

# SOCIAL EUROPE

SEPTEMBER 1986

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COMMISSION OF THE EUROPEAN COMMUNITIES

DIRECTORATE GENERAL FOR EMPLOYMENT,  
SOCIAL AFFAIRS AND EDUCATION

*Social Europe*, published by the Commission of the European Communities, Directorate-General for Employment, Social Affairs and Education, deals with current social affairs in Europe. The review is divided into several parts: the first gives an overview of developments and current events in the fields of employment, education, vocational training, industrial relations and social measures; the second part covers conferences, studies and other information destined to stimulate the debate on these issues; the third part reports on the latest developments in national employment policies and on the introduction of new technologies. In addition, once a year, *Social Europe* supplies statistics on social trends in the Member States.

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# Declaration against racism and xenophobia



This Declaration is the outcome of an awareness of the reappearance in Member States of attitudes, movements and acts of xenophobic violence frequently aimed at immigrants — an awareness which led the European Parliament to set up, in October 1984, a Parliamentary Committee of inquiry into the rise of fascism and racism in Europe.

To this end, the Commission had proposed in its Communication to the Council on guidelines for a Community migration policy<sup>1</sup> that a declaration be adopted at Community level on the combat against racism and xenophobia, like the interinstitutional Joint Declaration on fundamental rights.

On 11 June 1986, the representatives of Parliament, the Council and the Commission formally signed the tripartite

Declaration in which the Community institutions reaffirm their desire for an open society in which all discrimination and segregation of foreigners is banned.

The Declaration will be known as the 'Evrigenis Declaration' in recognition of the herculean task accomplished by that Member of Parliament as the author of the report which received the unanimous approval of the above-mentioned Committee of inquiry.

<sup>1</sup> Bulletin of the European Communities — Supplement 9/85.

**Declaration against racism and xenophobia**

*'The European Parliament, the Council, the representatives of the Member States, meeting within the Council, and the Commission,*

*Recognizing the existence and growth of xenophobic attitudes, movements and acts of violence in the Community which are often directed against immigrants;*

*Whereas the Community institutions attach prime importance to respect for fundamental rights, as solemnly proclaimed in the Joint Declaration of 5 April 1977, and to the principle of freedom of movement as laid down in the Treaty of Rome;*

*Whereas respect for human dignity and the elimination of forms of racial discrimination are part of the common cultural and legal heritage of all the Member States;*

*Mindful of the positive contribution which workers who have their origins in other Member States or in third countries have made, and can continue to make, to the development of the*

*Member State in which they legally reside and of the resulting benefits for the Community as a whole;*

- (1) vigorously condemn all forms of intolerance, hostility and use of force against persons or groups of persons on the grounds of racial, religious, cultural, social or national differences;*
- (2) affirm their resolve to protect the individuality and dignity of every member of society and to reject any form of segregation of foreigners;*
- (3) look upon it as indispensable that all necessary steps be taken to guarantee that this joint resolve is carried through;*
- (4) are determined to pursue the endeavours already made to protect the individuality and dignity of every member of society and to reject any form of segregation of foreigners;*
- (5) stress the importance of adequate and objective information and of making all citizens aware of the dangers of racism and xenophobia, and the need to ensure that all acts or forms of discrimination are prevented or curbed.'*

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# **Part One**

## **Actions and guidelines**



# Research into training and new technologies

## New information technologies and vocational training

**In April 1985, the Commission launched its work programme on new information technologies and vocational training (COM (85) 167 final) with the aim of stimulating cooperation between Member States on the subject and highlighting the various strengths and weaknesses. Part of the programme was concerned with gathering information about the analytical and research activities being undertaken in Member States in certain key issues.**

The issues identified were concerned with:

- (a) the new occupations and new sectors of activity (coordinated by the Fraunhofer-Institut für Arbeitswirtschaft und Organisation in Stuttgart);
- (b) the regional and local management of human resources in the framework of forward-looking labour policies (coordinated by ISFOL in Rome),
- (c) the development of vocational training in small and medium-sized enterprises (coordinated by ADEP in Paris),
- (d) the role of open, distant and modular learning systems (coordinated by the Council for Educational Technology in London).

The basic objective of the coordinated research programme was to give a clear picture of where the different Member States stand in relation to the issues in question, what progress had been made in facing up to the problems and particularly what future areas for cooperation could be identified on which the resources of a number of research centres could be pooled and best utilized. The time scale apportioned to the research team leaders was a tight one in view of the need to incorporate the results of the research undertaken with other parts of the Commission's overall work programme. That the work was effectively carried out within the restricted time frame available is evidence enough of the good will exhibited by all research centres involved and of the ability to work jointly towards a common objective.

The European Centre for the Development of Vocational Training (Cedefop) will issue the results.

### **New occupations and new sectors of activity**

For this theme the following areas were judged as the priority areas in which changes would be most felt for

skilled workers, technicians and professional staff:

Industrial robots  
Numerically controlled and computer numerically controlled machine tools  
Flexible manufacturing systems  
Computer aided design/manufacturing/planning  
Word processing systems  
Data processing systems  
Communication systems.

Information on qualifications and skill developments in these areas was gathered from the Federal Republic of Germany, Belgium, Netherlands, France, Italy, Denmark, Ireland, Greece and the United Kingdom. The picture which emerged showed how the penetration and spread (or diffusion) of new technologies in the relevant sectors of activity was important in determining the rate at which new qualifications need to be developed. The process of diffusion itself was helped if enough people with the required mix of skills (or multiskills) were available and if management knowledge of technology (via management training) was sufficiently developed. The maturity of the technology was also a determining factor; the more mature it is, the easier it is to plan qualifications better and more selectively.

As far as vocational training is concerned, skills will be needed going beyond simply the ability to use machines; being able to cope with complex systems and work organization will become a more common requirement. Few new occupations as such will come into existence: it is more the context of existing ones which will change, particularly with a shift of functions away from production to supervision and maintenance. Greater knowledge of computer programming will also become necessary, especially if programming is decentralized, and specialized qualifications will, of course, increase in importance as technology takes over standard tasks and greater levels of creativity are expected of people.

The report points to the need for intensive international research in various fields: office rationalization and data processing, production sector (especially

industrial robots, computer numerical controls, computer aided design, flexible manufacturing systems), and the service and maintenance sectors.

### **Regional and local management of human resources**

In the project on 'The regional and local management of human resources in the framework of forward-looking labour policies', particular sample regional and local situations were analysed in France (Provence — Alpes — Côte d'Azur (PACA), and Picardy), Italy (Marche and autonomous province of Trento), Portugal (Tras-os-Montes in the north east) and Belgium (Wallonia). A study of the role of vocational training in these regions indicates that it does not merely respond mechanically to what is needed on the labour market but that training actively contributes to economic, social and regional development. The supply of training should therefore be capable of both promoting the growth of economic activity and providing the skills and qualifications in demand at local and regional level. To do this there needs to be:

- (i) training for new technologies with built-in flexibility and capacity for being updated;
- (ii) development of new skills to facilitate the growth of management functions;
- (iii) support to create new production activities (new entrepreneurs, new occupational skills, local temporary employment schemes).

Among some of the questions raised in human resource development the following can be pinpointed:

- (i) complications arising from poor co-ordination and distribution of responsibilities among national, regional and local level and among suppliers of training;
- (ii) the importance of creating organic links between the planning of training and development policies;

- (iii) the ability to transfer the best skills and most positive experience gained in a regional and local context, and the adjustment of local provision to general policy guidelines;
- (iv) the development of knowledge within regional institutions, and the encouragement of professional development agents or training engineers capable of master-minding programmes and activities at the various levels of decentralization. The potential role such development agents could play in relation to human resource management is especially highlighted; human resource management policies need to be adapted in a flexible manner to different situations, and effective links have to be established between general development projects and the training policies required at regional and local level.

### **Vocational training in small and medium-sized enterprises**

The highly significant role that training needs to play in enterprises is brought out in the report on 'The development of vocational training in small and medium-sized enterprises', which is based on information from Belgium, Netherlands, Portugal, France, Federal Republic of Germany and United Kingdom. Three types of factors are identified as affecting SME's supply of qualifications and training:

- (i) general factors, external to the company;
- (ii) factors internal to the company;
- (iii) external factors more specific to training (such as guidance, and the supply of training).

Among the general factors external to the company it is recommended that there should be easier access to sources of finance, including Commu-

nity sources (Social Fund, Regional Development Fund, Investment Bank, Innovation aid ...).

One of the main internal factors affecting training within SME's was the training of entrepreneurs and managers as a prior condition to a successful enterprise training strategy. Continuing education for heads of SME's is perceived as an important means of ensuring adequate investment in training for the company workforce as a whole. Heads of SME's need to be convinced that investing in qualifications and training is an integral part of their economic and industrial strategy, and several methods are suggested whereby action at European level could facilitate this process. National seminars, study days, entrepreneur clubs, distributing the results of training technology demonstration projects (for example the Commission's network of demonstration projects, Euro-Tecnet) and enabling SME heads to participate in the Comett programme all show promise as a means of raising awareness and understanding. Clear and accessible information about training opportunities is also an important element.

Among the *external* factors linked to training two main areas stand out: *human resource engineering* and the supply of training itself. As far as human resource engineering is concerned, much stress is placed on external advice and the need to strengthen this aspect and direct it more specifically towards the needs of SME's. It is proposed that the concept and the function of a 'human resource engineer' should be developed. To increase its relevance for SME's the *supply of training* will have to evolve quite radically to offer greater flexibility and decentralization and more emphasis will need to be placed on using educational and financial resources in a more concentrated manner. Greater use should be made of new technological means of transmission, which, paradoxically, could lead to a reduction in smaller organizations providing training for SME's to the benefit of larger ones. Tailor-made and individually directed training should become more widespread, implying increased investment

in educational engineering and the quasi-industrial production of teaching materials. Several approaches need to be developed:

- (i) supply of training integrated into a particular geographic area, e.g. permanent training and resource centres;
- (ii) open learning systems similar to Open Tech in the UK;
- (iii) training systems integrated into SME's by linked work and training schemes;
- (iv) training systems integrated into industrial sectors and pooling of necessary investment.

While many initiatives exist in each Member State to assist SME's with their training needs, there appears to be a lack of a coordinated approach and a Community dimension in this sense could help facilitate this process.

### Open, distant and modular learning systems

This final project brings together experience from Belgium, Denmark, France, Italy, Netherlands, Ireland and United Kingdom. Developing unorthodox learning systems is a necessary counterweight to institutionalized learning, and is best exemplified by open learning (implying a degree of student control over pace, time and place, etc.), distant learning (involving a physical distance between student and teacher) and modular learning (where qualifications can be built up from small units). The component elements of unorthodox training systems consist of:

- (i) identifying student needs (counselling and information);
- (ii) provision of training content;
- (iii) delivery system (ideally a total two-way communication system);
- (iv) tutoring support (advice, encouragement, and reassurance);

- (v) self-help groups and quality circles;
- (vi) practical training facilities;
- (vii) assessment.

Costs are an important consideration since expenditure on innovatory systems are easily identifiable, whereas the costs of existing systems are usually hidden, making cost comparisons difficult. Therefore investment costs in open and distant learning may seem high but recurrent costs may seem low depending on student numbers. Extra training of tutors and practitioners is an additional cost, but essential for quality.

New technologies are not vital for open, distant and modular learning but they can make a considerable impact on flexibility and learner autonomy, and need to be planned from the outset rather than grafted onto existing systems. The continued relevance of education and training to the post-industrial society will depend to some extent on the use made of new technologies, although education and training will usually have to use systems and products that have been developed for a wider market. The increasing standardization of hardware and communication systems is an important pointer to similar standardization efforts in software, which can only help in developing common protocols and systems which cross national boundaries.

Different attitudes to training also affect the use of unorthodox systems, such as the contrast between operators in countries with a tradition of vocationally-oriented schools and those where non-vocational and general education has dominated, the greater emphasis generally on training for larger companies leaving smaller ones inadequately catered for, often negative attitudes of teachers and trainers to open learning etc.

Other barriers to innovation are identified as poor cooperation between the Ministries concerned, excessive respect for academic skills as opposed to vocational ones, few risk-takers in govern-

ment, lack of understanding between business and education, lack of public recognition for private training establishments, and the short time-frame governing publicly funded developments.

The future potential of open, distant and modular learning schemes is considered to be promising, particularly if the infrastructure could deliver all the elements of good training (right from initial counselling up to final assessment and qualifications) for practically any type of student in practically any circumstances. There is in particular a number of specialized or marginalized groups for whom distant learning systems could prove to be of great value — ethnic populations, women, young unemployed, agricultural workers etc.

Among the recommendations put forward in the report one could highlight the need to publish a multi-lingual thesaurus, networking centres to exchange programmes and materials, workshops (for SME's, training of trainers), designing patterns of basic training and in particular exploring in detail the role new information technologies could play in furthering unorthodox training systems.

### Future developments

On the basis of the four reports, which give a necessarily rapid overview of the issues involved, the Commission will be examining with Cedefop and with relevant national research centres what promising areas of future coordination need to be developed. Attention will also be paid to the link between the theoretical analytical work done in research and the growing network of demonstration projects linked to the Commission's programme on new information technologies and vocational training (Euro-Tecnet).

**Tim Mawson**

# Granting of family benefits to workers whose family are resident in a Member State other than the country of employment: Judgment of the Court of Justice in respect of case 41/84 (Pinna)



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**In all Member States of the Community, workers have the right to family benefits for their dependent children. The schemes, however, vary greatly in their structure, qualifying conditions, and amounts of benefits.**

**In Germany, the United Kingdom, and the Netherlands, for example, all children resident there qualify for family benefits. In Italy and in Belgium, only insured workers can claim benefits for their children. The age limit for children eligible for benefits when they are students, for example, varies from 18 in Ireland to 27 in Germany and the Netherlands. The great divergence in amounts granted is a reflection of historical, demographic and political factors.**

By way of example, let us take a family with 3 children aged 2, 4, and 6. The monthly payment, expressed in ECU<sup>1</sup> shows the degree of divergence (as at 1.1.1986).

Belgium	276.99
Denmark	75.12
Germany	173.98
Greece	52.61
Spain	5.50
France	181.08
Ireland	50.54
Italy	39.82
Luxembourg	231.01
Netherlands	133.73
Portugal	24.54
United Kingdom	147.69

At the level of Community *coordination* of social security schemes, there is no difficulty in this situation, since the worker, living with his family in a Member State, is subject to the social security legislation of that Member State, in other words, he pays his contributions and can claim benefits, under the same conditions as the nationals of that country.

Problems arise when members of the family are resident in a Member State other than that in which the worker

is employed, since national legislation grants family benefits only for children who are resident in the territory of the Member State concerned.<sup>2</sup>

It is for this reason that Regulation No 1408/71,<sup>3</sup> in Chapter 7 of Title III, deals with the rules for the granting of family benefits to workers whose children are resident in a State other than the State of employment of the worker.

## Present situation

Regulation No 1408/71 contains two different rules for the granting of family allowances to workers whose family members are resident in a Member State other than the country of the worker's employment, according to whether the worker is employed in France or in another Member State.

<sup>1</sup> Exchange rate on 2 January 1986 (OJ C 1, 3.1.1986).

<sup>2</sup> With the exception of Dutch law, which imposes no conditions of residence on the children.

<sup>3</sup> OJ L 230, 22.8.1983.

Article 73, *paragraph 1* of the Regulation stipulates that 'an employed person subject to the legislation of a Member State other than France, shall be entitled, to the *family benefits*<sup>1</sup> provided for by the legislation of the first Member State for members of his family residing in the territory of another Member State as though they were residing in the territory of the first State' (principle of the country of employment).

Article 73, *paragraph 2* states, regarding the employed person subject to French legislation, that he is entitled 'in respect of members of his family residing in the territory of a Member State other than France, to the *family allowances*<sup>1</sup> provided for by the legislation of the Member State in whose territory those members of the family reside; he must satisfy the conditions regarding employment on which French legislation bases entitlement to such benefits' (country-of-residence formula).

Article 99 of Regulation No 1408/71 states that 'Before 1 January 1973, the Council shall, on a proposal from the Commission, re-examine the whole problem of payment of family benefits to members of families who are not residing in the territory of the competent State, in order to reach a uniform solution for all Member States.'

The Commission transmitted to the Council on 10 April 1975 a draft Regulation (COM (75) 132 final) which laid down the general application of the principle of granting *family benefits* according to the legislation of the *country of employment*, regardless of the country of residence of the members of the family, in other words, to put an end to the rule of exemption from which France benefits.

The Council examined this question during sessions held on 18 December 1975, 9 December 1976 and 27 November 1980, without reaching the unanimity required to adopt the Commission's proposal.

Indeed several Member States came out in support of the French position, according to which the system of granting allowances must be unified by adopting for all Member States the

country-of-residence formula. This solution is unacceptable to other Member States.

This state of affairs led the Council in 1982, when the Regulations were extended to self-employed workers, to exclude self-employed workers from the provisions of Article 73 of the Regulation. Consequently these workers receive no family benefits by virtue of the provisions of the Regulation for their children who are residing in another Member State.

The same divergence of opinion among Member States led to the fixing in the Treaty of Accession of 1985 of a 3-year transition period in which Spanish and Portuguese workers receive the family allowances provided for in the legislation of the country of residence of the members of their family (Articles 60 and 220 of the Act of Accession of 12 June 1985).

### Judgment of the Court of Justice in respect of case 41/84 (Pinna)

In answer to a question by the French Supreme Court of Appeal on the validity of Article 73, paragraph 2 of Regulation No 1408/71 (application of the principle of country of residence to workers employed in France), the Court of Justice stated in its judgment of 15 January 1986:

'1. Article 73, paragraph 2 of Regulation No 1408/71 is invalid in as far as it excludes the payment of family benefits to workers subject to French legislation in respect of members of their families residing in the territory of another Member State.

2. The decreed invalidity of Article 73, paragraph 2 of Regulation No 1408/71 may not be invoked in respect of benefits claimed for periods prior to the date of the present judgment, except in the case of workers who, before this date, submitted an appeal or an equivalent claim.'

The Court based its judgment on two findings. The first concerns the dual system provided for in Article 73 of the Regulation, which adds an unnecessary difference to the differences already existing between social security schemes which Article 51 is intended to coordinate. Community Regulations must, according to the Court, refrain from adding further disparities to those resulting from the lack of harmonization of national laws.

The second and most important finding of the Court is that the application by France of the principle of country of residence which is primarily of importance to foreign workers, constitutes a hidden form of discrimination which, by applying other criteria of distinction than nationality, in fact produces the same result. Therefore this criterion (residence of family members in a Member State other than the country of employment) is unsuitable for ensuring equality of treatment and therefore cannot be applied within the framework of free movement of labour as detailed under the provisions of Article 48 of the Treaty, and therefore for the coordination of national legislations in accordance with Article 51 of the Treaty.

It follows that the discrimination which had been revealed is not discrimination against workers employed in France when compared with workers employed in other Member States, but against non-French workers employed in France when compared with French workers.

This fact seems to exclude the introduction of the principle of the country of residence by all Member States as the uniform solution mentioned in the provisions of Article 99 of Regulation No 1408/71.

<sup>1</sup> Family benefits means all benefits in kind or in cash intended to meet family expenses. Family allowances means periodical cash benefits granted exclusively by reference to the number and, where appropriate the age of members of the family (Article 1, paragraph u) of Regulation No 1408/71.

The Court in fact condemned this criterion as not being suitable for ensuring the equality of treatment prescribed in Article 48 of the Treaty and not being able therefore to be applied within the framework of coordination of national legislations as under the provisions of Article 51 of the Treaty aimed at promoting free movement of labour within the Community in accordance with Article 48 (point 24 of the ruling).

It also pointed out that the practices carried out to date by France were certainly within the terms of Regulation No 1408/71, but were without legal foundation in Articles 48 and 51 of the Treaty (point 27 of the ruling).

### **Consequences of the judgment**

(a) It should be noted that the Court restricted itself to declaring invalid only Article 73, paragraph 2 of Regulation 1408/71 relating to employed persons in active employment, and did not mention Article 74, paragraph 2 which applies to unemployed persons subject to French law and which is identical in content to Article 73, paragraph 2. Although not decreed by the Court, the same grounds as those used in support of the invalidity ruling on Article 73, paragraph 2 clearly remain valid, and the invalidity of Article 74, paragraph 2 remains virtual.

(b) As from 16 January 1986, French institutions no longer have the right to apply Article 73, paragraph 2 (nor Article 74, paragraph 2) as they are invalid. It is up to national authorities to deduce the implications in their legal system of a given ruling of invalidity made in accordance with Article 177 of the Treaty (cf case 23/75 *Rey Soda*, point 51 of the judgment of 30 October 1975).

The Court provides an indication for the French authorities in the sec-

ond point of the operative part of the judgment. If workers cannot, in fact, invoke the invalidity ruled in support of claims to benefits for periods prior to the date of the judgment (paragraph 2 of the judgment), it follows that, from the date of the judgment, workers subject to French law may claim French family benefits for members of their family resident in the territory of another Member State (point 1 of the ruling).

The words 'other than France' in Article 73, paragraph 1 of the Regulation must be considered as being necessarily related to, and indissoluble from, the application of the provisions outlined in Article 73, paragraph 2, in such a way that, with regard to the declared invalidity of the latter provision, these words can *ipso facto* only become a dead letter stripped of any meaning.

It seems therefore that French institutions would, without waiting for an amendment to Regulation No 1408/71, be fully within their rights to apply the provisions of Article 73, paragraph 1 to the workers concerned.

Yet it seems that the French authorities have as yet not taken the necessary steps to conform to the Court judgment and that French institutions are still applying the provisions of Article 73, paragraph 2, despite its having been declared invalid by the Court of Justice.

(c) As far as Spanish and Portuguese workers are concerned, Articles 60 and 220 of the 1985 Accession Treaty stipulate that, during the 3-year transition period, Article 73, paragraph 1 is not applicable to these workers and that the provisions of Article 73, paragraph 2 apply by analogy.

The criticism made by the Court with regard to Article 73, paragraph 2 deemed incompatible with the more important principle of equality

of treatment laid down in Article 48 of the Treaty, cannot be transposed onto Articles 60 and 220 of the Accession Treaty. In fact, the Act of Accession is not an 'act of the Institutions' on the validity of which the Court is competent to rule. The provisions of the Act of Accession can only be suspended, modified or repealed in accordance with the procedures outlined in the original Treaties for revision of these Treaties (Article 6 of the Act).

For Spanish and Portuguese workers, the judgment of the Court in respect of case 41/84 consequently has no immediate effect.

Only the early adoption of a uniform system could end the transition period before 31 December 1988, since this is applicable 'until the entry into force of the uniform solution for all the Member States referred to in Article 99 of Regulation (EEC) No 1408/71... and until 31 December 1988 at the latest' (Articles 60 and 220 of the 1985 Accession Act).

(d) Finally, the Commission will have to submit to the Council a draft Regulation that not only takes account of the implications of judgment 41/84, but also of the case law of the Court of Justice in respect of the other provisions of Chapters 7 and 8 of Title III of Regulation No 1408/71 (Chapter 7: family benefits and allowances, Chapter 8: benefits for dependent children of pensioners and benefits for orphans).

A working party of the Administrative Commission is currently investigating the whole problem of family benefits. Once this investigation is completed, the Commission will submit a proposal to the Council, which will have to take a unanimous decision, after consultation of the European Parliament and the Economic and Social Committee.

**Annette E. Bosscher**

# Equality of treatment between men and women under Spanish and Portuguese law

From 1 January 1986 Spain and Portugal have become the 11th and 12th members of the European Economic Community.

In compliance with Articles 2 and 395 of the Act of Accession, the new Member States must, on gaining membership, bring into force the necessary measures to conform with the provisions of the Directives 75/117 (equality of pay), 76/207 (equality of treatment in work conditions) and 79/7 (equality of treatment in matters of social security).

In accordance with the Treaty of the European Economic Community, it is up to the Commission to safeguard proper implementation of the Directives and check any falling by Member States to live up to the obligations which are theirs by virtue of the Treaty.

Constitution, international rules and national laws already form in these two countries a legislative network which, if it does not prevent all discrimination, especially in practice, allows one to suppose that it will be less difficult than for other Member States to complement existing documents to make them conform totally to the three directives on the subject of equality. The following pages set out only to give a brief insight into the legal situation of women in Spain and Portugal with regard to the principle of equality in professional relations.

## First Part Spanish law

Although we are not taking into consideration here the laws prior to the 1978 Constitution, mention should at least be made of the 1961 law on the political, professional and labour rights of women which was not just a simple statement of principles but endeavoured to introduce an initial change of attitudes while removing, among other things, the obstacles to work facing single women over 18. For its part, the law on work relations of 8 April 1976 had tried to modify the discriminatory clauses included in the collective bargaining agreements. Furthermore, Convention No 100 of the ILO (International Labour Organization) was already in force from the end of 1967 (document of ratification of 26. 10. 1967, BOE, 4. 12. 1967).

### *Constitutional principles of equality*

Various articles in the Spanish Constitution of 27 December 1978 establish a framework which allows the introduction of the principle of equality of treatment. This applies to Articles 14, 23, 32, 35.

The first provision sets out the rule, traditional in all the European Constitutions, according to which nationals are held equal before the law and which says that there cannot be discrimination based on sex. Article 23 stipulates equal access to the civil service 'following the requirements set down by law'.

The provision in Article 32 relates to equality in marriage whereas Article 35 stipulates non-discrimination based on sex in work relations.

Are these various articles contained in Chapter II directly enforceable? According to Article 53.1 of the Constitution, 'the rights and liberties recognized in Chapter II of the present title bind all the authorities'.

The precedent established by the Tribunal Central del Trabajo, in its decision of 28 September 1982, based the

effectiveness of the principle of non-discrimination not on the Constitution but on the law of 10 March 1980, called the 'Workers Statute'.

It needed a judgment by the Constitutional Court on 14 February 1983 for the (lower) courts to adopt a different approach. According to the Court, 'the discriminatory situation is not born out of opposition to Article 17 of the workers' statute but it is discriminatory because of the Constitution itself' (*ex-constitutione*).

If these articles set out a series of formal rules, the Spanish Constitution has a very important feature. The Spanish Constitutional legislator seems to have tried to go beyond formal equality to achieve real equality. In fact, Article 9.2 gives the authorities the task of promoting the necessary conditions so that liberty and equality are real and effective, and of removing the obstacles which impede or render difficult the fulfillment of these values.

This specific characteristic in the Spanish Constitution is very important for carrying out positive measures in women's favour.

The Council Recommendation of 13 December 1984 which concerns the promotion of positive measures on behalf of women (OJ L 331/34, 19. 12. 1984) ought therefore to find the ground already prepared by the Constitution and the legislator and rendered fertile by the case-law of the Constitutional Court (judgments of 5 May 1982, 21 December 1982 and 15 November 1983) according to which the principle of equality has to be interpreted in the sense which is the most favourable to achieving equality.

### *The principle of equality in labour legislation*

The law entitled 'Workers' Statute' of 10 March 1980 constitutes the legal basis for equality of treatment in professional relations. This law applies to work relations between employers and workers. Various rights are set out there, among which is the right not to be discriminated against for reasons of sex.

The area of application of this law is not however as widespread as that covered by Community Directives on the subject of employment. Thus, it does not apply to workers who carry out their occupation under statutory rules in the civil service or for legal entities<sup>1</sup> in public law. The law below also excludes from its area of jurisdiction labour relations designated as 'special'. However, since the entry into force of the workers' statute, the principle of equality of treatment has spread to sports professionals (Royal Decree 318/81) and to commercial middlemen (Royal Decree 2033/81).

Work at home for the benefit of a third party has just been regulated by the Royal Decree which came into effect from 1 January 1986. It concerns traditional work at home, that is to say, home help, private chauffeur, gardener, etc.

#### *Equality of pay*

Equality of pay between men and women workers for the same work or for work of equal value (Article 119 of the EEC Treaty and Article No 1 of the Directive 75/117/EEC) is to be found — with, however, less precision — in Article 28 of the law of 10 March 1980. According to this provision, the employer is obliged to pay, without any discrimination based on sex, the same salary or wage for the carrying out of the same work. The notion of work of equal value does not appear to be retained.

Decree 2380/1973 as well as the Ministerial Decree of 29 November 1973 expand on what should be understood by salary-wage.

Although the Spanish legislator has defined what should be understood by salary, and additional payments which are considered as part of the salary and those which are not, it should be remembered that the legal designation of what should be understood by salary must be made for the purpose of enforcing equality in pay with reference to Article 119 of the Treaty whatever the designation given by the internal legislator.

Thus, an additional payment for transport costs will not be a part of the

salary if it corresponds really to actual expenses. On the other hand, a contractual supplement for transport costs has to be considered as falling into the category of wage supplements.

Moreover, a non-wage supplement can constitute a condition of work which, therefore, comes under the equal-rights prescription in Directive 76/207/EEC.

#### *Equality of treatment*

Access to work is apparently guaranteed to both men and women. However, the Commission will have to analyse and check with precision the various sector-based regulations in order to detect and eliminate possible areas of existing discrimination.

Article 17 of the law of 10 March 1980 clearly stipulates that the discriminatory clauses included in the collective agreements, in the work contracts or in the unilateral decisions made by employers, are rendered null and void.

On the other hand, discriminatory dismissal based on sex is invalid.

In public service, if access of women to the ranks of the police no longer raises problems, they can nevertheless only occupy jobs in the army which are of a civilian nature (Royal Decree of 13 June 1980).

As far as working at night is considered, it is still regulated by the Decrees of 15 August and 6 September 1927. The Decree of 26 July 1957, for its part, regulates the scope of work forbidden to women.

Without, for all that, jeopardizing motherhood, it is advisable that certain of these laws justified at the time when they were adopted, should be reassessed with a view to being relaxed. In fact, the rigidity of certain rules and the evolution of work due to the development for example of the new technologies, risks, under the pretext of protection, blocking women's access to certain jobs.

#### *Subjectivity of judges*

It is useful to mention a judgment by the Tribunal Central del Trabajo, dated 21 December 1984, because apart from resolving the particular lawsuit, it indicates the subjectivity of judges which can influence the enforcement of the principle of equality. However, on this matter, the directives leave almost no room for judges' subjectivity.

In the *Merino and de los Mozos v. Iberia* case, two stewards sued the Spanish Airlines Iberia for their employment contracts to air hostesses which fix a term of contract when the air hostesses reach the age of 40.

At the time of the conflict, the collective agreement which applied to this sector stipulated that the air hostesses could claim their pension on early retirement five years before their contract was due to end, this at the age of 35.

The two claimants demanded precisely that benefit, reckoning that there was a breach of the principle of equality.

It will be remembered, bearing in mind the due reservations of the individual case, that at the time of the *Defrenne v. Sabena* case 149/77, the Belgian Court of Cassation had posed the question to discover

'whether the insertion, into the employment contract of an air hostess, of a clause fixing a term to the said contract when the worker reaches the age of 40, while the contracts of male stewards presumed to be carrying out the same work remain unaffected by such a term, constitutes discrimination as prohibited by the aforementioned Article 119 or by Community law, if this clause can have financial consequences, notably in terms of the allowances paid at the end of one's career and pension?'

As far as the rules fixing a different age limit for men and women employees are concerned in particular, Article 119 of the Treaty was ineffective. Nor could any other Community document be invoked. Directive 76/207/EEC was still not in force at the time of the Court's

judgment, which was made on 15 June 1978 and Directive 76/207 came into effect on 12 August 1978.

The Spanish Court's grounds in rejecting the appeals of the two stewards appear to us very much open to criticism. According to the court, 'one can perfectly understand that a woman in carrying out her duty as an air hostess has an attractive appearance (...) and particular features which are not required for a man and that, depending on age, there is a possibility of early retirement for the woman'.

One notes how far subjectivity can guide the interpretation of a constitutional principle, which reminds us of the legitimate grounds, to exclude a person from access to certain work, in French law prior to the law of 13 July 1983 which implements Directive 76/207. This does not mean that judges do not call upon their subjectivity when they decide on penal offences. It was thus that the Besançon Appeal Court had to judge the following case on 23 November 1984: a young woman, a waitress in a restaurant, complained of slight harassment which her employer subjected her to during work hours, by regularly pinching her.

The Appeal Court, although it deemed that harassment was proved, did not accept the guilt of the employer: 'Whereas', the Court said, 'that it is established that the defendant pinched Maryse Etievant on several occasions, the statements by the witnesses do not allow one to say whether this same gesture made by the employer, exceeded what may be permitted in terms of a degree of familiarity arising from the day-to-day working situation or if, on the contrary, it revealed aggressive behaviour (judgment No 900 reversing the decision made on 17 April 1984 by the 'tribunal de police' at Besançon).



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### *The penalties*

Until December 1985, Article 57 of the workers' statute (the law of 10 March 1980) constituted the legal basis for designating any action or omission con-

trary to the legal provisions as a breach on the part of the employer.

The Royal Decree No 2347 of 4 December 1985 comes in with more force and broadens straightaway the notion of

infringement of work regulations as well as the clauses of the collective agreements. According to this Royal Decree, a unilateral act by an employer can be deemed a serious offence (e.g. modification of work conditions) or very seri-

ous, if this act violates the Constitution or the Workers' Statute.

Depending on the category of the offence, serious or very serious, the amount of the administrative fine is different. Thus, in the first case, the fine varies from 50 to 500 000 pesetas. In the other case, the fines can vary from 5 to 15 million pesetas. A fine of up to two million pesetas can be imposed by the Employment Minister, but beyond that, it requires a decision by the Council of Ministers.

For as much as these fines are really imposed in cases of infringement, one can estimate that they are sufficiently sizeable for the employers to take notice.

As far as civil penalties are concerned, Article 17 of the Workers Statute considers unilateral acts by the employer as null and void, and the clauses of the collective agreements as contrary to the law.

From the title of this Article 17, it can be inferred that this provision may be raised when there is a lawsuit over the refusal to employ/hire a woman worker for reasons of her sex.

On the other hand, if discriminatory dismissal is null and void there is an obligation to re-employ the dismissed person and to pay her the appropriate salary.

Article 56 makes provision for replacing reinstatement with payment of certain indemnities beyond the payment of salary from the first day of dismissal judged from the date of the Court's decision.

### *Social security*

As far as social security is concerned and with reference to the Council's Directive of 19 December 1978 which concerns the progressive introduction of equality of treatment between men and women in terms of social security (79/7), the Spanish system seems free from discrimination. However, the Commission is presently in the process of preparing a report on the enforcement of Directive 79/7 for the 12 Mem-

ber States, a report which will bring to light various areas of discrimination, direct or indirect, which could still exist in the multitude of special (legal) categories with which each Member State is familiar.

In terms of the policy of employment, Article 38.2 of law 51/1980 of 8 October express the political desire that equality of opportunity should guide the way in which employment is carried out: 'Some fundamental principles in the policy of employment are equality of opportunity and treatment with no possibility of establishing differentiation, exclusion or preference because of a person's sex'.

Although this provision is not accompanied by control guarantees, it should be noted that the above-mentioned law of 8 October 1980, entitled 'Fundamental law on employment' made provisions for positive measures on behalf of women with family responsibilities, whether on the matter of professional training, or in the form of subsidy.

In 1984 the situation was modified following an agreement passed on 9 October 1984 between the social security bodies and the government. A Solidarity Fund for Employment, created along the lines of the European Social Fund, was instituted by law No 50 on 30 December 1984.

According to the Ministerial Order passed in accordance with decree 180/1985 on 13 February which regulates the Solidarity Fund, there are provisions for specific assistance for the professional integration and reintegration of unemployed women with family responsibilities who are signed on for a year as job applicants at the Employment Agency.

The new regulation is more restrictive than the previous one which came directly from the law of 8 October 1980.

### *The situation of co-working spouses*

This category of persons, an overwhelming majority of which are women, has always been ignored by the national

legislators, with the exception of the tax legislator.

Only France, among the 12 Member States, has introduced legislation which covers the co-working spouses of craftsmen and tradesmen as well as of farmers.

