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**Labor
in
the
European
Community**

Needs of a Unified Labor Market

The creation of the European Economic Community is leading to the establishment of a single labor market. Before long, all economic barriers to movements of workers will be removed, as foreseen in the Rome Treaty and carried out in regulations of the Common Market Council of Ministers.

Adaptation of workers to new conditions of technology, productivity, and development is one of the prerequisites of a unified labor market. Workers must be taught new skills if they are to find jobs in a growing and changing Community. The future workers still in schools must be properly trained both to enable them to find jobs upon graduation and to provide the industries of the Community with a supply of skilled labor to meet their future needs.

This issue of Labor in the European Community deals with the action of the Commission and the member states to meet these requirements and to fulfill the social needs arising from the existence of a single market. The two main aspects treated in this issue are vocational training and the European Social Fund.

- * A Common Vocational Training Policy, page 2. Proposed measures of the Commission to develop common objectives and joint action.
- * Vocational Training in the EEC: Germany, page 6. The first of six articles on each member state's vocational training program.
- * New Proposals for European Social Fund, page 12. Commission draft regulations to meet new economic conditions.
- * Prospects for EEC Social Program in 1965, page 15. A look at perspective developments foreseen by the Commission.

Requests for additional publications or for information on specific questions relating to the European labor situation should be sent to the European Community Information Service, Suite 808, Farragut Building, Washington, D.C. 20006.

A Common Vocational Training Policy

In recent years, strains on the Community labor market have resulted to a large extent from an increasing demand for skilled labor which could not be satisfied. The EEC Commission has proposed the establishment of a common vocational training policy to provide for a more balanced market of manpower.

Such a policy is foreseen by Article 118 of the Rome Treaty, which calls for the Commission to promote close collaboration between member states in matters relating to occupational and continuation training, and Article 128 which states:

"The Council shall, on a proposal of the Commission and after the Economic and Social Committee has been consulted, establish general principles for the implementation of a common policy of occupational training capable of contributing to the harmonious development both of national economies and the Common Market."

GENERAL PRINCIPLES FOR A COMMON POLICY

The Council of Ministers (representing the six EEC member countries) adopted on April 2, 1963 a Commission proposal outlining general principles of a common policy for vocational training.

The first two principles define the categories of workers concerned and the main objectives. The policy applies to young people and adults working or intending to work in jobs up to the level of middle-grade supervisory staff.

The major objectives of the policy are to supply adequate vocational training for all desiring it, to broaden general basic training, to permit learning of new skills throughout a career, and to ensure a close coordination between training and production needs.

Other general principles provide for the exchange of information, trainees, and instructors, alignment of training levels and diplomas, forecasting of requirements in the labor market, and Community financing. Certain sectors, notably agriculture and regional policy, are to receive

priority in plans for specific action.

In accordance with a Council decision of December 18, 1963, the Commission formed an Advisory Committee on Vocational Training. This committee is composed of representatives of the governments, employers associations and trade unions and held its first meeting on June 29, 1964. Later in the year, the Commission presented to the committee for its opinion two projects for action programs, one covering all sectors of economic activity, the other particularly for agriculture.

GUIDE FOR COMMON OBJECTIVES

The provisions for a common vocational training policy do not imply a regimented program. To the contrary, each member state will retain its own methods and organization. The Community program is to serve as a guide for common objectives for the six members, while enabling them to carry out joint studies and projects and to harmonize their policies.

The Commission will act as a catalyst stimulating member states, public and private national bodies to study problems at Community level and to find common solutions.

The Commission program for general vocational training outlines both immediate and long-range action.

ANNUAL FORECASTS OF LABOR MARKET

In the short run, annual forecasts of labor supply and demand based on labor market trends would be made. This necessitates close cooperation between the Advisory Committees of the European Social Fund, for the Free Movement of Workers, and on Vocational Training.

On the basis of these forecasts, proposals would be made for rapid training and retraining to remedy the shortage of skilled workers and to assist industry in course of modernization or conversion.

