

European

TRADE UNION

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European Works Council Directive Adopted

It was in December 1990 that the European Commission first published its proposals for a Council Directive on the establishment of European Works Councils in Community-scale undertakings. The long process of discussion and debate on the proposals finally came to an end on the 22nd September with the unanimous adoption of the Directive by the Labour and Social Affairs Council.

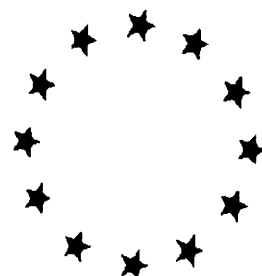
The decision of the Council - which was meeting in the context of the Maastricht Social Policy Agreement and therefore without representation from the United Kingdom - was welcomed by European trade union leaders. Emilio Gabaglio, General Secretary of the European Trade Union Confederation described the adoption of the European Works Council Directive as "a significant breakthrough for the European trade union movement and a first, fundamental response by the European Union towards the trade union movement". Bert Thierron, General Secretary of the European Metalworkers Federation, also welcomed the adoption of the Directive and said "Workers' Europe is a step nearer".

At a Press Conference following the Council meeting, the European Commissioner responsible for social affairs, Padraig Flynn, said, "I sincerely believe that the business community is ready and willing to introduce these new rules into their practices, in spite of all the past misunderstandings and misrepresentations concerning the Directives's real goals" The terms of the Directive require European-scale undertakings to establish a European Works Council or similar arrangement for informing and consulting employees. The scope and powers of the European Works Council are subject to negotiations between management and employee representatives, but where the two sides fail to agree, a set of minimum requirements is stipulated in the Directive.

It proved impossible to achieve unanimous support for the proposed Directive from all twelve EU Member States and therefore the special Maastricht Social Policy Agreement procedures were used. There allow qualified majority voting but the resulting Directive does not apply in the United Kingdom. Nevertheless, the Directive will apply to UK based multinationals in relation to their activities in other Member States. A summarised overview of the provisions of the new Directive can be found on page 2 of this issue of the Bulletin.

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EUROPEAN WORKS COUNCIL DIRECTIVE - AN OVERVIEW:

TITLE / OBJECTIVE

Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees

Reference:

Official Journal of the European Community L 254
30th September 1994

Objective:

"to improve the right to information and to consultation of employees in Community-scale undertakings and groups of undertakings.

APPLICATION:

"Community-scale undertaking" is an undertaking having at least 1,000 employees within the Member States and at least 150 employees in each of at least two Member States.

By virtue of being adopted under the Maastricht Social Policy Agreement rules, the requirements of the Directive do not apply to the United Kingdom. However they do apply to the activities of UK Community-scale undertakings in other Member States,

PROVISIONS:

Central management must initiate negotiations for the establishment of a European Works Council or an information and consultation procedure on its own initiative or at the written request of at least 100 employees or their representatives in at least two establishments in at least two Member States.

For this purpose a special negotiating body must be established in accordance with the guidelines contained in the Directive.

The resulting Agreement must cover the detailed arrangements for implementing a system for informing and consulting employees.

Where either:

- the central management and special negotiating body so decide, or
- central management refuses to commence negotiations within 6 months of a request being made, or
- after three years from the date of the request they are unable to conclude an agreement,

the "subsidiary requirements" set out in the Annex to the Directive shall apply.

European Works Council Members are not authorised to reveal any information which has expressly been provided to them in confidence.

Member States must bring into force the laws, regulations and administrative provisions necessary to comply with the Directive no later than the 22nd September 1996.

ANNEX : SUBSIDIARY REQUIREMENTS

- The competence of the EWC shall be limited to information and consultation on matters which concern the Community-scale undertaking as a whole.
- Members of the EWC shall be employees of the undertaking elected or appointed from their numbers by the employee's representatives.
- The EWC shall have a minimum of 3 and a maximum of 30 members.
- Each Member State in which an establishment exists shall have at least one EWC member and supplementary members are to be appointed in proportion to numbers of employees.
- The EWC shall have the right to meet with the central management at least once a year to be informed and consulted on the progress of the business of the Community-scale undertaking and its prospects.
- In particular the EWC shall consider the structure and economic and financial situation of the undertaking, production and sales, the situation and probable trend of employment, investments, substantial changes concerning organisation, the introduction of new working methods or production processes, transfers of production, mergers, cut-backs or closures, and collective redundancies.
- Where there are exceptional circumstances affecting the employee's interests to a considerable extent, the EWC (or a committee of its members) shall have the right to be informed and the right to meet, at its request, with central management.
- Before meeting with central management, the EWC will have the right to meet without management being present.
- The operating expenses of the EWC shall be borne by the central management. Central management must provide EWC members with the financial and material resources to enable them to perform their duties in an appropriate manner.

Economic and Social Situation in European Regions

5th Commission Report

The European Commission has just published its fifth periodic report on the social and economic situation and development of the regions of the Community. The Report updates the information contained in preceding reports and provides additional analysis on matters relating to regional problems and policy. The first part of the Report covers the main regional trends and differences over the last decade or so in terms of output, productivity, employment and unemployment. Also included is a major re-examination of demographic trends in the regions which focus on the prospective changes in population and labour force for the year 2000. The second part of the Report examines some of the factors underlying the disparities between regions,

building on the analysis undertaken in previous reports. The third part of the Report describes the situation in the Community's problem regions which were eligible for assistance under Community regional policies for the period 1989-93. It also provides a first opportunity to consider the next generation of regional policies effective from 1994. The fourth part of the Report covers other Community policies in the field of economic and monetary integration and external policy. A statistical annex to the report provides a wealth of statistical information on European regions, in particular complete details of unemployment rates and GDP rates in all NUTS 2 regions. The following is a summary of some of the main conclusions contained in the Report.

Fifth Periodic Report On The Social And Economic Situation And Development Of The Regions Of The Community

Regional Trends In The Recession:

The general economic trends in the European Community during the last two to three years have provided a poor platform from which to attempt to further reduce economic and social disparities between regions in different part of the Community. In actual fact recent statistical data suggests a mixed trend in regional disparities. Up to 1991 - the latest year for which a complete data set exists - statistical measures which take into consideration the situation in all regions point to a slow but steady reduction in disparities in GDP per head in general. However, in terms of unemployment, disparities which narrowed at the end of the 1980s widened again in 1992 and 1993. Overall, despite some narrowing of disparities in GDP over recent years, the gap between richest and poorest regions remains considerable.

Factors Behind The Disparities:

The Report emphasises that the disparities between the regions reflect their different underlying circumstances: a combination of historical patterns of development and the capacity to adapt to the rapidly changing world of the late twentieth century. Uneven patterns of development, historically, have resulted in widely different endowments in infrastructures and in human capital, which are the basic conditions for efficient production. Many of the handicaps affecting the weaker regions can be alleviated through new investment. There is encouraging evidence, according to the Commission, that weaker Member States - with the support of the Community structural funds - are investing more heavily in infrastructure than the rest of the Community. One important factor which has favoured Community regions as a whole as a location for new investment has been the creation of the Single European Market. This has led to a massive (gross) inflow of foreign

direct investment into the Community from third countries estimated at nearly 120 billion ECU between 1986 and 1991.

The Community's Problem Regions:

When the Community introduced a wide-ranging reform of the structural funds in 1988, three types of problem regions were defined in terms of the objectives of policy action:- Objective 1 (regions where development was lagging behind), Objective 2 (regions in industrial decline), and Objective 5b (rural problem areas). Defined in this way, in 1990, 156 million people in the Community lived in problem regions. The performance of these regions over time has been mixed. On the one hand, many objective 1 regions have been converging towards the more prosperous parts of the Community (the performance of Ireland, Spain and Portugal having been the most encouraging). On the other hand, the experience in other regions (Greece, Southern Italy and Northern Ireland) has been less encouraging.

Deepening And Widening In The 1990s

Changes which are likely to take place during the latter part of the 1990s - in particular the run-up to economic and monetary union - place additional importance on structural policies as a means of maintaining regional competitiveness.

- (1) The deepening of the Community in line with the Maastricht Treaty on European Union.
- (2) The continued integration of the new German Lander into the Community.
- (3) The accession of new Member States from the European Free Trade Association (EFTA).
- (4) Closer relations with - and the eventual accession of - many of the Central and Eastern European States.

Commission Propose Amendments to 1977 Directive

The European Commission has published proposals for a series of amendments to the 1977 Transfer of Undertakings Directive (77/187/EEC). The 1977 Directive was designed to provide a degree of protection for workers affected by a change of employer caused by company mergers or acquisitions. It established three main rights:-

- the automatic transfer of contractual rights and obligations to the new employer, thus in the event of a transfer of an undertaking a workers' contractual rights are maintained;
- limited protection for employees of transferred undertakings against dismissal (although dismissals for "economic, technical or organisational reasons entailing changes in the workforce" are allowed);
- the requirement that the transferor and the transferee inform and consult the representatives of employees affected by the transfer.