In Spain this category of workers is certainly not covered by the law of 10 March 1980. As far as their social insurance is concerned, it is dependent on marital status.

In the event of the separation, divorce or death of the worker, it is the rules under the Civil Code which apply. On the matter of divorce, however, the judge will bear in mind the degree of participation in the professional activity by the spouse, before fixing the level of pension.

The proposal for a directive on enforcing the principle of equality of treatment between men and women each carrying out independent work, including agricultural work, as well as on protecting maternity (OJ C 113/4, 27.4.1984) aims precisely to provide these co-working spouses with a legal, professional and social status.

### *The institutional mechanism entrusted with promoting equality*

In 1977 there existed in Spain a 'Sub-general directorate for women', an administrative unit of the Ministry of Culture. The 16/1983 law of 24 October 1983 set up as from December 1983 the Women's Institute (Instituto de la Mujer). Although dependent on the Ministry of Culture, this Institute is sufficiently autonomous.

Under the terms of the law, the main aim of the Institute is to create the conditions by which women's equality will be real and effective in Spanish society, by making their participation in political, cultural, economic and social life possible. This objective is based on Article 9.2 of the Spanish Constitution. Its areas of action can be summed up in a few points:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>(i) to study the situation of Spanish women;</li> <li>(ii) to collect information and documentation;</li> <li>(iii) to elaborate the information and boost methods which will contribute towards eliminating existing areas of discrimination;</li> <li>(iv) to assure the continuity of legislative norms and their putting into practice;</li> <li>(v) to lend support and cooperation to government on the matters which are the concern of the Institute's scope of activities;</li> <li>(vi) coordination of work which is in the scope of different interested ministerial departments;</li> <li>(vii) to establish relations with non-governmental national organizations and international organizations;</li> <li>(viii) to establish relations with institutions which are analogous or similar to autonomous provinces or local administrations;</li> </ul> | <ul style="list-style-type: none"> <li>(ix) to favour relations with international organizations;</li> <li>(x) to encourage services provided for women;</li> <li>(xi) to receive and channel individual complaints put forward by women;</li> </ul> <p>The Institute maintains institutional links with the group of ministerial departments concerned, by means of a steering Council. This Council has to assure the political coordination of the different departments. It is called upon to study the effects which each of the political decisions that are adopted will have on the policy on women's rights; it will propose modifications or present alternatives, should the case arise, when it is a question of giving a boost to government policy along the lines of equal rights. It is the first time that such inter-ministerial coordination has been established in Spain for the policy of sexual equality. In the same way, cooperation and coordination will be set up with the autonomous provinces, an important issue when one takes into account the considerable differences noted between</p> |
|---|--|

regions notably from the point of view of the position of women.

*To be continued*

**Gerassimos Zorbas**

<sup>1</sup> More complete information will be found in: *Guia de los Derechos de la Mujer*, 1984; *Situación de la Mujer en España*, 1984; *Mujer y Educación*, 1985; Report presented by Spain at the World Conference on the United Nations Women's Decade Nairobi-Kenya 16–26 July 1985; *Aplicación del Derecho y la Mujer*, March-April 1984; la *Comunidad europea y las mujeres españolas*, 1984. All these publications come from l'Instituto de la Mujer (Ministry of Culture) which publishes the review 'Mujeres'.

Women in Spain, supplement No 8 to *Women in Europe*, Commission of European Communities, Brussels, 1981 (ref. 348/X/81); Maria Pilar Alcobendas Tirado, *The Employment of Women in Spain*, a report developed for the Commission of the European Communities, 1982 (ref. V/2163/82); Blanca Vila Costa, 'The Spanish legal system faced with Community law. The principle of equality/non-discrimination according to sex', in *Reports presented to the European symposium held in Louvain-la-Neuve* (Belgium) in May 1985, Faculty of Law. Perez Del Rio, T., *El principio de igualdad: non discriminacion por razon en el ordenamiento español*, Madrid, 1984, Spain's report for the group of experts on social security and the tax system (Paris 16–16/9/83, OECD, ref. MAS/WP6 (83) 2).

# Reintegration of women into working life

## Measures and problems

**The reintegration of women into working life is one of the concerns of the European Community. It is included in the new Community action programme on the promotion of equal opportunities for women (1982—85).**

At the Commission's request a study was undertaken by Brussels University Sociology Institute to consider problems encountered by women entering the labour market late or seeking re-entry after a long break, and in particular to analyse the measures implemented in Community countries in response to the needs of this target group.

The report we drew up following the survey<sup>1</sup> first tackles the problems to be surmounted by women returning to work, and calls attention to the absence of political or social comment which conceals the demand for employment on the part of the group we have termed 'women re-entrants'. The second part examines the measures adopted for women re-entering the labour market: selected case studies from each country provide the basic material for the analysis.

The third part contains a model for maximizing the effectiveness of measures and recommendations for the various groups concerned (Community and national public authorities, employers, trade unions, training facilities and women re-entrants).

One of the annexes contains a useful list of the measures found, mainly in the field of training and guidance, setting out the following particulars: name of programme, responsible body, objectives, target group, programme content, characteristics of the participants, accompanying measures, financing and results.

### Women re-entrants

The target group covered by the study was established at the outset: it concerns women who are late entrants or wish to re-enter the labour market after a long break and are loosely grouped under the term 'women re-entrants'. This excluded women receiving unemployment benefit and young women seeking their first job.

How many are there? This is a difficult question to answer. Although this is not a new phenomenon, the environment has completely changed. Whereas

in the 1960s, employers called on persons outside the labour force to offset the shortage of labour, in the 1970s and 1980s on the other hand, when increasing numbers of women were faced with the absolute necessity of finding a job, everything combined to conceal the demand: government policies sought to reduce visible unemployment — included in the statistics — and gave priority to the employment of young women and registered unemployed workers. Women re-entrants who receive no benefit and are not registered as job-seekers or are discouraged from so doing ('You have missed your turn', they are told) are nowhere included in the figures. They form what is termed 'hidden unemployment'. Only surveys carried out in some countries reveal the existence of persons listed as 'inactive' who are nevertheless actively seeking employment.

Few institutional measures are adopted to promote their reintegration. On the contrary, most of the measures adopted exclude these women *de facto*, for they are intended for unemployed workers in receipt of benefits. The same applies to training programmes set up with the help of subsidies which are often designed for groups other than women re-entrants who in fact have very few options open to them. The question arises as to whether the right to work of women re-entrants is not itself in doubt.

Other specific or general obstacles — psychological, economic, social or cultural — are interlinked and impede their reintegration: lack of self-confidence, lack of realism, guilt feelings (competition with men and even with their own children) inadequate accompanying measures (childcare facilities, public transport, school system), income tax, traditional cultural models (employer's or family attitudes, etc.).

<sup>1</sup> The reinsertion of women in working life: initiatives and problems, by Monique Chalude, with the cooperation of Margaretha Lisein-Norman, Scientific supervision: Marcel Bolle De Bal (EEC Doc V/781/86).

## Measures

Thus we discover that, in parallel with institutional failure to provide, there is a lack of measures to promote reintegration at work for this target group.

The report describes several measures which are basically training programmes. In every case the background, characteristics of the participants, objectives, mode of operation, methods, and teaching methods, results and comments on the experience are given.

From an analysis of the case studies the following emerged:

### 1. Development of the initiatives

Two principal trends emerged. First, there is a change in women's requirements: nowadays they do not seek, as they did in the 1960s to work for the sake of personality development or self-expression, but they simply want a job. Secondly, there is a change in the participating population: a younger and more disadvantageous age group is concerned, the number of women in a family crisis has grown.

### 2. Need to clarify the situation for the parties concerned

The establishment and implementation of a training programme concerns three parties: women re-entrants, bodies responsible for the programme and the financial backers, who may not necessarily all be in agreement on the programmes' objectives (personal development, social and/or occupational integration). Problems and misunderstandings may arise and often jeopardize the development and even the survival of the body in question.

### 3. Need for a more professional approach on the part of the responsible body

Initiatives based on personal development objectives or social reintegration should — if they take account of the wishes of women reentrants — link up



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with operations to promote reintegration at work. A more professional approach and the ability to relate women re-entrants to the world of work and to the social and political world, as well as to themselves (by an analysis of their own

role) seems to account for the success of certain operations. Lack of realism in their approach to opportunities and constraints on the labour market of certain other operations encourage unrealistic expectations and hopes.

### **Conclusions**

By helping women re-entrants to draw up an occupational plan (guidance) or by offering them skilled training, the responsible bodies make a vital contribution to their reintegration: on the one hand, they develop the independence of women re-entrants and, on the other, furnish them with the necessary intellectual, technical and psychological tools, thus transforming them from ill-qualified job-seekers to persons who have good skills to offer.

### **Recommendations**

1. Offer women re-entrants institutional and social recognition.
2. Set up a permanent information facility.
3. Promote specific research on women re-entrants.
4. Develop training operations.
5. Approach bodies responsible for placement.

6. Provide operations with the resources needed to fulfil their role.
7. Take action as employers (reintegration projects, maintaining contacts, retraining).
8. Take action as trade unions.
9. Make the training measures more professional.
10. Take steps to ensure that a career break does not lead to dropping out of the labour market.

**Monique Chalude**

# Where will the new jobs be?

## Sectoral and occupational employment prospects in some industrialized countries up to the year 2000



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### Introduction

Despite the fact that the economic recovery in the European Community is entering its fourth year and that inflation has gone down substantially, the improvement of the situation on the labour market has hitherto been quite limited. On the contrary: despite employment creation in 1985 and 1986, the unemployment rate (in EUR 10) even rose by about one percentage point between 1983 and 1986, and now totals around 11% of the working population. Taking into account the enlargement of the Community in 1986, registered unemployment amounted to about 16.5 m in March 1986.

These new figures clearly show that the combat against unemployment remains the single most important economic policy objective and this is also

the main reason why the Commission of the EC set out a cooperative growth strategy for more employment in its Annual Economic Report 1985/1986, a strategy which was also endorsed by the Council of Ministers.

The cooperative scenario of the Annual Report, which is contrasted with a basic medium-term projection according to which unemployment would only go down marginally by 1990, indicates that with suitable real wage costs, demand developments and a cost-neutral reduction and reorganization of working-time, unemployment could be brought down to about 7% in 1990, i.e. about 4% compared with the present situation. Certainly such a scenario can only be brought to a successful conclusion if and when appropriate forward-looking labour market policies are equally developed and put into practice — policies

which found the support of the Standing Committee on Employment during its recent session on 29 April 1986. According to the conclusions of the Chairman, 'this forward-looking labour market policy should be such as to be able to exert a genuine influence on all participants in the economic process by taking account both of existing forecasting possibilities and of the variety of situations and characteristics in an interdependent world market economy'. Such a forward-looking policy would involve the regional, local and sectoral level.

In the light of this prospect, it might be of interest to look into existing forecasting exercises in some Member States and the US in order to get an idea of how sectoral and occupational employment prospects which would develop under certain macro-economic assumptions. These forecasts, in some

cases projected to the year 2000, although sometimes designed for different purposes and with varying objectives, do include sectoral, and sometimes even occupational, employment trends in more or less detail. These trends are obviously based on the respective scenarios assumed for the overall picture at national level and cannot therefore be used for comparative purposes at Community level. The forecasts give, however, an insight into sectoral trends for various time horizons and are, by themselves, sometimes quite revealing. The warning should be added, however, that forecasts are inherently limited as to their prospective value, they are mostly based on past developments which could change considerably in the future and, last but not least, the underlying assumptions may be 'politically oriented' and the final outcome self-defeating because counter-policies might be implemented.

Notwithstanding these well known limitations and the fact that some of the forecasting was done in the middle of the growth crisis in the early 1980s which is likely to have partially shaped future expectations, it is a fact that in order to assess future trends we have to use the material available, however unreliable or contradictory it may be.

In the next chapter, sectoral projections covering Belgium, the Netherlands, the United Kingdom, Denmark and the Federal Republic of Germany are presented and, to a certain extent, contrasted with US economic forecasts as projected by the Bureau of Labor Statistics.

The third chapter will add some material related to occupational employment and the fourth chapter will present some concluding remarks on the impact of the spread of new information technologies on occupational employment trends.

**Sectoral employment outlook**

*Labour market developments in Belgium*

The Belgian Planning Office has developed a regional and sectoral economic model which, on the basis of the assumptions laid down for the Gross National Product (GNP), labour productivity and working time in the Maribel-model, also established sectoral employment patterns.<sup>1</sup> For the period 1984-89 real economic growth is expected to be 2.25% per year, whereas labour productivity is estimated on the basis of past productivity in the different sectors, which is projected into the future according to the same pattern. As far as annual working time is concerned no changes are introduced into the assumptions, i.e. it is kept at the level of 1984; on the other hand it is assumed that a certain 'part-time' effect reflecting

increased recourse to part-time work results in an annual working time reduction of 0.25%.

Table 1 below shows the expected evolution of the employed labourforce. Taking the year 1982 as 100, the table reveals that in industry (manufacturing and primary non-agricultural industry), employment will be about 10% lower in 1990 than in 1982. Especially in the years 1985 to 1990 the reduction in the number of jobs will accelerate. In manufacturing the job decrease will be strongest in clothing, timber and wood, glass and steel.

While, employment in building and construction will decline by about 2%

<sup>1</sup> Planbureau: De arbeidsmarktvooruitzichten 1990 voor het rijk en per gewest, Brussel 1985.

**Table 1: Sectoral employment trends in Belgium**

	Absolute		(1982 = 100)	
	1985	1990	1985	1990
Agriculture	94 002	87 274	95.7	88.9
Industry	976 307	907 510	97.2	90.4
Pit-coal	17 332	12 315	81.8	58.1
Extractive	5 689	4 888	90.9	78.1
Food, drinks, etc.	127 659	120 116	95.9	90.2
Clothing	56 190	51 714	94.4	86.9
Textile	65 209	62 200	99.2	94.6
Timber and wood	45 065	36 567	90.8	73.7
Paper	54 389	51 405	97.7	92.4
Chemical	86 050	82 996	97.3	93.9
Glass	38 405	33 468	100.8	87.9
Metal	355 460	337 935	100.0	95.1
Steel	52 299	44 427	91.3	77.1
Other	41 158	41 423	101.2	101.8
Energy	31 400	28 055	99.4	85.3
Construction	242 590	234 975	101.5	98.3
Services	2360 631	2413 036	101.5	103.7
Transport	246 839	234 775	96.3	91.6
Trade, Banking, Insurance, Hotels, etc.	1350 292	1419 261	101.9	107.1
Family Services	97 000	92 000	98.1	93.1
Public Sector	666 500	667 000	102.6	102.7
<b>Total</b>	<b>3698 875</b>	<b>3665 549</b>	<b>100.2</b>	<b>99.3</b>

Source: Planbureau, op. cit.

between 1982 and 1990 and in transport by more than 8%, job creation can be expected in service industries such as trade, banking, insurance, hotels, restaurants, etc. where employment will go up by about 7%. Jobs in the public sector are also expected to increase by nearly 3%, but since this increase has already happened between 1982 and 1985 there will not be any employment gains in the years to come.

The overall picture shows that total employment is expected to go down by less than 1%. Since, however the population of working age will increase in the period under consideration, unemployment will continue to rise from nearly 13% in 1985 to more than 14% in 1989.

#### *Labour market outlook in the Netherlands*

The Central Planning Office in the Netherlands has produced a report on the development of the Dutch economy with a longer perspective, by presenting three different scenarios (high, moderate, low) up to the year 2010.<sup>1</sup> If we limit ourselves to the period 1985–2000, the respective growth rates of GNP are expected to be 4%, 3% and 1¼% a year. The annual labour productivity trend is somewhat related to growth of production, in the sense that productivity gains are higher the higher GNP growth is, namely 2¾% for the high scenario and respectively 2¼% and 1¾% for the two other scenarios; in the last case, however, productivity increases more than production growth. Furthermore, it is expected that annual working time in all scenarios will go down by 0.5% annually whereas the working age population increases annually by 1% in the high and moderate scenarios and by 0.75% in the low scenario.

As far as the sectoral breakdown of these developments is concerned, productivity trends are expected to behave roughly as in the past, i.e. higher than average in agriculture and manufacturing and lower in building and construction and the tertiary sector. Taking the moderate scenario as the most probable it is expected that employment (ex-

pressed in man-years) will grow in all sectors between 0% in building and construction up to 2% in the tertiary sector and in the services financed through government funds. In manufacturing, an employment increase of 0.25% per year is projected. These developments would imply that the number of unemployed would go down from 825 000 in 1985 to 700 000 in the year 2000, representing about 13% of the working population.

#### *Labour market developments in the United Kingdom*

In the summer of 1983 the Institute of Employment Research of the University of Warwick presented a review of the UK economy and employment prospects for the 1980s.<sup>2</sup> The projection starts off from the macro-economic assumption of a Gross Domestic Product (GDP) growth of 1.9% p.a. on average, with higher growth rates around 1985/1986 and lower ones towards the end of the decade. Since labour productivity gains per person are expected to be around 1.6% p.a. on average, slight employment increases are projected each year, raising the number of jobs from 23.7 million in 1982 to 24.1 million in 1990. This trend is also supported by the expected reduction in average weekly working time of 1½ hours in manufacturing, giving 36½ hours in 1990, and 2 hours in services giving 32 hours (in both cases including the part-time effect). Due to the growth in the labour force, unemployment (benefit claimants) is forecast to rise from 14.8% in 1982 to over 16% in 1990.

At sectoral level, projected trends show a very diversified pattern. While some manufacturing industries, such as food, drink, tobacco and electrical engineering show some quite substantial increases in the number of jobs, manufacturing employment in total is expected to decline slightly. Construction, however, is forecast to show an employment increase of 1.4% p.a. in the period 1982–90, the highest growth rate of all industry groups. The other two big employment creators are the professional services (1.0% p.a.) and the large group of miscellaneous services (1.3% p.a.).

On the other hand it is expected that the 'distribution' and 'transport and communication' sectors will show job losses of 0.4% p.a. each. Finally, the public administration is projected to increase the number of jobs by 0.9% a year whereas the large group of 'social services' will remain more or less stable over time in terms of employment.

#### *Labour market developments in Denmark*

The Economic Council of the Danish Government presented — in 1983 — a long-term forecast of the Danish economy to the year 1999.<sup>3</sup> The growth in output per person employed is expected to be 1.5% on average over the period 1980–99 and the average working time of full-time employed persons will decline by 0.8% annually. Different productivity trends are expected for the various sectors arriving at an average of hourly labour productivity in the economy of about 3%, whereas in the public sector a zero productivity growth is assumed.

Under these assumptions an employment increase of more than 7% is expected over the whole period, but by far the largest part of this gain is expected to happen on balance in the public sector. Whereas in manufacturing nearly all sectors are expected to show a decline in employment, the opposite is forecast for its biggest component, i.e. the industry group of metal products, machinery, electrical goods and the production of transport means. A notable increase in the number of jobs of nearly 20% is also computed for building and construction. In the tertiary sector increases are expected to happen in practically all branches (transport, retail and wholesale trade, financial institutions and business services), whereas the category 'other services' shows a decline in the number of jobs. As the labour supply will be greater than the

<sup>1</sup> Centraal Planbureau: De Nederlandse economie op langere termijn, s'Gravenhage 1985.

<sup>2</sup> University of Warwick: Review of the economy and employment, Coventry 1983.

<sup>3</sup> Det økonomiske Råd: Dansk Økonomi, København 1983.



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number of jobs created, the unemployment rate is expected to go up from 7.1% in 1980 to 10.1% in 1999.

*Labour market developments in the Federal Republic of Germany*

In a recent publication of the Prognos Institute, employment prospects are mapped out up to the year 2000.<sup>1</sup> The macro-economic assumptions include an annual growth in GDP of 2.4% to 1990 and of 2.6% thereafter till the end of the reference period. Productivity per employed person is slightly higher and of hourly labour productivity is estimated to be around 3.5% p.a. over the whole period. As far as working hours are concerned it is expected that annual

working time (including the part-time effect) will be reduced by 1% p.a. over the whole period. The figures quoted here represent the moderate scenario; the high scenario contains hourly productivity gains of about 4% p.a. whereas a low scenario takes an increase of about 3.2% as a basic assumption.

The moderate scenario shows a modest decrease in overall employment of less than 4% over the period 1980–90, followed by near stability up to 2000.

As in other countries, sectoral employment patterns are quite different from overall trends. Manufacturing is expected to show a decline in employment of nearly 10% till 1990 and another reduction of about 6% till the end of the century. Major industrial branches which

in absolute terms reduce the number of jobs but which show a much lower degree of decline are iron and steel processing, food, drink, tobacco and office- and data processing machinery production. Contrary to some other countries, building and construction is expected to lose nearly one quarter of jobs between 1980 and 2000. While trade and to a lesser extent transport and communication reduce employment opportunities, all other tertiary branches are expected to increase the number of jobs, both in the period up to 1990 and till the year 2000. Employment gains of more than 20% over the whole period of 20 years

<sup>1</sup> Prognos AG: Die Zukunft der Arbeitslandschaft, published in: *Beiträge zur Arbeitsmarkt- und Berufsforschung*, Nürnberg 1985.

are expected for hotels and catering, media, art and entertainment, business and other advisory services, services in households and the broad group of 'other services'.

Given the fact that the job loss occurs only in the eighties, and that labour supply will grow at the same time, registered unemployment of nearly 2.3m in 1983 is estimated to go up to about 2.7m in 1990 and will be down to about 2m in the year 2000.

### *Labour market developments in France*

In a report established by the French Planning Office, the macroeconomic trend has been forecast to the year 2000.<sup>1</sup> This report presents three different scenarios, the most interesting of which is called the scenario of modernization and reorganization of work. It presupposes GDP growth of 1.8% p.a. in 1982–88, 3.7% p.a. over the period 1988–94 and 4.1% p.a. till the year 2000. Hourly labour productivity in manufacturing is expected to grow annually by 5.7%, 5.6% and 5.2% respectively in the three sub-periods. In the other market branches, productivity gains are 4% p.a. in the first two sub-periods, and 3.2% thereafter. In this process annual working time will be reduced quite substantially, i.e. 2% p.a. in the first sub-period, 2.5% in the second and 0.4% in the third throughout the market sector of the economy.

On this basis employment in manufacturing is expected to decrease in the first sub-period by 1.6% annually, whereas it will go up in the following periods by 1.8% and 0.5% respectively. In the other market branches of the economy employment continues to increase by 0.3%, 2.0% and 1.0% respectively per year. The unemployment rate amounting to about 10% in 1985 would slightly increase to 10.3% in 1988 and be brought down to 7.8% in 1994 and 7.2% in 2000.

### *Labour market developments in the United States*

The Bureau of Labour Statistics regularly establishes projections of labour market developments in a sectoral and occupational context. The latest forecast takes 1984 as a base year and sets out three scenarios of economic development<sup>2</sup> to 1995. In the moderate (medium) scenario real GNP will grow by 2.9% p.a., whereas real output per person is expected to increase by 1.7% annually. Under these circumstances civilian employment will rise by about 1.3% p.a. whereas the civilian labour force is expected to grow by 1.2% p.a. over the same period. The overall unemployment rate which stood at 7.5% in 1984 is therefore expected to go down, to reach 6.0% in 1995. The average working week, which in 1984 was about 40 hours in manufacturing, 32.8 hours in retail stores and 27.1 in eating and drinking places, is expected to be reduced further in the two tertiary branches by 1995 (by about one hour each).

A sectorwise glance reveals that all non-agricultural sectors are expected to create jobs, the lowest percentage of 0.1% p.a. being nondurable manufacturing, whereas in durable manufacturing and building and construction, an increase of about 1% per annum is expected. Higher annual growth rates are found in the tertiary sector, ranging from 1.2% for transportation, communications and public utilities, 1.3% for trade, 1.5%

for finance, insurance and real estate, to 2.4% for other services including hotels and lodging places, business and professional services, as well as educational and health care services.

### *Summarizing remarks*

In order to synthesize some salient figures of sectoral employment prospects the following table brings together the structure of present and expected future employment in five countries (for France and the Netherlands the information cannot be presented in this way).

It will be seen that, overall, the variables GDP, real growth and labour productivity which, apart from working time trends, determine the aggregate employment level, will in most cases develop in such a way (apart from the 'modernization' scenario for France) that despite the massive introduction and spread of new (information) technologies, labour productivity per person is not expected to grow much faster than GDP growth; on the contrary, in the Dutch, British and US scenarios it will

<sup>1</sup> Commissariat Général au Plan: Faire gagner la France, Paris 1985.

<sup>2</sup> Bureau of Labor Statistics: The economic outlook to 1995, in: Monthly Labor Review, November 1985.

**Table 2: Structure of employment (in % of total)**

	Manufacturing		Construction		Tertiary sector	
	1982	1990	1982	1990	1982	1990
Belgium	26.4	24.3	6.5	6.4	63.0	65.8
UK	24.9	24.1	6.3	6.6	63.2	63.9
	1980	2000	1980	2000	1980	1990
FRG	35.3	30.8	6.9	5.5	50.4	57.7
	1980	1999	1980	1999	1980	1999
Denmark	19.0	16.7	7.1	8.3	65.7	69.2
	1984	1995	1984	1995	1984	1995
US	18.5	17.2	5.5	5.4	72.3	74.4

grow less and will thus contribute to an improvement in the employment situation. Nevertheless, the conclusion remains that, under the assumptions of the scenarios, unemployment remains very high and continues to rise in a number of countries.

On the other hand, practically all projections contain more or less drastic assumptions on the reduction of individual working time. Thus, for example, the German scenario would entail a reduction in weekly individual working time from about 38.5–40 hours in 1986 to about 33 or 33.5 hours on average in 2000, implying that this average may very well cover existing full-time jobs at their present length and the creation of part-time jobs to bring the average down or any other combination of these different job types. The Belgian projection only comprises a certain part-time effect, whereas the French scenario explicitly focuses on substantial reductions in working time, at least till the middle of the nineties. Other scenarios are midway between these two extremes: the Dutch one assumes 0.5% p.a., the British between 4 and 6% over the period to 1990, the Danish 0.8% p.a. for full-time workers, and the US moderate scenario a quite small reduction in some branches of the economy. Although these different reductions in working hours can be distributed quite equally between various branches of industry and/or between full-time and part-time workers it seems to be accepted that the volume of work will have to be redistributed in certain ways, apart from the French policy scenario and the US projection, since unemployment continues to remain very high or even to increase, notably where and when the labour force tends to grow. If and when the objective of (relative) full employment is to be realized in the years to come, it is imperative that the recommendations of the Annual Economic Report 1985/86 on employment intensive growth combined with working time measures (under economically sound conditions as, e.g. laid down the Draft Council Recommendation on the reduction and reorganization of working time<sup>2</sup> are purposefully and speedily implemented. Policies which can help to

smooth out present and projected qualitative and quantitative imbalances and mismatches on the labour market will also have to be implemented vigorously.

In order to cope with future labour market problems, it might rightly be questioned whether the sectoral breakdown normally applied in forecasting should not be supplemented by more information on future occupational needs and supplies. In fact, the sectoral classification groups those industries together the main production of which can be roughly correlated. Such a classification is therefore very important from the production point of view and from the standpoint of balancing demand for goods and services in the future.

For labour market purposes — and knowing that a large number of persons of the same occupation find jobs in different branches of industry (typists and computer specialists are outstanding examples) — it seems to be even more important to know how occupational supply and demand can be matched and which kinds of activity are likely to emerge in the future. Therefore, especially from the (initial and continuing) training point of view and in particular with regard to the pervasive introduction and spread of new information technologies throughout the entire economy, occupational or similar projections will be an indispensable tool of forward-looking labour market management. For some countries a short overview will be presented in this context bearing in mind that interpretation of the results of such forecasts is notoriously difficult and open to discussion.

### **Occupational employment projections**

Some estimates for the occupational breakdown of future employment can be presented for the United Kingdom, France, Denmark, the Federal Republic of Germany, and the United States.

#### *Occupational employment in the United Kingdom*

In the framework of its sectoral labour market forecast, summarized above, the Institute for Employment Research has also estimated occupational groups of employment for 1984 and 1990. Whilst an overall employment increase of about 150 000 persons is projected,<sup>2</sup> these data reveal that, generally speaking, non-manual occupations will increase absolutely and percentage-wise, whereas manual occupations will decrease. The computations show that especially the number of managers and administrators, secretarial occupations, engineers, scientists, technicians and skilled personal service occupations in particular will increase in the reference period. The main projected changes are given in Table 3.

#### *Occupational employment in France*

In the context of the report of the French planning office on economic developments up to 2000, quoted earlier, the forecasting body BIPE presents a breakdown of the relative importance of certain occupational categories in 1982 and in 2000. The most important aspect is that the relative share of engineers and technicians is assumed to nearly double and the number of middle and upper managers in the tertiary sector will increase its relative percentage share by about one third. The main occupational losers will be unskilled production workers and certain groups of non-manual employees in the private and public sector. More details can be found in Table 4.

<sup>1</sup> COM (83) 543 def.

<sup>2</sup> The figures given here do not exactly correspond to the sectoral total, shown above.

**Table 3: Projected Changes in Occupational Employment 1984—90 (in '000)**

Occupation	1984		1990	
		% of total		% of total
1. Managers and administrators	741	3.1	823	3.5
2. Education professions	991	4.2	982	4.1
3. Health, welfare professions	1 142	4.8	1 288	5.4
4. Other professions	1 161	4.9	1 275	5.4
5. Literary, artistic, sports occupations	227	1.0	255	1.1
6. Engineers, scientists, etc.	649	2.7	726	3.1
7. Technicians, draughtsmen	521	2.2	548	2.3
8. Clerical occupations	2 643	11.2	2 613	11.0
9. Secretarial occupations	934	4.0	1 000	4.2
10. Sales representatives	405	1.7	381	1.6
11. Other sales occupations	1 210	5.1	1 217	5.1
12. Supervisors	302	1.3	374	1.6
13. Foremen	463	2.0	474	2.0
14. Engineering craft occupations (module)	1 254	5.3	1 208	5.1
15. Engineering craft occupations (non-module)	422	1.8	425	1.8
16. Construction craft occupations	832	3.5	847	3.6
17. Other craft occupations	223	0.9	193	0.8
18. Skilled operatives	687	2.9	610	2.6
19. Other operatives	3 576	15.1	3 279	13.8
20. Security occupations	305	1.3	317	1.3
21. Skilled personal service occupations	2 423	10.2	2 544	10.7
22. Other personal service occupations	1 939	8.2	1 969	8.3
23. Other occupations	601	2.5	449	1.9
All occupations	23 652	100.0	23 797	100.0

*Development of occupational activities in the Federal Republic of Germany*

In the context of the above-mentioned sectoral employment projection of the Prognos Institute, the development of occupational areas and activities was also forecast up to the year 2000. Activity areas in production, transport, distribution, office, management, research, and services were subdivided into 23 broader categories under the assumption of not only sectoral changes but also changes in the structure of activities like those which occurred between 1973—80. The major outcome is that middle and upper management activities as well as the service industries grow in importance, whereas the percentage share of persons working in production and distribution in particular will decline substantially. More details of all activity categories and the number of persons in education and training can be found in the following table.

*Occupational labour market development in the United States*

The most elaborate labour market forecasts as to sectors and occupations exist in the United States. The projections cover detailed occupations having 25 000 or more workers in 1984, i.e. the industry-occupation matrix presents more than 550 occupations in 378 industries, taking into account the expansion or decline of detailed industries and the changing occupational structure of industries. In 10 broad categories the 1984—95 occupational development, under the macro-economic assumptions of the moderate (medium) scenario as in the above-mentioned sectoral breakdown, is expected to be as follows:

This table shows no really major changes in the composition of civilian employment by broad occupational groups and only farming persons and private household workers are expected to decline in absolute terms.

The following tables go into some detail with regard to the occupations

Source: University of Warwick, op. cit. Coventry 1986.

**Table 4: Occupational Development of the Working Population 1985—2000**

Occupational group	% of working population in 1982	% of working population in 2000
Farmers	6.9	3.5
Engineers and technicians	4.9	9
Skilled workers	24.4	24
Unskilled workers	15.4	11
Middle and upper management in the tertiary sector	9.5	12
White collar workers in firms and the public administration	14.8	12
Trade employees and self-employed	6.6	5.5
Health and social welfare	5.2	7
Consumer-related services	3.7	4.5
Education and training	5.2	7
Professions	1.1	2
Occupations in information and arts	0.5	0.7
Policemen, military	1.8	1.3
Total	100	100

Source: BIPE estimates.

**Table 5: Development of occupational activities 1980–2000**

Activity groups and areas	1980 (‘000)	2000	1980 % share of total	2000
1 Primary production	1 584	1 177	6.0	4.7
2 Craft manufacturing	2 934	2 053	11.1	8.1
3 Mechanical manufacturing	2 283	1 479	8.7	5.9
4 Control, Guidance	651	407	2.5	1.6
5 Machine handling	971	1 064	3.7	4.2
6 Repairs	1 446	1 213	5.5	4.8
1– 6 Production	9 869	7 393	37.6	29.2
7 Storage and delivery	1 182	876	4.5	3.4
8 Transport (goods/persons)	594	524	2.3	2.1
9 General sales	2 051	1 702	7.8	6.7
10 Product-related trade activities	331	254	1.3	1.0
11 Customer-related trade activities	260	217	1.0	0.9
7–11 Storage, Transport, Distribution	4 418	3 573	16.8	14.1
12 Section-related office work	1 611	1 092	6.1	4.3
13 Integrated task-oriented office work	1 258	1 607	4.8	6.4
14 Preparation and support of decision-making	306	426	1.2	1.7
11–14 Office	3 175	3 125	12.1	12.4
15 Research and development	581	578	2.2	2.3
16 Task-related decision-making	796	1 123	3.0	4.4
17 Upper management	1 116	1 505	4.3	6.0
15–17 Management, R&D	2 493	3 206	9.5	12.7
18 Cleaning, catering, etc.	1 367	1 060	5.2	4.2
19 Teaching, guidance	1 080	1 345	4.1	5.3
20 Guarding, Regulating	960	813	3.7	3.2
21 Legal activities	311	428	1.2	1.7
22 Physical and psychological treatment and counselling	1 181	1 289	4.5	5.1
23 Publishing, arts	134	157	0.5	0.6
19–23 Services	3 666	4 027	14.0	16.0
24 Education and training	1 265	2 898	4.8	11.5
All activities	26 251	25 282	100.0	100.0

Source: Prognos AG, op. cit.

branches of industry which are also hit more than proportionally by economic decline.

#### *Supply and demand on the Danish labour market according to qualification*

Contrary to the other occupational forecasts quoted in this article, the Danish data of the above-mentioned Economic Council refer to the supply and demand on the labour market for certain qualification levels. The general trend is that demand for unskilled labour is expected to decrease whereas the demand for all skilled persons will grow to varying degrees. In view, however, of the increase in labour supply at the various qualification levels some drastic labour market imbalances may be expected with, very often, increasing unemployment rates for certain qualified workers such as educationalists, teachers, nurses, lawyers and economists, whereas — because of the declining supply of unskilled workers — the unemployment rate for this section of the market is even expected to go down slightly. Some other qualified groups, such as iron and metal workers, intermediate technicians and engineers show a much stronger growth of demand than supply. More details are presented in Table 10.

