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INFORMAZIONE ALLA STAMPA
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Brussels, 28 April 1978

DEADLINE: 28 April 1978 - 14.00 hrs

SUMMARY OF THE SPEECH BY VICE-PRESIDENT VREDELING TO THE
IRISH MANAGEMENT INSTITUTE
KILLARNEY, 28 APRIL 1978

In a speech to the Irish Management Institute Mr. H. Vredeling, Vice-President of
the Commission of the European Communities, today stressed the importance of improving
the distribution of available work in order to create employment and combat unemployment.

Referring to the working paper on "work-sharing" which the Commission published a few
months ago in preparation for the next Tripartite Conference, Mr. Vredeling explained
that between 1960 and 1975 the total number of hours worked had already fallen by an
average of 1% per year. The Commission was now investigating the possibility of
speeding up this trend, which should make it possible to improve the balance between
the growth in income, the increase in leisure time and an improvement in working
conditions.

As regards the cost of redistributing work, Mr. Vredeling emphasized that this must be
attributed to the fact that our economic system did not create sufficient employment.
Each unemployed person and each person who had to leave the labour market represented
a new item of expenditure with no production to counter-balance it. The real problem
was how to divide costs between the two sides of industry and between the two sides
of industry and the governments which represented society as a whole. It was better,
as far as possible, to divide the work and the costs than for the Government to tax
workers and employers in order to cover the cost of unemployment.

Mr. Vredeling had begun his speech by outlining the employment outlook for Europe.
Between now and 1984 25 million young persons would reach the age of 16 whilst only
15 million would pass the age of 65. This increase in the labour potential occurred
at a time when the number of unemployed had reached 6 million. Mr. Vredeling pointed out
that young people were the most affected by this: they accounted for 38% of the unem-
ployed, while making up only 17% of the working population. Mr. Vredeling refered
to low economic growth as one reason for this disturbing employment situation.
Between 1974 and 1977 average growth had been no more than 2%. The investment level
had fallen in 1974 and 1975. Between 1973 and 1976 2 750 000 jobs had been lost
(750 000 in agriculture and 2 million in industry) whilst only 1 million jobs had
been created in the tertiary sector.

In his speech Mr. Vredeling outlined the policy which the Commission had drawn up to
counteract this situation. The first guideline he referred to was the Community's
role in the conference on world trade, the objective of which was to help income
transfer to the third world, the effects of which would be comparable with that of
Marshall aid.

In this way Europe would gain a new market and promote development in the third
world. Mr. Vredeling informed the meeting that the Commission was looking into
the possibility of implementing the Minimum Labour Standard Conventions of the ILO

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as a precondition for preferential access arrangements with the Community. Moreover, the Commission was developing a new system of "soft" loans for industrial development and was using its sectoral policy to support sectors in which further healthy growth was to be expected. Mr. Vredeling also gave detailed information concerning the importance of the Social Fund as regards vocational training, particularly in Ireland. In this connection he reminded those present that in December 1977 the Commission obtained the opening of the Fund for training and retraining programmes for women. Mr. Vredeling expressed the hope that these new opportunities for assistance from the Social Fund would also be used to the full in Ireland.