The 1977 Directive has been widely viewed as providing an important element of protection for the rights of the increasing number of workers affected by mergers and other forms of transfer. However, in the seventeen years since its adoption there have been a number of changes - both in the economic and the legal background - which mean that an updating of the Directive is now required.

The Need For Revision

The Commission quote a number of reasons for the proposed revision of the Directive. These include:

- the need to provide greater flexibility in the event of the transfer of an insolvent undertaking or one facing major economic difficulties;
- the need to extend the application of the Directive to explicitly cover the transnational dimension;
- the need to take the post-Single Market business environment into account and the increase in both national and transnational merger activity;
- the need to take account of developments in national law relating to the treatment of undertakings facing severe economic difficulties;
- the need to take into account the implications of several European Court decisions relating to employee rights in the event of the transfer of undertakings;
- Changes to the Collective Redundancies Directive.

Proposed Amendments

The main amendments proposed by the Commission are as follows:-

Scope and Definition:

A number of changes to the scope of the 1977 Directive are proposed along with an attempt to clarify key definitions, in particular, the term "transfer". In relation to the application of the Directive in cases where only certain activities are

transferred, the proposed Directive attempts to distinguish between two fundamentally different situations: the transfer of an activity as such, and the transfer of an economic entity which retains its identity. The Directive would apply to the latter situation. The proposed Directive also seeks to clarify the application of the 1977 Directive in cases where the transfer of the undertaking is being undertaken as part of an insolvency procedure. Basically, where the undertaken being transferred is the subject of:

- bankruptcy proceedings;
- proceedings related to the winding-up of insolvent companies;
- analogous liquidation proceeding;

Member States are free to apply Articles 3 (transfer of rights) and 4 (protection against dismissal) of the 1977 Directive if they wish to do so. Conversely, the Directive's provisions will automatically apply in cases of transfers of undertakings in the context of non-liquidation proceedings such as compositions, judicial arrangements, administrative receiverships, and analogous proceedings.

A number of other changes to the scope of the 1977 Directive are proposed. These include:

- the inclusion of a definition of "undertaking" to underline the fact that the Directive applies to all undertakings, public or private, whether or not they are operated for gain;
- the application of the provisions of the 1977 Directive to sea-going vessels;
- the provision that, whilst the application of the Directive is without prejudice to national laws as regards the definition of employment contracts, Member States should not be allowed to exclude part-time employees or fixed-duration and temporary employees on the sole grounds of the number of hours performed or the special nature of such relationships.
- provisions to bring into line the definition of "employees' representative with that used in the Collective Redundancies Directive.

The Safeguarding of Employees' Rights:

Three changes are proposed in terms of the provisions relating to the safeguarding of employees' rights:

- provision for greater harmonisation in the interpretation of the rules regarding the joint liability of both transferor and transferee;
- the inclusion of a new paragraph designed to guarantee the continued representation of employees transferred when the business does not preserve its autonomy.

Information and Consultation:

With respect to information and consultation rights, two changes to the 1977 Directive are proposed:

- changes to ensure that the Directive is enforced in

LEGISLATION - Transfer of Undertakings

cases involving transnational undertakings and associated undertakings. This will mean that the information and consultation requirements laid down by the 1977 Directive apply irrespective of whether the decision leading to the transfers are taken by the employer himself, by a controlling undertaking or by the central administration of a multi-establishment undertaking;

- a harmonised approach to the ability of Member States to allow exemptions from the need to consult and inform employees in the cases of smaller undertakings. The new draft Directive would allow Member States to limit the obligations to consult and inform workers' representatives to undertakings which normally employ 50 or more employees or which, if employing less than 50 employees, fulfil the workforce size thresholds for the election or nomination of a collegiate body representing the employees.
- Member States will be required to ensure that, where

there are no employee representatives in an undertaking, the employer must inform employees directly in advance of a transfer.

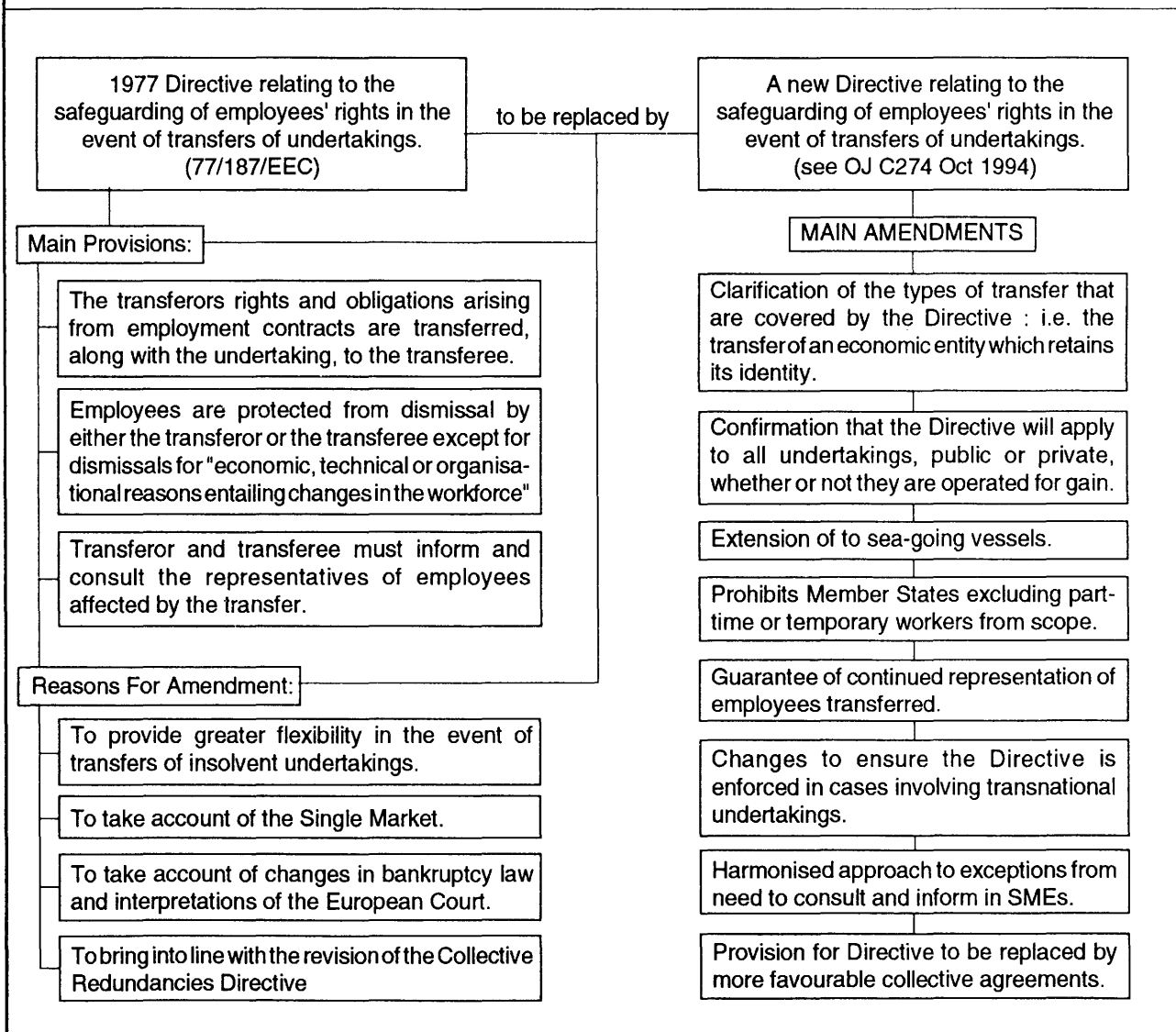
Final Provisions:

It is proposed that the following changes should be made to the final provisions of the 1977 Directive:

- the "more favourable provisions" clause should be extended to allow the provisions of the Directive to be replaced by "collective agreements or agreements between social partners more favourable to employees";
- in fact the new proposed Directive seeks to repeal and replace the 1977 Directive rather than just amend it. This approach is being taken by the Commission in the interests of clarity.