#### *Summarizing remarks*

The occupational mapping of the labour market is generally much less precise than the already very difficult sectoral breakdown of labour market developments. It is a tricky matter to define individual occupations, to put them together with other similar functions and to forecast these clusters into the future. Contents, qualifications needed, changes in the educational and training systems, different design of jobs to meet existing qualifications, the flexibility of persons to change from one job to another, formal training versus learning on the job or learning by doing, etc. all have a strong impact on the occupational 'landscape' of the future and thus make occupational forecasts a risky affair. The Danish estimates in particular, which compare supply and demand,

with the largest job growth in absolute terms, and the fastest growing and declining occupations still bring the largest job growth in the years to come, but the

fastest growing occupations are nearly all found in jobs related to information technology. The fastest declining occupations are generally found in those

**Table 6: Total civilian employment by broad occupational group, actual 1984 and projected 1995, and percent change in employment, 1973–84 and 1984–95**

Occupation	1984		1995		% change in employment	
	('000)	%	Number	%	1973–84	1984–95
Total employment	106 843	100.0	122 760	100.0	23.4	14.9
Executive, administrative and managerial workers	11 274	10.6	13 762	11.2	48.4	22.1
Professional workers	12 805	12.0	15 578	12.7	46.2	21.7
Technicians and related support workers	3 206	3.0	4 119	3.4	58.3	28.7
Salesworkers	11 173	10.5	13 393	10.9	41.5	19.9
Administrative support workers, including clerical	18 716	17.5	20 499	16.7	24.7	9.5
Private household workers	993	9	811	7	-27.0	-18.3
Service workers, except private household workers	15 589	14.6	18 917	15.4	37.6	21.3
Precision production, craft and repair workers	12 176	11.4	13 601	11.1	20.2	11.7
Operators, fabricators and laborers	17 357	16.2	18 634	15.2	- 7.2	- 7.3
Farming, forestry and fishing workers	3 554	3.3	3 447	2.8	- 5.9	- 3.0

**Table 7: Occupations with the largest job growth, 1984–95**  
(Numbers in thousands)

Occupation	Employment		% change in employment 1984–95	% of total job growth 1984–95
	1984	1995		
Cashiers	1 902	2 469	29.8	3.6
Registered nurses	1 377	1 829	32.8	2.8
Janitors and cleaners, including maids and housekeeping cleaners	2 940	3 383	15.1	2.8
Truck drivers	2 484	2 911	17.2	2.7
Waiters and waitresses	1 625	2 049	26.1	2.7
Wholesale trade salesworkers	1 248	1 617	29.6	2.3
Nursing aides, orderlies, and attendants	1 204	1 552	28.9	2.2
Salespersons, retail	2 732	3 075	12.6	2.2
Accountants and auditors	882	1 189	34.8	1.9
Teachers, kindergarten and elementary	1 381	1 662	20.3	1.9
Secretaries	2 797	3 064	9.6	1.7
Computer programmers	341	586	71.7	1.5
General office clerks	2 398	2 629	9.6	1.4
Food preparation workers, excluding fast food	987	1 205	22.1	1.4
Food preparation and service workers, fast food	1 201	1 417	17.9	1.4
Computer systems analysts, electronic data processing	308	520	68.7	1.3
Electrical and electronics engineers	390	597	52.8	1.3
Electrical and electronics technicians and technologists	404	607	50.0	1.3

**Table 8: Fastest growing occupations, 1984–95**

Occupation	Employment in '000		% change in employment 1984–85	% of total job growth 1984–95
	1984	1995		
Paralegal personnel	53	104	97.5	0.3
Computer programmers	341	586	71.7	1.5
Computer systems analysts, electronic data processing (EDP)	308	520	68.7	1.3
Medical assistants	128	207	62.0	0.5
Data processing equipment repairers	50	78	56.2	0.2
Electrical and electronics engineers	390	597	52.8	1.3
Electrical and electronics technicians and technologists	404	607	50.7	1.3
Computer operators, except peripheral equipment	241	353	46.1	0.7
Peripheral EDP equipment operators	70	102	45.0	0.2
Travel agents	72	103	43.9	0.2

**Table 9: Fastest declining occupations, 1984–95**

Occupation	Employment in '000		Percent decline in employment
	1984	1995	
Stenographers	239	143	-40.3
Shoe sewing machine operators and tenders	33	22	-31.5
Railroad brake, signal and switch operators	48	35	-26.4
Rail car repairers	27	21	-22.3
Furnace, kiln, or kettle operators and tenders	63	50	-20.9
Shoe and leather workers and repairers, precision	43	35	-18.6
Private household workers	993	811	-18.3
Station installers and repairers, telephone	111	92	-17.4
Sewing machine operators garment	676	563	-16.7
Textile machine operators, tenders, settlers, and set-up operators, winding	279	235	-15.7

Source for Tables 6–9: 'Occupational employment projections: the 1984–95 outlook', in *Monthly Labour Review*, November 1985.

contain the interesting reminder that 'qualifications' as such need not lead at all to a decrease in unemployment, although, of course, such a projection based on formal qualification levels does not take account of 'switchovers' between occupations despite the same original education and training (e.g. trained teachers becoming programmers). In an international perspective it is even more difficult to compare the

various national outcomes of occupational trends, since many of the job cluster descriptions can only with difficulty be transposed to other countries. Merely broader categories may be summarized internationally but the more broadly one correlates results, the less the findings are relevant.

On the other hand, it is also clear that practically all the countries pre-

sented here have a similar demand for specific higher qualifications (formal and informal) related to management, a certain number of manufacturing jobs, various people- and business-related services and, in a general way, to the introduction and spread of information technology. Some thoughts with regard to this impact on sectoral and occupational employment outlooks will be presented in the concluding remarks.

**Table 10: Development of labour demand and supply according to qualification**

Occupations	demand in '000		% change p.a.	supply in '000		% change p.a.
	1980	1999		1980	1999	
Unskilled	1 347.5	1 249.7	-0.40	1 280.9	1 203.8	-0.42
Skilled	813.2	988.7	1.03	829.1	1 033.4	1.14
of which:						
Trade and office	345.3	369.4	0.36	343.5	424.5	1.08
Iron and metal	161.8	227.6	1.81	165.6	218.6	1.42
Building	117.8	150.6	1.30	129.0	151.4	1.05
Short advanced studies	146.2	181.8	1.15	144.6	211.4	1.98
of which:						
Educationalists	50.3	58.7	0.82	48.5	90.6	3.24
Intermediate technicians	26.3	39.1	2.11	26.9	28.7	0.33
Nurses	45.5	55.3	1.03	44.6	69.5	2.33
Intermediate advanced studies	127.7	149.9	0.85	121.7	189.9	2.27
of which:						
Primary school teachers	74.5	75.9	0.10	71.1	102.8	1.89
Technical college engineers	22.0	28.5	1.37	22.7	25.1	0.50
Long advanced studies	83.8	112.1	1.54	71.6	120.0	2.09
of which:						
Secondary school teachers	17.9	20.8	0.79	13.2	20.0	1.72
Lawyers and economists	17.3	24.2	1.78	16.8	29.6	2.85
University engineers	18.8	27.0	1.92	19.2	27.2	1.80
Med. doctors and dentists	17.2	23.6	1.68	17.6	26.4	2.14
Total	2 518.5	2 682.2	0.33	2 455.0	2 760.6	0.50

Source: Det økonomiske Råd.

## Concluding remarks

Apart from the projection for Denmark, the other economic forecasts for the countries reproduced above are in line with the baseline projections 1986–90 as set out in the Annual Economic Report 1985/86 of the EC Commission. This report gives an average annual growth in GDP of 2.5% for the whole of the Community (EUR 10), the highest being 3.5% for Denmark, the lowest being 2.1% for the United Kingdom and Belgium. The so-called 'constant policy' scenarios for the Community countries presented in the Annual Report indicate in all cases that labour productivity in the years up to 1990 is expected to grow less than GDP, thus implying that at aggregate level employ-

ment opportunities will be created. Similar expectations of the 'production-productivity gap' are also incorporated in the national scenarios of the United Kingdom, the Netherlands, and the United States, but not in those of the Federal Republic of Germany, nor especially in the 'modernization' scenario for France. The rather low overall productivity gains reproduced in the majority of these scenarios might surprise in the light of the massive introduction and spread of new technologies throughout the economies, — thus to a certain extent prolonging the declining productivity growth trends over the 1970s compared with the 1960s — and contrast often strongly with some sectoral or enterprise experiences where the use of new information technology has

sparked off productivity spurs. These somewhat paradoxical developments are not yet very clear but are likely to be related to factors such as declining overall economic growth, the shift to generally less productive employment in the tertiary sector, declining growth in international trade and thus less productivity, effects of increasing specialization, energy price increases slowing down capital- and energy-intensive highly labour productive investments, the ongoing process of the equalization of international productivity levels in contrast to the large differences in the 1950s and early 1960s when the United States possessed by far the highest productivity level, the decrease in the investment rate, and the diminished substitution of labour by capital, etc.

With an increase in general economic activity together with new investment to save labour and very often also capital as well as energy consumption, the declining productivity trend of the 1970s may very well be brought to a halt and turned back into higher productivity growth rates, which, to a certain extent, is also reflected in some scenarios. If and when the hitherto historical trend of a decrease in capital productivity is changed into a trend of rising capital productivity (of which there are some indications) this would help substantially to ease the pressure on corporate profit rates, which has increased notably after the energy price rises and their corollaries throughout the economies. The overall employment consequences of such developments depend on the relationship between the GDP growth rates which can be propelled by growing demand and better profit prospects and the autonomous and induced labour productivity gains, as well as on the international division of labour. These trends are likely to have a very varied sectoral and occupational impact on employment, and will depend mainly on the cost-effectiveness and speed of the innovatory process. The calculation of these effects is not only difficult because of the inherent nature of the problem at hand but also because the traditional statistical sectoral distinction between goods producing and services producing industries tends more and more to



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become blurred. The interpenetration of sectoral developments is most frequently linked to the introduction and diffusion of new technologies, e.g. the 'service production' of durable consumer goods such as washing machines, refrigerators, etc. on the one hand and the growth of service occupations in manufacturing itself on the other hand. Also the increasing importance of business services illustrates this phenomenon since these services used to be carried out in the manufacturing sector. This growing interpenetration also means that a forecasting approach based on single sectors becomes less operational and that, therefore, changing input-output relationships have to be

taken into greater account. Because of these and other insufficiencies, efforts have been undertaken to cut through the traditional classifications. This was the case in the OECD accounting, which tried to establish — next to the classical sectors of agriculture, manufacturing, and services — a fourth 'information sector' of the economy, and the corresponding information occupations, (i.e. occupations which produce, manipulate, distribute and administer 'information'). Such a classification, however, tends to overstretch the meaning of 'information services' — at least in relation to the notion of information technology as it is generally understood. This is illustrated by the fact that according to this defini-

tion, nearly 35% of total employment in 1982 in the Federal Republic of Germany was in the 'information sector'.

Other sectoral classifications have been suggested in order to take more into account the pervasive influence of the spread of new information technology, but the major drawback of these approaches is that they generally do not allow the collection of the relevant statistics for the past and present.

The difficulties of classification play an even larger role with regard to occupational developments, as already stressed above. They are even more complicated because of the profound changes in the organization of produc-



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tion and work in goods and services producing industries, notably due to the massive spread of new information technologies by way of robotics, office automation, electronic cash and stock management, telecommunications, etc. These developments tend to lead to the emergence of a substantial demand for highly qualified, multi-skilled staff on the one hand, but may also contribute to the marginalization of large groups of occupations on the labour market which up to now perform routine work, work related to traditional technological standards, highly specialized but declining work, etc. The potential decentralization of the production process in the form of electronic distance working and other forms of outsourcing will equally shape

occupational structures and training and educational requirements. But opposite phenomena are also visible, i.e. the reintegration of previously separate output and service operations into one large technological network which comprises the production process right from the conception up to the final product or service.

Apart from the qualitative impact of the introduction of new information technologies on living and working conditions it is — in the present and foreseeable future of the labour market — its quantitative employment effect which is of major policy importance. It is well known that evidence and opinions on this issue are very controversial and

that, e.g. macro-economic 'top-down' approaches very often lead to quite other results than micro- or meso-economic 'bottom-up' methods. But it may be worthwhile to conclude by presenting a table developed by the Prognos Institute in its above-mentioned projection for the Federal Republic of Germany which indicates expected relative changes in employment in 23 areas of activity due to information-technological influences between 1980 and 2000. Such a table is also likely to be valid for other industrialized countries, and may therefore serve as a guideline for the developments to be expected in the years to come.

It should be stressed that this table — which in some cases even states di-

## SOCIAL EUROPE

Impact of production and office automation, communication technology and computer integrated manufacturing on the employed labourforce by areas of activity between 1980 to 2000 (medium scenario)

	Communication technology		Office automation		Computer-aided design and similar innovative preparations of product.		Computer-aided manufacturing		Computer-integrated manufacturing	
	1980/90	1990/2000	1980/90	1990/2000	1980/90	1990/2000	1980/90	1990/2000	1980/90	1990/2000
1. primary production	-	-	-	-	-	-	-	-	-	-
2. crafts	-	-	-	-	-	-	+	+	+	+
3. mechanical manufacturing	-	-	-	-	-	-	-	-	-	-
4. control and surveillance activities in production	-	-	-	-	-	-	-	-	-	-
5. machine handling	+	+	+	+	+	+	+	+	+	+
6. repair activities			+	+			+	+	+	+
7. storage and dispatch	-	-	-	-	-	-	-	-	-	-
8. transport of goods and persons	+	+	-	-	-	-	-	-	-	-
9. general sales activities	-	-	-	-	-	-	-	-	-	-
10. product-related trade activities	+	+	+	+	+	+	+	+	+	+
11. customer-related consultative and broker activities	+	+	+	+	+	+	+	+	+	+
12. section-specific office activities	-	-	-	-	-	-	-	-	-	-
13. integrated task oriented office activities	+	+	+	+	+	+	+	+	+	+
14. decision-making support staff	+	+	+	+	+	+	+	+	+	+
15. research and development	+	+	+	+	+	+	+	+	+	+
16. topic-related decision-making	+	+	+	+	+	+	+	+	+	+
17. upper management	+	+	+	+	+	+	+	+	+	+
18. cleaning, catering							-	-	-	-
19. education and guidance	+	+	+	+	+	+	+	+	+	+
20. security activities	-	-	-	-	+	+	+	+	+	+
21. legal activities	+	+	+	+	+	+	+	+	+	+
22. physical and psychological treatment and counselling	+	+	+	+	+	+	+	+	+	+
23. publishing and artistic activities	+	+	+	+	+	+	+	+	+	+

Explanation: negative impact: --- very strong; -- strong; - less strong. positive impact: +++ very strong; ++ strong; + less strong (the signs are quantitatively equivalent for each activity).

Source: Prognos, op. cit.

vergent employment outlooks — does not pretend to give the overall occupational employment trends which depend on many other factors of a socio-economic nature such as aggregate supply

and demand conditions, world market developments, other technological developments not included here, etc. The table, however, indicates quite instructively in which areas of activity the thrust

of the main new information technologies will contribute to job creation and job destruction and it is, thus, an important additional prognostic tool for policy makers at all levels.

# Youth initiatives and the European Community

Since 1980, the Commission has given limited financial support to a series of experimental youth initiatives — projects in which young people have played the lead role in design and management. These projects were primarily in the area of youth information and included booklets such as *Young Scot* (United Kingdom) *Viaggio* (Italy) and *Ung ABZ* (Denmark) which gave young school leavers information on everything from work and job hunting to how to get cheap travel. Projects have also included local initiatives in which young people have been directly involved in collating and producing information and disseminating that information directly to their peers using a variety of media. The Commission has also given support for the organization of a series of seminars at which young people, young professionals in youth work and policy makers met together to discuss young people's information needs. These were held in the majority of Community countries during 1984 and early 1985 and were part of a natural build up to Info Action '85 in Luxembourg.

## Info Action '85

In November 1985, the Luxembourg Government, as President of the European Community's Council of Ministers, was host to a European Conference and Exhibition of an unusual kind. As Mr Fernand Boden, Minister of Education and Youth, in Luxembourg, described it in his welcoming speech:

'This is not an exercise on a theoretical level, speeches by 'experts' to other 'experts'. For once, the activities of young people will be described and illustrated by young people themselves — for the benefit of national and international officials concerned with youth policies'.

'Info Action '85' was organized in cooperation with the Commission of the European Community, and was part of the Community's contribution to International Youth Year. Its theme was the participation of young people in organizing and presenting the information they required during their transition from education to adult and working life.

This conference provided an opportunity for an exchange of views involving young people, teachers, youth leaders and policy makers, and it also enabled the Commission to consider some of the achievements and trends within the overall theme, as the Commission's memorandum on International Youth Year had indicated:

'International Youth Year is an opportunity for the Commission to take stock of progress being made with regard to actions in support of young people and to make its contribution to the strengthening of youth policies in the European Community.'

## Action by the Commission

The focus of the Commission's interest, when it first became involved in youth initiatives in the area of informa-

tion, was vocational guidance and the challenges faced by schools in preparing young people for adult and working life in a society faced by economic uncertainty. Since then we have seen radical developments in ideas and approaches:

- (i) a switch of emphasis from teaching to learning, from vocational skills to personal development, from the acquisition of paper qualifications and knowledge for its own sake to encouragement of entrepreneurship, personal initiative and creativity;
- (ii) a growing perception that the whole of the local community — employers, trade unions, voluntary organizations, manpower agencies, youth and information services, parents — should be involved in a collective effort to pool resources to expand and diversify learning opportunities for young people;
- (iii) more and more emphasis being placed on the needs and aspirations of young people themselves and the ways in which they can be given more opportunities to express themselves and take more responsibility over their own lives.

These approaches have been reflected in, and strongly reinforced by, the Community's two pilot project Programmes on the transition of young people from education to adult and working life (1978—82, and 1983—87).

Throughout Europe, young people are being called on to be more creative, innovative and adaptable; to channel their energies into reviving the economy, by learning about technology, by creating their own jobs, and making industry more competitive.

It is quite clear that many young people are eager to take the initiative in launching projects which are not only constructive and interesting for themselves but which also help others. Throughout Europe, there is an increasing number of young people who want to create something new, either on their own or with a group of friends. Young people have established housing cooperatives, set up small job exchanges,



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developed local initiative funds, gone to visit or to work in another country or got involved in some type of social action — anything from helping in a youth information point to working for the 'Touche pas a mon pote' campaign. Often they are not getting a lot of money from their activities or any recognized qualification but the experience is very important to them. Such experience also helps them develop work and life skills which will be useful to them in their future working life, either as employees or independents.

## Developing initiative

In many ways, some of the current youth initiatives represent an implicit criticism of the inadequacies of existing

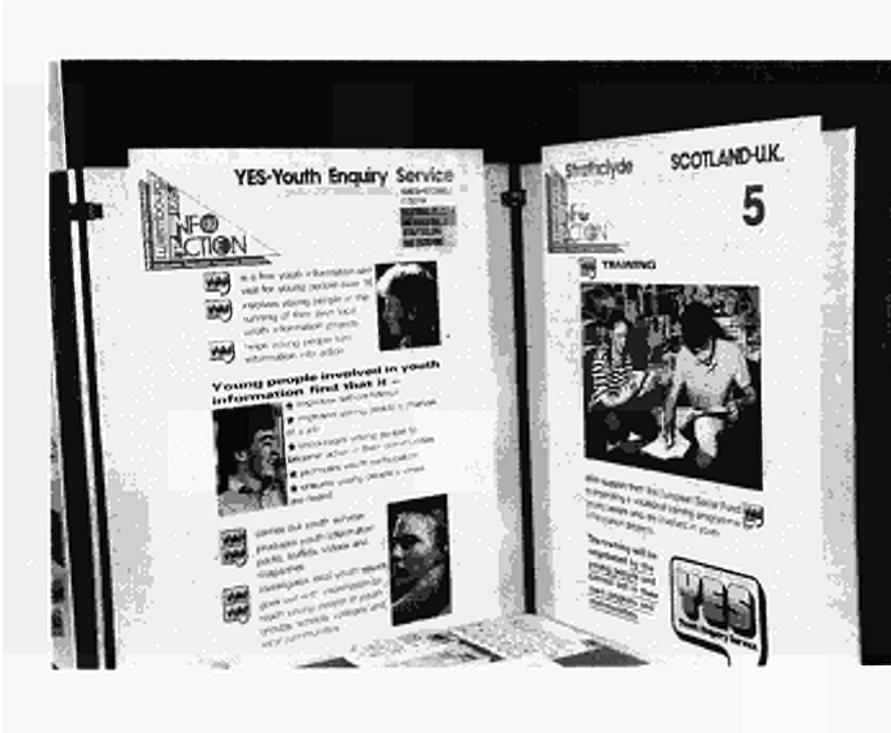
services which are meant to assist young people. At Luxembourg, the young people were very honest about some of the issues and problems which their projects had to face. These included —

- (i) the lack of appropriate information for young people;
- (ii) the insensitivity of some existing agencies to young people's needs;
- (iii) the need for better dialogue between young people and policy makers;
- (iv) the need for training if young people are to translate information into action;
- (v) the need for professionals to support rather than direct or restrict, young people's efforts;
- (vi) the need for finance.

Thus while youth initiatives provide an opportunity for involvement, participation, co-decision making and creativity, this is a learning process which is not only for young people. If initiative and action is to be developed and extended within our existing structures then agencies and institutions must in turn display initiative by providing young people with opportunities to exercise responsibility and to become partners in developing their own learning.

## Promoting initiative

The benefits of involvement in this learning process are obvious but not many young people are given the chance — as one young participant at Info Action '85 said.



A full report on Info Action '85 has been prepared and is available in all Community languages.

In addition to this report an 'Info Action '85 Video Tape' has been produced as a record of the Conference and the Exhibition. The tape lasts 12 minutes and includes extracts from some of the videos which were shown during the event. The 'Info Action '85 Catalogue', is also available. This describes all the projects in the Exhibition and lists interesting publications and audio-visual resources which can be obtained from each project. Both the tape and the catalogue are in English, French or German.

Perhaps the most important action is the Commission's proposal to continue to offer direct support to projects which are managed and controlled by young people. Projects could include local community initiatives, self-help projects based on information and counselling as well as training and access to the media and techniques of communication particularly using new technologies. Support will also be given to events or exhibitions organized by young people to bring youth initiatives to the attention of the media and the general public.

Financial assistance will be in the form of a non-renewable grant for a period of up to 12 months. Applicants will generally be expected to find at least half of the project costs through their own efforts although projects which are entirely run by young people may sometimes receive more than 50% of the costs.

Through this and similar actions the Commission hopes to promote a gradual change in attitudes towards young people, putting them at the centre of the stage in seeking solutions to some of their own problems. The Commission will be taking full account of this movement towards youth participation in its future plans and actions and so it would welcome other people's views and news about other initiatives in this field.

**Margaret Brusasco-MacKenzie**

'We, the young people on our project, have been given the opportunity to learn, decide and act. There are thousands of other young people who have similar abilities to ours, but, for the want of opportunity, their capabilities go unnoticed, not only by themselves, but by others. I feel that a project like ours should not be a rarity but that it should be a common-place occurrence to have young people involved in decision making and action.'

The Commission listened carefully to what the young people had to say and reiterated its desire to support the concept of youth participation. In his contribution at the end of the conference, Mr H. C. Jones, Director for Education, Vocational Training and Youth Policy indicated the Commission's priorities for the future promotion of youth initiatives as follows; —

- (i) providing more support and publicity to youth initiatives, at a Community level and carrying forward the idea of financial aid which had been mentioned by the President of the Commission in his message to the Conference;
- (ii) placing the highest premium on those projects which involve young people in their design and management;
- (iii) encouraging a strong European dimension to the different initiatives which could enable them to learn from each other's actions.

## Practical action

Since then, the Conference in Luxembourg the Commission has been able to put some flesh on these bones.

# The short study visits scheme for education specialists

It is now 10 years since the Council and Ministers of Education meeting within the Council adopted the Community action programme in the field of education,<sup>1</sup> one of the main aims of which lies in the promotion of closer relations between educational systems in Europe. And because the education systems are no more than the people who work in them, one of the activities specified by the Resolution was the organization of study visits for 'local, regional and national administrators of schools and institutions of higher education'.

The programme began in 1978, and so far some 1 800 people have had the opportunity of taking a study visit to another Community Member State. They have had the opportunity to exchange experience with their counterparts, to study the education system of the country visited, and, not least, to create their own 'network' of contacts in other countries. The scheme has developed an increased European awareness amongst its participants, in a way that foreshadows the more recent work of the *ad hoc* Committee on a 'People's Europe'.

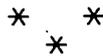
The aims of the scheme were fixed in 1978 and have not changed significantly since then. The programme aims to help those exercising important responsibilities, initially at local and regional levels but now more widely, to stand back from their own daily work, to review and perhaps to modify it in the light of direct experience of developments and practice elsewhere. Their experience is also a help to policy makers: the circulation of their reports increases the amount of selected and up-to-date information about educational developments throughout the Community which is available in Member States.

Initially, the scheme was aimed at administrators, at the local, regional and national level. This was the first scheme aimed at this group of people, who for the first time were thus enabled to acquire experience of practice in other countries. However, experience showed that this initial definition of the target groups was too narrow. Accordingly, following the conclusions of the Council

and Ministers of Education at their meeting in June 1983, a new definition of participants in the scheme emerged. The programme should now be addressed to education specialists, in the widest sense of the word. Without excluding the former target group, the scheme now also allows for policy makers, inspectors, school directors, teachers and in some cases even representatives of parents' associations.

What form do the study visits take? The visits last one week (the longest time that most participants can take from their regular jobs) and they are in multi-national groups.

This last condition is very important in that it widens the scope of the experience very considerably. And for this reason, every programme provides for informal discussions between participants, who are normally housed in the same hotel. These discussions form the basis of the informal 'network' referred to above, which enables reciprocal information, return visits and continuing contacts between former participants.



The themes of the study visits relate to the priorities for Community action in the education field fixed by the Council and Ministers of Education. They are discussed by the Community's Education Committee, a grouping of high level officials from national Ministries of Education and from the Commission, which over the years has made a number of decisions on the organization of the scheme and the themes to be studied.

The themes, too, have developed over the years. During the first years, the sole theme was the structure of the school systems for the 11–14 age range. This theme was soon extended to the 11–19 age range, and the study of general or technical education in the Member States still forms part and parcel of the programme. However, both the number of participants and the range of themes have increased considerably since those first years.

In 1986/87 there are 5 themes within the scheme, reflecting on the one hand

the general aim of the Community's Education Action programme — to increase the knowledge in each Member State of developments and practices elsewhere in the Community — and on the other, some of the Community's specific educational priorities. The themes are as follows:

## 1. General and technical education in the Member States

The general theme gives participants a first chance to widen their range of experience of practice in other Member States. This is the oldest theme, but it is not of less interest for that reason. Not only is it an opportunity that must be offered to the new Member States, but also, the fact is that the continuing development and renewal of the structure of the education systems in the Member States require that this theme be retained.

## 2. The introduction of the new information technologies into schools

A clear case of a common problem facing all Member states. The short study visits scheme here makes a twin contribution, acting both as a means to spread the experience of those Member States which have plunged most deeply, and as a general part of reflections carried out at Community level.

## 3. Methods of certification and assessment:

This links up with a subject of the Ministers' reflection at their 1984 meeting — the question of the disadvantaged pupil. It studies methods of certification and assessment, particularly for the low achiever, the de-motivated, or those pupils with particular problems in school. It also looks at activities aimed at the prevention and reduction of illiteracy.

<sup>1</sup> OJ C38, 19. 2. 1976.

**4. Innovations in the field of the education of young disabled persons.**

This includes methods of increasing contact between children with physical (including sensory) or mental disabilities and their peers, in the normal school system, and links also to the wider work on the social integration of disabled people carried out by the Commission's Bureau for actions in favour of the disabled.

**5. The promotion of equality of choice and opportunity for girls and boys at school.**

A classic area of Community activity, under Article 119 of the Treaty of Rome's requirement for equal treatment in the workplace, this theme includes both general and vocational education. It also provides for the study of measures to reduce sex-stereotyping in all areas of educational provision.

In 1986/87 a total of 510 places will be available within the scheme, divided between the Community's 12 Member States so as to ensure a proper geographical and educational balance.

The scheme is organized in practice by national liaison officers, who meet once a year to prepare the forthcoming programmes and to fix the practical objectives. They link up with the national members of the *ad hoc* Community's working parties which follow particular areas of Community education policy (eg. the new information technologies), both for the nomination of participants and (with the different hosting services) for the organization of study visits in their country. The programme is coordinated at European level on the Commission's behalf by the Pädagogischer Austauschdienst (PAD) (Educational exchange service), a division of the Sekretariat der Ständigen Konferenz der Kultusminister der Länder in der Bundesrepublik Deutschland (Standing Confer-

ence of Ministers of Culture in the Länder of the Federal Republic of Germany) who have the difficult task of matching the requirements and capacities (e.g. languages spoken) of candidates with the offers put forward by hosting services to organize visits around particular themes and at particular dates.

In addition to the general 'network' of contacts that has developed through the scheme, two seminars for former participants have been organized around priority themes.

The first took place in November 1982 in Pont-à-Mousson (France) on the general theme 'school for the 11 to 14 age range and its priority tasks' (educational approaches, guidance and counselling for the 11-14 year olds, in-service training of teachers, priority areas and the European dimension in education); the second was held in Deurne (Belgium) in March 1984, for an examination of the education needs and provision for young people between the ages of 14 and 16, including the relations between pupils and teachers, and systems of pupil assessment and certification. These seminars not only enabled a proportion of the participants to meet again, but they provided a forum for them to extend their mutual knowledge and to develop new ideas, both for Community activity in education and for the short study-visits scheme itself. Indeed, the more recent developments in the scheme, including the extension of the themes, date essentially from the discussions at Pont-à-Mousson.

But what does the scheme really produce?

What are the tangible benefits, the results? Nothing in the education field is easy to evaluate, this scheme no more than any other. But we can try.

First, participants come back from their study visits with new impressions, new experience and new relationships.

They can take a new look at their own daily work, their own problems, from a perspective enriched by the addition of a European dimension.

Secondly, they make reports on their study visits, and circulate and discuss these with colleagues at home — so widening the profit from their own experience.

Thirdly, these same reports contribute to the work undertaken by the Commission and the *ad hoc* working parties in charge of the established programmes at Community level.

But these are formal methods. More important, perhaps, are the informal results. Very often, contacts made during the study visit become confirmed relationships. Institutions of a special interest are marked down to be visited. Return visits are organized. And not least: education specialists have learnt 'to look over the fence'. They become aware that they are not alone in coping with their problems, that they can find valuable experience abroad. As one of the participants noted in his reports:

'In the European Communities there are a number of very different education systems. We can hope that better mutual knowledge and careful comparative analysis of each of them will lead to school structures in Europe, which may still be different and highly original each in their way, but nevertheless in a position to help young people to take proper account of their own abilities and preferences in a period of economic and social change, and to go on developing their skills and abilities and improving them'.

It is this recognition of comparable cultural values, interpreted through an individual perception and identity that must lie at the heart of the creation of a 'People's Europe'.

**Guido Boel**

# The mobility of disabled people: two new studies pave the way for Commission proposals

## The context of the studies

The Commission's programme in favour of disabled people is concerned with all aspects of their social as well as economic integration; it is obvious therefore that the problems of physical mobility — particularly, but not exclusively, for those with motor or visual handicaps — must be comprehended in that programme. Even from a purely economic viewpoint, mobility (in common with other environmental factors, such as access and suitable housing) is uniquely important for people with disabilities: it is no use offering training or employment to a disabled person if he cannot live in the neighbourhood, cannot travel to work and cannot enter or stay in the workplace. It is equally obvious that with the continuing increase in the proportion of older people in our society, problems of mobility arise for more and more of our fellow citizens, and that the magnitude of this problem will continue to rise rapidly.

In response to this challenge, the Commission is undertaking two initiatives. First, in order to stimulate and support effective and innovatory mobility initiatives in the Member States, the Commission is seeking ways to extend its present scheme of grants for Housing Projects for Disabled People so as to cover projects in the mobility field also. Even more important — and this is where the studies come in — mobility will be one of the principal themes of a policy initiative concerning the physical environment of disabled people which the Commission is now preparing. The Commission intends to submit its proposals on this topic in 1987; the aim will be to establish both Community policy guidelines and European mechanism for agreeing and monitoring standards.

Clearly the Commission needs to prepare a precise and up-to-date basis of knowledge before launching proposals in a domain as technically complex as this; but why two studies rather than simply one? Our conviction was that the domain is so extensive that it would be impossible to cover all the issues in one study without producing a result which would be too unwieldy to handle. So we



decided on two studies in parallel, one concerned with everyday mobility (including movement on foot or in a wheelchair about the street, as well as transport) and the other with longer distance mobility (including the problem of accommodation in hotels and holiday centres).

## Everyday mobility

This study has been prepared for the Commission by Erica, the European Research Institute for Consumer Affairs (author, David Yelding). The report covers three principal domains: pedestrian facilities, private cars, and adaptations to public service vehicles. Special 'Door-to-door' transport schemes for

disabled people are not exhaustively treated (though reference is made to them) since a specialized study on these was prepared for the Commission by Erica not long ago.

Each of the three main sections starts with an introduction which defines the field and explains the method of enquiry employed. The chapter on the pedestrian environment consists of three subsections, covering respectively pavements and walkways, road crossings, and interfaces with other mobility modes. In each subsection a detailed analysis of the issues is followed by a summary description of the situation in relation to them throughout the Community and extremely valuable brief descriptions of specific effective innovations.

The chapter on private cars is arranged by means of country reports, covering all the Member States at the time when the data were collected (1984—5). Each country report contains sections on buying a car, adaptations, parking rights and driving licence problems, as well as brief information on other significant transport facilities using cars (e.g. concessionary systems for the use of taxis).

The third main chapter is concerned with the complex domain of adaptations to existing public service vehicles (buses, trams, metro, trains). A substantial introduction which clarifies the types of modifications (internal, external) to be reviewed and explains the methodology of the enquiry is followed by country reports in which particular attention is given to developments in Germany, France, the Netherlands and the United Kingdom; because of their particular interest, main developments in Sweden and the United States are also described.

This 'descriptive analysis' which forms the main body of the report is preceded by two particularly useful sections. One of these summarizes all the technical conclusions of the analysis itself, using the same division into three sections described above. Even more valuable, perhaps, is the section which comes first of all, entitled 'Possible EEC Action', based on suggestions received from all the organizations contacted by the author in response to copies of the summary conclusions which he sent them.

After calling on the European Community to face up squarely to the economic and political problems of cost benefit and financial responsibility, the report calls attention to the importance of bearing in mind the pedestrian needs of those with sensory or mental impairments as well as of the motor disabled, and of overall environmental planning when new urban developments are undertaken. Great stress is laid on the cost effectiveness of many possible improvements in public service vehicles which benefit a very large proportion of the community and so encourage public vehicle use as well as promoting inde-

pendent living. Significant headway should certainly be possible in the direction of harmonization and transferability of parking rights, though this will involve overcoming not only the diversity of badges or cards in use but differences both in the range of facilities offered and in criteria of eligibility.

There are two fundamental conclusions concerning European Community action which are of a more general nature; both, at least as far as the writer of this review is concerned, carry complete conviction. The first is the invitation to the Commission to put whatever resources it can into the common effort to fulfil an urgent need: a completely new level of systematic information — new that is in its range, its accuracy and its availability. This, as the author of the report explicitly points out, is a direct challenge to the Commission's 'Handynet' project. Secondly, the Community could produce and up-date model guidelines directed at national authorities (who could be asked to report on progress) and at local organizations and promoters; the Action Programme launched by the UK Ministry of Transport in 1981, the text of which is annexed to the report, could be studied as a model. In the light of the Model Code of Positive Action which it has annexed to its current Draft Council Recommendation on the Employment of Disabled People,<sup>1</sup> the Commission can hardly fail to be attracted by this proposal in the mobility field.

### **Travel and the disabled**

This second study, concerned with longer distance travel, has been prepared for the commission by the Netherlands Consumentenbond (authors J. R. Vorderegger and C. J. Verplanke). The study covers six domains: travel by rail, air, bus (or coach), sea and car, and accommodation (hotels, holiday centres). The report is in two parts, the second of which consists of a detailed and systematic presentation of all the very considerable data amassed. After setting out the terms of reference and methodology of the enquiry, this section establishes

the disability needs and policy approach in eight Member States and some other countries of special interest and then proceeds to a descriptive analysis of actual facilities, country by country for all the six domains mentioned above. Each subsection covers laws, standards, guidelines and recommendations; financial arrangements; provision of information; the handling and conveying facilities themselves (stations, ports etc.; vehicles, craft etc.) and future prospects. This whole second part of the report amounts to a compendium of information likely to be used largely as a reference document.