The long-term action would adjust training structures, programs, and methods, both in general and by sectors of activity, based on long-range forecasts of labor requirements. Special attention would be given to raising the standards of instruction, aligning levels of training, and instituting refresher courses.

Throughout the general action program of the Commission, close cooperation is stressed, not only among the Community committees, but also among the country and Community agencies responsible for employment, vocational training, and economic surveys.

The general action program forms an intermediary stage between the general principles approved by the Council and the concrete proposals to be submitted by the Commission.

SPECIAL AGRICULTURAL ACTION PROGRAM

A special agricultural action program has been drawn for the different situation in the agricultural labor market. It aims at increasing the skills and mobility of farm workers, retraining workers leaving the land for other occupations and improving the opportunities for general and vocational training for children from rural environments. The vocational program thus forms an element of the common agricultural policy of the Community.

The Commission intends to concentrate at present on optimum employment of agricultural workers while teaching new skills to those going into other sectors. In the long run, the program foresees adaptation of structures and training methods to the scientific and technical necessities of modern agriculture.

DRAFT REGULATIONS FOR COMMUNITY AID

The Commission has submitted to the Council two draft regulations proposing Community aid for the retraining of agricultural workers wishing to change jobs within agriculture. These regulations, if accepted, will be the first case of Community financial contribution to vocational training. Funds would be used to encourage agricultural retraining centers, to recruit and train consultants for the centers, and to provide grants for workers attending the courses.

The agricultural population has, in general, the lowest level of education and often does not possess a sufficient basic knowledge for understanding and using new techniques. The absence of sufficient possibilities for training those farmers wishing to remain in agriculture

greatly hinders their adaptation to modern farming.

The European Social Fund, which gives financial contributions to retrain and resettle workers, has no authority to help farmers wishing to remain in agriculture. The Commission has consequently proposed the two draft regulations.

EXCHANGE OF YOUNG WORKERS

A proposal of the Commission for the exchange of young workers has been submitted to the Council. The proposal would encourage the exchange of trainees between member states. It also provides for a Community agreement with the aims of increasing the number, quality and effectiveness of traineeships, of promoting the formation of national advisory committees for the exchanges, and of eliciting Community financial contributions.

The Permanent Representatives of the member states have supplied the Commission with the number of on-the-job trainees their countries are prepared to accept in 1965, which are: Germany, 1500; France, 1000-2000; Belgium, 400; Netherlands, 200; Italy, 30; Luxembourg, 25. This represents an increase over the 2000 trainees exchanged in 1964.

The Commission will arrange meetings of the national organizations concerned with such exchanges. Concrete measures such as these exchanges and the retraining of agricultural workers will form the basis for implementation of the action programs presented by the Commission.

Vocational Training Programs in the EEC: Federal Republic of Germany

The member states of the Community practice a wide range of policies in their vocational training programs. This training is accomplished either in vocational schools or on the job, but the extent to which each country relies on these methods varies greatly.

Nonetheless, there is a common denominator. All the six countries are questioning the role which each method should play in the future and the means by which training in the schools and on the job can be coordinated. In recent years, there has been a tendency toward increased training on the job due partly to the development in those countries already having an extensive system of this training and partly to a lack of sufficient schools to meet training needs.

In view of the proposed adoption of a common vocational policy for the Community (see story, page 2), it will be necessary to coordinate the developments in the member states and to work toward common objectives.

To show the various methods of the individual countries in the vocational training programs, a brief description of one country's policy will be presented in successive issues of Labor in the European Communities. This issue will begin with the Federal Republic of Germany.

VOCATIONAL TRAINING IN GERMANY

In the Federal Republic of Germany, school attendance is compulsory until the age of 18, but there are several options by which this requirement may be fulfilled.

At the age of 10, a pupil decides if he wishes to continue in the primary school or to enter the middle or secondary school. The secondary school is for those pupils, about 17 per cent of the total, intending to go to the university. The primary school education is completed at the age of 14 and is for pupils, 72 per cent, wishing to begin vocational

training in industry and the crafts. The middle school for the remaining 11 per cent is more accelerated than the primary school and is oriented toward further training in commerce, the arts, home economics, etc.