The legal basis of the new proposed Directive is Article 100 of the Treaty and therefore it will require unanimous support from the Council of Ministers

DRAFT DIRECTIVE : EMPLOYEE RIGHTS ON THE TRANSFER OF UNDERTAKINGS SUMMARY



Equality For Self-Employed Women

The European Commission has published a report on the implementation by Member States of the 1986 Directive on equal treatment and the self-employed. Although the earlier Directives on equal treatment between men and women (Directives 76/207/EEC and 79/117/EEC) were fairly broad in scope, it was felt that they did not take sufficient account of the specific and special situation of self-employed men and women, and particularly the situation of self-employed workers whose professional status is unclear in that they are neither partners nor employees. Thus the 1986 Directive sought to extend the principle of equal treatment to the self-employed and extend coverage to the spouses of the self-employed who, being neither employees nor partners, where they participate in the activities of the self-employed worker and perform the same tasks or ancillary tasks. The 1986 Directive also requires action to be taken to protect self-employed women during pregnancy and motherhood.

The main body of the new Report contains a detailed country-by-country analysis of the responses of each Member State to a questionnaire circulated by the European Commission (as required by Article 13). It therefore provides a useful picture of the state of both legislation and practice in relation to equal opportunities and the self-employed throughout the European Union.

Article 12 of the 1986 Directive requires Member States to bring into force the laws, regulations and administrative provisions necessary to comply with the Directive not later than the 30th June 1989. However, for a Member State which, in order to comply with Article 5, had to amend its legislation on matrimonial rights and obligations, the deadline was extended until the 30th June 1991. Article 13 requires Member States to forward to the Commission all the information necessary to enable it to draw up a report on the application of the Directive. To this end a detailed questionnaire was sent to Member States during 1991 and the replies were analysed by the Commission.

Overview of Responses:-

- (1) The requirements for equality as set out in Article 3 would appear to be met in all Member States.
- (2) Some Member States stressed that the main feature of self-employed activity was its sheer diversity and that the individuals concerned should be left a large measure of freedom.
- (3) Most Member States indicated that it had not been

necessary for them to amend or adapt their national legislation in order to implement the Directive.

(4) In general, the formation of a company between spouses is possible, although there are certain restrictions with regards to:-
 (a) property rights arising out of a matrimonial relationship (Luxembourg, Portugal) and
 (b) possession of diplomas (Germany and France).

(5) With regard to social security protection, most Member States grant only limited social security rights and any entitlements are based on derived rights or payment into private insurance schemes. Denmark is the only country where the wife of a self-employed person is protected against all contingencies.

(6) By and large, most Member States felt that there was no need for new initiatives to encourage greater recognition of the work done by the spouse of a self-employed worker. Certain countries however

(such as Denmark and Belgium) have taken steps to mitigate the adverse effects of tax legislation on the wage paid to the spouse by the self-employed worker.

(7) With regards to the provision of assistance in cases of absence due to pregnancy or maternity, some Member States have improved conditions for women during and after pregnancy, mainly through the granting of allowances. The only countries which allow genuine access to replacement services are France, Germany and the Netherlands.

(8) Recourse to the judicial process is available to persons covered by the Directive through the ordinary courts in all Member States.

Main Provisions Of The 1986 Directive

- Article 3: States that there must be no discrimination on grounds of sex, either directly or indirectly, by reference in particular to marital or family status.
- Article 4: Requires Member States to take the measures necessary to abolish any national provisions which are contrary to the principle of equal treatment. Particular reference is made to the establishment, equipment or extension of a business or the launching or extension of any other form of self-employed activity, including access to financial facilities.
- Article 5: Obliges Member States to ensure that the conditions for formation of a company between spouses are no more restrictive than those applying to persons who are not married.
- Article 6: Deals with social security cover for the assisting spouse and requires Member States to ensure, where a contributory social security scheme exists, that assisting spouses may make voluntary contributions to a scheme where they are not already covered by the social security scheme of the self-employed spouse.
- Article 7: Places a general obligation on Member States to examine how recognition of the work of the assisting spouse may be encouraged and to consider any appropriate steps to do so.
- Article 8: Requires Member States to consider the question of pregnancy and maternity assistance for female self-employed and the wives of the self-employed in the form of temporary replacements or publicly-funded cash benefits.

THE NEW MEMBER STATES : A Political, Economic and Social Profile Part 1

1995 will see the first enlargement of the European Community for nine years. To mark the occasion we are publishing a series of political, economic and social profiles of the new Member States. The second part of the series will appear in the next issue of the Bulletin.

| <h1>AUSTRIA</h1> | | LANGUAGE: German | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------|--|--|---------|---------|---------|---------|-----|-----|-------|----|----|-------|----|--|-------------|----|----|-----|----|--|--------|----|----|----|--|------|---------|--|----|-------------|--|----|
| CAPITAL: Vienna | | TOTAL LAND AREA: 83,855 sq. km. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Population: 1,483,000 | | POPULATION: 7.975 million | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MAJOR CITIES: Graz (243,000), Linz (200,000), Salzburg (138,000) | | DENSITY OF POPULATION: 93 per sq. km. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | CURRENCY: 1 Schilling = 100 Groschen | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | VALUE OF 1 ECU 13.42 Sch (1994) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ECONOMIC PROFILE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LABOUR FORCE: 3.68 million | | LABOUR FORCE AS A % OF POPULATION: 46% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p style="text-align: center;">AGE DISTRIBUTION OF POPULATION</p> <p style="text-align: center;">0 25 50 75 100</p> <p style="text-align: center;">■ Under 15 □ 15 - 65 yrs ■ Over 65</p> | | <p style="text-align: center;">DISTRIBUTION OF LABOUR FORCE BY SECTOR</p> <p style="text-align: center;">0 25 50 75 100</p> <p style="text-align: center;">■ Agriculture □ Industry ■ Services</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GROSS DOMESTIC PRODUCT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GDP 1992 (million Austrian Schillings) 2,035 | | Average annual growth in GDP (1980-91) 2.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Per capita GDP 1991 (PPS) USA=100 77 | | GDP growth rate in 1993 -0.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Per capita GDP (\$ US) 20,379 | | GDP growth rate forecast for 1994 1.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p style="text-align: center;">CONSUMER PRICE INFLATION</p> <p style="text-align: center;">1980=100</p> <p style="text-align: center;">'87 '88 '89 '90 '91 '92</p> | | <p style="text-align: center;">UNEMPLOYMENT</p> <p style="text-align: center;">'87 '88 '89 '90 '91 '92</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average annual inflation (1987-92) 2.8% | | Unemployment (1993 : average) 4.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual price inflation (1993) 3.6% | | Unemployment (1994 : forecast) 4.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average annual inflation (Sept 94/93) 3.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average annual inflation (Sept 93/92) 3.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p style="text-align: center;">ECONOMIC OVERVIEW</p> <p>Austria has a prosperous and stable economy with a sizeable proportion of nationalised industries and extensive welfare benefits. Strong industrial and commercial links exist with Germany. Improved export prospects resulting from the unification of Germany and the opening of Eastern Europe, boosted the economy in 1990, although growth has fallen over recent years as a result of the general world recession. Main industrial sectors are food production, iron and steel, machines, textiles, chemicals, electrical equipment, paper and pulp, and tourism. Whilst only 8% of the labour force is employed in agriculture, Austria produces almost enough food to feed itself.</p> | | <p style="text-align: center;">TRADING PARTNERS</p> <p style="text-align: center;">% of total imports/exports accounted for by:-</p> <table border="1"> <thead> <tr> <th>Country</th> <th>Imports</th> <th>Exports</th> </tr> </thead> <tbody> <tr> <td>Germany</td> <td>42%</td> <td>40%</td> </tr> <tr> <td>Italy</td> <td>9%</td> <td>9%</td> </tr> <tr> <td>Japan</td> <td>5%</td> <td></td> </tr> <tr> <td>Switzerland</td> <td>4%</td> <td>6%</td> </tr> <tr> <td>USA</td> <td>4%</td> <td></td> </tr> <tr> <td>France</td> <td>4%</td> <td>4%</td> </tr> <tr> <td>UK</td> <td></td> <td>3.5%</td> </tr> <tr> <td>Hungary</td> <td></td> <td>3%</td> </tr> <tr> <td>Netherlands</td> <td></td> <td>3%</td> </tr> </tbody> </table> | | Country | Imports | Exports | Germany | 42% | 40% | Italy | 9% | 9% | Japan | 5% | | Switzerland | 4% | 6% | USA | 4% | | France | 4% | 4% | UK | | 3.5% | Hungary | | 3% | Netherlands | | 3% |
| Country | Imports | Exports | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Germany | 42% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Italy | 9% | 9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Japan | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Switzerland | 4% | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| USA | 4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| France | 4% | 4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UK | | 3.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hungary | | 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Netherlands | | 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