Part I of the report consists of a 50 page extended summary and conclusions drawn from the mass of data accumulated in Part II. Here, the situation at the levels of policy, standards and practical arrangements are set out not by means of country by country reports but in general descriptions illustrated by means of specific examples. This leads up to a crucial chapter of 'Proposals and Recommendations' which, as with the Erica study, has special importance with a view to the development of Community policy. The justification for the two separate studies can here clearly be seen. Longer distance travel raises a number of issues quite different from those which derive from everyday mobility problems. Travel by private car, and the parking problems this involves, are indeed common to both studies; but even for car travel, the second study introduces quite new material concerning facilities on motorways. As for other transport modes, there is very little overlap between the two reports, except at the most detailed technical level.

On general questions, the Consumentenbond report has important conclusions to draw. Isolated initiatives are often quite ineffective: 'a structural approach is required'. Better statistics would reinforce the importance of the problems. The needs of sensory dis-

<sup>1</sup> COM (86) 9 final, adopted by the Council on 5 June 1986.

ability and of wheel-chair users are often not understood by service providers. At the practical level, minimum standards of accessibility should be clearly stated, and harmonized at a European level; the major effort should be concentrated on their application to new terminals and conveyances. But fundamental legal issues should also be faced, notably the definition of the responsibility of a public provider, and of a private one, to provide a service: to what extent should that be a service 'for anyone who can use it' or 'for anyone who wants to use it'? Where does the 'onus of adaptation' lie?

On more specific issues, the report points to the generally poor levels of accessibility of ferries and other passenger ships, and to the unsatisfactory strictness of the regulations of a number of airways companies, resulting too often in a disabled person being required to travel with an escort at his own expense. Much stress is laid, indeed, on the desirability of establishing the principle of a 'freefare' for escorts in all transport modes. The author of the report links this need to another of his most important conclusions: he makes a powerful plea for the establishment of a European concessionary travel card for disabled people, and although the term 'identity card' which he uses is not one which the Commission could accept, the idea of a European mobility card is certainly one which we shall explore most carefully in developing our proposals.

Finally, like Yelding in the Everyday Mobility study, Vorderegger and Verplanke underline both the need and the possibility of a major forward leap in the

range, accuracy and availability of information. Good examples exist, in all the transport sectors, of both specialized brochures and specialized information integrated in general ones; both these methods need to be developed, and every effort must be made to multiply good practice. But there is a need for systematic data-base development too, and here again emphasis is laid on the vital role which 'Handynet' could and should play. In this regard, no issue is more important than that of the adapted accommodation available to disabled people, above all in hotels. Here a rapid data-base development must be linked to an attack on surcharges, a complete overhaul of access criteria and a revaluation of the international access symbol.

### Conclusions and prospective

We are extremely fortunate to be developing our work in this area at a time when the European Conference of Ministers of Transport (in which all our Member States participate) is also extremely active. An ECMT working party, on which eight Community countries are represented, has recently produced a report on *Transport for the Disabled* which comprises 'international comparisons of practice and policy with recommendations for change'. The Commission will be able to draw on this important work as well as on its own two studies in preparing, at the end of this sum-

mer, a synthesis discussion paper on priority needs and European level possibilities. This paper (made available, as well as the studies themselves, in a number of Community languages) will form the basis of a multi-representative 'workshop' conference on Mobility and Disabled People which the Commission is organizing in Brussels this December, and for which the chairman of the ECMT working party has been invited to give the key-note speech.

Valuable additional input to the workshop will be provided by the Community's network of District Projects on Social Integration, whose annual plenary conference, to be held this year in Piacenza in October, will focus on independent living in an urban environment. District project leaders will attend the Brussels workshop as well as representatives of national ministries, of Rehabilitation International and of all the principal associations of disabled people which are organized at European or international level. As a further contribution to the workshop, and to the whole consultation process of which the workshop is the central point, these associations will be invited to present Position Papers on the mobility theme.

As with the similar 1984 workshop on the employment of disabled people, the results of the workshop on mobility will be published in a number of Community languages. More important still, the Commission will then have completed the scientific and consultative preparation of its policy initiative on Mobility which it hopes to launch in time for it to be seen as a contribution to the 1987 European Year of the Environment.

# Vocational training and guidance for the young unemployed

## An evaluation of three years' experience



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### The origins of the project

Thanks to joint financing from the Italian Ministry of Labour and the European Social Fund, a vocational training and guidance programme for young unemployed immigrant Italians was put into operation in Belgium. During the second year, the scheme benefited from a CST ('cadre spécial temporaire', Special temporary management team) of 6 persons assigned by the Belgian Ministry of Employment and Labour.

This enabled research to be carried out into the real and potential impact of the proposed training on the trainees and, more generally on the unemployed Italian residents. The precarious nature of financial guarantees and delays in payments make the day-to-day running of the scheme a very uncertain matter.

The 'Vocational Training and Guidance' scheme was originally intended as a springboard for professional re-qualification, and therefore a greater chance of social integration, aimed at young persons out of work.

Its originality lies in a long experience of involvement with young immigrants combined with the will to make use of existing vocational qualification structures. The first realization which gave momentum to the scheme was in fact, that of the impossibility facing young immigrants in their attempts to gain access to vocational training schemes organized by the ONEm (Office National de l'Emploi) (National Employment Office) due to inadequate schooling and difficulty in adapting to administrative logic.

### The promoting organization

This long experience is the legacy of 15 years of social and cultural work of the CASI-UO (Centre d'Action Social Italien — Université Ouvrière) involving the 'second generation', with the intention of clearing the way for true integration into the 'host' country. This continued confrontation with the inequalities suffered by these 'newcomers' has had its effects: five theatre productions, three LPs made by immigrant singers, a legal service which has dealt with several thousand cases, a reception centre for young people in need, remedial school courses, language and literacy courses, publication of research and information, and, since 1979, in response to the crisis, four workers' cooperatives founded by young unemployed

persons (a car-repair garage, a plumbing service, a printing works, an Italian craft shop).

## The scheme

### Training specifically related to the transition from school to work

Initially conceived following the model of awareness-training (Paulo Freire, Barbiana School, applying the methodology of the mental development programme, the 'Vocational Training and Guidance' scheme is devised as a training programme specifically related to the professional transition phase for an audience of unemployed persons of three types: young, immigrant, poor schooling.

The scheme revolves round three axes:

#### *Guidance:*

Initially devised to take account of technological changes (introductory course in computing, and science and technology workshops), greater awareness of the labour market and contractual law (employment file and social legislation), and its own personal school and life evaluation method (guidance).

#### *Training:*

Comprising both a linguistic (French and Dutch classes) and a vocational element (vocational options in the programme or entry into the intensive vocational training scheme of the ONEm, or the social training courses).

#### *Social integration:*

In a two-dimensional process involving coming out of the isolation caused by the predicament of being unemployed (loss of communication and relations networks) by integration into a homogeneous group restoring one's image of one self, and insertion into a professional environment by way of the training courses and via active job-seeking.

The scheme comprises 1050 hours, spread over 35 weeks at 30 hours/week. It splits into two phases: the first (three

months) of formulating a programme for re-qualification in conjunction with the acquisition of the 'common cultural denominator', basic knowledge required for personal independence and a grasp of the historical background determining present-day society.

A second phase (six months) of vocational training, often in alternating sequence, either in cooperatives or in other private establishments. Insertion courses are also provided in the final phase of training.

### The search for new educational methods

Those receiving the training are unemployed, poorly schooled young people, living in the main a life of 'total unemployment', in other words, with no substitute activity and no solidarity network other than that of the family, with the subjective corollary of a sense of helplessness, boredom, uselessness, and loss of confidence in their own capabilities. At odds with the educational model, they are not looking for a second chance to be educated, but for ways out of unemployment, in which education plays a part.

The new educational relationship is built upon:

- (i) a regaining of self-esteem by throwing a lucid look at oneself as an active participant in the economy and at the reasons for being unemployed;
- (ii) revitalizing the dynamism of personal abilities with a re-qualification scheme on the one hand, along with a social outlook based on a homogeneous group which will develop into a solidarity network;
- (iii) increase in intellectual and professional capacities through training and courses in a professional environment;
- (iv) relating to a team, providing the training, based on the confidence in the trainee's capabilities, and support when facing up to the real world, either administrative or economic;

(v) the function of law and authority based on the definition of constraints required for the 'greater good', and on the voluntary acceptance of the rules of the group. These are taken as being determined by experience and structured on a personal basis;

(vi) the restoration of a sense of responsibility in each individual towards global schooling and the global solutions to unemployment, rejecting the vision of assisted persons in favour of that of active protagonists.

### The building up of finalized programmes

The different disciplines are centred around three axes:

#### (i) *'the common cultural denominator':*

main objective of the three first months of training with the contribution of following courses in French, Dutch, arithmetic and mathematical logic, history of science and technology, introduction to computing, social legislation, vocational guidance;

#### (ii) *vocational choice:*

defining the total knowledge required by the chosen job. This apprenticeship is pursued according to the criterion of alternation implemented by courses followed in production or service industry;

#### (iii) *the labour market:*

which is both the subject of knowledge through active job-seeking and study of social and company legislation, and also serves as a point of reference in the devising of programmes and in evaluations.

### The young people involved in the experiment

Since its inception in January, 1984, approximately 200 unemployed young Italians have taken part in this training.

About 75% of the trainees have a low level of secondary vocational education, and, furthermore, over half of them have not even completed their secondary schooling.

This is a 'risky' group: indeed, in an era of technological changes, outright losses of manual jobs (particularly in urban areas) and of social mobility, poorly or inadequately trained young people, who *a fortiori* are faced with the added difficulties peculiar to the immigration phenomenon, are inevitably condemned to drift along in the socioeconomic current.

The only means of finding a sense of direction, in other words, economic insertion, which formerly provided immigrants with a basis for social integration, has nowadays become very precarious for young people from migrant families.

It is also worth noting that a quite considerable number (25% on average) of trainees have been long-term unemployed, and therefore need an even more supportive framework.

### Evaluation

Let us first of all refer to the statistics normally quoted in such evaluations, in other words, the level of recruitment and the rate of success.

The level of job placement is, on average over the two completed years, about 40%, and the success rate about 75%.

We have included in this percentage not only those persons who have progressed from a situation of unemployment to one of employment (even if very insecure jobs are sometimes involved), but also those who have started on a scheme which will enable them to increase their professional qualifications.

After the first year, the ONEm gave us the opportunity of placing the young trainees on courses in a professional environment. Consequently, about 40 young people were able to increase their professional competence and face the complete social adjustment which they often had to make.

Again we must also mention the increasingly complementary relationship that has developed at institutional level between our training programmes and those of the ONEm. The latter have, for various reasons, become primarily specialization and further training programmes and presuppose basic professional competence and a definite motivation in the chosen profession.

The most unexpected result, however, comes from the research carried

out in 1985 in collaboration with the Szondi Records Office of the Catholic University of Louvain-La-Neuve.

This study compares the trainee group with an outside group in the same socio-economic group in order to establish the impact of the training on the psychical structures.

This revealed that the experience of undergoing training has a decisive impact on the chances of re-integration, since it has far-reaching effects in wresting the person from the amnesic sleep of an aimless existence where time goes round in circles, and which is strewn with experiences which erode the individual's self-esteem.

It was not without reason that we opted for a training scheme: it is at the same time the instrument of a re-qualification strategy, but also a boost to self-esteem and analytical capacity.

Experiments such as ours are a response to a social need. To meet the technological innovation and re-orientation of production which Europe is heading towards, it is imperative to give support to the more fragile professional strata and to work with them to prevent being swept aside by these changes and to equip them with the appropriate defensive strategies.

# Guidelines for the management of the European Social Fund for 1987—89.

## Introduction:

On 30 April 1986, the Commission adopted the guidelines for the management of the European Social Fund for the financial years 1987—89. Because estimates forecast that total applications during these years will exceed the increase in the budgetary allocation, the Commission has increased the geographic and qualitative concentration of Fund assistance. Thus priority assistance from the Fund will now cover 56.5% of the working population in the Community, as against 63% in 1986, the first year of the Community of Twelve.

The more stringent qualitative criteria particularly affect operations aimed at adults, the financing of which has had to be considerably reduced in previous years for lack of sufficient funds.

## COMMISSION DECISION

### of 30 April 1986 on the Guidelines for the Management of the European Social Fund in the financial years 1987 to 1989

(86/221/EEC)

THE COMMISSION  
OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 85/516/EEC of 17 October 1983 on the tasks of the European Social Fund,<sup>1</sup> and in particular Article 6 thereof,

Having regard to the opinion of the Committee of the European Social Fund,

Whereas the Commission adopts, before 1 May of each year and for the three following financial years, the Fund Management Guidelines for determining those operations which reflect Community priorities as defined by the Council and in particular the action programmes in the area of employment and vocational training;

Whereas the Member States have been consulted and the Parliament has expressed its views in the resolution of 11 March 1986,

HAS DECIDED AS FOLLOWS:

### *Sole Article*

The Guidelines for the Management of the European Social Fund for 1987 to 1989 as annexed to the present decision.

Done at Brussels, 30 April 1986.

*For the Commission*  
Manuel Marín  
*Vice-President*

## ANNEX

### 1. General

1.1. Fund assistance will be concentrated on operations to further employment in:

1.1.1. the absolute priority regions as defined in Article 7(3) of Council Decision 83/516/EEC;

1.1.2. areas of industrial and sectoral restructuring made up of zones assisted or proposed by the Commission to be assisted from the non-quota section of the European Regional Development Fund or assisted under Article 56 of the ECSC Treaty (see attached list);

1.1.3. areas of high and long-term unemployment drawn up by reference to unemployment rates and gross domestic product (see attached list).

1.2. Priority operations limited to the absolute priority regions are indicated by the letters 'AR'; those limited to these regions and the regions listed in the Appendix are marked 'R'; priority operations without regional limitation are marked 'N'.

1.3. Persons unemployed for more than 12 months are considered to be long-term unemployed.

1.4. Priority will be given to vocational training operations which:

1.4.1. equip trainees with the skills required for one or more specific types of job;

1.4.2. have a minimum duration of 200 hours apart from whatever preparatory training which may be included;

1.4.3. include 40 hours devoted to training broadly related to new technologies, which are counted in the calculation of the minimum duration of training; this will not apply to operations for the mentally disabled;

1.4.4. in the case of operations intended to further employment in Greece and Portugal, and in Spain for 1987, the minimum duration laid down in 1.4.2 shall be reduced to 100 hours and the requirement related to new technologies in 1.4.3 shall not apply.

1.5. Priority will be given to theoretical instruction forming part of apprenticeship training only in the absolute priority regions or elsewhere where it concerns the disabled and the members of the families of migrant workers.

1.6. Priority will not be given to assist the salary costs of public agents in the case of operations for instructors, vocational guidance or placement experts or development agents.

1.7. Applications will be approved by budget item. Where appropriations are insufficient to cover priority operations, a linear reduction will be applied, calculated in proportion to the financial volume of remaining applications by each Member State. This system will also apply to a surplus of non-priority operations. In the application of the reduction, preference will be given to:

<sup>1</sup> OJ L 289, 22. 10. 1983, p. 38.

- 1.7.1. operations forming part of an integrated programme involving assistance from two or more Community financial instruments, in particular Integrated Mediterranean Programmes (N);
  - 1.7.2. operations of vocational training leading directly to specific jobs in enterprises employing less than 500 persons and linked with the application of new technology which is the subject of Community Programmes of Research and Development (N);
  - 1.7.3. operations particularly dependent on Fund assistance for their implementation (N).
  - 1.8. Decisions on applications for assistance will be consistent with Community policies and will take account of compliance with Community rules.
  - 1.9. When implementing the Guidelines, the Commission shall have regard to the adjustment problems of Spain and Portugal, especially as far as national legislation is concerned; in particular, it shall take account of the economic and social situation of Portugal.
- 2. Priority operations for young people under 25**
- 2.1. Vocational training for persons under 18 years of at least 800 hours duration including work experience of at least 200 hours but not exceeding 400 hours and offering substantial prospects of employment (R); for operations intended to further employment in Greece and Portugal, and in Spain for 1987, the minimum work experience required shall be 100 hours.
  - 2.2. Vocational training for persons whose qualifications have through experience proved to be inadequate or inappropriate preparing them for skilled jobs requiring the use of new technology (N) or in occupations offering substantial prospects of employment (AR). The requirement for new technology shall not apply in 1987 for Spain.
- 3. Priority operations for persons over 25**
- 3.1. Vocational training of the long-term unemployed geared to their needs and including motivation and guidance and offering substantial prospects of employment (R).
  - 3.2. Vocational training for staff of undertakings with fewer than 500 employees requiring retraining with a view to the introduction of new technology or improvement of management techniques (R); by derogation from 1.4.2 a minimum duration of 100 hours will be required.
  - 3.3. Recruitment or setting up of the long-term unemployed to additional jobs of indeterminate duration or to additional jobs of at least six months duration which fulfil a public need (AR).
  - 3.4. Vocational training, recruitment to or setting up of additional jobs through employment initiatives taken by local groups, with the assistance, as appropriate, of local or regional authorities, and in the context of a local expansion of employment opportunities (R).
- 4. Priority operations which have no age requirements**
- 4.1. Operations forming part of an integrated programme involving assistance from two or more Community financial instruments (N).
  - 4.2. Operations carried out jointly by bodies in two or more Member States (N).
  - 4.3. Vocational training linked to operations to restructure industrial undertakings because of technological modernization or fundamental changes in demand in the sector concerned; the restructuring must substantially affect the skills requirements and affect at least 15% of the workforce within a period of two years. The training may relate to workers being retrained for continued employment in the undertaking, or those becoming redundant and needing jobs elsewhere (R). Priority will be given outside the priority regions where the restructuring affects the skills requirements of at least 25% of the workforce and is located in an area of particularly high unemployment or where the public authorities have introduced exceptional measures to support vocational training or job creation (N).
  - 4.4. Operations of vocational training leading directly to specific jobs in enterprises employing less than 500 persons and linked with the application of new technology which is the subject of Community Programmes of Research and Development (N).
  - 4.5. Recruitment to additional full-time or part-time jobs linked to the reorganization or redistribution of work, as agreed between the social partners (N).
  - 4.6. Vocational training, recruitment to or setting up of additional jobs for women in occupations in which they are under-represented (N).
  - 4.7. Operations for migrant workers and members of their families:
    - 4.7.1 to assist their integration into the host country with vocational training combined with language training (N); for persons over 25 years,

this training is limited to the three years following immigration;

4.7.2. to maintain knowledge of the mother-tongue and provide vocational training combined, if necessary, with refresher language courses when they wish to return to the labour market of their country of origin, this applying solely to nationals of Member States (N).

4.8. Operations for disabled people capable of working in the open labour market (R).

4.9. Vocational training of at least 400 hours duration for persons with a minimum of three years work experience for employment as instructors, vocational guidance experts, placement experts or development agents (for the promotion of local initiatives):

4.9.1. in the absolute priority regions (AR);

4.9.2. elsewhere to further the employment integration of migrant workers, the employment of women and the employment of the disabled (N).

#### 5. Specific innovatory operations

Innovatory operations for not more than 100 persons which represent a potential basis for future fund assistance. These should test new approaches to content, methods or organization of operations eligible for fund assistance (N). The limitation of 100 persons will not apply to operations coming within Integrated Mediterranean Programmes.

### LIST OF AREAS OF HIGH AND LONG-TERM UNEMPLOYMENT AND/OR INDUSTRIAL AND SECTORAL RESTRUCTURING

#### BELGIQUE/BELGIË

*Arrondissements/arrondissements:* Aalst, Arlon, Ath, Bastogne, Brussel/Bruxelles, Charleroi, Dendermonde, Dinant, Eeklo, Hasselt, Huy, Leuven, Liège, Marche-en-Famenne, Maaseik, Mechelen, Mons, Mouscron, Namur,

Neufchâteau, Nivelles, Oostende, Oudenaarde, Philippeville, Soignies, Thuin, Tongeren, Tournai, Turnhout, Verviers, Virton, Waremmes.

#### DANMARK

*Amtskommunerne:* Bornholm, Frederiksborg.

Thyboron-Harboore, Thyholm, Lemvig, Ulborg-Vemb, Ringkøbing, Holmsland, Skjern, Egvad (Ringkøbing Amtskommune); Hanstholm, Thisted, Sydthy, Morsø, Sallingsund, Sundsøre (Viborg Amtskommune); Gundsø, Roskilde, Lejre, Bramsnæs (Roskilde Amtskommune).

Kommuner nord for Limfjorden, når bortses fra Ålborg kommune (Nordjylland).

#### DEUTSCHLAND

*Länder:* Berlin, Saarland;

*Kreise:* Cloppenburg, Gelsenkirchen, Leer, Lüchow-Dannenberg, Wittmund;

*Arbeitsmarktregionen:* Aachen, Ahaus, Amberg, Bochum, Braunschweig-Salzgitter, Bremen, Bremerhaven, Essen-Mülheim, Dortmund-Lüdinghausen, Duisburg-Oberhausen, Fulda, Hagen, Lübeck-Ostholstein, Osnabrück, Recklinghausen, Schwandorf, Siegen, Steinfurt, Wesel-Moers;

Gebietsteile der Arbeitsmarktregion Bayreuth, die im Rahmen der Gemeinschaftsaufgabe „Verbesserung der regionalen Wirtschaftsstruktur“ Fördergebiete sind; Gebietsteile von Rheinland-Pfalz, die an das Saarland angrenzen.<sup>1</sup>

#### ESPAÑA

*Comunidades autónomas:* Aragón, Asturias, Baleares, Cantabria, Cataluña, Comunidad Valenciana, Madrid, Navarra, País Vasco, Rioja.

#### FRANCE

*Départements:* Aisne, Allier, Alpes-de-Haute-Provence, Alpes-Maritimes, Ardèche, Ardennes, Ariège, Aude, Bouches-du-Rhône, Calvados, Cantal, Charente, Charente-Maritime, Cher,

Corrèze, Corse-du-Sud, Haute-Corse, Côtes-du-Nord, Creuse, Dordogne, Drôme, Eure, Finistère, Gard, Haute-Garonne, Gironde, Hérault, Indre, Indre-et-Loire, Landes, Loire, Loire-Atlantique, Lot, Lot-et-Garonne, Lozère, Maine-et-Loire, Manche, Meurthe-et-Moselle, Meuse, Morbihan, Moselle, Nord, Orne, Pas-de-Calais, Pyrénées-Atlantiques, Hautes-Pyrénées, Pyrénées-Orientales, Haute-Saône, Saône-et-Loire, Sarthe, Seine-Maritime, Deux-Sèvres, Somme, Tarn, Tarn-et-Garonne, Var, Vaucluse, Vendée, Vienne, Haute-Vienne, Vosges, Yonne, Territoire de Belfort;

arrondissement d'Albertville dans la Savoie;

zones aidées limitrophes au département des Vosges dans la Bas-Rhin et le Haut-Rhin.<sup>2</sup>

#### ITALIA

*Provincia:* Alessandria, Ancona, Arezzo, Belluno, Bologna, Brescia, Cremona, Ferrara, Firenze, Forlì, Genova, Gorizia, Grosseto, La Spezia, Livorno, Lucca, Massa-Carrara, Milano, Novara, Padova, Pavia, Perugia, Pesaro e Urbino, Piacenza, Pisa, Pordenone, Ravenna, Rieti, Roma, Rovigo, Savona, Siena, Terni, Torino, Trento, Trieste, Udine, Valle d'Aosta, Varese, Venezia, Viterbo;

Zone assistite nelle province di Como, Pistoia, Treviso, Vercelli.<sup>1</sup>

<sup>1</sup> Dreizehnter Rahmenplan der Gemeinschaftsaufgabe „Verbesserung der regionalen Wirtschaftsstruktur“, Deutscher Bundestag, Drucksache 10/1279 vom 11. 4. 1984, S. 150.

<sup>2</sup> Décret 82/379 du 6. 5. 1982 relatif à la prime d'aménagement du territoire, Journal Officiel de la République française du 7. 5. 1982, p. 1294.

<sup>1</sup> — Comitato interministeriale per il coordinamento della politica industriale, deliberazione del 27. 3. 1980, Gazzetta ufficiale della Repubblica italiana n. 104 del 16. 4. 1980, pag. 3386, pag. 3390.

— Decreto n. 902 del 9. 11. 1976, Gazzetta ufficiale del 11. 1. 1977.

LUXEMBOURG

NEDERLAND

*Gebieden vastgesteld door de Commissie voor de Regionale Ontwikkelingsprogrammering:* Agglomeratie, Haarlem, Alkmaar en omgeving, Arnhem/Nijmegen, Delfzijl en omgeving, IJmond, Kop van Noord-Holland, Midden-Noord-Brabant, Noord-Friesland, Oost-Groningen, Twente, Zuidelijke IJssel-

meerpolders, Zaanstreek, Zuid-Limburg, Zuidoost-Drenthe, Zuidoost-Friesland, Zuidwest-Friesland. In Zuidoost-Noord-Brabant de textielzone Helmond.

UNITED KINGDOM

*Counties/local authority areas:* Central, Cheshire, Cleveland, Clwyd, Cornwall, Dumfries and Galloway, Durham, Dyfed, Fife, Greater Manchester, Gwent, Gwyned, Hereford and Worcester, High-

lands, Humberside, Isle of Wight, Lancashire, Merseyside, Mid Glamorgan, Northumberland, Nottinghamshire, Salop, South Glamorgan, South Yorkshire, Staffordshire, Strathclyde, Tayside, Tyne and Wear, West Glamorgan, West Midlands, West Yorkshire;

*Travel-to-work-areas:* Workington (Cumbria), Coalville (Leicestershire), Corby (Northamptonshire), Scunthorpe (Lincolnshire).

# Meeting of the Council of Health Ministers on 29 May 1986

The Council of Health Ministers meeting dealt with a wide range of public health problems concerning the citizens of the Community and resulted in a number of important decisions.

The Resolution on an action programme for cancer prevention was adopted. Based on a Commission proposal of November 1985, it takes account of the conclusions of the Milan European Council held in June 1985. The Resolution considers it is necessary to take urgent action, especially in the following fields: smoking, chemical substances, nutrition and alcohol, prevention and early diagnosis, and health education.

The Council also adopted a Resolution in a related field on an action programme on toxicology for health protection based on a Commission proposal of June 1984. The Resolution considers that priority measures should be taken by 1990 in the field of experimental toxicology, clinical toxicology and training and information in the field of toxicology.

The Council also adopted two Resolutions on alcohol abuse and AIDS, and invited the Commission to:

(i) weigh carefully the interests involved in the production, distribution and promotion of alcoholic beverages, and public health interests;

(ii) conduct a balanced policy to this end and, if appropriate, submit proposals to the Council;

(iii) examine what joint initiatives or activities can be implemented, on the one hand in the field of health information and education to bolster the campaign against AIDS, and on the other as regards the problems of AIDS transmission by substances of human origin — together with the medical, psychological and social problems connected with AIDS;

and, where necessary, to submit appropriate proposals.

In addition, the Council adopted a Resolution, based on a Commission proposal of January 1984, establishing a single emergency health card. The card is a step along the path to a People's Europe given a priority rating by the Milan European Council in 1985. The card should provide better health protection for Community citizens by enabling their past and present health problems to be identified in the event of an emergency.

The problem of the protection of dialysis patients by minimizing exposure to aluminium, which was the subject of a Commission draft directive of July 1983, was not completely settled owing to questions of institutional competence, although there was unanimous agreement on the gravity of the problem and the technical and medical measures required.

# Benzene

**This paper gives a review of the basic characteristics of the chemical compound benzene, its main properties, its production and uses. It further deals with safety and health measures, toxicology and some legal aspects.**

**It does not claim to be exhaustive.**

## Properties

Benzene is a colourless, volatile liquid with a specific, typical 'aromatic', odour. Benzene is lighter than water but only very slightly soluble in it. However, it is miscible with most of the organic solvents such as acetone or ethyl alcohol.

Benzene melts at 5.5° C and boils at 80.1° C. It is highly flammable and burns with a smoky flame.

Benzene produces heavy vapours which can be explosive within certain limits (1.3 to 7.1 volume %).

Benzene occurs in very low concentrations in the natural environment. However, it occurs widely as a constituent of refined and unrefined petroleum, of unrefined natural gas and of the light oil recovered from coal carbonization gases.

## Production

The industrial production of benzene dates from 1849. Benzene was obtained by distillation from coal tar, or it was extracted from coal gas and coke oven gas by stripping or scrubbing.

However, this production method is diminishing together with the production of coke and today represents only 10% of total production.

The main part, about 90%, is derived from crude oil, using processes such as catalytic reforming, fractional distillation or cyclization and aromatization of paraffin hydrocarbons.

The world production is estimated at about 30 million tonnes a year and is mainly produced in the USA, Japan and the European Community.

## Uses

Benzene is an essential feedstock for the manufacturing of many products upon which our community has come to depend. For most of them, benzene is the only possible starting point.

Benzene is used in the chemical industry as a fuel, as a chemical reagent and as a solvent.

In certain parts of the world, benzene is used as a constituent of motor fuel (in EC up to 7.5%) and so large quantities are used for this purpose.

Nowadays, benzene is mainly used as a chemical raw material in many syntheses leading to the production of organic compounds such as aniline, styrene, nitrobenzene, etc. It is partly used for the manufacturing of pesticides, explosives, perfumes and cosmetic products, dyestuffs, pharmaceutical products, detergents, etc.

Benzene is a good solvent for a large number of materials such as rubber, plastics, paints, inks and as an extractive agent for oils and fats. Its volatility is used when the rapid drying of the solvent is important such as photo-gravure printing or paint spraying.

Its use as a solvent is now being abandoned in the highly industrialized countries due to the health risk to users.

## Toxicity and hazards

Benzene produces a very toxic, flammable vapour and grave risks are thus associated with its industrial use. It enters the body almost exclusively via the airways. The absorption of liquid benzene through an intact skin is not of any biological significance unless large areas of the body are in direct contact over a long period. However, direct contact with liquid benzene produces marked irritation and chemical burns unless the chemical is rapidly removed.

The high fat solubility of benzene facilitates its distribution in tissues, which are rich in lipids.

Chronic (i.e. long term), continuous or repetitive exposure to low concentration of the vapour causes blood disorders and ultimately can cause damage to the bone marrow inducing aplastic anaemia and/or leukaemia.

Exposure to very high concentrations of benzene vapour affects the central nervous system, leading to narcosis,

and progressing to death from respiratory failure if the exposure is not discontinued.

Benzene is recognized as a human carcinogen.

## Safety and health measures

### Health precaution:

It is recognized that the use of benzene should be abandoned for any purpose where an effective less harmful substitute is available. When benzene is used as a reactant, it is seldom that a substitute can be found due to the particular molecular configuration of benzene that makes the reaction possible.

When benzene must be used, either as a raw material or as a solvent, all precautions to prevent the escape of vapour into the workplace atmosphere must be taken with meticulous thoroughness. Wherever possible, the plant should be totally enclosed.

In addition, the workplace atmosphere must be monitored periodically for benzene to ensure that all precautions taken are effective. In fact, every effort should be made to avoid exposure to any level whatsoever.

### Medical supervision:

No person should be employed in a job involving exposure to benzene, unless he is in a good state of health. The medical examination should exist of a thorough physical and haematological examination, including consideration of previous medical and occupational history.

Periodic examinations should be carried out in the same way as pre-employment examinations.

Haematological abnormalities, found in the first periodic examinations, show a special sensitivity to benzene. Such persons should be removed from exposure to benzene.

### Fire prevention:

Benzene is a flammable liquid. Its vapour forms flammable or explosive mixtures in air over a large range of concentrations.

Additional precautions are needed, however, to cover the risk of accidental spillage, leakage or overflow of the liquid from storage or process vessels.

Open flames and other sources of ignition must be excluded where benzene is used or stored.

## Legal aspects of occupational exposure to benzene

The special toxic nature of benzene has been recognized for at least 100 years, and therefore regulations have been adopted in the past by some national governments for the control of benzene and the establishment of occupational exposure limits.

Based on these regulations, on 9 December 1985, the Commission submitted to the Council a proposal for a Council Directive on the protection of workers from the risks related to exposure to benzene at work; it aims at eliminating the substantial differences in the national legislation of the Member States, harmonizing the exposure limits and protecting and preventing risks, arising or likely to arise, to workers' health and safety.

It lays down a limit value of 16.25 mg/m<sup>3</sup> or 5 ppm time-weighted for a

period of eight hours, and other specific requirements which include:

- (i) practical recommendations for the health surveillance and protection of workers,
- (ii) the reference method for the measurement of workers' exposure to benzene, which has to be adapted to technical progress,
- (iii) appropriate information to the workers on the potential health risks associated with exposure to benzene,
- (iv) setting-up of a file containing the exposure levels of the workers and workers' health data,
- (v) access for each worker to the information in the records which relates to him personally and access for workers or any workers' representatives to anonymous, collective information in the records,
- (vi) adoption by the Member States of laws, regulations and administrative provisions necessary to comply with this Directive before 1 January 1990.

## References:

- Benzene and derivatives, Encyclopedia of occupational health and safety, 1972, I. L. O. Geneva pp. 167–169
- Benzene in air, 1983, MDMS 22, Health and Safety Executive: OMHL
- Proposal for a Council Directive on benzene, OJ C 349, 1985, pp. 32–36
- Explanatory memorandum on Benzene, CEC, ISBN 92-77-0925-2
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# The development of toxicology at Community level

With the development of industrial society there has been an increased demand and need for health protection measures in the work place, the environment and in the production and placing on the market of goods and products.

As a result, a variety of measures has been successfully undertaken at national, Community and international levels. At national level the measures have included regulations limiting use, exposure limits in the workplace and the development of poison centres. At Community level, sectoral activities have sought to coordinate and initiate actions in, for example, the fields of nutrition, environment and worker protection. In pursuit of the establishment of the common market, in particular the free circulation of goods, it has been necessary to coordinate, harmonize and develop common Community measures. At international level the general concern has led, for example, to the setting-up of the International Programme on Chemical Safety under the joint sponsorship of UNEP, ILO and WHO, the chemicals programme of OECD, the WHO/FAO joint programme and the emphasis placed on chemical carcinogenesis by the International Agency for Research on Cancer. A number of the Community actions are carried out in collaboration with the above agencies.

The Community has developed specific approaches in toxicology to deal with the problems arising in each sector and has undertaken research in a number of these areas.

At a scientific level all of these developments have led to increasing demands on the evolving discipline of toxicology. The rate of increase, coupled with scientific advances in chemistry, physics, biology and medicine, has produced a situation whereby current and future demands are likely to overwhelm available resources leading

to delay, breakdown and a reduction in quality of toxicity testing and toxicovigilance.

These various actions at different levels led the Commission in May 1984 to make a proposal to the Council for a programme of action of the European Communities on toxicology for health protection. This was adopted by the Council and Ministers of Health on 29 May 1986.

## Aims of the programme

The programme is aimed at general issues in toxicology and seeks to provide support to the development of sectoral activities. The objective is to improve current practice and thereby:

- (i) make efficient and economic use of the limited resources available;
- (ii) seek to integrate the use of experimental, clinical and analytical toxicological data establishing normal functioning of organs against which experimental and clinical toxicological information can be assessed;
- (iii) assist the development of the discipline improving the standard and availability of toxicologists in the Community.

Currently toxicological activities are expanding rapidly in Member States and all industrialized countries. It is, therefore, particularly necessary to seek to avoid duplication of effort and any requirement for a use of inappropriate measures.

An integrated approach to health risk assessment can only be based on a better information flow. This should be promoted by improving the uniformity and quality of data together with agreement as to the manner of interpreting the findings.

The programme should also have a beneficial consequence on animal welfare, without lowering the quality of toxicity data. Avoiding as far as possible any duplication of testing will reduce the numbers of test animals and collaboration should facilitate the adoption of new methods of testing wherever appropriate.