TWO CHOICES FOR PUPILS

Pupils intending to seek a vocation have two main possibilities after their schooling. They may select on-the-job training and enter a factory, firm, or office. Or they may attend a specialized vocational school where all training is in the classroom.

In Germany, the major part of vocational training takes place on the job rather than in the specialized vocational schools, and many firms and factories have highly organized training programs. Over 90 per cent of male trainees select this method, whereas only 60 per cent of female trainees prefer it. The number of pupils choosing on-the-job training also varies from one sector to another. In commerce, the figure is about 90 per cent as compared with almost 100 per cent in industry, crafts, and agriculture.

ORGANIZATION OF ON-THE-JOB TRAINING

On-the-job training is organized by the industries with advice and supervision from professional associations. Training is given in the factory, office, or workshop under the surveillance of an instructor employed by the firm. The government enters into the process only insofar as it approves the methods of training, examinations, and diplomas, thereby assuring uniformity and common standards in the various vocations. Financing on-the-job training is the responsibility of the firm, not the government.

To supplement on-the-job training, attendance of 8 to 12 hours per week is required by law in the public vocational schools where theoretical aspects are taught, both in subjects concerning the training and in general education. There is close cooperation between the firms and the vocational schools in order to assure complementarity of theory and practice during the training period.

DURATION OF PROGRAMS VARY

The training program in most locations lasts three years. However, this time period can vary from two to three and a half years, depending on the vocation. In crafts and agriculture, the duration is established by law at three years, whereas in the other vocations this is determined by vocational organizations and labor unions.

Completion of the training is indicated by a diploma of journeyman, assistant, or qualified worker. Examinations are devised and administered by the vocational associations in cooperation with the state governments.

MINOR ROLE FOR SPECIALIZED SCHOOLS

Full-time training in specialized schools plays a relatively minor role and generally some sort of practical experience is necessary to complete the training. Only a fraction of trainees in industry and crafts enroll in these schools. However, their use in the commercial sector is widespread. The specialized vocational schools are financed and controlled by the government with the exception of a few private schools. Pupils receive a certificate after completion of the work and, in many cases, of an examination.

In recent years, there has been a dynamic development in commercial training in Germany, and the number of apprentices in this field has more than quadrupled from 120,000 in 1947 to 500,000 in 1962. The result of the increase has been a much wider use of on-the-job training and vocational schools to compensate for the lack of facilities in the specialized schools.

STANDSTILL IN THE CRAFTS

In contrast, the situation in the crafts has been static with a virtual standstill in the number of apprentices at approximately 400,000. In the case of industry, there has been a doubling of the number of apprentices in on-the-job training from 117,000 in 1947 to 225,000 in 1962.

A particular characteristic of on-the-job training in Germany has been the development of apprentice workshops, i.e. workshops separate from the factory or firm itself. The training period is thus divided

between the workshops and actual employment in the firm or factory. The apprentice workshops are generally found in the metallurgic sector although other industries have also started in this direction.

FACTORY SCHOOLS ON THE RISE

Another recent development may be found in the so-called factory schools, that is, where a factory establishes its own school to replace the vocational schools. This practice can be initiated only in large industry.

Normally, German law does not require an apprenticeship or certificate of vocational training for employment as assistant, qualified worker, journeyman or tradesman. However, in practice, such qualifications are necessary. There are about 650 vocations where an apprenticeship is a prerequisite, and about 95 per cent of these require a training period of three to three and a half years.

In 1958, there were 1,400,000 contracts of apprenticeship, 900,000 of them in only 21 vocations. Many apprentice positions have remained vacant in recent years due to low number of births in the postwar years and an increase in the percentage of pupils seeking other means of training or going to the university. An interesting development has been the rising number of girls taking apprenticeships, particularly in commerce, and about 35 per cent of current apprentices are female.