THE NEW MEMBER STATES : A Political, Economic and Social Profile Part 1

AUSTRIA - POLITICAL PROFILE

| <p>CONSTITUTION: Federal Republic. Parliamentary democracy.</p> | <p>CURRENT GOVERNMENT: Coalition of the Social Democratic Party (SPO) and the Austrian People's Party (OVP)</p> | | | | | | | | | | | | | | | | | | |
|--|--|-------------------------|--------------------------|------------------------------|-----------------------|-------------------------|--------------------|-------------------------------|----------------------------|----|---------------------|------|----|----------------|-----|----|---------------|-----|----|
| <p>GOVERNMENTAL SYSTEM: Legislative power is vested in a two-chamber Parliament. The Nationalrat consists of 183 members and is elected by direct universal suffrage for 4 years. The Bundesrat is representative of the nine provinces and has 64 members. The seats allocated to each province are divided between the political parties according to the number of seats they hold in the Provincial assembly. The President, who is elected by popular vote, is Head of State and holds office for six years. The Federal Chancellor is head of government. All new legislative proposals must be submitted to a vote in both chambers of Parliament. The Federal Council, however, cannot veto proposals, only delay their implementation.</p> | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Federal Chancellor</td> <td style="width: 50%;">Dr Franz Vranitzky (SPO)</td> </tr> <tr> <td>Minister for Foreign Affairs</td> <td>Dr Alois Mock (OVP)</td> </tr> <tr> <td>Minister for Employment</td> <td>Josef Hesoun (SPO)</td> </tr> <tr> <td>Minister for Economic Affairs</td> <td>Dr Wolfgang Schussel (OVP)</td> </tr> </table> | Federal Chancellor | Dr Franz Vranitzky (SPO) | Minister for Foreign Affairs | Dr Alois Mock (OVP) | Minister for Employment | Josef Hesoun (SPO) | Minister for Economic Affairs | Dr Wolfgang Schussel (OVP) | | | | | | | | | | |
| Federal Chancellor | Dr Franz Vranitzky (SPO) | | | | | | | | | | | | | | | | | | |
| Minister for Foreign Affairs | Dr Alois Mock (OVP) | | | | | | | | | | | | | | | | | | |
| Minister for Employment | Josef Hesoun (SPO) | | | | | | | | | | | | | | | | | | |
| Minister for Economic Affairs | Dr Wolfgang Schussel (OVP) | | | | | | | | | | | | | | | | | | |
| <p>ELECTORAL SYSTEM: Direct universal suffrage for men and women over 19.</p> | <p>COMPOSITION OF NATIONAL PARLIAMENT: Elected 9th October 1994</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;"><u>% vote</u></th> <th style="width: 15%; text-align: center;"><u>Seats</u></th> </tr> </thead> <tbody> <tr> <td>Socialist Party (SPO)</td> <td style="text-align: center;">35.2</td> <td style="text-align: center;">66</td> </tr> <tr> <td>People's Party (OVP)</td> <td style="text-align: center;">27.9</td> <td style="text-align: center;">52</td> </tr> <tr> <td>Freedom Party (FPO)</td> <td style="text-align: center;">22.8</td> <td style="text-align: center;">42</td> </tr> <tr> <td>Green Alliance</td> <td style="text-align: center;">7.0</td> <td style="text-align: center;">13</td> </tr> <tr> <td>Liberal Forum</td> <td style="text-align: center;">5.7</td> <td style="text-align: center;">10</td> </tr> </tbody> </table> | | <u>% vote</u> | <u>Seats</u> | Socialist Party (SPO) | 35.2 | 66 | People's Party (OVP) | 27.9 | 52 | Freedom Party (FPO) | 22.8 | 42 | Green Alliance | 7.0 | 13 | Liberal Forum | 5.7 | 10 |
| | <u>% vote</u> | <u>Seats</u> | | | | | | | | | | | | | | | | | |
| Socialist Party (SPO) | 35.2 | 66 | | | | | | | | | | | | | | | | | |
| People's Party (OVP) | 27.9 | 52 | | | | | | | | | | | | | | | | | |
| Freedom Party (FPO) | 22.8 | 42 | | | | | | | | | | | | | | | | | |
| Green Alliance | 7.0 | 13 | | | | | | | | | | | | | | | | | |
| Liberal Forum | 5.7 | 10 | | | | | | | | | | | | | | | | | |
| <p>LOCAL & REGIONAL GOVERNMENT: Austria is divided into nine provinces - Burgenland, Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Tyrol, Vorarlberg, and Vienna. Elected Provincial Assemblies (Landtag) exist in each of the nine provinces and exercise similar functions to the National Council. The competencies of both national and provincial governments are clearly defined in the Constitution.</p> | <p>EU MEMBERSHIP REFERENDUM: Referendum : 12 June 1994</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">In favour of membership</td> <td style="width: 30%; text-align: right;">66.36%</td> </tr> <tr> <td>Against membership</td> <td style="text-align: right;">33.61%</td> </tr> <tr> <td>Turnout</td> <td style="text-align: right;">81.27%</td> </tr> </table> <p>Decision ratified by Austrian Parliament in November 1994.</p> | In favour of membership | 66.36% | Against membership | 33.61% | Turnout | 81.27% | | | | | | | | | | | | |
| In favour of membership | 66.36% | | | | | | | | | | | | | | | | | | |
| Against membership | 33.61% | | | | | | | | | | | | | | | | | | |
| Turnout | 81.27% | | | | | | | | | | | | | | | | | | |

AUSTRIA - SOCIAL PROFILE

| | | | | | | | | | | | |
|--|---|--|---|--|--|---|-----------------------|--|---|--|-----|
| <p>WAGE GROWTH</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Nominal wage growth 1993</td> <td style="width: 30%; text-align: right;">4.8%</td> </tr> <tr> <td>Nominal wage growth 1994</td> <td style="text-align: right;">2.8%</td> </tr> <tr> <td>Real wage growth 1993</td> <td style="text-align: right;">0.0%</td> </tr> <tr> <td>Real wage growth 1994</td> <td style="text-align: right;">0.8%</td> </tr> </table> | Nominal wage growth 1993 | 4.8% | Nominal wage growth 1994 | 2.8% | Real wage growth 1993 | 0.0% | Real wage growth 1994 | 0.8% | <p>TRADE UNIONS The OGB (Austrian Federation of Trade Unions) was formed immediately after World War II by uniting former members of Socialist, Christian and Communist trade unions. The pattern of trade unionism established was one of industrial unions and there are 15 national trade unions, all of which are affiliated to the OGB.</p> | | |
| Nominal wage growth 1993 | 4.8% | | | | | | | | | | |
| Nominal wage growth 1994 | 2.8% | | | | | | | | | | |
| Real wage growth 1993 | 0.0% | | | | | | | | | | |
| Real wage growth 1994 | 0.8% | | | | | | | | | | |
| <p>WAGE RATES</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Average wages in manufacturing (Austrian Schillings per month)</td> <td style="width: 30%; text-align: right;">28,183</td> </tr> </table> | Average wages in manufacturing (Austrian Schillings per month) | 28,183 | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Trade Union Membership Density</td> <td style="width: 30%; text-align: right;">46%</td> </tr> </table> | Trade Union Membership Density | 46% | | | | | | |
| Average wages in manufacturing (Austrian Schillings per month) | 28,183 | | | | | | | | | | |
| Trade Union Membership Density | 46% | | | | | | | | | | |
| <p>WORKING HOURS</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Average working hours per week</td> <td style="width: 30%;"></td> </tr> <tr> <td>1983</td> <td style="text-align: right;">33.3</td> </tr> <tr> <td>1988</td> <td style="text-align: right;">32.5</td> </tr> <tr> <td>1992</td> <td style="text-align: right;">31.9</td> </tr> </table> | Average working hours per week | | 1983 | 33.3 | 1988 | 32.5 | 1992 | 31.9 | <p>BARGAINING COVERAGE</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">% of employees covered by collective bargaining arrangements</td> <td style="width: 30%; text-align: right;">98%</td> </tr> </table> | % of employees covered by collective bargaining arrangements | 98% |
| Average working hours per week | | | | | | | | | | | |
| 1983 | 33.3 | | | | | | | | | | |
| 1988 | 32.5 | | | | | | | | | | |
| 1992 | 31.9 | | | | | | | | | | |
| % of employees covered by collective bargaining arrangements | 98% | | | | | | | | | | |
| <p>HOLIDAYS</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Annual paid holidays 1994</td> <td style="width: 30%; text-align: right;">5 weeks</td> </tr> <tr> <td>(after 25 years service)</td> <td style="text-align: right;">6 weeks</td> </tr> </table> | Annual paid holidays 1994 | 5 weeks | (after 25 years service) | 6 weeks | <p>INDUSTRIAL DISPUTES</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Workers involved in industrial disputes in 1992</td> <td style="width: 30%; text-align: right;">18,039</td> </tr> <tr> <td>Working days lost due to industrial disputes in 1992</td> <td style="text-align: right;">7,562</td> </tr> </table> | Workers involved in industrial disputes in 1992 | 18,039 | Working days lost due to industrial disputes in 1992 | 7,562 | | |
| Annual paid holidays 1994 | 5 weeks | | | | | | | | | | |
| (after 25 years service) | 6 weeks | | | | | | | | | | |
| Workers involved in industrial disputes in 1992 | 18,039 | | | | | | | | | | |
| Working days lost due to industrial disputes in 1992 | 7,562 | | | | | | | | | | |
| <p>SCHOOL LEAVING AGE 15</p> | <p>PART-TIME WORKING</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Part-time working as a percentage of total employment (1991)</td> <td style="width: 30%; text-align: right;">8.9%</td> </tr> <tr> <td>Women's share in part-time employment (1991)</td> <td style="text-align: right;">89.7%</td> </tr> </table> | Part-time working as a percentage of total employment (1991) | 8.9% | Women's share in part-time employment (1991) | 89.7% | | | | | | |
| Part-time working as a percentage of total employment (1991) | 8.9% | | | | | | | | | | |
| Women's share in part-time employment (1991) | 89.7% | | | | | | | | | | |
| <p>STATUTORY RETIREMENT AGE</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Female</td> <td style="width: 30%; text-align: right;">60</td> </tr> <tr> <td>Male</td> <td style="text-align: right;">65</td> </tr> </table> | Female | 60 | Male | 65 | | | | | | | |
| Female | 60 | | | | | | | | | | |
| Male | 65 | | | | | | | | | | |