## Description of specific actions

A number of actions have been identified to form the basis of this programme. They are divided into the following three sections:

- (i) Toxicological practice,
- (ii) Clinical toxicology,
- (iii) Training and information.



### **Toxicological practice**

An objective evaluation of health hazards requires that the quality and comparability of experimental and clinical analytical data be ensured. This would facilitate the transfer and acceptability of information between Member States.

In Member States the resources for toxicology testing are limited in terms of manpower, means and facilities. It is therefore important to avoid unnecessary duplication of efforts and this will be attempted through the compilation of ongoing toxicological testing facilities and activities, taking account of the need for confidentiality.

### **Clinical toxicology**

Clinical toxicology combines diagnosis with the application of toxicologi-

cal and analytical methodologies together with treatment. In cases of emergency, the clinical diagnostic and analytical methods must be able to provide a rapid answer and the treatment methods should ensure an effective and rapid response. A great deal has already been done to bring about improvements in this area and the programme will seek to ensure a continuing advance.

Furthermore, a large amount of clinical data exists in poison centres, clinical toxicological services and other health services. These data are at present largely unused for identifying new hazards and efforts will be made to improve their collection and analysis, having due regard for the need for medical confidentiality.

Prevention of the toxic effects of chemicals requires the early detection

of deviations from normal function of specific tissues and organs which are of predictive value. Current practices in Member States and scientific bases for defining the normal functioning of organs need continuous review in order to determine the significance of deviations in function, their impact on health and their relevance to exposure to agents. An approach at Community level for these basic problems should help provide more consistent assessments of the impact on health of various agents and a better definition of the state of health within the framework of Article 36 of the Treaty.

### **Training and information**

At Community level the problem of manpower needs and training in toxicology is increasingly being felt. It is therefore necessary to plan future needs, tak-

ing into account the training available and existing and future career opportunities. Training in toxicology for other professions involved with chemical safety is also important and an exchange of toxicologists between Member States should provide a rapid means for promoting the harmonization of toxicological investigations and of concepts for toxicological appraisals and health risk evaluations.

Lastly, information on toxicological hazards must be clear and factual, mak-

ing the public aware of risks but avoiding unnecessary public alarm. The various ways and means of making appropriate validated toxicological information more widely available will be an important element of the future work.

At the Council on 29 May 1986, various Ministers spoke in support of the planned work, stressing its importance within both national and Community settings. The text of the Resolution requests the Commission to prepare, in collaboration with the Member States

and on a coordinated basis with them, after the first year following the adoption of this Resolution and thereafter annually, a work programme detailing the work it intends to carry out in order to implement the Resolution. The annual work programme, together with a report on results achieved, will be forwarded to the Council, the European Parliament and the Economic and Social Committee.

# Medical confidentiality and cancer research

On 29 May 1986, the Council and Representatives of the Governments of Member States meeting within the Council adopted a Resolution on a programme of action of the European Communities against cancer.<sup>1</sup>

In this, one of the priority actions concerns improvement in the collection, availability and comparability of epidemiological data on cancer and factors causing cancer, taking particular account of the problems of data protection, to assist in and help increase the effectiveness of research. This reference to data protection and medical confidentiality identifies areas of current concern throughout the Community.

The Hippocratic Oath expresses a long-standing tradition of medical secrecy. The tradition is as old as medicine itself. Despite centuries of social change since the formulation of the Oath, and despite the erosion or abandonment of its other several components, the general validity of its stricture on secrecy is still universally accepted. The traditional Oath has been reformulated on several occasions, for example in the Declaration of Geneva (1948) but in all of them the principle of secrecy is reaffirmed. In some medical schools the Oath is taken formally by all newly qualified doctors.

Its survival reflects the fundamental and unchanging requirements of sick people, throughout recorded history. In addition to ensuring the survival of the Hippocratic tradition, these requirements have been incorporated into the legal codes of most countries. These codes provide redress for patients who suffer through betrayed confidences. The tradition and the law operate in concert.

At the same time, the conventions and requirements of secrecy have seldom been regarded as absolute, and are certainly not absolute in a legal sense, and there is wide recognition that the public interest may sometimes justify breach of the principle. In most countries a Court of Law may demand from a doctor information gained in the course of a professional relationship, and may punish him for refusing to pro-

vide it. A Court will usually respect a request for secrecy as far as it can, and may consent to hear confidential evidence in private, but in cases of necessity it will regard the rights and duties of a doctor, and of his patient, in terms no different from those of priests or journalists, or their confidants. Because the legal system sanctions and protects the performance of personal contracts, including the medical contracts within which the confidential relationships exist, it claims seniority in these respects and asserts its dominance in cases of conflict. Logically, the only professional contracts whose secrets are immune from judicial intrusion, are those whose secrecy is essential to the proper function of the legal and judicial system. The lawyer-client relationship is thus the only one which is usually seen as absolutely sacrosanct, and this is reflected in many legal codes.

Apart from the formal proceedings of Courts of Law, most countries have enacted legislation appropriate to a range of other circumstances in which the 'public interest' is deemed to demand the release of information obtained in the course of medical consultations. The notification of infectious diseases, the registration of births, and the certification of deaths and of the causes of death, are cases in point. Many doctors will identify additional circumstances, not covered by the requirements of the law, in which they would feel bound to release information if it were demanded, and even to volunteer it if it were not. An example would be the case of an inadequately controlled epileptic driver who failed to declare his disability. Many patients, as well as doctors, will recognize the existence of these exceptional necessities.

Pragmatically, therefore, the Hippocratic tradition of secrecy can be regarded neither as an absolute duty on the part of the doctors, nor an absolute right on the part of patients, but rather as a powerful convention to be breached only in exceptional circumstances.

Nevertheless, the Hippocratic tradition, supported by professional judg-

ment and by legislation, has provided a very high level of protection. However, it is preferable at the outset to recognize its less-than-absolute nature, to recognize that there have always been breaches in the convention, and thus to turn our attention to devising satisfactory means of controlling them. In modern times, as we shall see, the necessities for more formal control have grown.

## Shared responsibility: Shared confidence

Several changes have occurred in recent times which have modified the concept of confidentiality as applied to medical consultations. In some circumstances these changes pose a threat. There are three main circumstances in which this can occur.

(1) Medical care is nowadays typically the responsibility of a professional team rather than of a single person, and the less sensitive confidences are known to a circle of doctors, nurses, technicians, clerical workers and other professional staff. With the progressive development of medical specialties there has been a constant growth of the need for one team to communicate with another. With changing patterns of sickness, and of available treatments, with increasing emphasis upon long continued health-maintenance and sickness-amelioration procedures, and with the relatively labile staffing patterns which are characteristic of modern medical systems, special attention to documentation is necessary if proper continuity of care is to be assured. These changes have together enforced an alteration of emphasis from records which were essentially personal *aide-memoires*, to records for which a chief objective is communication. The arrangements governing these communications are usually referred to as 'shared' or 'extended' confidences. We would

<sup>1</sup> COM (84) 502 Final.

be naive, however, if we did not recognize the potential threats which arise.

- (2) A second threat arises from the developing complexity of the financial, administrative and institutional supporting systems, on which the provision of health-care now depends. The central payment of medical staff, and central payments for premises and facilities, result in the construction of hierarchical/distributive administrative structures. This applies whether the system is financed through the state or through an insurance-based or employment-based scheme. In either case, each layer of the administration needs to know what it is paying for further down the tree, and to measure the efficiency with which cash is converted to items of service and to have regard to the quality and effectiveness of the service. Medical records, or at least parts of medical records, thus come within the view of administrators, managers, treasurers, secretaries, and data processing or data preparation staff. This is particularly evident in hospital systems, but it occurs in all branches of a modern health-care service.

- (3) The third threat to confidentiality arises from the use of medical records in research. Research has always been a regular and integral part of the medical professional role, and observations made upon one patient have always been used to develop the procedures and services necessary for the care of others. Each patient contributes to this process, just as he receives benefit from it, and the principle of transfer of benefit is firmly implied in the Declaration of Geneva, which emphasizes the physician's commitment to the service of humanity as a whole, as well as individual patients. Thus, problems of confidentiality in relation to medical research do not arise because research is a new idea — which it is not — but because of the increased pace at which medicine is now developing and its increased dependence upon

an active research environment. Research has also become a more specialized and complex activity, again involving teams of people, and often going beyond the direct control of a single physician. As with clinical care it has generated a requirement for confidences to be shared.

All these changes are widely accepted and welcomed both by the health professions, and by patients, as well as by the general public. No one would now recommend a return to a totally unspecialized and purely personal form of medical care. The demand for centrally organized and centrally financed health-care systems has been demanded more forcefully by the clients than by the providers of professional services. The need for research, and an understanding of its dependence upon access to medical records, is also widely recognized and accepted. One may imagine the outcry which would have occurred if the detection and curtailment of the thalidomide episode had been delayed through a strict adherence to the secrecy principle. There are, of course, many similar examples including the discovery of the causal relationships between tobacco usage and lung cancer, the discovery through post-marketing surveillance of the adverse side effects of many drugs, the monitoring and control of epidemics (of both infectious and non-infectious diseases), the detection and interpretation of geographical variations in the incidences of cancers, and measuring the efficacies of vaccines, drugs, and surgical procedures... and so on.

All of these examples demanded access to records, by medical scientists other than the doctors who were direct parties to the consultations during which the data were collected.

### **Exceptions to rules and rules for exception**

We have seen that medical confidentiality is governed by a general rule of secrecy, and by a number of exceptions

to the rule. This pattern is observable in everyday medical practice, is reinforced by the legal provisions which surround the subject, and is explicitly stated in several formulations of medical ethics. For example, the British Medical Association<sup>1</sup> recognizes five 'exceptions' to the general principle of secrecy. They are:

1. The patient gives consent.
2. When it is undesirable on medical grounds to seek a patient's consent, but is in the patient's own interest that confidentiality should be broken.
3. The doctor's overriding duty to society.
4. For purposes of medical research which has received formal approval.
5. When the information is required by due legal process.

Similar formulations can be found in the 1973 and 1975 Declarations of the World Medical Association. The British Department of Health & Social Security has issued a circular of guidance on this matter<sup>2</sup> in which it states that 'it is a doctor's duty (except as below) strictly to observe the rule of professional secrecy...', but that 'there are some exceptions to this principle'. Reliance upon the validity of a 'rule with exceptions' is professed by several groups other than doctors. For example the Royal College of Nursing of the United Kingdom<sup>3</sup> defines the relationship between a nurse and her patient as a 'fiduciary relationship', a relationship of trust. One element of this trust is that 'a nurse shall not disclose without the consent of the patient, information which is obtained in the course of her professional relationship with the patient'. The guidelines go on to say, however, that a nurse may be relieved from this obligation by

<sup>1</sup> British Medical Association 'The Handbook of Medical Ethics'. London, 1980.

<sup>2</sup> DHSS (UK). Circular HSC (IS) 203, 1975.

<sup>3</sup> Royal College of Nursing of the United Kingdom. 'Guidelines on Confidentiality in Nursing'. RCN, U. K. London 1980.

some 'lawful excuse'. There are many other ethical statements which follow this same pattern.<sup>1,2</sup>

The question we now have to ask is whether a not-quite-general rule, accompanied by a short list of variously specified exceptions, is likely to serve us in the future as well as it seems to have done in the past. There are several reasons for doubting it, and for wishing to press the doubts to a conclusion. First, already mentioned, is the modern growth in the actual number of exceptions both in clinical practice and in research. A second is the 'softening' of the precision with which the grounds for exception can be defined, as the field of exceptions widens. This is especially so in the areas of medical research, and the administration of health care institutions and systems. A third is the fact that a simple declaration of grounds for an exception constitutes an open-ended leak, and the open-endedness can be closed only where there are rules for limiting secondary and tertiary transmissions of information. The circumstances therefore demand that we try to formulate a general set of regulations which cover and control the performance of the exceptions to the Hippocratic rule, as well as support the rule itself. This requirement, that we seek to formulate a more general and operationally realistic system of regulations, is a direct corollary of our recognition that the Hippocratic tradition itself is neither global in scope, nor strictly observed.

There are several immediate reasons for pursuing this search for an extended system of regulation at the present time. Axiomatic behavioural guidelines carry little weight in the modern world, and the Hippocratic Oath in itself fails to display the philosophical or ethical foundations on which it is based. The light societal abandonment of the Hippocratic strictures on abortion should warn us of the weakness of a position based only upon an ancient tradition. Extensive unregulated exceptions to the Hippocratic rule could bring both it, and medical practice itself, into progressive disrepute. A second immediate concern is that many countries are currently drafting and enacting legisla-

tion directed at the protection of privacy in general. Unless the rules surrounding medical practice are soundly and explicitly formulated, the proper control and protection of medical record keeping systems might be injured through the general application of restrictions (and relaxations) inappropriate to the particular field.

Finally, there are special anxieties in relation to medical research. There are two dangers here. The first is the danger that without proper safeguards, information to which access is required for research, may subsequently become available to those with no legitimate grounds for seeing it. The second danger is probably the more serious, although it arises secondarily from anxieties about the first. That is, clinicians may be reluctant to release data for research purposes of vital necessity, if they cannot feel confident of the rules which govern its subsequent use. The problem is most serious when medical research users require access to records generated by a large number of clinical staff, and when they work in association with administrative staff whose legitimate concerns relate more to the finance and management of health services, than to direct medical needs. Epidemiological researchers concerned with studies of etiology, with a view to devising preventive services, or with evaluative research in the caring and curing services, encounter particular difficulties. Unless clinicians feel they can rely upon a secure 'outer fence' for the containment of released data, they are unlikely to sanction breaches of the 'inner fence', over which they hold direct control. Under present day conditions it is the need to release the data for research, rather than the danger of harm to the patient, which especially demands a more formally regulated system of control.

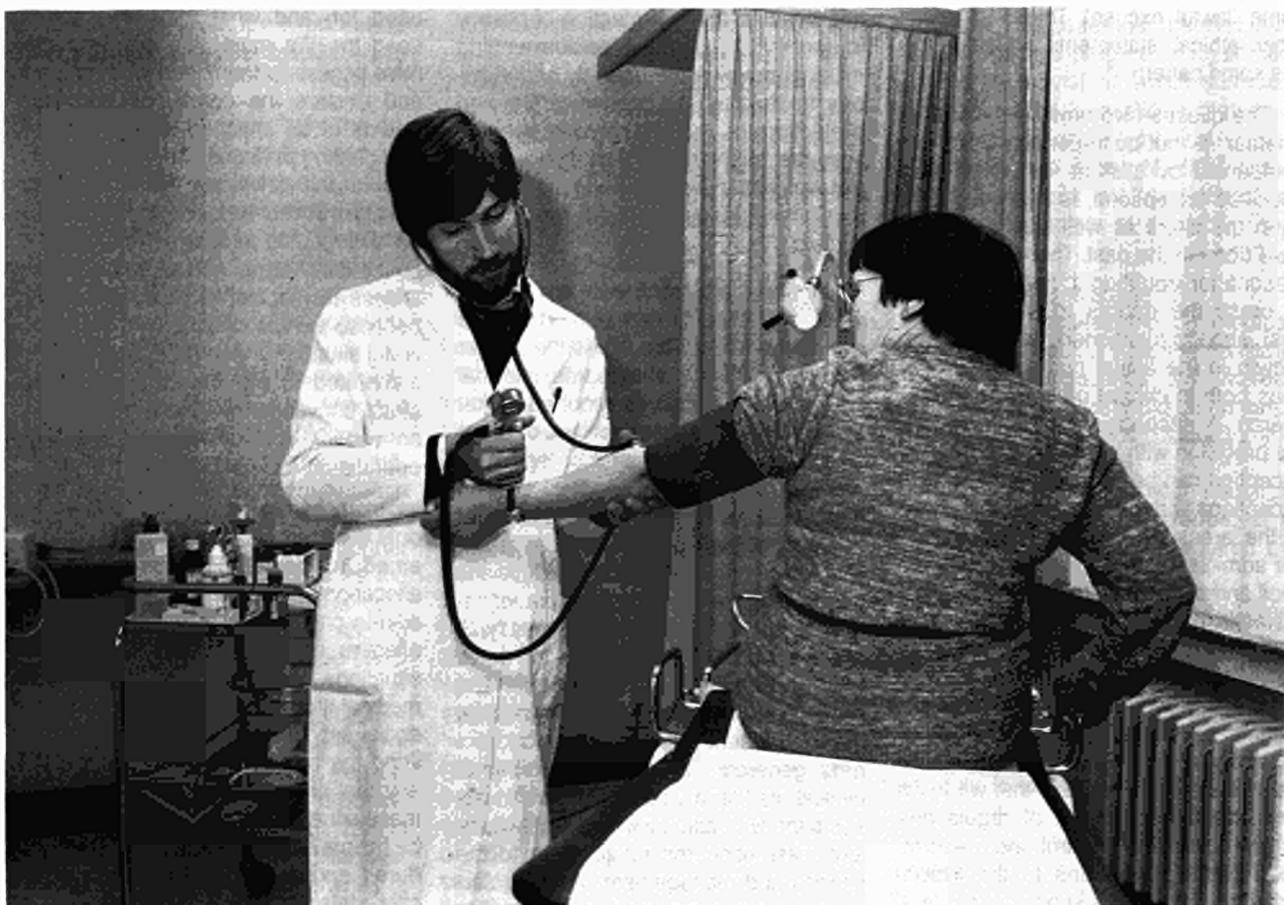
We have been led by these arguments to the conclusion that the modern growth of 'extended use' requires 'extended control'. Without it, a 'shared confidence' is simply a euphemism for a 'broken confidence'. It is necessary at the very least that we state without ambiguity what medical records may be

used for, and what they may not be used for. We must also say who may have access to them, and who may not, and declare the conditions and safeguards to be attached to their release. The guiding principle of personal behaviour in the physician himself, as expressed in the Hippocratic Oath, must be enlarged to include all members of health-care teams, and all others having access to medical records. In addition, because we are dealing with an operational situation, these principles must be elaborated to provide not only an abstract convention of guidance, but also an explicit and ultimately enforceable operational code of practice.

In most clinical situations involving only a limited circle of people, and governed by clear-cut personally directed allocations of responsibilities, the physician-in-charge can in practice maintain effective control. It is only in complex situations involving numbers of non-medical staff, such as educationists and social service workers, who may be beyond the physician's direct control, that any real problems are likely to arise. In these situations public confidence might be maintained more adequately if procedures and responsibilities were explicitly stated, and made a condition of continued employment. However, the important anxieties relate to the use of records which go beyond the immediate patient/doctor/clinical-team transaction; and, in particular, to those which relate to administrative and to research applications. Although these applications may be perfectly legitimate, anxieties may arise because (a) the precise nature of these extended uses of the medical record may not have been envisaged either by the patient or by the physician at the time the information was recorded, (b) neither of them may subsequently know precisely who has had access to the records, and (c) ex-

<sup>1</sup> Working Party of Royal College of Psychiatrists. 'Confidentiality: A Report to Council'. Royal College of Psychiatrists, London 1977.

<sup>2</sup> General Medical Council (UK) 'Professional Conduct and Discipline: Fitness to Practise'. GMC, London, 1981.



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tended usage, even when legitimate, incurs a risk of accidental leakage. It is here that more complex provisions for the protection of records are especially necessary.

Finally, we must recognize that it is not only the patient who is at risk from betrayed confidences. Doctors and other professional staff, and institutions themselves, demand protection. The medical record is about a consultative transaction between doctor and patient, rather than about the patient *per se*. The release of information for research relating to the performance of services, might sometimes seem threatening to

the originators of the records, whether in terms of their personal reputations, or their financial arrangements, or their working relationships. Once more, protection is necessary not only to meet these fears, but in order to facilitate the release of records for legitimate extended purposes.

These words were written as an introduction to a report on the Confidentiality of Medical Records: the principles and practice of protection in a research-dependant environment by Professor E. G. Knox and colleagues from each of the Member States.<sup>1</sup> It was the result of several years of discussion and ex-

changes with doctors, research workers and officials. It develops some of the arguments put forward by the European Parliament. The report itself illustrates the types of difficulties encountered in Member States due to conflicting laws or conflicting practices.

This report provides a foundation on which the action in the cancer programme can be started.

**Edward Bennett**

<sup>1</sup> EUR 9471 EN 1984.

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## **Part Two**

### **Analyses, debates, studies**



# The seminar on income taxation and equal treatment for men and women in the Member States of the European Community



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In February 1986 the Institute for Fiscal Studies in London organized a seminar for the European Commission in Oxfordshire on 'Income taxation and equal treatment for men and women in the Member States of the European Community'. The seminar was provided for under Action C of the Medium-term Community Programme for equal opportunities for women (1986—90) adopted by the Commission in December 1985.<sup>1</sup>

The Commission is concerned that the legal measures already achieved on equality between women and men with regard to pay<sup>2</sup> and employment<sup>3</sup> may be insufficient if the pay or employment opportunities of women, particularly married women, are prejudiced by the operation of national fiscal systems. The

Commission therefore decided to raise for debate at Community level the issue of equal treatment in the context of taxation of employment income in order to ensure that this aspect was taken into account in the discussions on the reform of taxation and social security systems which are currently taking place across the Community.

The Programme provides that Member States should examine tax discrimination with a view to arriving at a neutral taxation system which does not act as an employment disincentive, particularly with regard to the taxation of the earnings of married women.<sup>4</sup> The Commission itself is committed to organizing discussions with the representatives concerned in the Member States in or-

der to draw up Community guidelines on the promotion of greater neutrality of taxation systems in their impact on women's work.<sup>5</sup>

<sup>1</sup> COM (85) 801 final

<sup>2</sup> Article 119, EEC; Council Directive of 10. 2. 1975 on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women 75/117/EEC

<sup>3</sup> Council Directive of 9. 2. 1977 on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion and working conditions 76/207/EEC

<sup>4</sup> Action C.1.1

<sup>5</sup> Action C.2.h.

## The seminar

The Oxfordshire seminar was the first step in this process of discussion. It was attended by representatives of national Finance and Employment Ministries, experts on national and Community law, and representatives of national equality bodies and of the European and British Parliaments. The main purpose of the seminar was to provide a Community-wide discussion forum for specialists on income taxation and equal treatment.

Two documents served as the basis for discussion. Firstly, the Commission's Memorandum on income taxation and equal treatment for men and women of December 1984,<sup>1</sup> discussed in an earlier edition of *Social Europe*,<sup>2</sup> provided an analytical overview of national systems of taxation. Secondly, a report was prepared for the seminar on 'Income Tax in the European Community',<sup>3</sup> which sets out the salient aspects of each system in some detail. This report will be revised and extended to take account of the discussions at the seminar.

These discussions clearly demonstrated the diversity and the complexity of systems of taxation in the Member States, which varied in every possible aspect — the basic system (aggregation, separate taxation, or a mixture of the two), thresholds, tax allowances, and tax credits.

## National taxation systems

John Kay, Director of the Institute of Fiscal Studies, who chaired the final sessions of the seminar, concluded that national systems could be divided up into two broad categories. One group of structures was described as 'aggregate systems based on the dependency principle'. Aggregate systems assess the liability of husband and wife together, and the dependency principle implements aggregation by adding the wife's income to her husband's and taxing it as his.

These structures basically underlie the systems in force in Belgium, Portu-

gal, Spain and the United Kingdom. Mr. Kay felt that there was general agreement at the conference that these systems reflected social attitudes which belong to the past and no longer reflect the situation of women in the labour force of the modern world. For example, the system in Britain was first devised during the Napoleonic Wars, and the old-fashioned Fiscal Code in Portugal contrasts strongly with the modern Civil Code. Similar assumptions underlay the systems in Ireland and the Federal Republic of Germany until they were changed as a result of fundamental constitutional judgments.

The second group of structures characterizes the practice of the other Member States, and consists of a spectrum of systems which range along a continuum from individual-based systems of separate taxation at one end to wholly unit-based systems at the other. These structures fall into the same category in that all of them permit overlap in practice, to a greater or lesser extent, between the taxation of husband and wife.

This overlap may be total, as in the unit-based systems of France and Germany, where the operation of 'splitting' allows spouses with no income to transfer the whole of their allowances and unused rate bands to their partners, and hence in effect split one income between the two partners.

Alternatively, the overlap may be present in practice in the systems of separate taxation, to the extent that it is possible for spouses to transfer their unused allowances or rate bands between each other. For example, the whole of an unused allowance may be transferred from one spouse to the other in Denmark, whereas in Greece, Italy and the Netherlands the degree of transferability permitted is more limited.

The effect of transferability also depends on the rate structure. Thus in the UK, where there is one very wide basic rate of tax, the effect of permitting transferable allowances would be equivalent in practice to full income splitting because so few people fall into the higher bands. In contrast, the splitting effect of

transferable allowances is less marked in structures which have a much more graduated system of marginal rates, such as in Denmark.

The result of splitting or transferability is to discourage women from working. Whilst there may be no specific rule under the tax legislation concerned which requires that working married women should be worse off, the effective consequence of the rules is that they immediately pay tax at the husband's marginal rate. As a result, a woman may decide at a certain point that the increase in net income does not justify continuing or returning to work in view of the extra costs of travel, child care, etc. involved.

## Objectives of taxation systems

The question also arose as to what should be the objectives of a system of taxation. These might be summarized as nondiscrimination, neutrality, and simplicity.

There was general agreement that systems should not directly and explicitly discriminate between men and women. In the UK, the Government has now announced in a Green Paper that it will abolish the discriminatory system of a Married Man's Allowance and a Wife's Earned Income Allowance by 1990.

There was also agreement that systems should be 'neutral'. The most acceptable definition of 'neutrality' is that there should be no difference in the

<sup>1</sup> COM (84) 695 final.

<sup>2</sup> *Social Europe* No 1/85, p. 18

<sup>3</sup> 'Income Tax in the European Community — Income Taxation and Equal Treatment of Men and Women in the Member States of the European Community', Danièle Meulders (Institute of Fiscal Studies, 1986, ISBN 0-902-992-53-8), based on an updated version of 'Implementation of equal treatment by revising income tax systems which appear to have an indirect adverse effect on women's employment, their right to work and their promotion in employment' by D. Meulders, J. Haustraete, J. L. Six and B. Vanden Abeele, V/2798/1/82 final

amount of tax paid by an individual, and hence in her net earnings, as a result of her sex or marital status. Such a 'neutral' system should play no part with respect to her decision whether to work or not.

A second important definition of 'neutral' concerns the attitude of the State towards marriage and the family. There was general agreement that the tax system should not discriminate against marriage, and that moreover, in the context of present negative demographic trends, that there should be a policy in favour of the family. However there was less agreement that it should necessarily be the tax system which should be employed to pursue family policy.

In contrast, it was argued that the family could be more effectively encouraged by a system of separate taxation combined with direct social welfare payments to the individual responsible for the care of children or other dependent relatives. Such a system would be individual, flexible and responsive to specific needs. Its specificity would also make it less costly to run and easier to operate than a general system of splitting or transferable allowances. It would also be easier for the taxpayer to understand, and would therefore meet the third crucial requirement for a tax system, simplicity.

### Conclusions

Although national systems are so diverse, an equal treatment perspective does make it possible for certain conclusions to be drawn: direct discrimination with regard to female employment exists in a minority of Member States, and indirect discrimination is a problem under all systems as a result of their negative impact on the employment of women. Indirect discrimination is particularly problematic with regard to systems based on aggregation or the household, though it also became clear that the operation of transferable allowances in systems of nominally 'independent' taxation could give rise to the same results according to the extent of transferability allowed.

Mr Kay suggested a number of guidelines for reducing the discriminatory effects of taxation systems:

1. all explicit and direct discrimination should be abolished;
2. dependency-based systems of aggregation are unacceptable in principle;
3. the scope for transferring allowances between spouses should at least not be extended and should be reduced where possible;
4. financial allowance for dependents such as children or parents should be catered for by direct individual so-

cial security payments rather than generally by the tax system.

The seminar must be counted a success. It allowed a meeting of various experts and national ministries to develop a consensus on the positive steps which national systems of taxation should seek to achieve from the perspective of equal treatment between women and men. It also brought out the factors which must be taken into account in the context of reform, particularly the importance of the overall budgetary framework and the need for adequate transitional arrangements.

During the seminar, several participants urged the Commission to take an initiative in this area. Suggestions ranged from the drawing up of more detailed guidelines for avoiding discrimination, as provided for by the Medium-term Community Programme itself, to drafting a Directive on Equal Treatment in Taxation, as demanded by the European Parliament.

The Commission may now assess the results of the seminar and consider what action should be taken to follow-up the Memorandum of 1984 and the undertaking under the Medium-term Community Programme to promote greater neutrality of systems of taxation in the Member States of the European Community.

**Christopher Docksey**

# The social aspects of the introduction of new technology and proposals for a more fundamental approach to the social dialogue



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In June 1985, the President of the European Commission, Mr J. Delors, asked Mr W. Kok to advise him on the social aspects of the introduction of new technology and possible ways of achieving a more fundamental approach to the social dialogue. Mr Kok, former Chairman of the FNV (Dutch Federation of Trade Unions) and former Chairman of the ETUC (European Trade Unions Confederation) was in a favourable position, thanks to his long experience and broad European outlook, to carry out this task.

The report on his six-month assignment, with the conclusions of his analysis of the situation and of the discussions held with numerous key persons, including a comparison with the US situation, is now available.<sup>1</sup>

The report does not deal with the large amount of studies and analyses existing on the subject; it is rather a policy document, drawing together the observations of existing needs in terms of a broad policy approach towards new technologies; it also puts forward a number of suggestions for Community action at the present stage.

The approach is a broad one: it starts by putting forward the need for a more job-creating pattern of growth, where product innovation and investment growth should replace the policies followed in the recent past in most countries, where technological innovation was mainly used to raise productivity and reduce costs. The report pleads for a more balanced mix of supply and demand policies. This strategy should

be pursued in a cooperative European way, taking advantage of the economies of scale and of the economic potential offered by the strengthening of the common market.

<sup>1</sup> The Social Aspects of the Introduction of New Technology and Proposals for a more Fundamental Approach to the Social Dialogue, by W. Kok, forthcoming in 'New Technology and Social Change - The Software Industry', (Supplement to *Social Europe*). The full text of the report (in English, French, German and Dutch) can be obtained by writing to the Directorate-General for Employment, Social Affairs and Education, Commission of the European Communities, 200 rue de la Loi, 1049 Brussels, Belgium.

Once a more job-creating utilization of new technologies is set in motion, this is not expected to be enough to solve the problem of mass unemployment. Accompanying measures are consequently recommended, such as a reduction and reorganization of working time.

Technological innovation is seen by the author as a global challenge, which should mobilize European societies in all spheres, with an overall orientation towards the target of fulfilling social needs. Research and innovation aimed at attaining peace, development and better working and living conditions are worthwhile objectives in themselves, and they carry considerable economic potential. Therefore, the social aspects of technological programmes should never be overlooked, and this applies also to the ongoing Community programmes, to which a social dimension should be added or made more visible.

The social measures suggested to facilitate such a global approach to technological innovation encompass a wide variety of initiatives, some of which are already part of Community policies. Thus, vocational training and closer cooperation between university and industry are issues which the Commission has recently addressed with spe-

cific programmes. The report further stresses the need to raise skills at all levels, as one of the most important investments Europe can make for the rest of this century.

On the employment issue, priority should be given to measures which reduce as much as possible the segmentation of the labour market, increase opportunities for all members of the labour force, particularly for those most threatened by automation, and improve the quality of employment by using all opportunities that technology offers for job enrichment.

Finally, the third dimension, which is more than an issue in itself, but should rather pervade and accompany all other measures, is that of participation and social dialogue. Participation should be strengthened at firm level, and this is in the interests of both sides of industry, insofar as employees' awareness and participation in the process of innovation and renewal have proved to have beneficial effects on the spread of technological change and the necessary adjustment at company level. Participation is also necessary at sectoral and national level, as shown by the positive examples of countries which have opted for a joint approach to technological and social change. Tripartite discussions at

European level are presently taking place, with a view to strengthening the social dialogue, *inter alia*, on the introduction of new technology. The report suggests that the present discussions, where the parties concerned are comparing their global views on the issue of new technology, be followed by concrete and constructive proposals, concerning in particular consultation at all levels on a number of key issues in the fields of employment, qualifications and vocational training, job quality.

In this connection, the report puts forward one proposal aimed at fulfilling both the need to monitor technological change better, and to strengthen the social dialogue. This is the proposal to set up a European Office of Technology and Labour, along the lines of the US Office of Technology Assessment, which would collect and exchange practical experiences and research activities, and assess the social and training aspects of technological programmes. The precise status of this office is left open: it could be a relatively independent agency or be fully integrated in the activities of the European Community. What is deemed to be crucial, whatever its status, is that the two sides of industry are fully involved in its functioning and in the assessment activity.

# Adaptation of working time relating to the introduction of new technology

Experiments in reducing and re-organizing working time are becoming more and more frequent at sectoral and/or firm level in all countries. They have given rise to a number of studies, some of which were carried out at Community level. Among these studies, one was specifically aimed at investigating the possible links between the introduction of new technologies and a change in working time. The study is based on a survey of existing material, a sounding out of opinions of interested parties and a number of case studies in different sectors in four countries.<sup>1</sup> The initial assumption was that the introduction of new technologies would allow a reorganization of working time via changes in work organization; an additional issue was the way in which these changes are implemented in actual practice, how they fit into the strategy of the firms concerned, and how workers and employees are involved in their implementation.

The case studies covered a relatively large spectrum of branches and technologies. Some cases concerned the introduction of information technology and automated equipment in production (in electrical and electronics products, and in food processing); others focused on the utilization of information technology in inventories and flow-control (in electronics and in supermarket chains/department stores). The criteria for the choice of cases to be studied were the opportunities offered by new technology in permitting a higher degree of flexibility in work organization, in rationalizing output flow, and in modifying the relationship between supplier and customer. All these were expected to have some possible implications for the management of working time. The firms were located in Belgium, France, the Federal Republic of Germany and the United Kingdom.

The first conclusion of the study is that there is no direct causal link between technology and working time, although in many cases a reorganization of working time was carried out at the same time as the introduction of new technology. Technological change was then an opportunity to implement some organizational changes, even if the latter

was not a necessary consequence of the former.

The crucial variable that emerged from the cases examined was the firms' strategy and thus the short or long-term objective of technological change. Here the authors classify the firms according to whether they introduce the technology as a last resort to face a crisis where the very survival of the firm is at stake; whether they introduce the technology as a step to face a supposedly temporary crisis, without any perceived need to adapt the organization of the firm; or adopt an attitude of strategic management of change, modifying the whole organization of the firm according to the expected new needs.

In this framework, a further distinction is drawn between flexibility, defined as the ability to modify type and quality of output to changing demand characteristics, and 'souplesse', defined as short-term responsiveness to quantitative market changes.

Many firms give priority to an increased 'souplesse', which may imply a change in machine-time to adapt capacity utilization to demand fluctuations, while greater flexibility may imply a change in working time in a global framework of restructuring work organization and qualifications. As a matter of fact, recorded changes in working time have mostly concerned the introduction of shift-work or of a greater number of shifts; in some cases discontinuous processes have been turned into continuous ones, implying the extension of shiftwork to all departments of the firm. In these examples, shiftwork, sometimes accompanied by a reduction of individual working time, was not a technological necessity, but was rather introduced with the aim of utilizing intensively more expensive equipment. In other cases, changes in working time have been made possible by the more accurate control of workload at different times of the day, obtained through computerization: examples were found in department stores but also in software, where the firm's objective was to distribute the work of computer operators over longer machine hours. In several cases, non-standard working hours

were introduced, which often matched the preferences of individual employees.

In all cases of technological change, the acceptance and possibly the involvement of employees were found to be crucial in successfully implementing the change.

The degree of involvement varied between firms, ranging from no consultation whatsoever to a thorough discussion of the expected changes. Here again, the strategy of the firm and its market prospects are found to influence its attitude towards preliminary consultation and employees' involvement. Thus, in the firms where changes are imposed as a matter of immediate survival, employees' acceptance is either obtained by presenting the change as the only way to maintain employment, or is forced upon the workers and utilized to reduce employment.