DIFFERENT SYSTEM FOR AGRICULTURE

Agriculture has its own system of vocational training, divided into three stages. The first stage aims at the training of apprentices through practical work on the farms and theoretical courses in an agricultural vocational school for a period of three years.

The second stage is for the training of agriculturists who will own or direct a farm and is especially designed for the sectors of vine-growing and horticulture. Schools at this level of education form the basis for the system of agricultural correspondence courses in Germany.

The third stage is for the preparation of directors of large farms, government officials, and officers of agricultural organizations. This

would correspond to training in agricultural universities in the United States.

In recent years, the movement of young workers into agriculture has slowed considerably. Although the number of trainees has not decreased, there has not been the dynamic growth in this sector as in the case of commerce and industry.

APPRENTICES UNDERGOING ON-THE-JOB TRAINING BY SECTORS (1962)

Industry	225,000
Commerce	500,000
Crafts	406,000
Mines, agriculture, railroads, post office	80,000
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Total	1,211,000

PROVISIONS FOR READAPTATION OR SPECIALIZATION

A last aspect of vocational training in Germany are the provisions for adults, either for learning new skills or for increasing knowledge of present skills.

The federal government supports specialized schools which require full-time attendance for a minimum of six months and a previous apprenticeship in the particular field. In addition, vocational associations and chambers of commerce organize courses and examinations for employees wishing to have a higher degree of training. Factories and firms also have training programs for this purpose.

For readaptation training the government also supports special schools through a federal office. Efforts to help workers adapt to new working conditions or develop new skills are generally undertaken by private organizations supported financially by the government or by firms and factories.

BASIC STATISTICS FOR GERMANY (1962)

Population	54,766,000
Working population	25,820,000
Population by age groups	
Under 15	11,899,000
15-64	36,256,000
65 and over	5,823,000
Working population by sex	
Men	16,285,000
Women	9,535,000
Working population by main sectors of activity	
Industry	12,575,000
Services	9,640,000
Agriculture	3,465,000
Unemployed	140,000
Working population by status	
Employers and self-employed	3,190,000
Unpaid family workers	2,620,000
Wage earners	19,870,000
Attendance in German schools	8,553,000
General education	6,699,000
Primary schools	5,445,000
Middle schools	407,000
Secondary schools	847,000
Training schools	1,862,000
Vocational schools	1,614,000
Specialized vocational schools	132,000
Higher specialized schools	115,000

New Proposals for European Social Fund

The Commission of the European Economic Community has submitted to the Council of Ministers two proposed regulations to increase the effectiveness of the European Social Fund and adapt it to new conditions which have arisen since its inception.

The Social Fund, which began operation in late 1960, was established by Articles 123-128 of the Rome Treaty. Its task is the promotion of employment facilities and the geographical and occupational mobility of workers within the Community. It is administered by the Commission assisted by a committee composed of representatives of the governments, trade unions, and employers association.

ACTIVITIES OF THE SOCIAL FUND

The Fund may provide 50 per cent of the expenses incurred by member states in occupational retraining and resettlement. It may also help with grants to workers whose employment is temporarily reduced or suspended due to conversion of their enterprise.

The latter provision is subject to a number of conditions in the Treaty and has been ineffective until the present. However, up to 1965, the Fund paid a total of 24.5 million units of account (U. S. dollars) to over 330,000 workers, enabling them to find new employment through retraining and resettlement.

REVISION OF RULES NEEDED

The Commission urges revision of the present rules of the Social Fund due to economic changes and the acceleration of the process of European integration.

In particular, the Commission feels that the present system hinders rapid allocation of assistance. Also, the Commission is unable at present to use the Fund directly for the most urgent needs of the Community.

There has been a stagnation in the number of requests for assistance, partly attributable to the stabilization of migratory movements in the

Community. On the other hand, state aids for re-education of workers to meet the shortage of qualified labor have increased progressively, but this tendency has not been reflected in demands made on the Fund.

A major reason for this imbalance is that the Social Fund was conceived during a time when considerable structural unemployment existed and when the beginning of the Common Market threatened serious consequences for the labor market. Since then, however, the situation has changed. Structural unemployment exists only in a few regions of the Community, and the labor market has greatly benefited from the integration process.