THE NEW MEMBER STATES : A Political, Economic and Social Profile Part 1

FINLAND

CAPITAL: Helsinki
Population: 501,514
MAJOR CITIES: Espoo (179,054), Tampere (174,859)
 Turku (159,916)

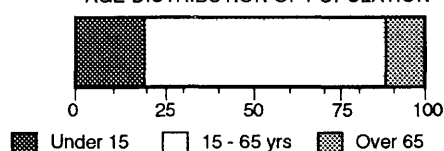
LANGUAGE: Finnish, Swedish
TOTAL LAND AREA: 337,032 sq. km.
POPULATION: 4.971 million
DENSITY OF POPULATION: 14.9 per sq. km.
CURRENCY: 1 Markka = 100 pennia
VALUE OF 1 ECU 5.794 Markka (1994)

ECONOMIC PROFILE

LABOUR FORCE: 2.50 million

LABOUR FORCE AS A % OF POPULATION: 51%

AGE DISTRIBUTION OF POPULATION



DISTRIBUTION OF LABOUR FORCE BY SECTOR



GROSS DOMESTIC PRODUCT

GDP 1992 (million Markka) 475,608

Average annual growth in GDP (1980-91) 2.9%

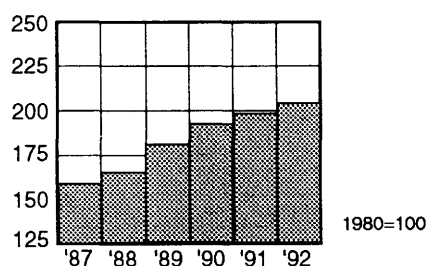
Per capita GDP 1991 (PPS) USA=100 77

GDP growth rate in 1993 -2.5%

Per capita GDP (\$ US) 24,400

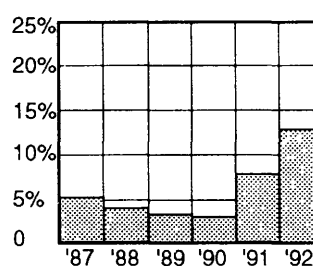
GDP growth rate forecast for 1994 2.0%

CONSUMER PRICE INFLATION



Average annual inflation (1987-92) 4.8%
Annual price inflation (1993) 2.2%
Average annual inflation (Sept 94/93) 1.9%
Average annual inflation (Sept 93/92) 1.7%

UNEMPLOYMENT



Unemployment (1993 : average) 17.9%
Unemployment (1994 : forecast) 19.0%

ECONOMIC OVERVIEW

Forestry, mining, and the manufacturing of products made of wood are important in the Finnish economy, as are foodstuffs, chemicals, textiles, glass and metal products. Of the total area of the country, about 9% is covered in water (some 55,000 lakes) and 70% of the remaining land is forested. The Finnish economy expanded by an annual average of almost 5% during the mid 1980s but fell into deep recession in the early nineties. The collapse of the neighbouring Soviet economy and the general European recession led to negative growth and high levels of unemployment. The current economic priority is to increase competitiveness and develop new markets within Europe.

TRADING PARTNERS

% of total imports/exports accounted for by:-

| Country | Imports | Exports |
|-------------|---------|---------|
| Germany | 17% | 16% |
| Sweden | 12% | 13% |
| UK | 9% | 11% |
| Russia | 7% | |
| Japan | 5% | |
| France | 5% | 7% |
| USA | | 6% |
| Netherlands | | 5% |

THE NEW MEMBER STATES : A Political, Economic and Social Profile Part 1

FINLAND - POLITICAL PROFILE

| | | | | | | | | | | | | | | | | | | | | | |
|--|---|--------------------|-----|------------------|-----|--------------------|----|--------------------|----|-------------|----|---------------|----|-------------|---|-----------------|---|---------------|---|--|--|
| <p>CONSTITUTION: Republican constitution combining parliamentary system with a strong Presidency.</p> | <p>LOCAL & REGIONAL GOVERNMENT: There are 12 provinces each administered by an appointed Governor. One province (Ahvenanmaa - the Aland Islands) has certain rights of legislation in relation to internal matters. In addition to the provinces, there are 461 municipalities with certain powers of self-government.</p> | | | | | | | | | | | | | | | | | | | | |
| <p>GOVERNMENTAL SYSTEM: There is a single-Chamber Parliament (Eduskunta) with 200 members. The President is entrusted with supreme executive power and is elected for a six year term. Legislative power is exercised by Parliament in conjunction with the President. The President appoints the Council of State (cabinet) which is headed by the Prime Minister and is responsible to Parliament. The President has the right to depart, even from a unanimous decision reached by the Council of State. Both the President and Parliament have the right to initiate legislation. Laws passed by Parliament are submitted to the President who has the right of veto. A law to which the President has not given consent can still come into force if the Parliament elected at the next general election adopts the law without alteration.</p> <p>Parliament has 200 members elected by universal suffrage for 4 years. It assembles annually at the beginning of February and normally lasts for 120 days. The opposition of one-third of its members can delay some legislative proposals until after the next elections.</p> | <p>CURRENT GOVERNMENT: President: Elected 6th February 1994 : Martti Ahtisaari (SDP) Council of State: Coalition of the Centre Party (Keik), the National Coalition Party (Kok), the Swedish People's party (SFP) and the Finnish Christian union (SKL). Prime Minister Esko Aho (Kesk) Minister for Foreign Affairs Heikki Haavisto (Kesk) Minister for Labour Ilkka Kanerva (Kok)</p> | | | | | | | | | | | | | | | | | | | | |
| | <p>COMPOSITION OF NATIONAL PARLIAMENT: Elected 17th March 1991</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Centre Party</td><td style="text-align: center;">55</td><td>Social Democrats</td><td style="text-align: center;">48</td></tr> <tr> <td>National Coalition</td><td style="text-align: center;">40</td><td>Left-Wing Alliance</td><td style="text-align: center;">19</td></tr> <tr> <td>Green Union</td><td style="text-align: center;">10</td><td>Swedish Party</td><td style="text-align: center;">12</td></tr> <tr> <td>Rural Party</td><td style="text-align: center;">7</td><td>Christian Union</td><td style="text-align: center;">8</td></tr> <tr> <td>Liberal Party</td><td style="text-align: center;">1</td><td></td><td></td></tr> </table> | Centre Party | 55 | Social Democrats | 48 | National Coalition | 40 | Left-Wing Alliance | 19 | Green Union | 10 | Swedish Party | 12 | Rural Party | 7 | Christian Union | 8 | Liberal Party | 1 | | |
| Centre Party | 55 | Social Democrats | 48 | | | | | | | | | | | | | | | | | | |
| National Coalition | 40 | Left-Wing Alliance | 19 | | | | | | | | | | | | | | | | | | |
| Green Union | 10 | Swedish Party | 12 | | | | | | | | | | | | | | | | | | |
| Rural Party | 7 | Christian Union | 8 | | | | | | | | | | | | | | | | | | |
| Liberal Party | 1 | | | | | | | | | | | | | | | | | | | | |
| <p>ELECTORAL SYSTEM: Universal suffrage of men and women over 18.</p> | <p>EU MEMBERSHIP REFERENDUM: Referendum held on the 16th October 1994</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>In favour</td><td style="text-align: center;">57%</td><td>Against</td><td style="text-align: center;">43%</td></tr> </table> | In favour | 57% | Against | 43% | | | | | | | | | | | | | | | | |
| In favour | 57% | Against | 43% | | | | | | | | | | | | | | | | | | |