On the other hand, in the firms where technological change is part of a global long-term strategy, the change takes place in a smooth way, and is carried out in parallel with a re-examination of work organization, job content and qualifications. If the market is expanding, higher capacity utilization may then result in new recruitment, accompanied by a reduction of working time.

Overall, even if the small size of the sample does not allow anything more than indicative conclusions, the study has the advantage of pointing out the specific conditions under which technological change makes working time reduction possible, and of emphasizing the importance of the firm's overall strategy in the successful implementation of technological and organizational changes.

**Anna Silvia Piergrossi**

<sup>1</sup> *Etude sur les liens entre l'introduction des nouvelles technologies et l'organisation du temps de travail*, by CEGOS, Luxembourg, Office for Official Publications of the European Communities, 1985 (available in French).

# The relationship between the new technologies and decentralization of work

## Their social implications

**The aim of this study<sup>1</sup> is to define the relationship between the use of the new technologies and the decentralization of work and their social implications in the work context.**

### The study framework

In order to sift out the predominant trends and to indicate the main directions for action and in-depth study, the study has been based on examples and areas which, after a first examination of the problem, appear more significant. The phenomenon of decentralization has been taken in the broad sense — functional decentralization, sub-contracting, geographical decentralization, and so on — while the question of 'new technologies' has been focused on the new technologies in information.

After taking stock of the trends and ideas already emerging from other enquiries, the study looked at three regions of employment and three branches of activity: for Great Britain, the electronics industries in Berkshire; for Italy, the machine-tool industry in the provinces of Turin and Modena, and for France, the space industries and the semistate bodies in the Toulouse region.

We will draw here the main conclusions which deserve attention.

### Decentralization of work and new technologies

In reflecting upon the relationship between new technologies (and more particularly NIT — new information technologies) and the decentralization of work, one is led to emphasize the complexity of this relationship; there are the two aspects — among others — of the broad strategies of enterprises: adapting to the social and economic situation and also to markets, in a world governed by the laws of competition.

Thus we are obliged to abandon the mechanistic formulae which would have one factor, the new technologies for instance, determining the other aspects, the type of decentralization for example. In the same way, we have to beware of adopting standpoints which involve isolating one variable and looking, for example, for the impact of the new technologies on working conditions.

Moreover; in contrast to other technologies, NIT can play different roles:

1. As themselves the object of an enterprise's production: as such they are indicative of the latest technology in the electronics or machine-tool industry.
2. As production tools, particularly in banks and insurance, partly in robotics, or in the different computer-aided tasks: their role in the organization of work is important.
3. As contributing, particularly in the form of computerized administration, to the smooth running of an organization: their role is less decisive on the shopfloor but not to be disregarded in so far as they can sometimes facilitate a degree of decentralization.

The relationship between NIT and decentralization of work is not only different in these three cases, but the technologies themselves depend on the overall context, particularly the relations with the market: thus, certain branches of electronics must relate more closely to the market than others, whilst the machine-tool sector gains by a certain concentration of production by virtue of the complexity both of the product and of the production process.

### The trends in different types of decentralization

Functional decentralization, in its different forms, appears as a vast movement of reorganization in enterprises which includes structural aspects (a new distribution of activities), geographical aspects (the allocation to specific places) and a move towards decentralizing responsibilities.

It is a response to the complexity of the environment and internal relationships. It seeks to reassert the value of

<sup>1</sup> Carried out by SEEDA (France) with the cooperation of ARPES (Italy) and SPRU (Great Britain).

workers' capacity for initiative, going so far as to give a managerial dimension to manual work.

The NIT play a double role in this phenomenon; where they are the object of production, they are indicative of the complex advanced techniques which require these more flexible organizations; where they are a means of production, the NIT allow one to combine the two-fold requirement of decentralizing certain responsibilities, on the one hand, and, on the other, decentralizing information which permits the central management to look after the cohesion of the whole and to manage the key resources, or in other words to combine autonomy and control.

**Subcontracting** is also an area of far-reaching changes.

The practice of subcontracting because of volume of work, motivated by the desire to recover a degree of flexibility when the labour factor tends to turn into fixed costs, or by the search for cheaper manpower, does not disappear from the economy.

It is however on the decline, sometimes because the particular sector is in difficulty (the heavy iron and steel industry, for example), sometimes because the sector is modernizing and resorts to new technologies as a production tool (hosiery, clothing and shoe industries) and these technologies then involve a repatriation of production.

On the other hand, sub-contracting of specialized work, as analysed in depth in Italy, has tended to develop for a variety of reasons. Some companies wish to limit the size of the principal enterprise, which sub-contracts work out, calling into question acceptance of the notion of economies of scale and seeking better control of production and labour relations. Others have a different perception of functional decentralization, recognizing a better technical and organizational control on the part of the small unit which the subcontractor represents.

But the principal enterprise is constantly looking to preserve its hold on activities of strategic importance, which can result in the subcontracting of cer-

tain activities and restoration of others simultaneously in the same enterprise.

Thus, the subcontracting of specialized work does not have the same social implication as subcontracting because of work volume: the pressure on the principal enterprise in terms of levels of remuneration for the employees of the subcontractor is less marked, less frequent and less strong; the levels of ability are very similar, all the more so because, thanks to the NIT which put the subcontractor in direct contact with the data-processing system of the principal firm, the organization of work can be brought together more closely in the two enterprises.

By comparison, the other forms of decentralization deserve less attention. Geographical decentralization, often linked to considerations of national and regional development, as such, and without functional decentralization, has little social impact, save for the immediate creation and maintenance of jobs. On the other hand, the nature of the decentralized enterprises can have a further impact when they belong to leading sectors and when they themselves are able to act as poles of influence.

As for work at home and its more recent form, 'telework', the examples observed, notably in Great Britain, and the restricted development of this phenomenon, underline two-well-known features: the interest of mothers in staying at home; and the drawbacks for employees: absence from the place of work as a means of communication, poorly paid work. However, when it concerns employees whose qualifications are much in demand and whose area of activity lends itself to isolation — programmers, compilers of technical documents — then work at home is paid under normal conditions, is capable of developing and meets a limited trade union opposition.

### **The social implications**

The question of the volume of employment, already the subject of several studies, has not been pursued in the study under review.

On the other hand, the combined processes of restructuring activities, of functional decentralization, of work on the new technologies and of recourse to NIT as a production tool or as a means of managing an enterprise, are converging to bring about changes in the nature of jobs: obsolescence of trades, broadening of areas of responsibility and competence, other criteria for assessing situations.

In particular, discussions on the negative or positive effects of data-processing or on its bipolarization, call for serious reassessment.

The NIT are not responsible for the negative and positive consequences on skills. It is rather the overall policy of work organization to which they contribute. Yet it is not in bipolarization — which can occur in the first stages of particular automations when they hand over intermediate operations to the machine —, that the principal risk lies.

It lies firstly in the increased requirement for broader and higher qualifications, which poses several problems:

- (i) that of first training and redeploying a large number of employees: blue- and white-collar workers, whose posts evolve towards a greater technical content and towards more involvement with commercial and managerial tasks; training personnel, whose role now is less to hand out tasks, or be in possession of the knowledge or resolve particular problems, but rather to motivate, train and adapt the manpower... the activities.
- (ii) Probably the long-term lack of high qualifications in the sectors undergoing change;
- (iii) increased difficulties for younger workers to do an apprenticeship in a trade;
- (iv) and above all, the risk not of being pushed into unskilled posts, but of being barred from active employment for those categories which are least prepared to adapt: women, the poor, the poorly trained, young,

old people and dropouts (with a risk of a growing dropout rate).

This latter problem is all the more worrying because the disadvantages, from which these categories suffer, derive from a much larger social context — the feminine condition, among others, but by no means the only one — and socio-cultural ideas deeply rooted in attitudes of mind.

Several of these aspects, the first two in particular, had already been observed in connection with computerization. But it is probably a question of a far wider and more deep-seated phenomenon, of which computerization had been only the first indicator.

In this context, labour relations are marked by a profound ambiguity.

On the one hand, the relationship between both institutionalized sides of industry is such that it had difficulty in tackling the preliminary phases of the introduction of NIT and the choices of strategy. On the other hand, fundamental orientations are sometimes mentioned in the working groups and *ad hoc* groups (including so called 'quality circles'), in which the workers participate as individuals and not as official representatives of their colleagues.

### Employment areas and grey matter

The future of employment areas depends on their ability to attract capabilities which new activities could present.

The three fields of employment already cited show that a durable start to development of an area or its regeneration require complex processes which presuppose a solid cultural infrastructure, a skilled or even highly skilled work-force and modern material infrastructures such that it would be in the interest of leading enterprises to establish themselves, so that the latter then induce the birth and development of smaller enterprises coming in as suppliers, service companies, or as subcontractors, attracting, moreover, wage-earners who are all the more mobile as their cultural level is higher.

At worst, the effect can be to relegate ageing enterprises to other regions, which in the end they will make weaker.



We will complete with a rapid survey of the main conclusions with three findings which suggest further directions for study.

When talking of the implications of decentralization or of NIT, one tends to give greater importance to their social impacts. Therefore, one must not forget that the social context and labour relations are themselves factors which guide the strategies of enterprises. A systemic view of the processes is certainly closer to reality than a mechanistic one. What is more, whilst several studies have dwelt on the impact of NIT on work conditions, people have been

much less occupied in finding out how the social context can influence the development of the NIT and their jobs. In the same way, if the tendency to call more on better qualified personnel and to favour functional decentralization is considered, an about-turn has to be made on the future of NIT: the heuristic side of human work, and the need for communication between individuals continue to have an important role which seems neglected or under-estimated by NITs, which have developed from dealing with large-scale and repetitive operations on the one hand, and with automation of concrete operations on the other.

The second point: the study has been focused for the most part on industry. However, the phenomena observed concern certain branches of the commercial services (banks, distribution networks, for example) and they are capable of touching other tertiary industries tomorrow (administration for instance). Because of that, one cannot limit the conclusions to one industry alone because the notion of tertiary is misleading: certain sectors are getting more and more close to industrial preoccupations.

Finally, the complexity of the phenomena in question shows that, if certain points call for further analysis, it should be in the framework of sector-based studies, which are the most capable of accounting for additional choices which the strategies of enterprises present.

# Employment and work organization in the machine tool industry

The machine tool industry is a relatively small sector in the European Community: it employs less than 200 000 persons. It is nevertheless a sector of considerable importance, being at the core of the production of equipment and of technological innovation.

The Commission's concern about the development of the branch was expressed in 1983 in a Statement, outlining an operational programme for Community action.<sup>1</sup> Following this, and at the request of the producers' organization (the European Committee for Cooperation in the Machine Tools Industries CECIMO), a strategic study was carried out, with the aim of helping the industry to orientate its strategic choices in an increasingly competitive world market. On the social side, a study was commissioned on employment and work organ-

ization in machine tool production, in order to analyse employment trends and examine the effects of technological change on employment, skill levels, work organization and training needs.<sup>2</sup>

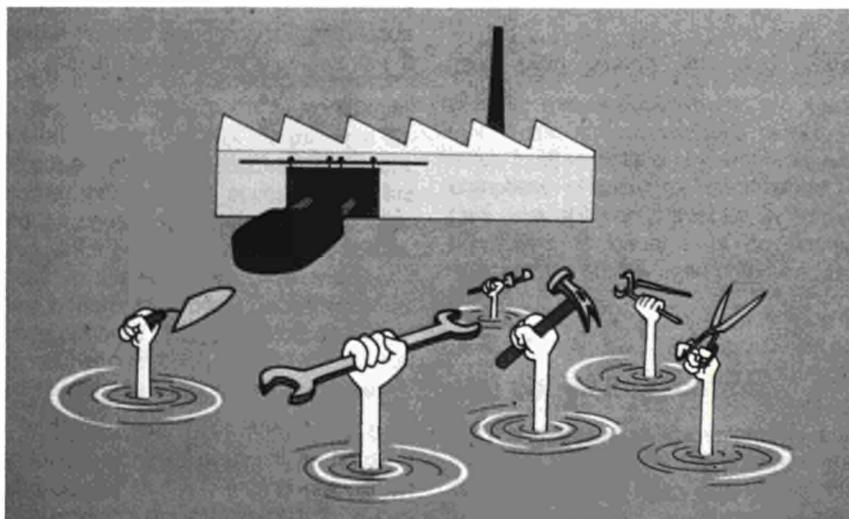
The picture which emerges from the latter study is rather gloomy: employment in the machine tool industry collapsed since the mid-1970s. In the five major European producers considered by the study (Federal Republic of Germany, Italy, France, United Kingdom and Belgium), the average decline in employment amounted to 28% from 1978 to 1984, but in some countries the loss of jobs was particularly accentuated: in the United Kingdom, 59% of 1978 sectoral employment had disappeared by 1984, in France 36% and in Belgium 39%.

These negative employment trends, however, can be correlated with technological change only to a very limited extent: the main cause of employment decline in all countries appears to have been the crisis which hit the sector, leading to the disappearance of a large number of firms from the market. Here again, the average datum, i.e. a 10% decline in the number of establishments in the five countries between 1975 and 1984, conceals remarkable differences between countries and between firms of different size: thus in the UK 20.8% of the factories went out of the market between 1978 and 1984 and 16.7% in Italy, while the smallest decline was recorded in the Federal Republic of Germany (-7.6%). Moreover, large-scale plants were much more affected than small and medium ones: even in the country having experienced the best performance in this period, i.e. Germany, more than half of the factories with more than 1 000 employees closed down; in France and the UK no firm of that size was left on the market in 1984.

The reasons for such a sectoral decline can be found in a number of factors, among which the generalized recession and investment stagnation are probably the most important, since the sector produces investment goods and is consequently strongly affected by demand fluctuations in the economy. However, European industry has also lost competitiveness in the world market and has seen its market increasingly penetrated by foreign producers, primarily Japan, but also some newly industrializing countries which rely on much lower wages. Not all segments of the market have been equally affected: foreign competition is particularly aggressive in standard machines, while Europe maintains its leadership in specialized ma-

**Table: Size and structure of the West European machine tool industry (1984)**

Country	No of factories	% Total	Employment	% Total	Average No employees/factory
Germany	425	30.1	83 000	56.7	195
UK	362	25.5	19 282	13.2	53
France	159	11.3	13 242	9.1	83
Italy	436	30.9	28 500	19.5	65
Belgium	31	2.2	2 262	1.5	73
Total	1 413	100.0	146 286	100.0	104



<sup>1</sup> SEC (83) 151 final. The Statement was accompanied by an analysis of 'The European machine tool industry. Situation and prospects'.

<sup>2</sup> The social aspects of technological developments relating to the European machine tool industry, by Gewiplan, Atkins Planning, and Bossard consultants, Office for Official Publications of the European Communities, forthcoming.

chines. The segmentation of the market, and the different relative strengths of European industry in the various segments, explain why certain countries have performed better (namely Germany, whose industry is more specialized; and Italy, whose industry produces a large share of customized machines) than those more oriented towards standard and conventional machine tools.

Therefore, technological change, rather than being a threat to employment levels in the sector, can on the contrary be considered a necessary condition for maintaining competitiveness and saving jobs: this is particularly true of innovation which enables firms to reduce costs, obtain greater flexibility and shorten processing time.

Forms of manufacturing automation have been introduced to varying degrees in machine tool production: computer-aided design was found to be widespread, even in relatively small firms, whereas more advanced and integrated forms of automation are rare, due to still unsolved technical problems of compatibility and interfaces, and to the prevalence of small-batch production over long and standardized production runs. Where flexible systems have been introduced, they are preferably flexible cells, i.e. different machines interlinked by means of a joint part feeding and control system, rather than fully integrated flexible manufacturing systems.

The changes brought about by these forms of automation mainly concern skills and work organization. First, the composition of employment has moved in all countries towards a higher share of technical and white collar em-

ployment: although the sharp decline in employment hit, in absolute terms, all occupational groups, the decline has had a relatively stronger impact on production workers, including unskilled workers. In addition, actual skill content has changed in three respects. At the level of planning and management of the processes, a need for specialist technical and engineering skills has emerged (computer systems and design specialists, computer-aided-manufacturing developers) and these are most often unavailable in the firm, and sometimes difficult to recruit even on the external labour market. At the level of skilled workers, traditional mechanical skills have to be complemented by electronic skills, giving rise to a new type of composite qualification which is becoming known as 'mechatronics'. Finally, machine operators become machine minders and attendants, while auxiliary tasks, such as transport and clamping, are increasingly automated, displacing to a large extent unskilled workers. Workers requiring new skills are, in virtually all cases, retrained within the firm: this means, on the one hand, that the new technologies imply little direct displacement, the latter being confined to the groups where direct labour needs diminish; on the other hand, an important retraining effort is required, which many firms may find difficult to cope with due to their average small size.

The changes in work organization are also noticeable: machine tool production was, until recently, largely organized as artisan production, based on the workshop principle, whereas the growing integration of processes implies a different layout of factories and a more complex organization. Terms of

employment and working conditions, however, have not undergone dramatic changes in the firms surveyed by the study, the most important exception being the move towards shiftwork in firms used to operate only one shift. This is due to the pressure to pay off more costly equipment and to the large productivity gains obtained in some processes through the use of new technology.

The main conclusions of the study have been discussed by experts from the two sides of the machine tool industry, who have decided to carry on with an analysis of some issues of common interest in a working group at European level. The work of this group will focus on new professional profiles and the ensuing training needs; and on the changes in content of jobs, and thus of the required qualifications, related to the changes in work organization. On the first issue, some activities are already being carried out in the framework of the Community programme on 'New Information Technologies and Vocational Training', aimed at identifying and comparing new qualifications and training needs. On the second issue, the study pointed out that there is no uniform pattern of work organization and that much freedom is left to firms in organizing new tasks and in their manpower strategies, with different implications for job content and worker skills. Further analysis of these issues, based on actual experiences in individual firms, is expected to enable the two sides of industry to reach a better appreciation of the problems involved.

**Anna Silvia Piergrossi**

# Technology agreements in Belgium

**Within the context of research carried out into the provisions governing the use of information for companies and workers, the Commission ordered a study to be made by Ruskin College.<sup>1</sup> As this study does not include the cases of Belgium and France, the Commission has completed the programme with two case studies involving the missing countries. We shall summarize below the general conclusions of the study on Belgium.<sup>2</sup>**

## The structure of participation in Belgium

In the case of Belgium, part of the answer to the fundamental questions on the right of information can already be found in the organizational structure which is characterized by an institutional dualism, in other words different bodies participating depending on whether economic or social matters are involved. The methods of participation also differ according to the matter in question; thus, adaptation of production and organization of labour are considered as non-negotiable economic matters within the bodies of the national, sectoral, or company system. This non-negotiable character has its origins in the principles of civil law (private property, free enterprise, employment of subordinate workers).

The introduction of new technology, being defined as an economic matter, is not open to discussion or negotiation with the representatives of the workers. This is a decision to be made by the employer. This implies that involvement in technological procedures cannot be claimed as a right and that negotiation may only relate to the social aspects of the introduction of new technology, and only in as far as this does not prevent it being brought into operation.

The introduction of legislation governing information was not made without problems in Belgium. The Law of 1948, the collective bargaining Agreement (CCT) No 9 and the Royal Decree of 1973, passed following difficult negotiations, are no more than a legislative compromise.

Legislation governing information must be interpreted as a 'Framework agreement': it guarantees a kind of general minimum of what all companies subject to the law must supply.

Some companies and/or sectors, in the context of sectoral CCTs or collective company agreements, concluded agreements which have extended legislation on information and/or which have given the unions more scope to intervene.

Thus, the banking and insurance sectors both have a CCT which in some way extends CCT No 9 and the Royal Decree of 1973. The interpretative agreement of CCT No 9 regarding company information which had to be supplied to the works council (*Conseil d'entreprise*: CE) was concluded on 7 November 1974 by the joint management and workers commission of the banks. This CCT clearly stipulates the different points of reference regarding use of company information. Moreover, the agreement establishes that, with regard to organization of work, the CE must be informed of 'technological innovation'. The information must be made available prior to the implementation of the innovation, even on an experimental basis, and must provide a full analysis of all the factors relating to employment. In the insurance sector a similar agreement was concluded. These two CCTs not only extend the scope of application of CCT No 9 and the Royal Decree of 1973, but also grant information rights concerning New Technology (NT) even before a specific CCT has been agreed on this subject.

A more general study on the workings of company councils reveals that the two laws on information have had positive effects. The involvement of the CE in economic matters has increased. This growing awareness does not, however, always lead to close consultation on management policy, as there is less and less involvement when matters closely linked to company policy are being dealt with.

CCT No 39 stipulating the rights of information and negotiation was only recently concluded (December, 1983). This study could only find a few cases for its implementation. It must be noted that these agreements often have a strongly defensive character. They provide more of an enumeration of protec-

<sup>1</sup> Workers and new technology; Disclosure and use of company information, Ruskin College, Oxford 1984.

<sup>2</sup> Based on the 'Accords de technologie en Belgique' by J. Huys and P. Vanderhallen, in collaboration with A. Martens and J. Bundervoet.

tive measures against the possible repercussions of technological innovation on the quantity and quality of jobs available than an outline for an offensive strategy, where the autonomous organization of innovation within the terms of a union-backed employment policy would take up a central position.

Van Asch and Vreeman's study of the different types of union strategy distinguishes four possibilities:

- (i) *first strategy:*  
one cannot assume the possibility of influencing the NT in favour of workers' interests. Demands can only relate to the consequences of automation for the production process;
- (ii) *second strategy:*  
use of technology is assumed as given. Alongside the economic-financial aims of management, the social repercussions must also be taken into account. The workers must therefore have the opportunity to influence the decision-making process from the outset.
- (iii) *third strategy:*  
this is based on the assumption that there are alternative technologi-

cal solutions. The direction in which the NT develops depends on a series of choices. With technology agreements, workers must be given the concrete and statutory means of intervention. In addition to the setting up of these rules and procedures it is necessary to tackle the questions of job quality.

- (iv) *fourth strategy:*  
this challenges technology agreements as a strategy for implementation. These agreements tend to excessive cooperation with the owners of capitals, which, in view of the current capitalist-related State production system, must result in participation in management. One can only negotiate, therefore, after the deed, by refusing job losses, generalization of team and shiftwork taxation of automation, etc.

If one refers to sectoral and company agreements, one must see that they fall within the scope of the first and second strategies. Neither in CCT No 39 nor in the majority of agreements could we find demands made along the lines of the third position, although this is frequently invoked in the resolutions of union congresses.

Immediate access to information and involvement from the outset, introduction and implementation of NT in industry, are the aims laid down in union demands submitted at national level. Yet these demands cannot, at company level, result in a supplementary information right or modification of the structures of representation. These demands can hardly fit in with the limitations of present legislation. The collective agreements and the laws regulating information rights do not allow the desired involvement to be put into practice. And where particular procedures have been adapted to guarantee greater worker participation, it does not always seem that the changing of these practices into statutory rights is always given priority. The main priority concerns the saving of jobs. Through guarantees of professional training, individual job protection, and the upholding of status and qualifications, a preventative attempt can be made to block the effect of job destruction brought on by NT. This takes the form of defensive action, since all decisions relating to the introduction of NT and, consequently, to the way in which labour is organized have already been taken.

Hans de Jong

# A comparative analysis of some branches of industry in Germany and France

The question of economic performance of the industries in the European Community is still at the centre of political and economic concern. Particular attention is focused on the competitive capacity within the world market and developments in employment. General observations are frequently made, which — in all their details — do not concern all sectors of industry, since the overall picture is one of diversity. In order to carry out a thorough and detailed analysis of relatively homogeneous areas of industry, the Directorate-General for Employment, Social Affairs and Education has commissioned the German Institute of Economic research Deutsches Institut für Wirtschaftsforschung (DIW) in Berlin, with reference to a series of important indicators, to carry out a comparative analysis of several areas of industry in the Federal Republic of Germany and France.<sup>1</sup>

Three branches of industry which are important for growth in the economic system were chosen: the chemical industry (NACE,<sup>2</sup> No 25), the office equipment/data-processing industry (No 33), and the electro-technical industry (No 34). The study is intended to describe, as far as available data will allow, the development of these branches of industry in the 1970s and at the beginning of the 1980s, and to include, as far as is possible, some views on the prospects of development. The analysis is mainly based on data from the European System of National Accounts.

Any gaps in the data from these sources will be filled as far as possible by using national statistics.

## Comparison of several economic indicators

In terms of the overall economy the three branches of industry play a more significant part in the Federal Republic than in France. The electro-technical industry in particular provides a significantly higher proportion of gross value-added in the Federal Republic with 3.4% in 1982 as opposed to 1.9% in France; in the other branches of industry these differences are not so marked. Similarly with regard to employment, the greater significance of the three industries in the Federal Republic stands out. At any rate, in 1982, 7.7% of all employees were working in these three industries, whereas in France the figure was only 4.9%.

If production of the three branches is compared with particular regard to economic cycles, it becomes clear that the acceleration and retardation of growth were more marked in the Federal Republic than in France. The increased product prices in the three industries concerned is, however, much more evident in France than in the Federal Republic, whereby in 1981 and 1982 particularly high price increases were noted.

In both the Federal Republic and in France the three industries investigated here are among the growth areas. On the one hand these branches showed an increase in production from 1972 to 1982 which was well above the average. On the other hand they are among the few industries with an above average degree of innovative activity and positive market expectations.

A comparison of production structures makes it clear — despite gaps in the statistics — that in the fields of chemistry and electro-technical industry production priorities in the Federal Republic are different from those in France. In the Federal Republic, the manufacture of base chemical elements is of greater importance than in France. In the electro-technical industry in Germany the manufacture of telephone apparatus, counters, meters, and regulators, as well as electronic medical equipment is most important. Also included in this field is

the manufacture of construction elements and integrated circuitry. In France, however, in 1981, the manufacture of radio, television, and photo-technical equipment and installations, electronic apparatus and systems (excluding data processing), along with pre-recorded records and tapes was the most important within the electro-technical industry.

Problems of comparison between the two countries always occurred when real developments had to be analysed. There was no clear method here to help convert actual amounts into comparable units such as ECU or standard purchasing power units. Various calculations, however, produced the result that production increases per unit of work utilized in the years 1972 to 1982 in all branches of industry in the Federal Republic turned out higher than in France. In the Federal Republic a whole series of other factors are involved in creating increased productivity, such as advantages of company sizes, higher outlay on research and development, more concerted efforts to achieve rationalization in business administration as well as rationalization in the production process as an incentive for investment.

Less progress in productivity can be reflected in reduced competitive capacity. A series of indications such as net export quotas, imports in relation to domestic supply, can give a rough idea of the competitive capacity of the individual branches of industry. The areas of industry under examination here fare worse in France than they do in the Federal Republic. In France; imports clearly play a more important part in domestic supply than they do in the Federal Republic. This is particularly detrimental to the office machine and data-processing sectors. In the electro-technical sector, imports and exports are more or less in equal balance.

<sup>1</sup> Chemistry, electrotechnology, and data-processing equipment: a comparative analysis of the industries in Germany and France.

<sup>2</sup> General classification of economic activities in the European Community.

## Labour costs

Analysis of the labour costs for the test years 1972, 1975, 1978 and 1981 revealed that in both countries special payments in the form of bonuses, gratuities, asset formation payments and also National Insurance contributions have become more significant. The employer's contributions to National Insurance are particularly important here. They give a perfect example of the increasing tendency towards the fixing by law or collective bargaining of a great number of these services provided by employers. In France, National Insurance expenditure is clearly higher than in the Federal Republic; but the latter shows higher than average payments for lost working days. Payments for bonuses and gratuities are relatively higher than in France. The overall proportion of certain types of fixed cost expenditure is lower in the Federal Republic than in France.

An analysis of unit wage costs, in other words, wage costs per production unit, revealed that these had risen in France in all three branches more sharply on average than in the Federal Republic. The greater improvement in productivity in the Federal Republic was able to compensate more than in France for the rising costs due to increase in rates of pay, which were at about the same level in both countries.

## Employment

The changes in employment during the period of investigation showed a more distinct downward trend in the Federal Republic than in France in the electro-technical and office machine/data processing sectors. For all that there were around 150 000 fewer people employed in 1982 in the German industries than there were in 1972; whereas in France the number of people employed in these sectors has hardly altered. The structure of employment also differs greatly from that in France. In all three sectors in France, the number of employees is considerably higher than in Germany. An examination of the differ-

ent structures of employment revealed that employees in production were more numerous in France than in the Federal Republic.

This also produced different income distributions. It became clear that in all the industrial branches examined, the lower income groups in France contained greater numbers in 1979.

It is furthermore interesting to note that one company in the Federal Republic employed an average of 478 persons in 1981, whereas in France the figure was only 276. On average the number of personnel in French companies was only half that of the Federal Republic.

## Development prospects

In France as in Germany production in the chemical industry will hardly increase in the next few years above the level of the whole of the manufacturing industry. So the chemical industry will then hardly be able to be referred to any more as a growth industry; yet in France and in the Federal Republic it remains a sector of intensive innovation in terms of products as well as the processes employed. This will cause the production per worker ratio to continue to rise appreciably. One can therefore assume that labour productivity in both countries will increase notably more rapidly than production; this will necessarily result in a reduction in the number of people employed in the chemical industry of both countries.

In the *electro-technical* industry, highly intensive innovation is required to exploit market opportunities and achieve higher than average growth. High expenditure on research and development and the rapid and smooth introduction of new production technology are necessary. If the electro-technical industry can exploit these market opportunities, it will — judged on its production increases — remain a growth industry.

It is quite possible that the production in the Federal Republic over the coming years — as already shown in

the years 1984 and 1985 — will exceed the 5% mark. Despite great productivity improvements, which in the next few years will also be around 5%, there is even an expectation of a slight increase in personnel levels.

Similar trends are expected in France: an increase in domestic demand, supported by a general recovery of industrial production particularly in capital goods production, and a strengthening of private purchasing power. A recovery in foreign demand is also expected, so the sector will again build up export surpluses. The foreign trade deficit suffered by this sector in 1982 should thus become a thing of the past. These expectations are, however, based on quite optimistic assumptions concerning the development of world trade on the one hand, and an improvement of the French competitive position in international markets on the other. A growth in production is therefore assumed which will be considerably higher than in the past. While an average annual production increase of 2.6% was recorded in the years from 1979 to 1984, a growth rate of around 4% is to be achieved over the next few years.

In the *office machine/data-processing* industry there are also expectations of high production increases. This applies to both the French and the German microcomputer industries. Technological progress will ensure a constantly increasing demand in this area.

On the demand side stand the enterprise sector, the administration bodies, and the households, who are already able to make use of the supply of microcomputers. In enterprises in particular there is a growing realization that information is becoming a crucial factor in production, alongside the familiar classic production factors of labour, capital, and land.

The growing demand for data-processing machines and peripheral equipment will continue over the next few years. Yet one must take account of the fact that this will be slower than in the past. Thereafter this market, or sector, will continue to be one of the growth areas *par excellence*. These funda-

mental observations should be equally valid for France and for the Federal Republic. To what extent the national industries develop along different lines cannot, however, be foreseen. Yet it could be said of the Federal Republic that foreign trade in this branch incurred deficits and in all probability will continue to do so over the next few years. In France also the trade balance for this branch showed high deficits; in the years 1982, 1983 and 1984, imports exceeded exports to the tune of 6 000 to

7 000 million francs worth of equipment. Yet a reversal of the foreign trade position is expected in France through increased exports over the next few years.

### **Conclusion**

The study, which can obviously only be mentioned in outline here and not examined in all its rich complexity,

clearly shows that investigations of this nature can bring interesting results to light, which are not immediately obvious from global statistics. It would certainly be desirable to carry out similar investigations in other branches of industry in more countries, to give more accurate indicators for economic and competitive policy for EC economics in their sectoral structure, and to show up prospects for development, which have particular importance with regard to employment policies.

# Housing maintenance and improvement:

## An opportunity for employment and modernization of the construction sector

**Following the conference on 'construction and growth' organized by the Economic and Social Committee in 1980 and in view of the considerable reduction in employment in this industry, which is facing a structural change in demand, the services of the Commission wished to examine, through case studies carried out in the Federal Republic of Germany, France, and the United Kingdom, and submit for appraisal to qualified management and worker representatives within the sector, the proposition that improvement and maintenance of housing can (and, if so, under what conditions) offer a real opportunity for employment and modernization within the sector.**

### Introduction

Within the space of 10 years, the construction and civil engineering sector in Europe has lost about one quarter of its workforce. The crisis in the construction industry which has developed in Europe since 1974-75 has, in line with fluctuations in the economy, deteriorated considerably since the beginning of the 1980s.

Contrary to received opinion, productivity in the construction and civil engineering sector has continued to increase, even if the level of this productivity remains weak compared with other industries. The reduction in numbers has therefore been greater than the drop in production. Medium-term forecasts are extremely cautious: in most countries of the European Community, the construction and civil engineering sector seems forced to fall into recession away from the overall economic growth pattern. Compared with a progression of 2 to 2.5% per annum of GNP, the construction sector would record from now to 1990 a growth rate at half this level, in other words, a continuation of the recession. This means that the construction and civil engineering contribution to the total added value of the European economies would be reduced over the coming five years. Under these conditions, whatever the extra reduction in working time, the poor recovery or the continuation of decline would bring about new reductions in employment due to the rationale of productivity.

This scenario, unfortunately all too realistic, is only of limited significance if the problem of employment remains at this level of generality. The global recession of the construction and civil engineering sector shows a considerable change in supply and demand, notably with regard to the division between new work and work carried out on existing structures. With regard to housing, this change is considerable and results from two opposing trends: on the one hand, a severe reduction in the building programme, since the construction rate per 1 000 inhabitants in Europe stands at half the level it was 10 years ago; on

the other hand, a marked increase in maintenance and improvement of housing due to factors which are either structural (increase in levels of ownership, high ratio of stock/flow influence of changing life-styles...) or economic (re-orientation of Government aid programmes, energy-saving...).

As the medium-term forecasts indicate, in most countries of the European Community, the continuation of these two trends, there is good cause to wonder whether jobs connected with housing will or will not benefit from a substitution, the development of the renovation programme to make up for the reduction in new building projects.

For this reason the services of the Commission asked three member institutes of Euro-Construct (Paris), the BIPE, the IFO, and the NEDO, to carry out national studies on France, the Federal Republic of Germany, and the United Kingdom, describing the financial sums and jobs involved, the opportunities for development, the chances of success, and the obstacles in their way; an analysis was prepared by Euro-Construct, to show areas of convergence and suggest actions which the Commission might undertake to bring a new dynamic into this sphere, thus working towards the modernization of an industry essential to the economy of all Member States.<sup>1</sup>

The qualified representatives of both sides of industry within the sector attended a tripartite technical conference in April 1986 aimed at evaluating these national case studies and discussing ideas which might be implemented at European Community level.

<sup>1</sup> Euro-Construct, 'Employment and housing renovation in Europe', Neuilly-sur-Seine, October 1985.

BIPE = 'Bureau d'Informations et prévisions Economiques' (Office of Information and Economic Forecasts). IFO = 'Institut für Wirtschaftsforschung' (Economic Research Institute). NEDO = 'National Economic Development Office'.



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### National analyses

In *France*, the housing maintenance and improvement market in 1984 produced a turnover of FF 96 000 million for the industry (and brought in at least FF 15 000 million in the black economy, and FF 20 000 to 30 000 million in purchases made by householders for work carried out by themselves); this represents 49% of total housing sector activity and 30% of construction industry turnover. The equivalent in jobs is calculated at 400 000, which represents more than half the number of workers in the housing sector and almost one third of the workforce in construction. The number of jobs contained in FF 1 000 million of renovation work is estimated at 4 200 (4 000 for new housing). Compared with the total new building programme over a

comparable working period, the renovation sector represents a multiplier in job terms of 1.15.