Strains on the labor market have resulted from the lack of skilled labor, and the remedy is no longer eliminating unemployment but rather guaranteeing stability of employment and retraining workers whose skills no longer correspond to the requirements of new production. The Commission in its proposed regulations has suggested measures which would permit use of the Fund to help finance in-service training to teach new skills.

IMBALANCES IN LESS DEVELOPED REGIONS

Secondly, the less developed regions of the Community still suffer from great unemployment difficulties which have created regional imbalances. In the past, these areas have benefited from the Social Fund only in the measure where aid has been given to encourage emigration of workers to more favorable areas.

Therefore, a second set of measures is proposed which would widen the possibilities for Fund operations at the regional level. Contributions by the Fund would help maintain wage levels of workers who had become redundant due to conversion of their firm or shutting down of certain industries.

In addition, the Fund could be used to finance retraining centers in areas where such facilities are inadequate. And finally, the Fund would be able to advance financial aid for retraining within regional development or to help migrant workers with grants.

These new possibilities will encourage the development of less favored regions instead of leading to migration away from them. This goal coincides with the over-all Community program of regional development.

REMEDIES FOR HOUSING SHORTGAGE

Thirdly, the housing shortage in most immigration areas of the Community has been an obstacle to geographical mobility of workers. Often workers are unable to bring their families with them, which leads either to immobility, early returns to the home area, or repeated removals. The Commission has proposed contributions of the Fund to promote housing construction and to supplement the aid given by social services to migrant workers and their families.

Prospects for EEC Social Program in 1965

The Commission of the European Economic Community is preparing a number of measures and studies which it will present to the Council of Ministers in 1965 for further implementation of the Community's social program.

The work in progress on social security will permit the preparation of draft recommendations by the end of the year. A proposed regulation on social security for seamen will be submitted, and the present regulations on social security for migrant workers will be revised and extended to self-employed workers. A symposium on certain problems facing migrant workers will be held at the end of 1965.

The Commission will propose implementing measures for the common vocational training policy (see story page 12) in accordance with its two action programs prepared in 1964. There will be a crash program for vocational training of migrant workers and concrete proposals to align training standards and to train instructors.

The comparative study of the disparity between wages in some industries (rubber, cotton-spinning, ship-building and ship repairing) will be extended to other sectors, particularly the manufacture of wearign apparel, printing and mechanical engineering. A major inquiry into wages and salaries will be undertaken. Recommendations on the protection of young workers and of working mothers are in preparation. A seminar on industrial psychology will be held.

Proposals in the sphere of industrial health and safety will be submitted on metal scaffolding, portable electric tools, electrical equipment used in agriculture, and labeling and packaging of toxic products. Recommendations for industrial medicine are also foreseen.

The Council will act on proposals already submitted by the Commission which would extend the sphere of competence of the European Social Fund as envisaged in "Initiative 1964" (see story, page 2). And the implementation of the first joint program for the exchange of young workers will go into effect.

Publications of the European Community Information Service

The following publications of general interest are available in English free of charge from the European Community Information Service:

Social Security in the Common Market

Social security in the six member countries and Community action.
(French Office Doc 29)

The European Community at a Glance

A brief review of the aims, institutions, progress and statistics of the Community.

Labor in the European Community (back issues available)

- No. 3 - Free Movement of Labor, Readaptation of Workers and Industrial Development, Wages in the EEC, Social Security in Italy.
- No. 4 - Labor Speaks on the Community Level, U. S. Labor and the Kennedy Round, Social Security in Luxembourg.
- No. 5 - Social Developments in the Community in 1963, Social Security in Belgium.
- No. 6 - The Labor Market in the West African Associated States of the EEC, Social Security in the Netherlands.

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- No.10 - The Common Market's Action Program
- No.11 - How the EEC Institutions Work
- No.12 - The Common Market: Inward or Outward Looking
- No.13 - Where the Common Market Stands Today
- No.14 - ECSC and the Merger

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