FINLAND - SOCIAL PROFILE

| | | | | | | | | | | | |
|--|---|--|--|---|-----------------------|--|-----------------------|-------|--|--|-----|
| <p>WAGE GROWTH</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Nominal wage growth 1993</td><td style="text-align: center;">1.0%</td></tr> <tr> <td>Nominal wage growth 1994</td><td style="text-align: center;">2.5%</td></tr> <tr> <td>Real wage growth 1993</td><td style="text-align: center;">-4.5%</td></tr> <tr> <td>Real wage growth 1994</td><td style="text-align: center;">-4.0%</td></tr> </table> | Nominal wage growth 1993 | 1.0% | Nominal wage growth 1994 | 2.5% | Real wage growth 1993 | -4.5% | Real wage growth 1994 | -4.0% | <p>TRADE UNIONS There are three main ETUC-affiliated trade union confederations - the SAK (general workers), the STTK (technical workers) and the AKAVA (teachers & professional). Against the international trend, the number of unionised workers has increased rapidly since the end of the 1960s.</p> | | |
| Nominal wage growth 1993 | 1.0% | | | | | | | | | | |
| Nominal wage growth 1994 | 2.5% | | | | | | | | | | |
| Real wage growth 1993 | -4.5% | | | | | | | | | | |
| Real wage growth 1994 | -4.0% | | | | | | | | | | |
| <p>WAGE RATES</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Average wages in manufacturing (Finnish Markka per hour)</td><td style="text-align: center;">52.25</td></tr> </table> | Average wages in manufacturing (Finnish Markka per hour) | 52.25 | <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Trade Union Membership Density</td><td style="text-align: center;">72%</td></tr> </table> | Trade Union Membership Density | 72% | | | | | | |
| Average wages in manufacturing (Finnish Markka per hour) | 52.25 | | | | | | | | | | |
| Trade Union Membership Density | 72% | | | | | | | | | | |
| <p>WORKING HOURS</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Average working hours per week</td><td></td></tr> <tr> <td>1983</td><td style="text-align: center;">32.4</td></tr> <tr> <td>1988</td><td style="text-align: center;">32.1</td></tr> <tr> <td>1992</td><td style="text-align: center;">29.6</td></tr> </table> | Average working hours per week | | 1983 | 32.4 | 1988 | 32.1 | 1992 | 29.6 | <p>BARGAINING COVERAGE</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>% of employees covered by collective bargaining arrangements</td><td style="text-align: center;">95%</td></tr> </table> | % of employees covered by collective bargaining arrangements | 95% |
| Average working hours per week | | | | | | | | | | | |
| 1983 | 32.4 | | | | | | | | | | |
| 1988 | 32.1 | | | | | | | | | | |
| 1992 | 29.6 | | | | | | | | | | |
| % of employees covered by collective bargaining arrangements | 95% | | | | | | | | | | |
| <p>HOLIDAYS</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Annual paid holidays 1994</td><td style="text-align: center;">5 to 6 weeks</td></tr> </table> | Annual paid holidays 1994 | 5 to 6 weeks | <p>INDUSTRIAL DISPUTES</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Workers involved in industrial disputes in 1992</td><td style="text-align: center;">102,560</td></tr> <tr> <td>Working days lost due to industrial disputes in 1992</td><td style="text-align: center;">76,090</td></tr> </table> | Workers involved in industrial disputes in 1992 | 102,560 | Working days lost due to industrial disputes in 1992 | 76,090 | | | | |
| Annual paid holidays 1994 | 5 to 6 weeks | | | | | | | | | | |
| Workers involved in industrial disputes in 1992 | 102,560 | | | | | | | | | | |
| Working days lost due to industrial disputes in 1992 | 76,090 | | | | | | | | | | |
| <p>SCHOOL LEAVING AGE 16</p> | <p>PART-TIME WORKING</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Part-time working as a percentage of total employment (1991)</td><td style="text-align: center;">7.6%</td></tr> <tr> <td>Women's share in part-time employment (1991)</td><td style="text-align: center;">65.2%</td></tr> </table> | Part-time working as a percentage of total employment (1991) | 7.6% | Women's share in part-time employment (1991) | 65.2% | | | | | | |
| Part-time working as a percentage of total employment (1991) | 7.6% | | | | | | | | | | |
| Women's share in part-time employment (1991) | 65.2% | | | | | | | | | | |
| <p>STATUTORY RETIREMENT AGE</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Female</td><td style="text-align: center;">60 - 65</td></tr> <tr> <td>Male</td><td style="text-align: center;">60 - 65</td></tr> </table> | Female | 60 - 65 | Male | 60 - 65 | | | | | | | |
| Female | 60 - 65 | | | | | | | | | | |
| Male | 60 - 65 | | | | | | | | | | |

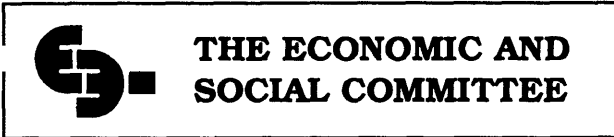


SOCIAL POLICY WHITE PAPER

In a speech to the European Parliament in Strasbourg on the 26th October 1994 on the White Paper on the Future of Social Policy, Commissioner Padraig Flynn sketched out the four main themes which are at the heart of the White Paper:-

- (a) The need for a mix between economic and social policies in order to successfully meet the challenges currently facing the European Union.
- (b) Employment and the fight against unemployment must remain the top priority of the EU.
- (c) There is still a need to develop and consolidate the legislative base in the social policy field.
- (d) The need to strengthen co-operation and action across society as a whole.

Commissioner Flynn told MEPs that he believed that one of the priority tasks of the next Commission must be to adopt a rolling action programme, specifically designed to translate the objectives of the White Paper into reality. "Such a rolling programme would not only serve to focus our efforts", he said, "but could also be the yardstick by which the citizens of Europe will judge the action of the Commission, the Parliament and the Council and the progress of the Union in the social policy field".



OPINION ON PARTNERSHIP

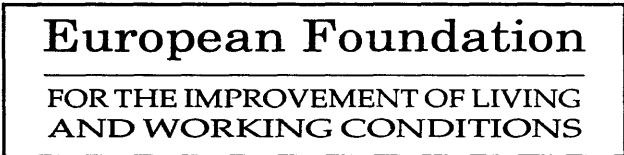
The September 1994 Plenary Session of the Economic and Social Committee adopted an Own-Initiative Opinion on the subject of partnership in the context of the Community Structural Funds. The Opinion notes that the new Structural Fund Regulations call for the involvement of the "economic and social partners" in the formulation and implementation of programmes. A recent ESC Opinion (January 1994 Plenary Session) dwelt on the identity and role of the partners, the level and forms taken by the partnership, and the instruments of participation. However these points were only considered in connection with the economic and social partners.

The new Opinion is based on the premise that the partnership and the close consultations can only work if the relevant public authorities at national, regional and local level are sympathetic and supportive, in both practical and formal terms. After describing a number of national experiences and spelling out the objectives to be achieved, the Opinion looks at the factors which it considers necessary for an effective application of Article 4. These include the political

will to implement the Article, the existence of a culture of participation and social dialogue, the allocation of responsibilities and resources at all administrative levels, and the technical ability to organise participation. Finally, the Opinion stresses that the Commission and national authorities need to provide the local authorities with information on the application of Article 4 and reaffirms the Committee's will to keep a close eye on the implementation of Article 4 by regularly monitoring the steps taken by authorities and the progress achieved.

NEW COMMITTEE OFFICIALS

The newly reconstituted Economic and social Committee has elected its President and Vice-Presidents for the coming sessions. The President will be Mr Carlos Ferrer Salat from Group 1 (Employers). Based on the rotational Presidency principle it is Group 1's turn to supply the President. The two Vice-Presidents are Mr Bent Nielsen (Denmark, Group II - workers), and Mr Andre Laur (France, Group III - Various Interests). The Chairmen of the three groups were also elected : Group 1 : Mr Manuel Cavaleiro Brandao; Group 2 : Mr Tom Jenkins; Group 3 : Mrs Beatrice Rangoni Machiavelli.