The outlook is good: employment levels in this sector will be maintained, whereas the construction sector overall will lose up to 120 000 jobs between 1984 and 1990; it will, however, undergo marked qualitative transformations: a wider range of skills, since it will be obliged more and more to sell a service, specialization and new types of job (e.g.: heat engineers); workers' participation and creation of groups; greater responsibility and improved work-programming/site-preparation; motivation and profit incentives. The change in lifestyles (free time and DIY on the one hand, single households, one-parent families and working couples on the

other), the ownership phenomenon, the age of French housing and the price of new property all favour an increase in the order of 2% in volume per annum (in work commissioned to companies). The 'new rules of the game' on the housing maintenance and improvement market require the building profession to make an effort to adapt. The larger companies, more involved and more skilled in the non-residential sector, can place their design skills at the service of urban improvement and renovation, in the case of large-scale projects, on a financial, geographical, and technical level. Medium-sized companies must no doubt specialize to occupy the niches not accessible to the private individual, by developing true technical processes which require properly-qualified workers, organized work-sites, adherence to dead-

lines. The areas of involvement are those of complex installations (central heating), conversion (bow windows, verandas, loft and cellar conversion, movable partitions...), difficult skilled work (roofing, security...).

Both sides of industry share the views expressed in this analysis. The employers' representatives considered that taxation measures could reduce the number of DIY and black economy jobs; they have more reservations concerning the outlook for new housing, which they see as being essentially dependent on financial constraints; public finance — household debts — new forms of credit. The workers' representatives feel that some problems need more attention: risk of polyvalence in the 'lower category'; participation of wage earners in changes, and, particularly, in new forms of organization of labour; risk of exclusion of immigrants; uncontrolled decentralization of activities in the sector and the appearance of a network of small companies entirely dependent on a number of larger groups. Finally, they recommend new rules for tax exemption (VAT) for small and medium-sized projects.

In the *Federal Republic of Germany*, housing maintenance and improvement represents one third in volume of residential building; in 1984 its market was estimated at DM 36 400 million at 1980 prices (DM 43 000 at 1984 prices). The equivalent in jobs is estimated at 334 000 or one third of total employment in housebuilding in 1984. The content in jobs of DM 1 000 million of refurbishing work is estimated at 8 830 (8 660 for new housing). The situation in the Federal Republic of Germany is peculiar due to the age and nature of housing, but the increased number of transactions, the price of new housing, the cost of council housing, the trend towards migration back into the cities, the tax incentives favouring modernization and the subsidies for urban renovation should lead to an increased share in work devoted to renovation.

The outlook is promising: estimates indicate, for the period of 1985-90, an increase of 1.5% per annum in volume for renovation (despite a slight drop in

1984-85) and a reduction of around 2.5% per annum in volume for new housing (with a greater decrease in 1985 and 1986). Technological changes contribute to the simplification of maintenance and improvement work: standardization/prefabrication (frames, plumbing), materials (insulation), machines and tools designed for this type of work, endoscopy and thermography. With regard to jobs, there should be a slight increase in renovation work (346 000 in 1990) and a dramatic decrease in new housing (from 664 000 in 1984 to 534 000 in 1990). The content in jobs of DM 1 000 million of renovation work would be in the order of 8 400 in 1990, compared with 8 050 for new housing.

Employers' and workers' representatives indicated that they were in overall agreement with the analysis, but a detailed evaluation was not possible for technical reasons.

In the *United Kingdom*, the maintenance and improvement market in the whole construction sector was estimated at UKL 8 770 million in 1984, which represents 30% of the whole activity of the sector; in housing, the market is valued at UKL 4 600 million at 1980 prices, (+ UKL 6 000 million at 1984 prices), and the ratio of renovation/new building is about 55%-45%; its development was favoured by the sharp decrease in new housing financed by the public sector (163 000 in 1976, 48 000 in 1984), the age of housing (30% of all housing was built before 1919), and the high rate of ownership (63% in 1984). The determinants affecting actual demand are: the relationship between housing/investment and housing/consumption, geographical location (urban renovation), tax incentives (e.g.: advantages caused by tax relief on mortgage interest), the returns on property investment, financial innovations, etc. New technology has especially benefited the development of the DIY sector and energy-saving schemes. Employment in the maintenance and improvement sector is estimated at 350 000 at least (there is the problem of calculating the self-employed figure); the content in jobs of UKL 1 000 million of maintenance work (public sector) is estimated at 50 000.

There are real problems with training: because of the rise in the number of self-employed workers (460 000 out of 1.5 million in 1984!), sub-contracting and decentralization, the small and medium-sized companies tended to specialize 'as they went along' and 'on the job' with no real training; the Youth Training Scheme (18 000 young people/year) has halted the fall in the number of apprenticeships.

The outlook is positive: the total maintenance and improvement market could progress by 0.5% in 1986 and 2.5% in 1987; requirements are no doubt greater: the Government 'Green Paper' of 1985,<sup>2</sup> estimates that for housing alone, requirements will reach UKL 7 500 million (owner-occupiers and tenants), or even UKL 9 000 million if the investment of owner-landlords and developers is included. The future is difficult to forecast, because market development involves the implementation of a long-term policy, combining financial measures (direct Government aid and new private instruments of finance), industrial measures (guarantee of work, clients' advisory agencies) and social measures (urban renovation taking into account the needs of underprivileged groups, worker training).

In general terms, the social partners share these views. On the employers' side, they emphasize the need to establish as clearly as possible the real overall requirements (estimated at UKL 19 000 million for the public sector and UKL 15 000 million for the private sector); this market would have to continue to progress by 2% per annum, except in the case of a change in one of the basic variables (e.g.: subsidies); the reduction in VAT for certain types of work would

<sup>2</sup> This document proposes a combination of measures: selective direct aid in the form of loans; an invitation to the banks to develop new instruments of finance; a call to companies to create a guarantee certificate for their work; creation of advisory agencies for individuals; designation of urban development areas; programmes for renovation of inner city areas by local authorities ('enveloping').

have a real impact on the clandestine labour market; maintenance and improvement are an essential element in effective regional policy. On the union side, there is an insistence on the necessity for coherent involvement on the part of the authorities in depressed areas, including specific measures related to housing.

**Common European ground**

For the three countries studied, maintenance and improvement represent nearly 45 000 million ECU.

numerous, *all the forecasts agree on stabilization (F, UK), or indeed slight increase in jobs related to maintenance and improvement (D), whereas employment in new construction would be reduced.* There are several fundamental reasons for this state of affairs: ageing of present housing, weak position of the new construction sector, high ratio of stock/flow, increased home ownership, change of direction in the authorities' housing policy. Employment will undergo a significant qualitative transformation: maintenance and improvement in particular demand a wider range of skills (technical, managerial, commer-

ing a service programme (help in the household, assistance, advice) and proposing new operating procedures and high-performance technological processes.

Finally, in order that market potential in the maintenance and improvement sector can be exploited, *all those involved must implement a long-term policy* combining financial measures (direct State aid, new instruments of private finance), industrial measures (guarantee of work, clients' advisory agencies), social measures (urban renovation taking into account the requirements of underprivileged groups; struggle against the black economy; professional training, workers' participation), and regional measures (programmes linking the creation of an environment conducive to the small and medium-sized businesses and the renovation of residential and non-residential buildings).

**The construction market in 1984**

	France (FF-HT)	Federal Republic of Germany (DM)	United Kingdom (UKL)
New housing	98	88	5.4
Maintenance-improvement	96	43	6.1
Total housing	194	131	11.5
Total construction industry	387	267	29.2
Share of maintenance-improvement in total housing	49%	33%	53%
Share of total housing in the whole construction industry	50%	49%	40%
Share of housing maintenance-improvement in the whole construction industry	25%	16%	21%

Source: Euro-Construct.

The job equivalents are estimated at 1 085 000 at least for the three countries, the content in jobs of an investment of 1 000 million ECU varying between 31 000 in the United Kingdom, 28 500 in France and 19 000 in the Federal Republic of Germany. Looking ahead to the year 2000, all national forecasts predict sustained positive growth in renovation (+1.5% in D, 2.5% in F, between 2% and 3% in UK), in contrast to a stagnation (+1% in F), or indeed a fall (-2.5% in D, -1% in UK) in investment in new housing.

Consequently, although the methods employed are not comparable and the uncertainties surrounding productivity development, future aid, and the consequences of constraints in budget are

cial), increased participation (responsibilities, groups, motivation), and improved preparation of work-sites.

With regard to the existence of DIY and the black economy, there is a double argument: there is no point in companies competing in these markets, because the determining socio-economic factors (free time, technical progress, financial concerns) and the strategy of other agents in the building 'trade' (Do-It-Yourself dealers and manufacturers); in contrast, sociological changes (single households, one-parent families, working couples) will limit the development of the domestic trade. Company strategy should be aimed at regaining a share of the market, respecting the new rules of the game, develop-

**Suggestions for possible action at Community level**

According to Euro-Construct, the Commission could intervene in several areas:

'In the sphere of information, which is desperately inadequate for the analysis and forecasting of this field of activity, the Commission could take action with national and international professional organizations, along with European statistical offices to standardize and give reliability to employment, activity, and production figures. In the present state of affairs, if no effort is made, it will be impossible to discuss the building industry while remaining in the dark about 50% of the total activity of this sector. The carrying out of specific investigations and the setting up of individual observation units, the follow-up of urban renovation programmes, the elaboration of separate data on private and public demand are the types of information that the Commission would be in a position to promote. By the same token, a campaign to improve information on products, materials, and components is indispensable on a European level to encourage competition.

Tax relief on maintenance and improvement work (especially in the area of energy-saving), and the proposals aimed at reducing the rate of VAT on this type of work under certain conditions (recruitment aid for small businesses, struggle against the black economy) are the ideas for consideration which deserve to be harmonized on a European level. The Commission could make an evaluation of action taken in Belgium (dropping of VAT rate from 17% to 6%) or in the United Kingdom (impact of the Youth Training Scheme).

With regard to missing or inadequate qualifications, the Commission could sponsor exchanges of training and re-training courses, and play an important role in this area by providing information to companies, national professional organizations, and specialized training associations.

The handicap of the construction sector remains the virtually complete absence of competition in the European field. Exchange and competition are poor in the large public procurement contracts, and are reduced to nothing for more diffuse activities such as housing improvement. In the context of large-

scale urban renovation schemes (such as the Housing Action Areas in the UK) or projects of the same type eligible for benefit from European funding, the Commission could encourage study and training visits among European companies.

In a sector as diffuse as that of construction, any action taken by the Commission can only be indirect. To improve the morale of the profession the Commission could play an effective part in harmonizing the positions of the member countries: a recognized diploma should be required from every craftsman wishing to set up his own business (this is the case in the Federal Republic of Germany through the Chamber of Trades and Professions, but not in France).'

Discussion with the qualified representatives of both sides of industry enabled better selection of possible proposals for action: application of the Directive 78/166/EEC on statistics; in the area of taxation, preliminary examination by both sides of industry of work undertaken by the Housing, Building and Planning Committee of the Economic Commission for Europe (United Nations) and the Urban Affairs Group of

OECD, and thought given to Community work (of particular interest) carried out in the context of the completion of the internal market; exploitation of the opportunities offered by the programme of study visits of the Cedefop; improvement of morale in the profession through common qualification requirements. Moreover, qualified representatives of employers and workers have reiterated their call for a coordinated structure within the Commission for all activities connected with the construction sector.

In conclusion, improvement in housing without doubt offers an opportunity for the European construction industry to carry through a programme of modernization. It can also encourage the acquisition of a professional qualification, improve working conditions, and create a new image for the profession. We can only hope that the steps taken jointly to identify areas where Community action would be useful, or even necessary, may receive the support of all sides concerned to help produce concrete results.

**Georges Kintzelé**



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## **Part Three**

### **Recent developments**



# Employment policy in the Member States

In response to the wish expressed by Member States delegations in the Council to receive information on developments in national employment policies, the Commission set up a mutual information system called MISEP. The system operates on the basis of contributions from correspondents in public administrations or organizations and a Commission representative.

It provides the relevant authorities in each Member State with regular quarterly information on measures and trends in the employment policies conducted in the other Member States.

*Social Europe* presents a selection of the information exchanged through MISEP in each issue. The Commission accepts no responsibility for the use of this information, which comes from official national sources. It is presented as a summary, on a regular basis to enlighten the reader on the evolution of various aspects linked to national employment policies.

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# Overall Developments

## Germany: Encouraging new approaches in labour market policy

The Minister for Labour and Social Affairs has for the first time in the 1986 financial year earmarked funds for 'encouraging experiments into new approaches in labour market policy'.

This finance will be used in particular for:

- (i) testing labour market projects aimed at younger people who, for instance, on finishing their training cannot find a job, or at pilot experiments in which groups of those who are difficult to place set up forms of self-employed occupational activities;
- (ii) promoting institutions to provide advice covering several regions on local training and employment initiatives.

A limited amount of money is also available for pilot projects for creating additional training places through the establishment of training associations.

## Spain: Employment contracts

The 1984 reform of the Worker's Statute, the basic law governing employment relationships, has profoundly modified the employment contract. Without prejudice to the principle that an employment contract is presumed to be concluded for an indefinite period, this reform covers a whole series of types of contracts which have in common the fact that they set out the duration for which work is to be performed for one of two reasons: for reasons really justifying a limited term contract or for employment promotion brought in for cyclical reasons, which are briefly outlined below.

### I. Limited term employment contract

Royal Decree 2104/84 of 21 November sets out the cases provided for un-

der Article 15-1 of the Workers' Statute under which a time limit can be put on an employment contract for meeting transitional, short-term company requirements.

#### 1. *Employment contracts for carrying out a specific job or service*

These contracts are for carrying out clearly defined work or services which differ from all the other activities of the enterprise and whose length of execution, although lasting only a limited time, cannot be laid down exactly. The contract ends when the work or service has been completed according to the specifications contractually agreed to by the parties.

#### 2. *Occasional contracts determined by production requirements*

Such contracts are concluded in order to face up to particular market requirements, an increase in work or overload in orders even if they are part of the usual activities of the enterprise. The maximum length of these contracts cannot exceed six months over a 12 month period. They terminate at the end of the maximum length of time agreed to including, where necessary, any extension agreed to beforehand by the parties.

#### 3. *Temporary employment contracts*

These contracts are concluded so as to replace workers who are entitled by law or an individual or collective agreement to keep their job (temporary incapacity to work, military service, etc). The duration of this type of contract depends on the length of time for which the replaced worker keeps his entitlement to his job. The contract ends when the replaced worker returns to his job after expiration of the period of time provided for by law or regulations and previously agreed to by the parties; notice is not required, unless agreed otherwise.

#### 4. *Contracts for starting new activities*

Fixed term contracts can be concluded by newly established enterprises or by existing enterprises which are expanding their business by launching a new range of products, a new product or service or opening a new plant. The launch period is considered to be of three years at the most. The duration of such contracts cannot be less than six months nor more than three years. They cannot be extended beyond the launching period taken as a reference. Any continuation of service after that date is held to be a contract of unlimited duration. Contracts expire at the end of the contractual period or of the extension agreed to beforehand.

## II. Temporary employment contracts as a means of promoting employment

The government is fully aware of the current critical employment situation. So it has made use of the right under Article 15.2 of the Workers' Statute. This enables it to regulate the temporary employment contract as a means of promoting employment and developing this form of contract, drawing on DR 1989/84 of 17 October 1984.

In accordance with the provisions of this law, enterprises can conclude limited-term employment contracts with unemployed workers registered at the employment office. The work can be of any kind. The term of the contracts must be of not less than six months and not more than three years. They can, however, be renewed for one or more periods of at least six months with the agreement of the parties until the maximum time allowed is fully used up. These contracts expire at the end of the contractual period agreed to by one or the other party and the worker can claim a compensation corresponding to 12 days of wages for each year of service.

In spite of the significance of the law, it also contains certain restrictions aimed at avoiding having workers with temporary work contracts replacing permanent workers.

### III. Contracts for practical traineeships and training

These contracts are set out in Article 11 of the Workers' Statute and are expanded on by DR 1992/84 of 31 October 1984. They are limited in time not because of short-term needs of companies but rather because their specific purpose is essentially transitory.

#### 1. Practical traineeship contracts

These are contracts between an employer and any person holding a general education or vocational training diploma which gives him the right to exercise a trade/profession. Their purpose is to provide paid activities enabling the worker to apply and to improve his knowledge and to help him practise a trade corresponding to what he has studied. The contract can be signed by workers who hold a diploma during the four years following the conclusion of their studies. The duration must be no less than three months and no more than three years. But the contract can be renewed provided the maximum authorized duration is not exceeded.

Under no circumstances can pay fixed by the contract be less than the basic minimum which is subjected to social security corresponding to the trade category in question. For the duration of the contract, enterprises are entitled to a 75% reduction in the employer's contribution to social security.

The contract expires at the end of the contractual period when the worker has the right to a certificate acknowledging he has completed the traineeship.

#### 2. Training contract

This is a contract which lays down that the worker agrees both to work and to be trained and that the employer pays him for this work and enables him to be trained so that he can carry out a trade. These contracts can be concluded by workers who, at the time of signing, are more than 16 and less than 20 years of age. The minimum duration is three months and the maximum three years, including possible extensions.

There must be a balance between the working day and the amount of time devoted to training. In no cases can this be less than one quarter of the time fixed in the contract and no more than one half.

The wages can be no less than the minimum national ('interprofessional') wage calculated as a proportion of the real working day. Wages are completely exempt from social security contributions for enterprises employing less than 25 workers, and 90% exempted for enterprises who employ more than 25.

### IV. Part-time and 'relief' contracts

These contracts are governed by Articles 12 and 13.4 of the Workers' Statute and detailed by DR 1991/84 of 31 October.

#### 1. Part-time contract

By this contract, the worker agrees to provide his services for a specified number of hours per day or week or a specified number of days per week or per month, but in any case less than two-thirds of the normal working time for the activity in question. These contracts can be concluded for an unlimited duration or be combined with one or other of the types of limited duration contracts described above, provided they entitle to social security benefits. The wages and the social security contributions are calculated proportionately to the time actually worked.

#### 2. 'Relief' contract

Such a contract is concluded with a worker enrolled as a jobseeker at the employment office in order to replace a worker in an enterprise who, taking an early part-retirement, has a part-time contract. The duration of this type of contract corresponds to the time remaining to the normal retirement age (with a maximum of three years), at the conclusion of which the contract ends and is governed by the same rules as the part-time contract.

Finally, it is interesting to emphasize that this range of contracts can be completed by some other contracts. These

include contracts concluded with permanent or seasonal workers who have discontinuous work; contracts for intermittent or cyclical activities, meaning that they are not performed every day or throughout the year; group contracts, contracts for working together or at home. All of these are characterized above all by the temporary character of the work, an aspect which this article has attempted to bring out.

### Spain: Economic and social agreement (AES)

The government, the Spanish employers' confederation (CEOE), the small and medium-sized enterprises' confederation (Cepyme) and the UGT trade union signed a two year (1985-86) economic and social agreement (AES) on 9 October 1984.

This agreement is in keeping with the policy of 'social concertation' brought in in Spain with the 1977 Moncloa agreements signed by the political parties represented in parliament within the framework of the unanimous approval of the Spanish constitution of 1978. But it was with the signing by the UGT and the CEOE of the AMI interconfederal (framework) agreement on 5 January 1980, renewed in 1981, that there were the beginnings of a succession of basic agreements between the social partners governing industrial relations. In this way the national employment agreement (ANE) was signed on 9 June 1981 by the government, the CEOE, UGT and CCOO (the trade union federation of workers' commissions) and the interconfederal agreement on 15 February 1983 between the CCOO, UGT and the CEOE. The Minister for labour and social security considers that of all the social agreements of the last five years in Spain, AES is 'the richest text in contents and opportunities to which the social forces of democratic Spain have subscribed; it brings together numerous important experiences while at the same time correcting errors of previous texts'.

Thus concrete form is given to the idea often expressed by the Spanish

Prime Minister and shared by the signatories of AES, that 'in a period of crisis the only effective way of overcoming the crisis is to seek to bring together all efforts by means of dialogue and concertation'.

AES has two separate parts preceded by a governmental declaration signed by its Prime Minister. The tripartite agreements signed by all the parties constitute the first section of the agreement, with the second consisting of the interconfederal agreement on collective bargaining signed by the representatives of the UGT, CEOE and Cepyme.

'The government declares that in the coming years its national economic policy will be focused on achieving this aim'. Thus does the government preface its 1985-86 macro-economic aims for the period when AES is in force, setting out at the same time its forecasts for the growth of GNP and inflation. In addition to these forecasts the government made a declaration on a set of economic objectives, both quantitative (concerning fiscal pressure, the budgetary deficit, net job creation in the public sector) and qualitative (dealing with rates of interest, improving fiscal management, industrial policy, incomes policy and reforming public enterprise).

### **Tripartite agreements**

This part of the AES is composed of a broad range of tripartite stipulations setting out the tasks and duties of the contracting parties in their respective fields of competence (Art. 1). The questions taken up mainly imply fiscal and economic commitments by the government as regards unemployment, employment contracts and vocational training, social security, occupational safety and health, labour law, institutional participation, public enterprises, trade union funds and the pay of State employees.

An important fact is the creation in 1985 of a solidarity fund of 62 520 million pesetas for financing programmes inspired by European Social Fund projects such as training and vocational guidance programmes, wages subsidies for hiring new workers, integrating and re-integrating persons into working

life, starting up innovative job creation projects and programmes aimed at levelling out regional disparities. In the light of Spain's imminent membership of the European Community, the aim of the solidarity fund for employment was to bring certain mechanisms of employment policy in Spain closer to Community practices. Financing the fund is split three ways by the workers, enterprises and the State budget. It is financed on the one hand by a special contribution brought in in 1985 which amounts to 0.56% of the part of the social security contribution for vocational training paid in equal parts by the worker and the employer and by a State subsidy of 22 520 million pesetas. Contributing to the solidarity fund does not imply additional charges for the employer since it was accompanied, for the transitional period, by a proportional reduction in the rate of contribution for vocational training. The signatories agreed to define subsequently what exactly will be the purposes of the Fund.

### **Other measures**

As regards taxes, investment is being encouraged through increasing tax relief on financial and physical investments, and those with the lowest incomes are being helped through improving the conditions for tax deductions and exemptions.

On the level of the total economy, public investments amounting to 50 000 million pesetas were made in 1985 for equipment and infrastructure projects, with 30 000 million pesetas for projects for public works and services carried out jointly by INEM (the national employment institute) and other public bodies. For 1986 the amounts allocated to these two types of aid will be the same in real terms.

The objective as regards unemployment protection is to raise the rate of unemployment benefit coverage (i.e. the number of persons entitled by law to unemployment benefits as a percentage of the official count of persons without employment) to 48% by the end of 1986.

Other than reducing the rate of social security contributions by 0.3 points in 1985 and fixing the amounts of the other charges, raising pensions by 7% in 1985 and adjusting them to the price index (8%) in 1986 was foreseen.

In preparation for the entry of Spain to the European Community, revisions are being made to the current regulations concerning occupational safety and health and the government will be harmonizing Spanish labour law with that applied in the Community.

The partners have agreed to reform the system of vocational training through the establishment of a General Council for Vocational Training and the implementation of a national vocational training programme.

Effective institutional participation is being introduced into the various managing bodies of the social services. Furthermore, in addition to committees set up to examine concrete problems, the partners are going to establish an AES steering committee to see to and periodically evaluate the agreement's implementation.

On its side, the government has agreed to examine with the UGT measures providing for trade union participation in public enterprises and to present a draft law to parliament related to trade union assets constituted during the period preceding the restoration of democratic liberties.

### **Interconfederal agreement on collective bargaining 1985-86**

The key point of this section of the AES agreement concluded solely between the UGT, CEOE and the Cepyme concerns wages and salaries for 1985 to 1986.

The agreement lays down that the margin for wage and salary increases for 1985 will be between 5.5% and 7.5% for a forecast inflation rate of 7% and of between 90% and 107% of the inflation rate forecast for 1986. Should the annual rate of inflation (December on December) have exceeded 7% in 1985, wages and salaries will be revised according to

the scales fixed at the beginning of each agreement. Since the level of inflation for 1985 exceeded the one foreseen by 1.1 points, wages and salaries are being adjusted accordingly in the first quarter of 1986 along the lines set out in the AES.

In addition to establishing wages and salaries, the interconfederal agreement tackles other questions already the subject of previous agreements: working conditions (productivity and absenteeism); employment promotion (limiting overtime); the structure of collective bargaining (the aim being to throttle the multiplication of small scale collective bargaining, to replace working rules by framework agreements, to promote better adapted collective bargaining structures and to extend the duration of the agreements' validity to two years) and labour conflicts (giving settlements to industrial conflicts reached amicably, the force of law).

The interconfederal agreement brought about the establishment of an interconfederal joint committee entrusted with interpreting the agreement and ensuring that it is properly applied. The opinions of this committee have to be agreed to unanimously.

### **Spain: Recent developments on the labour market — 1984-85**

The reform of the workers' statute was adopted on 2 August 1984. It ratified a permanent regulation of employment policy setting out a set of (standard) employment contracts which are characterized by their flexibility and adaptation to the labour market. This reform translates the policy of the socialist government (to create the greatest numbers of jobs possible) into institutional forms regulating the labour market. These forms needed to be adapted to the changed circumstances of the Spanish economy following 10 years of crisis. The reform introduces innovations which are favourable to employment, particularly the employment of young people through practical traineeships

and training contracts, approaches to part-time working and new activities.

The new provisions give a legal form to those types of contracts enabling temporary work to be made more flexible and to be given scope in the light of changed circumstances. They also open up new opportunities and do away with restrictive conditions for those groups of workers who are likely to work part-time. A programme of measures seeking to foster the hiring of young people under 26 years of age through open-ended contracts was also brought in.

These new provisions have impacted on the labour market in 1985 which has been much more dynamic than previously. According to the latest figures available, in the third quarter the census of the working population showed a slight increase (0.33%) compared with that at the end of 1984, whereas for an equivalent period in 1984 there was a slight decrease (0.14%). This increase is due in the main to increased female participation on the labour market, whereas the number of working males stagnated; but this did not prevent a fall in the activity rate of the 16 to 29 years-old age bracket, above all young men, as a consequence of lengthening the periods of training in the educational system, and a decline in the activity rate among older workers. For these older workers, the decline is due to withdrawal from the labour market for two reasons: first, because of the difficulties they face in looking for work and second, because of the employment effects of industrial restructuring in certain crisis-ridden industries, which primarily affect older workers. It should be pointed out that there was a slight drop in the activity rate of men in 1984 (68.7%) compared with 1983 (70.1%), with relative stability in female rates, although they remain low by European standards (27.8%).

Parallel to the increase in the working population, there was a positive development in employment for this same period of 1985. Contrary to previous years when employment was constantly declining, 1985 saw an increase in jobs. The same trend is seen with female

rates of activity which rose more than male rates, whereas just the opposite was the case the year before. The previously mentioned reform of employment contracts, which came into operation in August 1984, contributed significantly to this positive development of employment compared with previous years.

The number of placements rose overall by 40% during the past year; but if account is only taken of placements resulting from employment promotion measures, this increase was of 123.5%, not taking into consideration the increase in the number of training contracts (311%) and traineeship (270%).

Thanks to more favourable trends in employment and in spite of the increase in the working population, unemployment rose less than in previous years. Despite the negative element of increased unemployment, its trend in 1985 bodes well in the medium term: the 2.7 million unemployed job-seekers registered at the end of the year represented a high rate of unemployment (20.5%) compared with the working population, but the increase was nevertheless less compared with the variations recorded in the last few years. The increase was in fact 4.9% in 1985 compared with 11.2% in 1984, 8.9% in 1983 and 23.3% in 1982.

This slowing in the rate of unemployment increase in 1985 is undoubtedly due to the drop recorded between the months of April and August and a lesser increase in December than that recorded previously for the same period. Examining the changes within different sectors, an unemployment decrease is at once seen in construction. The absolute volume of unemployment in this sector has been brought below the December 1983 figure. In other sectors the rates of variation were less than those recorded in previous years, being for instance 9.2% in the services in 1985 compared with 17% in 1984, 11.4% in 1983 and 22.6% in 1982. The number of persons seeking their first job increased by 6.0% compared with 10.5%, 21.4% and 50.3% during the previous years.

A very positive consequence of this improvement was its repercussions on

the employment market of young people. The measures for promoting employment impacted positively on young workers since they enabled the percentage of young people among total unemployed to drop to 47.3% in the first quarter of 1985; the percentage of youth unemployment in the overall figures for the same period in the two previous years was 53.6% and 50.5%.

### **Ireland: Employment measures**

As part of the ongoing evaluation of the National Plan the Government has introduced further measures to combat the unemployment problem. These include:

1. Incentives to stimulate activity in the construction industry covering urban redevelopment, home improvements, and the development of community, leisure and tourism facilities.
2. Acceleration of the development of the natural gas grid which will also provide a substantial number of construction jobs.
3. The extension of the Employment Incentive Scheme to allow for a further two workers to be covered, i.e. four jobs per annum per employer.
4. A scheme of exemption from social insurance contributions for employers will be introduced for the tax year 1986/87. The exemption will apply to additional new full-time employees taken on by any private employer before 31 March 1986 who have been on the Live Register for at least six months.

Other proposals being considered in consultation with the National Economic and Social Council are:

- (i) modification of employers' social insurance contributions in order to favour labour intensive industries;
- (ii) the overhaul of the Disability Benefit Scheme with a view to reducing the costs of absenteeism.

### **United Kingdom: Local Enterprise Agencies**

One facet of the UK Government's policy towards reducing unemployment is the stimulation of new economic activities at the local level. The private sector can make a very important contribution to this: many firms depend on the local area as a market for their goods and services. It clearly makes economic sense, therefore, for them to be involved in helping stimulate enterprise and job creation locally.

One of the principal ways in which they can do this is through sponsorship of local enterprise agencies. These are independent local organisations set up by private sector companies — sometimes with public bodies — to help tackle problems facing the local community. They were originally set up because of the rapid technological changes and associated redundancies that were affecting large firms in particular areas where they had hitherto been major employers. The primary objective of the pioneering enterprise agencies was to encourage the creation and development of alternative sources of employment, especially in small firms, in those areas hit by large-scale industrial closures.

Local enterprise agencies are now seen more generally as an expression of the private sector's commitment to healthy local economic communities and as a practical means of harnessing private, and some public, support in the creation of enterprise, new firm formation and jobs. They provide free business advice, mainly to potential and existing enterprises. Some also provide finance, premises and run training courses and business skills' courses. However, the primary task of all agencies is to provide the small businessman with advice.

There has been a rapid growth, largely due to private sector support, in the agency movement over the last three years. Currently, there are over 300 agencies throughout the UK. A number of local authorities also provide support. This can take the form of either

cash donations and/or in-kind assistance through, e.g., secondments, free premises, etc. A number of agencies — about 220 — are approved for tax relief purposes: private sector contributions to these agencies — whether cash or kind — are tax deductible. In England, enterprise agencies receive, in varying degrees, support from a number of central government departments including the Department of Employment and the Department of the Environment with its agency, the Development Commission. Scottish and Welsh public support for enterprise agencies is channelled through the respective development agencies.

The enterprise agency movement is also assisted by Business in the Community, the private sector umbrella organization whose role is essentially to foster the development and growth of the movement. An annual grant from the government helps in this task.

While the enterprise agency movement is making a significant contribution to job creation and enterprise at the local level, the UK Government recognizes that many agencies lack a firm financial base and an adequate level of private sector support. It is therefore introducing a major funding scheme to support enterprise agencies in England on 1 April 1986 to run for five years. A sum of UKL2.5m is to be provided by the Department of Employment for the first year — 1986/87. There will be no automatic entitlement to assistance; it will be limited to agencies with long-term potential but without adequate current funding. Assistance will also be restricted to agencies with an operating income in the first year of the scheme of not more than UKL60 000 per year. Agencies will have to obtain private sector support to trigger government assistance — initially on a pound for pound basis. Applications will need to be supported by a satisfactory business plan and funding strategy. The exact level of grant will be determined by a business plan and funding strategy as well as the matching criteria up to a maximum of UKL20 000 per agency in the first year of the scheme. Because the ultimate aim of the scheme is to establish a network of



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viable self-supporting enterprise agencies, largely funded by the private sector, government assistance will be reduced in later years while the amount of private sector funding required to trigger support will increase.

**United Kingdom:  
Employment measures in  
the March 1986 Budget**

The March 1986 Budget contained a number of proposals relating to the UK Government's job-creation strategy aimed primarily at the long-term and the young unemployed. These are:

(i) an extension of pilot schemes for the long-term unemployed to provide a national Restart Programme

consisting of counselling interviews for everyone who has been out of work for 12 months or more; short courses to improve their job finding techniques; UKL20 weekly Jobstart allowance for six months for people who take jobs with earnings of less than UKL80 per week.

(ii) an expansion of the Enterprise Allowance Scheme to an annual rate of 100 000 entrants by April 1987 with some additional training.

(iii) a new upgraded Small Firms Loan Guarantee Scheme.

(iv) an expansion of the Community Programme for long-term unemployed: target number of places to rise from 200 000 to 255 000 this

year; average wage limit to go up to UKL67 per week.

(v) a New Workers Scheme aiming to facilitate the entry of young people into the labour market by providing a subsidy of UKL15 per week to employers who recruit those aged 18 or 19 at wages below UKL55 per week and aged 20 below UKL65 per week.

(vi) proposed discussions between the Government, employers and others on ways of encouraging the introduction of profit-sharing schemes aiming both to improve worker motivation and increase flexibility for employers in patterns of remuneration.

(vii) an indefinite extension of the Business Expansion Scheme (BES). The basic aim of BES is to help fill the so called 'equity gap' that had been identified in the financing requirements of many small unquoted companies. By offering a very generous tax relief the scheme encourages outside individuals to provide new equity capital for such companies where typically, the level of finance required is unattractive to institutional investors. Though not specifically a job-creation measure, according to an independent report by the accountancy firm Peat Marwick, over 4 000 jobs were attributable to BES investment made in the first year of the scheme.

The wide range of job-creation schemes now available illustrates the two key objectives of the UK Government's current employment strategy: first, a sustained improvement in the performance of business, industry and the economy as a whole; second, a level of pay which enables workers to be priced into rather than out of employment.

## **Employment maintenance**

### **France: Leave of absence for conversion**

By bringing in conversion agreements, the law of 5 August 1985 fills a gap in the measures for helping workers threatened with redundancy. For these new agreements enable actions for re-employment ('reclassement') and training to be undertaken which are more tailored to the individuals' needs, more active and involve the enterprise to a greater extent than the traditional training measures or the early retirement schemes.

Under the new law the ministry dealing with employment can conclude agreements with enterprises to grant conversion allowances to wage-earners who have been given leave so that they can undergo actions which further their

re-employment. During this period of leave their work contract is temporarily suspended.

As with other FNE (National Employment Fund) agreements concluded between the State and enterprises, the all-round voluntary character of conversion agreements is stressed: with the enterprises so as to foster their involvement in finding jobs for persons whose redundancy they have requested (public authorities need to authorize collective dismissals) and with the individual wage-earners whether or not they are a party to these agreements. Agreements are concluded after consulting the representatives of the enterprise.

The legislator sought only to set the framework of State participation, leaving wide open all the possibilities for collective agreements to complete these measures.

### **Conversion agreement**

A conversion agreement enables an enterprise to propose a conversion leave to its wage-earners who are being made redundant.

The leave seeks to help the wage-earners concerned to be re-employed through measures helping the person in job searching as well as, where necessary, in training.

The enterprise can propose the leave to its wage-earners for whose redundancy it has requested official authorization. Where wage-earners accept the leave, the work contract is suspended but not broken: the dismissal will only be notified in the case of new employment being found or in cases where there is a refusal of an offer of new employment or of training, under conditions previously set out, and at the latest at the end of the leave.

The State takes over part of the allowance paid by the enterprise as a guaranteed minimum income to the wage-earner and, where necessary, a part of the operating expenses of training. Furthermore, for the whole of the period, the enterprise is exempted from

paying taxes on wages and social security contributions relating to the allowances paid.

