommends that European Commission and Parliament offices and Euro-Info Centres ('Euroguichets') be promptly established in East Germany, and be given the appropriate resources;

— recommends that European Commission information offices, and the network of Euro-Info Centres elsewhere in the Community be used to disseminate information about East Germany, and to help promote investment;

— recommends that the other European Community institutions follow the example of Parliament, and invite East German observers to participate in a systematic way during the interim period of adaptation;

— recommends that the Community institutions open their recruitment procedures to applicants from the GDR with immediate effect. The same should also apply to the recruitment of temporary trainees and the number of these posts should be increased accordingly;

— recommends that relevant East German legislation be published in a special annex of the Official Journal of the European Communities;

— recommends that the GDR apply the Community's rules on public procurement and that public tenders in the GDR during the interim period be published in the Official Journal;

15. Calls for close monitoring of, and reporting to the relevant committee of Parliament on, the functioning of the protocol on inter-German trade during the forthcoming interim period, when major new burdens will be placed upon it;

16. Calls for the fullest prior information from the GDR concerning any planned restrictions on imports during this period, so that the Community point of view can be expressed before such measures are adopted;

17. Calls on the GDR and all the Community Member States to immediately remove restrictions on the movement of their citizens to and from the GDR on the basis of reciprocity;

18. Recalls the European Council's decision on 28 April that the GDR was eligible for Community loan facilities, PHARE (up to the time East Germany joins the Community territory) and EUREKA resources and calls for rapid implementation of this decision;

Second State Treaty

19. Notes that the Commission, according to its own information, was fully informed of preparations for the

first State Treaty by the West German Government; regrets that this information was not passed on to Parliament in full and calls for this negative experience to be avoided for the second State Treaty;

20. Recognizes that the second State Treaty will also cover the implementation law in the territory of the GDR which is based on decisions of the EC. Considers that the Commission and the German authorities have to ensure that the EP is informed and associated with all the relevant negotiations concerning the European aspects of the second State Treaty;

The Commission's package: General points

21. Recalls that the European Council has requested the Commission to provide a list of the transitional measures and derogations as well as other adaptations of the Community's secondary legislation that will be required as a result of German unification, and to present these proposals within the framework of an overall report or 'package';

22. Regrets, in view of the significance for the European Community of the measures involved, that the European Council did not consider it to be necessary to present these proposals in the form of a Treaty giving rise to an assent procedure for the European Parliament and ratification by national parliaments; considers, however, that even in these exceptional circumstances where such a procedure will not apply the European Parliament must still participate in the process pursuant to its role under the Treaties, and give its opinion both on the package as a whole, and on the detailed proposals contained within it;

23. Emphasizes therefore that its rapid examination of the package is conditional upon an Inter-Institutional arrangement on the timetable and the working method (concluded between the Community institutions) in order to ensure that no decision can be taken without the opinion of Parliament on the package as a whole. Believes that its final resolution on the package will, if adopted, provide the necessary democratic legitimacy for the expansion of the Community and must, therefore, precede the act of unification itself;

24. Considers it essential, however, that the European Parliament be consulted on all the transitional measures and derogations as well as other adaptations of the Community's secondary legislation that will be required as a result of German unification, and that the legal base of these measures be determined in concertation between the institutions of the European Community;

Transitional measures

Internal market

25. Recognizes that certain temporary measures and derogations will be required until this process is completed but considers that the number of these should be minimized, and that they should be maintained only as long as is strictly necessary. Calls for a list of these measures to be submitted as soon as possible, along with a timetable for their abolition;

26. Notes that East German products are often below the minimum standards required by the Community for the free circulation of products in the internal market. Calls, therefore, for a rapid alignment of GDR standards and testing and certification procedures to Community requirements;

27. Notes that any special rules will only apply to one part of a Community Member State. Requests clarification as to how such rules will be enforced, and whether some form of customs frontier between East and West Germany will still be required after unification;

28. Points out that the Community institutions must arrange for the correct application of the transitional derogations and provisions to be applied in the existing GDR;