INCENTIVES FOR A SAFER WORKPLACE

The latest issue of "News From The Foundation" (the regular newsletter of the Dublin-based European Foundation For The Improvement Of Living and Working Conditions) concentrates on recent work in the field of health and safety at work and in particular a study of economic incentives for creating safer workplaces. The European Foundation first looked at the issue of economic incentives for improving safety at work in 1988 and since then the work has developed in two phases. Phase One saw the production of a catalogue of different economic incentive schemes operating in EU Member States, America and Canada. This approach has been developed further in Phase Two with the publication of a book: "Economic Incentives to Improve the Working Environment - Summary and Conclusions of an International Study". A third phase is now under way and this will involve the modelling of a variety of possible incentive schemes, evaluated in terms of their suitability in the European environment. "News From the Foundation" also looks at Canadian experience with safety incentive schemes, the problems facing smaller companies in relation to safety incentives, and a new safety incentive policy about to be introduced in Poland. Copies of "News From The Foundation" and further information on all aspects of the Foundation's work can be obtained from:- The European Foundation For The Improvement Of Living And Working Conditions, Loughlinstown House, Shankill, Co. Dublin, Ireland.

Continuing Training And The Social Dialogue

150 representatives of social partner organisations attended a seminar on the policies and practices of Member States in the field of continuing training on the 20th and 21st of October 1994. The seminar provided an opportunity for discussion between the various people involved in social dialogue processes for the development of vocational training and members of the three European-level social partners' organisations (the ETUC, UNICE and CEEP) on results to date from the Social Dialogue working group on continuing training. Initiated by Commissioner Ruberti in 1993, the group seeks to enrich and advance discussions between the social partners by way of a better awareness of the various continuing training initiatives in European companies, and developments in the field in the various Member States over recent years.

The work done to date by the experts nominated by organisations involved in the social dialogue has served to highlight ten areas of common interest for the social partners, leading to a methodical analysis of 30 model cases. All this information has now been assembled in a compendium which formed the basis for discussions at the seminar. Opening the seminar, Mr Ruberti stressed the importance of this experiment at a time when the development of continuing training - one of the major aspects of the Commission White Paper on Growth, Competitiveness and Employment - is more vital than ever in terms of boosting business competitiveness and contributing to Europe's economic resurgence, and when it is becoming more and more obvious that initiatives taken by the social partners will have a decisive impact in this regard.

Social Dialogue Meeting

The leaders of the Social Partner organisations at European level met on Tuesday 8th November in the context of a high-level social dialogue meeting which was devoted entirely to the subject of training. As well as senior representatives of the social partner organisations (UNICE, the ETUC and CEEP) the meeting was attended by Commission President Jacques Delors, and Commissioners Flynn and Ruberti. Some of the themes discussed at the meeting included:-

- (a) The central role of training in European economic growth as identified in the Commission White Paper "Growth, Competitiveness and Employment.
- (b) Possible future Community measures in the field of training - discussion centred around the function of training in relation to the employment prospects of school-leavers and the long-term unemployed and management training.
- (c) Various sources (public and private) of investment in vocational training.
- (d) How to develop partnership - both between social partner organisations and others - in vocational training

- (e) The meeting also held a short discussion on the possibility of creating a joint organisation - a European Centre For Industrial Relations - which would have both a research and a training function.

Community Initiatives Financial Allocations

The European Commission has announced the indicative financial allocations for the period 1994-97 for three Community Initiatives - RECHAR (coalfield regeneration), RESIDER (steel-producing areas), and RETEX (textile areas). The figures are as follows (ECU million followed by percentage of total):-

| Member State | Rechar | Resider | Retex |
|--------------|------------|------------|-------------|
| Germany | 158.7(40%) | 190.5(38%) | 60.2(63%) |
| Belgium | 15.6 (4%) | 24.4(5%) | 3.4(4%) |
| Spain | 27.3(7%) | 58.8(12%) | 0.8 (1%) |
| France | 33.2(8%) | 61.6 (12%) | 9.3(10%) |
| Greece | 1.5 (0.4%) | 4.6(1%) | |
| Italy | 1.7 (0.4%) | 84.1(17%) | 18.1(19%) |
| Luxembourg | | 6.9(1%) | |
| Netherlands | | 17.4(3%) | |
| Portugal | 0.9(0.2%) | 6.9 (1%) | |
| UK | 161.1(40%) | 44.8(10%) | 2.8(3%) |
| TOTAL | 400 | 500 | 94.6 |

European Employers Condemn Racism

The European Employers organisation (UNICE) confirmed its condemnation of racism and xenophobia during the Council of Europe symposium "Europe Against Racism" on 20th October 1994. Mr Francois Perigot, UNICE President, said "UNICE and the companies it represents are opposed to all forms of discrimination. Non-discrimination is a principle of good management. It is applied at all levels and to all aspects of company policy, whether it be recruitment, working conditions and pay, promotion or training. Company decisions are good only when based on objective criteria, determined by competence and efficiency, not by sex, race or creed."

He added: "Discrimination tends to increase in times of economic recession and in areas of high unemployment. That does not mean that it can be excused or condoned. But what also must be done is to develop healthy economic conditions conducive to job creation. The Commission in its White Paper on Growth, Competitiveness and Employment has recognised these problems and laid out solutions, these

now need to be implemented at national and EU level". Mr Perigot said: "Racism and xenophobia are evils that must be rooted out, starting at the earliest age, in the family and at school. It is essential that tolerance, recognition and respect for differences must become the norm. The business community is determined to play its part in promoting non-discrimination and maintaining a climate of social peace. The business community through UNICE will pursue this commitment and will join with other interested groups to develop the Action Plan agreed by the heads of state and governments of the Council of Europe.

Human Resources Programmes

A European Commission Report on the Development of Human Resources And Improvements In The Workings Of The Labour Market Under Objectives 2 And 5b summarises the new approach to human resource development measures in the new phase of the European Structural Funds. According to the report, the emphasis on human resource development measures in the new period 1994-1999 is more policy-orientated than prescriptive, with a focus on the development and reconversion needs and potential of the region concerned. "The intervention of the ESF must respond to the needs of the particular circumstances relating to the development of human resources and the improvements in the workings of the labour market in the Member States and region concerned".

The starting point for support programmes must be an analysis of the region which would include the strengths and weaknesses of the labour market and the skill needs. The approach should be demand-side led and the assessment of the needs of the labour market should be seen within the overall context of the policy for regional development and reconversion. The overall aim in each region must be to assist in the building of a competitive region through the supply of a skilled, flexible and adaptable work force. The new areas of activity for the 1994-99 programming period are:- continuing training; support for those who are unemployed but have previously had work; support for the development of training systems; the improvement of employment services; support for research, science and technology.

Combating Unemployment

The Labour and Social Affairs Council meeting (22 Sept 1994) drew up a report on combating unemployment which will be submitted to the Essen European Council meeting. The Council report was based on earlier discussions within COREPER. The Report stresses the central role of both the White Paper - "Growth, Competitiveness and Employment" and the Action Plan adopted by the December 1993 European Council. The Council identifies four areas of

action for labour-market measures as being important and has approved further recommendations on them. These areas are:- (1) improving job skills, (2) greater flexibility in working time, (3) combating long-term unemployment, (4) effective use of labour-market policy funds.

The Report emphasises that of these four areas, that of job skills takes on a key role in a number of ways. "Investment in human capital by way of job skills must be regarded as ranking at least on par with other forms of investment. Improving young people's job skills and putting into practice the principle of life-long learning will represent a crucial investment for the future as regards the European Union's competitiveness in relation to other economic areas".

European Court Pensions Judgements

The European Court of Judgment delivered a series of important judgments relating to sex discrimination and pension rights on the 28th September. Most of the six pension related rulings handed down by the Court sought to clear up confusion which resulted from the 1990 Barber judgment - which decided that pensions must be treated in the same way as pay as far as sexual equality was concerned. Two cases in particular are set to create a major precedent in terms of pension entitlements. (1) the Court decided that two part-time Dutch workers, Anna Vroege and Catharina Fisscher had the right to be admitted to the company pension scheme. The Court held that the rights of part-time workers to join an occupational pension scheme fall within the scope of EU law. The Court also decided that such workers could contribute to schemes retroactively, from the date of an earlier 1986 judgment. Firms with non-contributory pension schemes and part-time employees could be faced with a considerable bill for back contributions on behalf of their workers. (2) In a second judgment (the Ovoidal judgment) a company was not permitted to raise retirement age retroactively to meet the requirements of the Barber judgment. However the Court did note that employers were not prevented from raising the retirement age of women for future pension plans.

