

Conclusions of the Luxembourg European Council (2 and 3 December 1985)

Caption: On 2 and 3 December 1985, the Luxembourg European Council reaffirms the desire of the Ten to establish the single internal market before 1992.

Source: Luxembourg European Council. Presidency Conclusions (Luxembourg, 2-3 December 1985), SN 4317/1/85. Brussels: Council of the European Communities, 1985.

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Luxembourg European Council (2 and 3 December 1985) Presidency Conclusions

Economic and social situation

The European Council examined the economic and social situation in the Community on the basis of an initial statement of the strengths and weaknesses of the European economies which the President of the Commission had submitted at its request.

It stresses the importance of the progress already made by the European economies over the last ten years with a significant reduction in energy dependence and modernization of traditional industries, while maintaining a high degree of openness to international competition.

For the future, the Council reaffirms that the achievement of the full internal market by 1992 and increased technological co-operation in Europe will make it possible to lay the foundations for the international competitiveness of the European economies and to meet the challenges of the third industrial revolution.

II. The Council welcomed the very significant progress made by most of the Member States towards rationalization and economic recovery. It notes that this progress and the increased convergence of economic policies have already made it possible to stabilize the level of unemployment in the Community and even to reduce it in some countries.

The Council considers that, on this basis, the European economies are able to achieve better performance as regards growth and employment.

It took note of the strategy of co-operation for growth and employment outlined by the Commission in its annual economic report; it calls upon the ECOFIN Council to examine, on that basis, the conditions for establishing non-inflationary growth leading to a substantial drop in unemployment.

The European Council stressed the role which the Community must play in the recovery of world trade, more especially with a view to the forthcoming GATT multilateral negotiations. It also again referred to the Community's responsibility towards countries of the Third World, which will through growth and economic development become active partners in world trade.

III. The Council also wished to emphasize that, apart from general economic policies, progress was necessary to improve the environment for undertakings. Referring to its conclusions in Brussels in March 1985, the Council wanted a practical sign to be given of its desire to reduce the administrative and legal constraints which hold back the creation and development of small and medium-sized undertakings. In this connection, it noted with interest that the Commission was undertaking to:

- assess the implications each new proposal would have for undertakings and job creation;
- commence examining the most important of the existing Community regulations in order to establish how far simplifying them might be beneficial to small and medium-sized undertakings and encourage an environment more favourable to job creation.
- make arrangements for internal co-ordination of the preparation of initiatives designed to simplify the administrative, fiscal and legal environment for SMUs, with the wider aim of including the development of SMUs and employment among the priorities for work in the legal field.

The European Council attaches particular importance to those measures being given practical effect as soon as possible.

In the same spirit, the Council held an exchange of views on the numerous steps taken in each of the Member States to improve the functioning of the labour market. It agreed on the importance of measures to

promote training, motivation, mobility and flexibility of the labour market. For this reason, it attaches major importance to the joint statement of intent by management and labour on a European scale regarding social dialogue and new technology ⁽¹⁾. It emphasized the usefulness of such contacts and would like these to continue with the assistance of the Commission, in the search for solutions to practical problems.

Finally, the Council asked the Commission to complete the work it had begun further to its requests in March and June 1985 and to report back to it in 1986.

Monetary co-operation

The European Council requested the Commission to let it have a progress report, before the end of 1987, on the European Monetary System and the liberalization of capital movements.

Fight against cancer

On the initiative of France, the European Council in Milan stressed the importance of launching a European programme against cancer.

The European Council took note of a communication from the Italian and French Governments on this matter. It requested the Ministers for Foreign Affairs to examine at their next meeting the best way of quickly and effectively following up that initiative.

⁽¹⁾ Joint statement by UNICE, the ESC and CEEP, Val Ouchesse, 12 November 1985.