29. Believes that a radical fiscal reform is required if the market economy is to be applied in the GDR;
30. Stresses that the importance of banking and financial services to the restructuring of the East German economy makes it vital that the full range of market liberalization measures be applied in the former territory of the GDR with effect from 1 January 1993;
31. Considers that an active small business sector is an important element in creating new jobs and urges the Commission to develop programmes to encourage the development of small businesses and self-employment particularly in the fields of tourism, leisure facilities, entertainment and personal services;
32. Notes that continuing uncertainty over the laws of property and landowners is discouraging external investment and insists that the four freedoms on which the Single Market is based implies that all its citizens are free to own and transfer property in every part of the Community;

Industrial and competition policy considerations

33. Notes that the transition from the GDR's previous economic system to a market economy will require a period of adaptation during which the provisions of the Community's competition policy will have to be applied flexibly to those firms which demonstrate their competitiveness; insists, however, that the process be carefully monitored, in order to avoid the creation of new private sector monopolies or dominant positions;
34. Recognizes that large sectors of the GDR's industry are unable to compete under free market conditions. In order to facilitate the necessary structural changes, the following criteria should be taken into account for the granting of national and Community aid:
- priority for small and medium-sized undertakings;
 - priority for productive investment to create lasting employment;
 - the need to create a viable services sector;
 - priority for the weaker regions of the GDR;

35. Points out that the Community institutions must monitor carefully the possible repercussions of the economic impact of German unification on certain sectors or economic activities in other Member States; this would facilitate the rapid adoption of the measures needed to alleviate adverse effects;

Agriculture and fisheries

36. Calls for the structure and priorities of East German agriculture to be rapidly changed through adaptation to market conditions and integration within the common agricultural policy. Insists that there be a new emphasis on improving product quality rather than quantity; that the food processing industry be modernized; that environmental practices should comply with European Community standards; and that environmental damage be substantially reduced. Considers that the Agricultural Guidance Fund must play a significant role in the modernization of the sector;
37. Calls for urgent assessment of the impact and financial consequences of East German agriculture on the CAP and on the current efforts to remove Community overcapacity in numerous sectors;

38. Considers that the size of the East German fishing fleet should be reduced in order to integrate it into the common fisheries policy. The adaptation of the GDR's existing bilateral fisheries agreements may entail a renegotiation of the quotas;

Transport and telecommunications policy

39. Stresses that completion of the internal market in the transport sector will remain an objective of the common transport policy; notes that major projects, particularly in transport infrastructure, undertaken through a joint effort on the part of the two Germanies could be accompanied by complementary Community action based on the criteria applied for other regions of the Community; supports the modernization of the obsolete road transport system of the GDR and calls for full integration by the Commission of the territory of the GDR in the Community's transport infrastructure plans; welcomes the plans for a new high-speed rail link to Berlin and the Leipzig-Halle-Dresden region as part of a European high-speed rail network which will also help develop the peripheral regions, and supports modernization of the air traffic control system in line with the standards for a future common European system; supports a speedy agreement on termination of Allied rights and full application of Community law to flights to and from Berlin; calls on the Commission to adopt transitional measures with time limits for bringing the transport sector in the territory of the GDR in line with the internal market, for example a transitional scheme valid until 1 January 1993 for the allocation of Community licences for the transport of goods, and to eschew any long-term derogations;

40. Calls on the German authorities to undertake significant improvements in the infrastructure of the present GDR's telecommunications, transport and property sectors with a view to attracting home and foreign investors, so as to limit the need to seek public finance;

41. Believes that a special effort must be made to help the GDR and the other countries of Eastern Europe as regards their telecommunications infrastructure so that the quality of those countries' networks in that sector is substantially improved;

Energy and research policy

42. Considers that restructuring and diversification of the GDR's existing energy supplies must be a key priority, especially in terms of reducing its massive dependence on highly polluting brown coal;

43. Recommends for GDR territory a programme to establish environmentally acceptable energy supplies, also to be supported by the European Community, and providing for the conversion and modernization of brown-coal-fired power stations (installation of desulphurization, denitrification and dust-removal facilities), the establishment of a decentralized power station structure, the use of heat-energy linkage, the achievement of energy-saving potentials and the use of renewable energy sources;

44. Calls on the Commission, together with the German authorities, to undertake an immediate examination of the safety standards of all the GDR's nuclear power plants, with the immediate decommissioning of any plant which does not meet European standards;