Industrial Production

Industrial production in the European Union in June 1994 was 5.1% higher than the equivalent month in 1993, continuing a trend that has been evident since the beginning of the year. The annual increase in industrial production in May was 4%, and for the first quarter of the year an increase of 2.2% was recorded. The recovery in industrial production within the EU is considerably stronger than that recorded in the United States (increased by 1.1% in the first quarter) and Japan (fell by 0.1% in the first quarter). At the level of individual Member States, an increase in industrial production has been recorded in all countries for which statistics are currently available. Italy had the largest increase (4.7%), followed by Denmark (3.7%), and Greece (3.1%).

PUBLICATIONS



European Labour Market * Health & Safety

Social Europe Supplement 1:1994

"European Integration and The European Labour Market"

Each year a number of supplements to the series "Social Europe" are published by DGV of the European Commission. Supplement 1/94 presents content of the work and studies undertaken by an expert Working Group set up to examine European labour market integration. The aim of the group was to emphasise some of the strategic aspects of labour market integration in Europe and thereby contribute to the overall analysis of the European labour market. Individual chapters of the publication examine a number of different aspects of labour market integration, including:

- The labour market and migration in the Single European Market.
- Skills and the integration of European labour markets.
- Forms, actors and structures of labour mobility.
- European labour market integration : an American perspective and a Japanese perspective.

Social Europe 3 / 1993

"Europe For Safety and Health at Work"

Although it is dated 3/94, this issue of Social Europe has only just been published - it was delayed by the preparations for the Social Policy White Paper. Nevertheless, it was probably worth the wait, for this new volume - which is in fact an updating and revision of a 1990 issue of Social Europe - provides a valuable and comprehensive overview of European health and safety law and policy. The various introductory chapters set the overall context of legislative initiatives by the Community in the sphere of health and safety at work since the adoption of the Single European Act in 1986.

But perhaps the most useful aspect of the publication is the extensive annex which provides the full text of the most important European Community directives. Here can be found the text of the 1989 Framework Directive plus the full text of all the individual directives adopted to date. For anyone dealing with health and safety issues this is an essential sourcebook.

Subscription rates to Social Europe are ECU 52 per year (ECU 104 for Social Europe + Supplements).

An order form can be obtained from the Office for Official Publications in Luxembourg or from national agents.



A Comprehensive European Social Policy Database Service

Increasingly, the need for a comprehensive and up-to-date source of information on European social policy is being recognised. With both the extension of European Union competencies in the social policy field and the expansion of the European Union itself, the task of keeping abreast of social policy developments at European level becomes more challenging. The launch, in January 1995, of "infoBASE EUROPE", after two years of preparatory work, is a response to that challenge and one which is likely to be welcomed by many in the European trade union movement.

"infoBASE EUROPE" is a computerised database which tracks, records and summarises developments in all aspects of social policy at European level. The source material includes the Official Journal of the European Community, Commission documents and reports, publications from the various European Union institutions and also from the main trade union and employers' organisations at European level.

Preparatory work on the service over the last two years means that over 500 records covering the main events over the last eighteen months will already be on the database. New records will be added each month to create an increasingly powerful tool for both research and analysis. Each record contains a summary of the development concerned along with details of source documents. In a number of cases, the complete text of policy documents, speeches, and legislative proposals are contained on the database.

The database will be available in two formats - a monthly "hard-copy" print-out, and a monthly computer update. The database uses software which will operate in either the IBM or the MAC format. A special service is available whereby the database can be obtained on a partial copyright-free basis so that material can be directly entered into publications.

Subscription rates for 1995 are as follows:-

- Level 1: Monthly "hard copy" of infoBASE EUROPE. £200 (ECU 275)
- Level 2 The entire database on computer disk plus monthly disk updates. £350 (ECU 450)
- Level 3 Both the hard-copy and the computerised version of the database. £500 (ECU 650)
- Level 4 Partial copyright-free subscription (both hard-copy and computer version) £1,000 (ECU 1,300)

Further information can be obtained from:
infoBASE EUROPE, 3, Dorchester Road, Fixby,
Huddersfield, HD2 2JZ United Kingdom.

INDUSTRIAL PRODUCTION IN EUROPEAN UNION MEMBER STATES

Industrial production in the European Union in July increased by 5.4% over the same month in 1993 according to statistics released by the Community Statistical Office, Eurostat. In the quarter May - July, seasonally adjusted industrial production was 1.8% up on the previous three months. Seasonally adjusted increases in industrial production for the quarter May-July compared with February-April for individual Member States were as follows:-

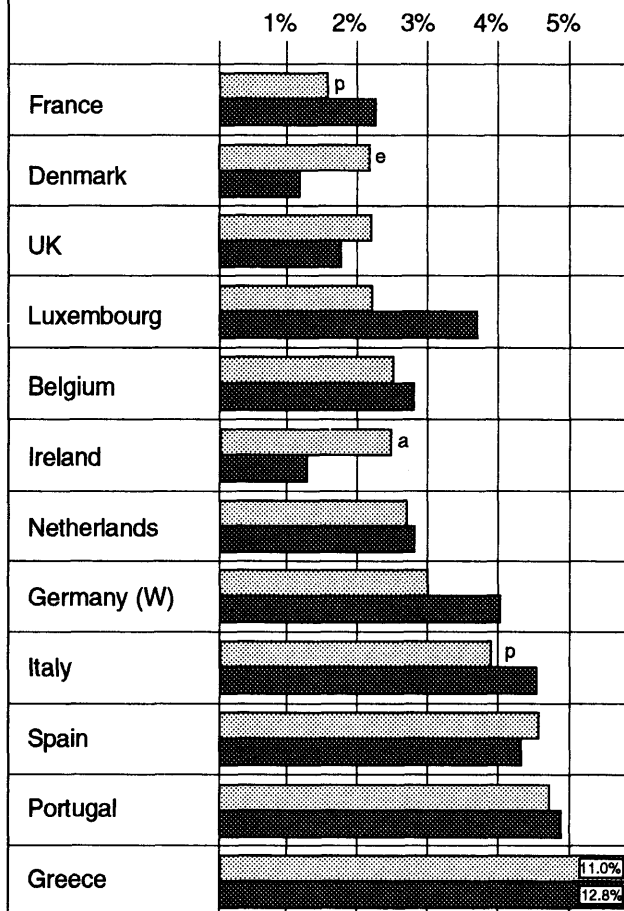
| Member State | % increase | Member State | % increase |
|--------------|------------|-----------------|------------|
| Denmark | +5.3% | France (e) | +1.0% |
| Italy | +3.4% | Luxembourg (e) | +0.9% |
| UK | +2.3% | Greece (e) | +0.7% |
| Germany | +1.4% | Netherlands (e) | +0.5% |
| Spain | +1.0% | Portugal (e) | -9.7% |

(e) = estimate

Inflation In European Union Member States

 Sept 94/93
  Sept 93/92



p = provisional
 e = estimate
 a = figures relate to Aug 1994/93

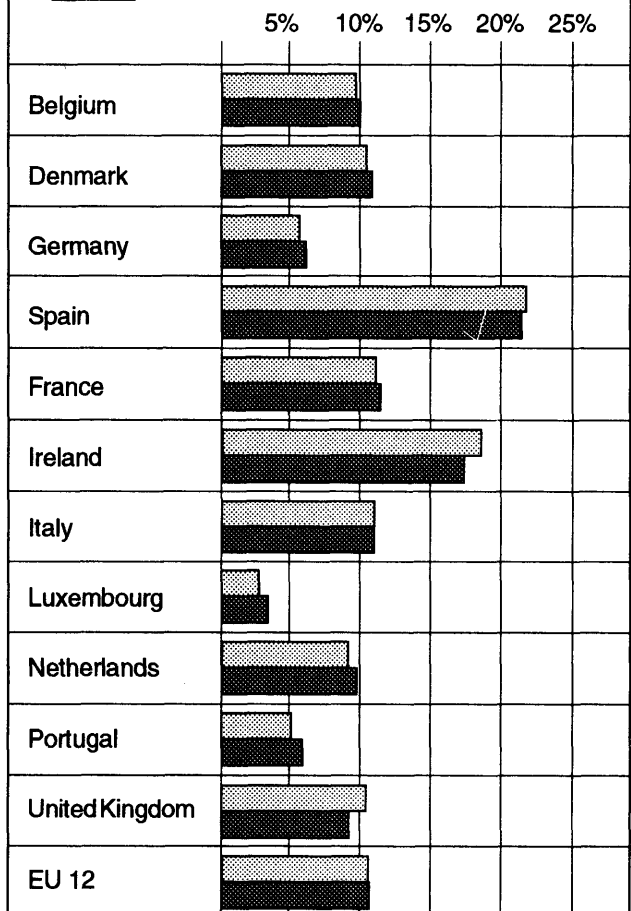


Source : Eurostat

Unemployment In European Union Member States

Seasonally Adjusted Unemployment August 1993 and 1994

 August 1993
  August 1994



Source : Eurostat

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