45. Calls for East Germany to be fully integrated into proposed transeuropean energy infrastructure networks, and considers that it could benefit greatly from Community programmes to conserve energy and to extend the use of renewable energy resources. Believes that programmes such as REGEN, THERMIE, SAVE, VALOREN and STRIDE should be immediately extended to the GDR and that the GDR should participate fully in other Community research and development programmes;

Economic and Monetary Union

46. Insists that German Economic, Monetary and Social Union should be accompanied by accelerated moves to achieve Economic and Monetary Union within the European Community;

Economic and social cohesion

47. Considers that the territory of the existing GDR will have a claim to Community Structural Funds, but that this should not lead to any cutback in fund measures to aid the less-favoured regions of the Community; to this end considers that the structural funds should be given adequate additional resources;

48. Points out that to overcome social and economic problems arising from the merger of the two parts of Germany, state aid from the Federal Republic of Germany will be required; stresses in this connection the need for the existing aid to the current West German border regions and Berlin to be so restructured as to ensure that suitable forms of aid for economic and social reconstruction can be provided for a transitional period;

49. Emphasizes that any social problems which may arise must be dealt with in the context of the social union and that Community legislation on workers' rights must be applied in full — this would include immigrant workers. Considers that action must be taken in response to the specific problems of women, who are present in the workforce to a great extent in the GDR;

50. Considers that a special effort should be made to combat unemployment and less secure forms of employment, to protect workers from individual and collective redundancies and to promote relations between both sides of industry, particularly through collective bargaining;

51. Calls, therefore, for provision to be made at Community level for aid to worker retraining and redeployment in East Germany and for this to be financed mainly from the Social Fund;

52. Stresses that the evolution of social conditions must be monitored during the transitional period so that the situation of the most vulnerable population groups, women, pensioners and migrant workers, may be evaluated;

53. Calls for a continuation of existing practice regarding abortion in GDR territory, even after German unification;

54. Points out that economic and social cohesion in the Community is an essential objective of the completion of the internal market, enshrined in the Single European Act and adopted by all the Community institutions, and that safeguarding the economic and social cohesion of the extended Community resulting from the integration of the GDR must continue to be a priority objective;

Environmental policy

55. Considers that the environmental situation of the GDR is one of the worst in Europe, and that measures to improve it are of vital importance for the citizens of East Germany and for the European Community as a whole, as it is a serious disincentive to potential investors;

56. Notes that East Germany is not in a position immediately to apply Community environmental standards, but points out that derogations should be allowed only during a narrowly defined transition period;

57. Believes that environmental investments in the GDR could also provide a considerable number of new jobs, especially for those losing jobs on the land or in restructured industries;

58. Believes that firms that open subsidiaries or investors who establish new firms must be subject immediately to European Community environmental protection standards, and should not be allowed to

benefit from derogations;

59. Calls for the Community to give financial and technical assistance to help clean up the East German environment, which should be closely coordinated with measures to aid other Eastern European countries, notably in the context of the PHARE programme. Considers, moreover, that East German entry to the Community should also be the catalyst for the creation of a European Environment Fund;

60. Believes, however, that in the border area which has been relatively untouched for 40 years there is a unique opportunity for creating and preserving large-scale nature conservation areas which must not be destroyed through excessive development;

Budgetary implications

61. Emphasizes that East German entry into the Community through German unification will lead to new financial resources being made available to the Community, from the existing territory of East Germany and from the dynamic effects of unification. Notes, however, that there will also be additional demands on Community financial resources;

62. Considers it vital that the Commission submit an overall assessment of the impact produced by the integration of the GDR on revenue and expenditure in the Community budget, with particular reference to the effects on CAP mechanisms, the resources required from the other structural funds and the costs deriving from the EEC's assumption of the GDR's commitments in the trade and fisheries sectors;

63. Insists, therefore, that the Commission present a rectifying letter to the 1991 Preliminary Draft Budget to cover the budgetary impacts of the incorporation of East German territory into the Community. Further considers that this must be accompanied by a revision of the existing Financial Perspective pursuant to the Interinstitutional Agreement; asks that these financial arrangements should accompany the first batch of legislative measures, which will be submitted to Parliament from September 1990;

64. Insists, moreover, that any new expenditure be funded out of the new resources rather than from a redistribution of existing ones. Believes that any necessary measures should not lead to a weakening of budgetary discipline, notably in the field of agricultural spending;

65. Emphasizes that both new and existing EC funds intended for the GDR should be utilized rationally. This means that:

- criteria and instruments existing in the present budget must be carefully analyzed, to verify whether they are applicable to the special structures of the GDR or whether they need to be adapted in any way;
- the impact of the Community budget in the GDR must be assessed;
- stricter controls must be set up on the external frontiers of the GDR, to prevent fraud which could be committed as a result of the early abolition of checks at the East-West German frontier,
- the training of GDR officials who will be assigned to Community resources management, in the fields of both expenditure and own resources, must be improved;

External policy considerations

66. Understands that a full list of the GDR's numerous international agreements, their duration, and the

nature of their commitments, has still not been made available to the Commission and the Parliament, and calls for this to be done immediately;

67. Calls for these agreements to be subject to an in-depth review so that a decision may be taken on those which may be accepted by the Community as they are and those which must be the subject of renegotiation with a view to their amendment or cancellation;

68. Considers that, in evaluating these agreements, the Community must give careful consideration to the needs of the GDR's trading partners in Central and Eastern Europe, the Soviet Union, those developing countries with traditionally close links with the GDR, and the GDR's own industrial structure in the short term;

69. Notes the specific problem of what to do with exports from the GDR to the Soviet Union which are on the present COCOM list, and recommends a review of the continued existence of COCOM so that the COCOM list is abolished with the exception of purely military technology and atomic energy technology;

70. Welcomes the fact that the GDR has adopted, as of 1 July 1990, the Community's external tariff and calls for the GDR to apply Community and GATT rules as rapidly as possible, subject to the minimum of derogations and transitional rules, which should be listed by the Commission in the forthcoming package;

71. Calls on the Commission to carry out a study to determine to what extent developing countries that have received aid from the GDR and have been granted most-favoured nation status can be admitted to the Lomé Agreement and benefit from European Community development policy; however, the Community's commitments towards ACP, Mediterranean and Latin American countries must be honoured; in general, cooperation policy in favour of the Third World must be one of the Community's priority objectives;

72. Further underlines the need to place the whole process of GDR accession to the Community through German unification within the wider context of relations with Eastern Europe as a whole, for which the Community must develop a coherent overall strategy;

73. Welcomes the unambiguous recognition of the German-Polish frontier by both existing German States, since this is an essential precondition for allaying concerns about German unification in neighbouring countries, especially Poland;

The wider political and security dimension

74. Confirms its decision of 4 April 1990 that the forthcoming intergovernmental conference should consider in detail how the security policy aspects of European Political Cooperation could in future be strengthened and linked to a pan-European security system to be established in the framework of the CSCE with the active involvement of the European Community; takes the view, also, that the role of existing security structures will change and that cross-alliance structures will grow in importance; takes the view that no NATO troops and military installations must be deployed in a united Germany on the territory of what is now the GDR;

75. Considers it to be essential in this context that the European Community play a greatly reinforced role in its own right in the CSCE process;

76. Believes that such a development of the Community's role in the foreign policy and security spheres must stem out of the decisive progress that should be made towards European Union in the forthcoming intergovernmental conference;

Other institutional issues

77. Notes that the FRG has indicated that it is not seeking a change in the balance of power within the European Community decision-making apparatus, through such measures as an increase in the number of

German Commissioners, nor in the weighting of votes within the Council;

78. Considers, however, that the addition of 16 million German citizens to the European Community as a result of unification poses the question as to how they will be represented in the European Parliament in the short term, and of whether German membership of the European Parliament should be altered in consequence;

79. Recommends that the question of the representation in the European Parliament of the people of the present GDR should be resolved in the context of the revision of the relevant Treaty provisions due to take place before the next elections to the European Parliament in 1994 and that such representation should be based on a balanced system in line with the structure of the Treaties. As an interim solution, representatives of the people of the present GDR should be given observer status until such time;

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80. Instructs its President to forward this resolution to the Commission and Council, to the Governments and parliaments of the Member States, the Government of the GDR and the Volkskammer.