### **Conditions of entitlement to aid**

(i) After consulting the representatives of its workforce in line with the internal procedure for consultation on proposed redundancies and on measures of the social plan, the enterprise must apply to the Labour and Employment Services for an agreement by indicating the reasons for going ahead with the action and its proposed contents.

The agreement must be signed before the public authorities take a decision on the request for redundancy dismissals.

(ii) During the 4 to 10 months for which the conversion leave can last, the enterprise agrees to put into operation a 'programme d'aide au reclassement' (a re-employment aid programme). To this end it must set up the appropriate structures to advise wage-earners and actively canvass the local employment market.

(iii) The help given to the wage-earners must start off with a key phase provided by the enterprise: that of reception, evaluation and guidance. The purpose is to enable the wage-earner to see how he fits into the labour market, to evaluate his previous professional experience, to pinpoint unused potential and to map out the stages enabling him to find another job.

(iv) Training in job-search techniques can also be found to be necessary. Training can be closely linked with job prospects:

- updating actions enabling the person to respond rapidly to the job offers available
- adaptation actions for a job which has been identified, and
- possibly skill training likely to lead to a job.

(v) To carry out its re-employment aid programme, the enterprise can

draw on the services of ANPE (the National Employment Agency), AFPA (the adult vocational training agency) and DDTE (the 'départementale' labour and employment directorate).

#### Rate of aid

- (i) During the conversion leave the wage-earner receives 65% of his previous pay. This income cannot fall below 85% of the SMIC (minimum guaranteed wage). The aid provided by the FNE covers up to 50% of the allowance paid by the employer within the limits of twice the ceiling on which the social security contributions are based. This percentage can be degressive according to both the quality of the measures proposed for finding another job and the financial situation of the enterprise.
- (ii) When the aid programme for finding another job includes training, the FNE normally takes on 50% (maximum) of the operating expenses.
- (iii) For the time of the conversion leave, the enterprise is exempted from paying the tax on wages and social security contributions relating to the special conversion allowances.
- (iv) The DDTE can either pay the whole of the aid at the end of the conversion leave or make part payments at different stages.

#### Evaluation

A first check made at the beginning of February 1986 indicated that there were some 13 500 potential wage-earning beneficiaries of agreements signed nationally (28 agreements covering 8 500 persons) and locally (5 000 wage-earners concerned). But by that time only a few hundred possible beneficiaries had in fact started their conversion leave.

## Aid to the unemployed

### Denmark: Results of enterprise and training allowance schemes

The Danish Job Offer Act was amended as from 1 July 1985. Thus, unemployed persons who have reached the age of 25 and who have already made use of the first job offer may instead of a second job offer choose between two options: participate in training while receiving a training allowance or set up their own business with an enterprise allowance.

The main purpose of the job offer scheme, introduced in 1978, is to retrain and maintain the working ability of the unemployed by offering them a job at a normal place of work. At the same time it should also increase total employment in society.

Since the introduction of the scheme the number of persons taking up job offers quadrupled: from some 13 000 placements in 1979 to 60 000 odd placements in 1984. In spite of targeted measures to provide as many job offers as possible in private enterprises some three-quarters of the persons entitled to a job offer are placed in the public sector in temporary job offers of seven months' duration. This has led to very strong pressure on the scheme in the public sector.

After completion of the job offer only a minority of the unemployed obtain employment and almost half of them become entitled to a second job offer. The job offer scheme was amended in 1984. Thus, as an alternative to repeated job offers, the unemployed are now offered some useful and constructive activities in the form of training or establishing their own business. This will give them far better chances than repeated job offers of returning to employment.

Unemployed persons who have already been through a job offer and who have reached the age of 25 will now be

given the possibility of having up to two years' training with a training allowance in the course of the first two and a half years unemployment benefit period. The training allowance corresponds to the amount of unemployment benefits that the unemployed would otherwise have been entitled to.

As an alternative to the training allowance it is possible to set up a business on a self-employed basis with an enterprise allowance corresponding to 50 per cent of the maximum rate of unemployment benefits, i.e. about DKR 54 000 per year. The enterprise allowance may be payable for up to three and a half years after completion of the job offer.

At present some 1300 persons are undergoing training with a training allowance and some 600 have started their own business with an enterprise allowance. The figure for the training allowance scheme is much lower than anticipated when the legislation was passed. One possible explanation is the significant increase in employment in the private sector which has also benefited the long-term unemployed. Another is the necessary run-in period which must be expected in connection with the scheme.

The schemes are being closely supervised. However, no reliable evaluation of the results from the scheme will be possible until the start of the new educational year in the summer of 1986. An evaluation will then be made with a view to revising the schemes in the seasonal year 1986/87.

### Luxembourg: A pilot project to put the unemployed to work

The amended law of 30 June 1976 establishing an unemployment fund and regulating compensation for full unemployment provides that the granting of an unemployment benefit can be made dependent on carrying out work declared to be of public utility by the Government. This was the basis for the Government (in council) deciding in April 1985 to set up a pilot programme for

putting those in receipt of unemployment benefit to work.

The Government declared the following to be works of public utility:

- (i) works of clearance, upkeep and reafforestation, including planting nurseries and maintaining natural sites;
- (ii) the maintenance of historical sights;
- (iii) one-off, urgent archaeological excavations.

These proposals stem from an agreement between the Ministers for Labour, the Environment and Cultural Affairs with whom were associated the employment administration and the general inspectorate of finance. By this ruling, the employment administration is authorized to assign the unemployed in receipt of benefit to work which is organized within the framework of programmes for putting such persons to work temporarily. These programmes must be put forward by the appropriate ministers, by municipalities ('communes') or by other public law bodies previously recognized by the Minister for Labour.

Programmes indicate the approximate number of jobs as well as their nature and their duration. They also set out the measures for training and supervising the unemployed, the means of transport as well as the resources made available to them.

For the whole of the time they are doing such work, the unemployed persons will be governed by the legal and regulatory provisions protecting wage-earners in the exercise of their jobs.

The programme promoter pays the unemployed person assigned to carrying out work of public interest a monthly flat-rate compensation to cover his expenses to the amount of 10% of the reference pay on which the unemployment benefit is based.

The promoter takes on the transport expenses of the unemployed persons from the meeting place indicated to them by the employment administration to the place where they are to carry out their designated work.

The promoter of the works takes out a third party insurance to cover any damage caused by the activities carried out during the works. He informs the accident insurance association of the unemployed person having been assigned to works of public utility and pays the contributions stemming from the change in the risk class.

The duration of the job must not exceed 32 hours per week spread over four working days.

Before the assignment of the unemployed person, the promoter is required to run initiation and information sessions taking into account the special tasks the unemployed will be given. The unemployed concerned can claim annual paid holidays in accordance with the law.

If necessary, assigning the person to a job can be made dependent on the employment administration or the programme promoter having the person undergo a medical, the cost of which is borne by the promoter.

## **Netherlands: Working whilst in receipt of benefit**

### **1. Proposed modification of the Unemployment Provisions Act (WWV) (Art. 36) Extension to all beneficiaries.**

The Unemployment Provisions Act (WWV) enables the municipalities to organize socio-cultural work for the unemployed. The current thrust of such activities is to open up opportunities for reintegrating the unemployed into the labour market rather than combating the negative consequences of unemployment. Thus, the sort of initiatives taken include training for work, adapting to a job or seeking out, selecting and offering unpaid work possibilities whilst in receipt of benefit.

There is no doubt that socio-cultural work counteracts the negative behavioural consequences of unemployment; but it is only remotely connected with reestablishing contact with working life, a matter which is also mentioned in

Article 36 of the WWV. Furthermore, such activities are difficult to distinguish from the local socio-cultural work efforts of municipalities in general.

To bring clarity to the situation, the Cabinet proposes to replace the concept of 'socio-cultural work' in the article by 'provisions' ('voorzieningen') aimed at maintaining, restoring or encouraging the ability to work with a view to getting back to work. 'Provisions' mean those activities which specifically aim at improving the position on the labour market, acquiring professional knowledge or taking part in training activities connected with these aims. The draft bill also aims at extending the target group (at present limited to people in receipt of benefit under the terms of the Unemployment Insurance Act (WW) or the Unemployment Provisions Act (WWV) to cover all unemployed and disabled persons who have been registered at the employment office as jobseekers for more than one third of their regular working time.

### **2. Development of projects for the unemployed**

The Ministry of Social Affairs and Employment has commissioned further research into the development and spread of work projects for the unemployed. This shows that the number of projects in which the unemployed can work whilst retaining their benefit, has grown considerably over the past years and will continue to do so in the near future. There will be an increasing number of projects which could lead to unfair competition and redundancies.

Growth started in 1980 when 48 projects were launched, rising to 67 in 1981, 248 in 1982 and 438 in 1983. The number of participants also rose considerably: from 3 311 unemployed persons starting to participate in projects in 1980 to 11 018 participants in 1983.

The investigation seems to indicate that the number of participants per 1 000 unemployed rises with the size of the municipality. The medium-sized municipalities are an exception to this rule. The report indicates that there are twice as

many participants in projects per 1 000 unemployed in municipalities with a relatively high rate of unemployment than elsewhere.

The most expensive projects are in small scale production workplaces.

## Training

### Germany: Recurrent vocational training

The number of wage and salary earners who have been able to benefit from the terms of the Labour Promotion Act (AFG) to participate in recurrent vocational training has reached an all time high: 408 324 persons in 1985, which is 15.9% more than in 1984 and 54.2% more than in 1982.

336 500 (82.2%) took part in continuing training programmes, 45 100 (11%) in retraining schemes and 27 700 (6.8%) in on-the-job adaptation ('Einarbeitung') measures. The proportion of those who were out of work before starting on the training scheme was the same as in previous years: 65.7%. This indicates that those having jobs were strongly represented in vocational training schemes, taking up the challenge of technological change and facing up to the growing demands of the workplace.

The proportion of women continued to rise, from 32.6% in 1984 to 33.4% or 136 932 participants in 1985.

The expenditure of the Federal Employment Institute for recurrent vocational training, including subsistence allowances, amounted to DM 3.4 billion.

There should be a further increase in participants in 1986. This will be due in particular to the seventh revision of the Labour Promotion Act which further improves training incentives. The Federal Employment Institute foresees some DM 4.4 billion for these incentive programmes for recurrent vocational training.

### Ireland: Skills Foundation Programme

As a part of the implementation of the Social Guarantee, AnCO (the Industrial Training Authority) has introduced a Skills Foundation Programme.

This programme is geared towards young unemployed persons, particularly early school-leavers, who have left school but have no employable skills. It is an integrated programme of broad based training and work experience designed to help the participants develop a general skills foundation.

The basic goal of the programme is to help the young people to decide on a realistic work goal. During the 27 week programme participants prepare work and training plans, and learn basic and specific skills relevant to their area of interest. To achieve this, a trainee-centred learning approach is used, with the responsibility for learning being placed on the trainee rather than the trainer. A four week period of practical training is incorporated into the programme.

### Ireland: Follow-up survey of 1981/82 school-leavers

The Youth Employment Agency (YEA) recently published the results of a follow-up survey of 1981/82 school-leavers which was carried out in November/December 1984 — two and a half years after leaving school. The young people involved had previously been interviewed one year after leaving school, as part of the Department of Labour's annual school-leavers survey. This is the first time such a follow-up survey has been carried out.

The major results of the survey were that by late 1984, 58% of the 1981/82 school-leavers were in employment, 18% were unemployed (of whom just under half were seeking their first job), 18% were in full-time education, 2% were unavailable for work and almost 5% were living abroad. This means that of those in the Irish labour market at the time 76% were in employment or further education.

The most significant finding was that the gap between qualified and unqualified leavers widens over time. Between May/June 1983 (the time of original interview) and November/December 1984 the unemployment rate (based on sample) among young people with Leaving Certificates (final school examination) had fallen from 36% to 18%, while the rate among unqualified leavers had fallen only slightly, from 52% to 48%. Long-term unemployment was also most severe among unqualified school-leavers. While 36% of unemployed Leaving Certificate leavers had been unemployed for over a year the figure for unqualified leavers was 70% (and 63% were unemployed for two years or more).

The results of the survey indicate that employment opportunities after participation in a youth employment or training scheme are relatively good. Of those who had completed such schemes up to June 1984, 69% were in employment by late 1984.

The table below gives some findings from the survey.

### Netherlands: HFL 243 million for vocational training of young people

In the 1986/87 academic year, HFL 243 million are being made available for the Youth Vocational Training Subsidy Scheme (BVJ). The BVJ enables employers to be given a subsidy for new indentures to be concluded with young persons under the apprenticeship system. Through the scheme employers, employees and the State are jointly striving to increase the annual number of boys and girls starting training in the so-called 'basic apprenticeship system'. This scheme has already ensured that vocational training has regained both qualitatively and quantitatively its 1980 level. The main lines of the BVJ have not been changed for the current academic year when it is expected that some 32 000 to 35 000 training agreements will be signed. That will be about 20% more than the previous year.

**Economic Status of 1981/82 school-leavers at November/December, 1984 by Qualifications<sup>1</sup>**

	No qualifications	Intermediate Certificate/Group Certificate	Leaving/Matriculation Certificate	In third Level	Attempted 3rd Level	Achieved 3rd Level	Total
Employed	46.7	68.1	74.9	12.4	66.5	58.6	58.0
Unemployed-after loss of job	14.5	16.3	8.6	0.4	8.4	2.3	9.2
Seeking first job	28.4	8.6	6.4	1.7	5.8	33.3	8.8
Student	2.5	1.0	2.7	82.7	3.4	0.5	17.6
Unavailable for work	4.6	1.6	1.5	0	5.9	0	1.5
Emigrated	3.3	4.3	5.9	2.9	10.1	5.2	4.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Number</b>	<b>4 700</b>	<b>15 600</b>	<b>25 100</b>	<b>11 900</b>	<b>1 700</b>	<b>2 400</b>	<b>61 500</b>

<sup>1</sup> At time of follow-up survey.

Through the BVJ, training funds receive HFL 4 000 per new apprentice under the age of 23. Furthermore, an additional HFL 2 000 can be given for apprentices in joint training activities, called GOAs. Finally, there is another HFL 2 000 subsidy for the training of girls in sectors where they are under-represented.

The amounts are the same for apprentices doing part-time as for those studying and working the whole week.

Employers receive the subsidy not straight from the State but through the industry by industry training funds managed by the social partners.

The funds can put some of the subsidy money towards covering the costs they have to incur for, for instance, their own administration. In addition to the State subsidy, there are often contributions from the branches of industry themselves.

**Netherlands:  
Evaluation of BKE**

BKE projects aim to provide insight into the training opportunities for adults

through cooperation between different institutions. One of the conditions of such training is that it can improve a person's chances of finding employment. Thus it is termed 'vocationally qualifying'.

The target group consists of adults who have only very little or no previous vocational training and are vulnerable on the labour market. It is virtually impossible to reach such a target group by existing training facilities or by the opportunities provided by special institutions. Cooperation between the institutions to link their opportunities seems to be valuable for the target group.

There were a good 2 000 participants in the BKE projects on 1 May 1984: 1 187 men, including 341 persons from minority groups, and 837 women, including 286 from countries outside the European Community. 60% were older than 27 years.

A recently completed evaluation points out that local institutions have insufficient possibilities for cooperating effectively in BKE projects because they come up against rigid regulations. If these institutions were to be given more

leeway through more flexible regulations, they would be in a better position to cater for local and regional educational needs of the labour market, for instance.

**United Kingdom:  
Adult training programmes update**

As part of action under the government's Adult Training Strategy, the Manpower Services Commission (MSC) began restructuring its programmes in 1984. The wider portfolio of measures introduced, which included some new schemes as well as developments from existing schemes, offers more opportunities for both employed and unemployed people. The programmes are expected to help about 250 000 people in 1986.

During 1985, the Commission continued to develop the programmes so as to improve the potential for business growth and job generation of industry, particularly for small businesses by improving their competence, while continuing to help meet local and national skill needs more generally. It also aimed to increase and improve the range of provisions helping unemployed people, to improve management development, and to promote and exploit the advantages of open learning for industry and individuals, including unemployed people.

Expenditure on those schemes most helpful to small firms has been increased in recognition of the importance of this sector. There was a significant growth in the local grants scheme which helps employers in meeting their skill needs which are important to the local economy by helping them identify these needs and train or retrain people for important vacancies. When considering applications for the scheme, MSC gives preference to small firms. The other important growth area was in training for enterprise which includes a range of training to equip small businesses or potential entrepreneurs with the skills needed to launch and manage a small business successfully.



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Following a request from the government, the Commission recently considered if and how its other adult training schemes might help small firms more.

In addition to more help for small firms, the government also proposed a scheme to help management development through the promotion and exploitation of the advantages of open learning as areas for increased support. As well as looking at this aspect of open learning, the Commission has consulted widely about what might succeed the Open Tech Programme which ends in its present form in March 1987. The Commission is considering the views and comments it has received and some proposals for future action are likely later this year.

## Job creation

### Greece: Job creation

In connection with Ministerial Decision 32857/2. 12. 85 for creating 22 000 new jobs for young people, new decisions have now been published reviewing previous job creation measures for building workers and for disabled persons.

Ministerial Decision 30084/29. 1. 86 deals with job creation for building workers or unemployed persons in general. Such persons may be hired by local authorities, municipalities and public utility bodies for carrying out public works. Finance amounts to 1 800 drach-

mas per day for foremen who are in receipt of unemployment benefit and 1 600 drachmas per day for those who are not. For other persons the allowance amounts to 1 300 drachmas for those receiving unemployment benefit and 900 drachmas for those who are not. This last amount may be raised to 1 300 drachmas for municipalities in specified areas of the country.

For 1985, 1 billion drachmas were allocated for hiring 9 500 persons by some 200 local authorities. The sum is provided by the State Investments Fund through OAED, the National Manpower Employment Organization.

Two other similar decisions (30019/20. 1. 86 and 30020/20. 1. 86)

regulate the creation of new jobs for disabled persons. Decision No 30019 enables private enterprises, public utility institutions, cooperatives, institutions of local authorities and employers to be financed for hiring disabled persons. This programme covers 600 persons under 25 and 400 persons over 25 years of age. A daily allowance of 1 300 drachmas is provided for 12 months. During this period and the period of 3 months preceding the hiring employers are not allowed to dismiss any employee. The OAED is responsible for this programme.

Decision No 30020 provides finance for redesigning the workplace for employers in general who hire disabled persons. The maximum grant given by the OAED amounts to 50 000 drachmas. The programme covers 250 persons under 25 years of age and 150 persons over that age.

### **Italy: Special youth employment programme**

Law No 113 was approved in April 1986. This establishes a special nationwide programme aimed at integrating 40 000 young persons (of whom at least 20 000 will be in the Mezzogiorno) into working life by means of training-work contracts during the 1986—87 biennium. To qualify, the persons must be between 18 and 29 years of age and have been registered at the employment office for more than 12 months.

The time and practical arrangements for the training and work activities are to be decided by the organizations concerned: private firms, public enterprises, research associations and foundations and bodies providing companies with technical assistance. Draft projects have, however, to be submitted to the Ministry of Labour and Social Insurance.

Priority is being given to projects:

- (i) in areas having very high rates of youth unemployment;
- (ii) which provide for the recruitment of women in vocations where they are underrepresented;

- (iii) which provide for the hiring of highly specialized workers;
- (iv) which provide for the recruitment of particularly difficult to place workers; and finally
- (v) projects carried through jointly with the trade union organizations.

Employers drawing on the scheme receive a grant amounting to 15% of the remuneration of the worker taken on under a training-work contract. The grant is raised to 20% for companies in information technology and computerized sectors. The same law provides that a grant of LIT 100 000 per month is given to an employer for twelve months (LIT 200 000 in the Mezzogiorno area) for each worker employed under a training-work contract and kept on for an indefinite period of time.

LIT 570 000 million have been set aside for implementing this scheme in the 1986—87 biennium.

Art. 3 of the law refers particularly to the Mezzogiorno: special reliefs are provided for firms which up to 31 December, take on young persons under a training-work contract, according to Art. 3 of the law No 863 of 1984. The grant amounts to 20% or 25% which is raised to 30% for crafts firms engaged in traditional production sectors.

Here too, employers receive a monthly grant of LIT 200 000 for one year for each worker kept on for an indefinite period of time.

LIT 662 000 million have been earmarked for this programme for the 1986—88 triennium.

### **Italy: Additional employment opportunities for young persons and enhancing cultural assets**

Art. 15 of law No 41 of 28 February 1986 (Finance law) provides finance for projects creating additional employment opportunities for young people, lasting up to 36 months maximum. Projects

must be aimed at enhancing cultural assets by drawing on advanced technology.

The law lays down the following priority areas of intervention: the archaeological, architectural and urbanistic heritage; book, literature and linguistic collections; valuable historical archives; and the arts (fine arts and minor arts).

Projects will be managed by appointed companies or groups of companies. They will be required to take on young persons by nominative request (name call) with a fixed term contract. The persons concerned must not be older than 29 years and have been unemployed for more than one year.

In the 1986—87 biennium, LIT 600 000 million have been earmarked for implementing this scheme, 50% of which is set aside for the Mezzogiorno.

### **Portugal: Incentives for creating the first job for young people**

A legislative measure — DL No 17-D/86 of February 1986 — has recently been introduced aimed at improving permanent job openings for young people. It temporarily exempts enterprises from paying social security contributions when hiring young people aged between 18 and 25.

The measure covers enterprises which come under the general social security scheme (with a few specified exceptions). It only applies to open-ended employment contracts signed with young people of this age group who are looking for their first job. This category includes young people who have already completed in company vocational traineeships or who have had employment contracts for a trial period.

Companies will be exempted from paying social security contributions for these employment contracts for two years. Contributions are based on workers' pay and correspond to an overall rate of 25% (currently paid to the social security and the unemployment fund, cfr. article on DL 58/86).

### Portugal: Temporary employment programme for young people

A programme will be started in the second half of 1986 aimed at opening up temporary employment for young people in specified activities of collective utility. It is jointly organized by IEFP (the employment and vocational training institute), and the Secretariat of State for youth and co-financed with the European Social Fund.

The programme will involve some 12 000 persons between 18 and 25 years of age, who are not working nor drawing unemployment benefits.

Priority will be given to young people with the following characteristics:

- (i) looking for their first job;
- (ii) having a school background, experience and age fitting in best with projects to be undertaken within the fields of culture, social and community help, environmental protection, tourism and agricultural activities;
- (iii) being a member of a larger and/or economically deprived household.

The programme lasts 6 consecutive months for each young person, 40 hours a week. The monthly reference pay amounts to 16 875 Escudos.

### Portugal: Grants for self-employment

Increased opportunities are being opened up for creating self-employed activities both for young people and the long-term unemployed. This follows in the wake of alterations made to the criteria used by the European Social Fund for giving grants in particular to self-employed workers. These exclude the professions, i.e. occupations which require higher education.

The measure, DN 12/86, was published in the official gazette of February 14. It sets out the conditions whereby young (18–25 years of age) persons who are looking for their first job and all workers who have been unemployed for



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one year or more can apply. Workers who are already receiving a grant for setting up their own company under the unemployment protection programme are excluded from this measure.

Persons applying for a grant must carry out the grant-aided activity for at

least 36 hours a week. This non-repayable grant lasts for a period of one year at most. Its amount is set taking into account the amounts decided on each year by the Commission of the European Communities for similar grants. In 1986, this amounts to 3 300 Escudos per person/week.

## Long-term unemployed

### Germany: Hardening of long-term unemployment

A short evaluation of the results of the structural analysis of unemployment of the Federal Employment Institute indicates that there has been a hardening of long-term unemployment but a decline in the unemployment of other categories of the unemployed.

#### Duration of unemployment

Whereas unemployment in the group of workers unemployed for more than two years is hardening, the number of wage- and salary-earners unemployed for less than two years has dropped in both relative and absolute terms (this includes the group who have been unemployed for between 1 and 2 years). Thus it would seem that labour market movements and employment increases have helped job-seekers who have been unemployed for a shorter time but not — at least so far — the longer and long-term unemployed. In fact, the proportion of those unemployed for two or more years rose from 11.5% of the total unemployed in 1984 to 14.1% in 1985.

The increase in the average length of unemployment from 10.5 months in 1984 to 11.6 months in 1985 is solely attributable to those persons who have been unemployed for two years or more. This should explain why the average length of unemployment of workers leaving the unemployment register dropped from 6.9 to 6.8 months compared with the previous year.

#### Skills

Differing from past years, the unemployment of skilled wage- and salary earners dropped both in relative and absolute terms, whereas the unemployment of unskilled workers (still compared with previous years) rose. The

ratio of skilled to unskilled workers in the ranks of the unemployed was 41:59 compared with 43:57 in 1984. This backs up the need for employment policy to launch a 'skills offensive' (Seventh amendment to the Labour Promotion Act).

#### Age

Unemployment is increasingly concentrated on the older workers (45 years and older), with unemployment among young workers having dropped again. Unemployment increased most among workers aged 45 to 54 years, both in absolute and percentage terms (+7.2%). Nearly 30% of the unemployed are now at least 45 years old. The group with the highest rate of unemployment are those aged 55 to 59 years. These figures support the extension of the duration for which unemployment benefit can be claimed, provided for under the seventh amendment to the Labour Promotion Act, as well as the reduction of the age limit to 50 years for job creation measures for older workers.

#### Conclusions

Data concerning its structure show that the labour market is in constant flux and that the unemployed participate in the increase in employment provided that:

- (i) they are under 45 years of age
- (ii) they are skilled (with the exception in particular of teachers)
- (iii) they have not been unemployed for too long.

Thus it is essential that employment policy in the coming years continues to carry through significant numbers of skill and job creating measures.

### Netherlands: Long-term unemployed

Confronted with 400 000 people who have been unemployed for more than a year, and a hard core of 150 000, the government has drawn up a discussion

paper. The aim of the paper is to arrive at a joint approach with the social partners.

The paper sets out for discussion a number of specific measures to combat long-term unemployment. The Cabinet believe that the concerted effort of the social partners and the government to combat long-term youth unemployment must be continued, particularly as the first results of these efforts are now becoming visible. The Cabinet want to examine with the social partners how to reach a more integrated approach to combating long-term youth unemployment, in particular by limiting young people to a 32-hour work week. For the long-term unemployed aged 25 years and more who have 'fewer chances' and whose integration into working life is for the time being seriously hampered by various factors, the Cabinet are considering a new manpower measure: this would provide for temporarily subsidizing employers who are willing to hire persons who have been unemployed for a very long time and providing them with the necessary back-up. The Cabinet believe that this measure should enable a substantial number of the persons who have been unemployed for a very long time to be reached each year.

The Cabinet consider that trade unions and employer organizations should be able to stimulate companies to set up training pools. In such pools the unemployed can, whilst retaining their benefit, be retrained or receive refresher training up to the required level. The companies concerned would be required to commit themselves to having the practical training take place on their premises. The government are prepared to share in the training costs and the possible overheads of the training pools.

The Cabinet do not consider that it would be wise to impose a large scale obligation to take part in training. Nevertheless it can be useful in some specific cases to activate the sanctions which have already been included in the regulations relating to unemployment.

### **Netherlands: Government support for integrating the long-term unemployed**

The Minister of Social Affairs and Employment has launched a scheme to give the long-term unemployed more chances of finding suitable employment. The regulation in question encourages employers by means of a grant to hire such persons and to draw up an adaptation programme for them.

MOA, the 'Measure to support integration into the labour market', replaces the Placement Promoting Measure (PBM) operated so far, which only provided for a wage cost subsidy for employing certain categories of unemployed persons. Through MOA, an employer who hires a long-term unemployed person registered with the employment office, can be given a maximum subsidy of HFL 1 000 per month for up to six months. This support is intended as an allowance towards the costs of training and accompanying the man or woman to be taken on in order to help him/her over the threshold of losing the habit of working and the lack of work experience.

MOA is aimed at unemployed persons who have been registered as job-seekers for an uninterrupted period of more than 12 months, volunteers who are doing voluntary work who have been registered for more than 12 months or women who are registered as unemployed jobseekers and who have not been in employment for more than 12 months because they have been looking after their household.

A work contract has to be drawn up and signed between the employer and the employee. The contract can be of limited duration or open-ended. This contract must be agreed for a minimum period of six months in order to ensure that an adaptation programme is drawn up which the employee can actually complete. A further requirement is that no interference be caused to the labour market by the unemployed person taking up the job. This can happen as employees are being made redundant and unemployed persons are being taken

on for the self-same jobs by means of MOA. This is called 'undesirable substitution'.

Within the Labour Foundation talks are being held between the social partners about proposals to help the long-term unemployed in their search for work. The measure now taken by the Minister of Social Affairs and Employment will, if necessary, be adapted in the light of the results of the talks in the Foundation.

### **United Kingdom: Pilot Schemes for the long-term unemployed**

In November 1985 the Secretary of State for Employment announced new pilot schemes to help the long-term unemployed (LTU). LTUs now constitute over 40% of the total number of unemployed in the UK. The measures are in line with the resolution on long-term unemployment adopted by the European Community Council of Ministers in December 1984.

The measures are aimed at helping LTUs into jobs or training. They began on 6 January and will run for six months in nine areas.

There are three main elements:

The first element is a personal invitation to long-term unemployed in the pilot areas to attend an in-depth interview in the Jobcentre. This leads to the offer of a job vacancy to apply for, a place on the expanding Community Programme, entry to the Enterprise Allowance Scheme, a place on a Manpower Services Commission training course, or membership of a Jobclub.

The second element is an entirely new short course. Known as 'Restart', this lasts one to two weeks. It has been designed specifically to meet the LTU needs. The courses will concentrate on assessing the potential and aptitudes of LTUs who participate, updating their basic working skills and their techniques for job search, application and interviews.

The third element is a Job Start allowance of UKL 20 a week for up to six months. This is payable to anyone who lives in one of the pilot areas, has been out of work for twelve months or more and finds a full-time job (at least 35 hours per week) with gross earnings of up to UKL 80 per week. The aim of the allowance is to give long-term unemployed people — particularly those with high benefit entitlement — a greater financial incentive to take jobs from the number of unfilled vacancies (which are higher than they have been for some years). The Job Start allowance is not taken into account in calculating Family Income Supplement or Housing Benefit; nor does it attract National Insurance Contributions (it is paid direct to the employee); it will, however, be taxed.

Ministers will monitor the pilot schemes carefully to see whether they have the desired effect. If they are successful, it is hoped that they will be extended.

## **Working time**

### **Belgium: Agreement on flexible working**

On 23 April 1986 an agreement was reached between employers and trade unions within the National Labour Council (CNT). This deals with a set of measures to bring into companies new systems of working, similar to the experimental approaches to rearranging working time. Their purpose is to adapt or extend the time during which plant and machinery are actually used.

This agreement of the CNT consists of proposals which should be incorporated into a bill and of the text of a collective agreement (CCT) which will be signed within the CNT just as soon as the legislation is brought in.

The CCT can only be signed once certain laws have been altered on the basis of CNT proposals. These laws cover the duration of work, Sunday rest

and night work. The area covered by the law will be very broad, only excluding the distributive trades which will have to look for their own solutions.

Measures have also been taken to adapt existing legislation to these new arrangements. This legislation concerns payment for short absences from work ('petits chômages'), the waiting day ('jour de carence' = first day of illness) for guaranteed incomes, protection of incomes, paid educational leave and social security.

The CCT must subsequently be signed within the CNT. It will set out the conditions and ways and means for introducing the new system at the enterprise level.

Agreements on systems of the flexible organization of working time will have to be reached in industry in order to avoid all illegal competition. It will only be possible to conclude such an agreement at the enterprise level after six months of negotiating at industry level.

The agreement of all trade unions represented in the 'trade union delegation' will be compulsory for modifying working rules and regulations. Where there is no trade union delegation, flexibility can only be brought in once there has been majority agreement by the joint commission of the industry concerned.

The bill enabling the agreement to be applied in practice will be submitted to government in the coming weeks.

### **Belgium: Experimenting with the reorganization of working time**

Royal Decree No 179 of 30 December 1982 provided for corporate agreements on experimentally re-arranging working time; 50 such agreements have so far been approved. Through these experiments, the 44 enterprises currently concerned have hired or will be hiring 792 to 938 persons in addition to their current 15 487 workers, an increase of 4.9% to 5.8%.

There is a continuing demand for experiments in 1986 with a regular flow of new requests. Thus, two important new agreements (Philips and Volvo) are currently being studied.

The success of the variety of approaches experimented with, in terms of corporate profitability, quantitative impacts on employment (significant compared with other employment promotion measures), and workers' satisfaction, show that, far from having to be considered as dangerous deviations from standard rules, they can be beneficial to all parties concerned — to the extent, that is, that the social innovations which these approaches imply are accompanied by a dialogue with the persons directly concerned.

Experiments in re-arranging working time should be the starting point for thoughts on generalizing new provisions pertaining to labour law, more especially as regards the systems and length of work.

An in-depth examination is currently being made of the various experiments. Particular interest is focused on the timeliness of adjusting the labour law of 16 March 1971 to new economic and social realities. The clauses concerning shift work, Sunday rest and the duration of work are being examined in particular. The aim would be to enable continuous working to be carried out for economic reasons without there being any need to resort to an experiment with re-arranging working time. This examination is being carried out in an overall context to enable account to be taken of certain accompanying measures and of the effects on employment.

### **Germany: Strong demand for working time reductions**

In 1985 the social partners reached some 6 800 new collective agreements, almost the same number as in the previous years. Since 1949 some 210 000 collective agreements have been concluded. Besides the usual increases in wages and salaries, agreements on reducing working time to a 38.5 hour work-

ing week were of particular interest notably in the retail trade, in the wood-working industry and in some engineering branches whilst early retirement agreements were reached amongst others in the chemical, the plastics-processing and glass industries.

Collective agreements on wages and salaries did not come up for renewal in all branches in 1985. For the metal, printing and the iron and steel industries longer term agreements were made in 1984 in connection with reducing working time. In these industries increases in 2% steps were, however, foreseen.

The average increases — taking the new agreements and these stepwise increases together — in wages and salaries amounted to 2.8% in 1985. This was the lowest percentage for years. In 1984 the average increase was 3.3%.

Reductions in weekly working time to under 40 hours — most of them to 38.5 hours — have so far been agreed to for 6.7 million workers. Most of these agreements had come into force by 1 January 1986. Further agreements already reached in this area will come into force in 1986 and 1987.

By the end of 1985 370 early retirement agreements had been concluded for various economic and service branches employing more than seven million persons. The most important collective agreement reached in 1985 for the chemical industry provides in addition for the possibility of old-age part-time work for persons who have completed their 58th year.

For some 15% of employees, 1985 saw a lengthening of collectively agreed vacation. There is a continuing trend — through at a somewhat slower rate than previously — for all employees towards a six weeks' vacation. Some 62% of all employees covered by a collective agreement were entitled to six weeks' vacation in 1985.

Almost all employees covered by a collective agreement are, in addition to wages or salaries, entitled to holiday

money, to a thirteenth month's salary/wages or parts thereof and to asset-forming benefits\*.

### France: Law concerning collective bargaining on working-time organization

On 28 February 1986 parliament passed a law on the above subject. The law lays down the conditions under which a collective agreement or an 'extended' collective agreement (this being an agreement which applies to all companies which come under its scope) can deviate from the statutory provisions on working time organization and scheduling, and the ways for paying for hours of work lost.

#### The previous situation:

Until this new law came into force, the main provisions concerning the organization of working time were as follows:

- (i) the statutory working week had been fixed at 39 hours from 1 February 1984 (the maximum daily working time not being allowed to exceed 10 hours);
- (ii) a maximum 46-hour working week over a period of 12 weeks and a 48-hour working week over one week;
- (iii) as regards overtime, that worked in excess of the statutory working week gave rise to the following overtime premium payments:
  - 25% for the first eight hours overtime (from the 40th to the 47th working hour),
  - 50% for the following overtime hours (from the 48th working hour onwards).

An annual quota of overtime could be worked by simply informing the inspector of labour and, where they existed, the works council or, failing this, the representatives of the workforce. The annual quota was fixed by decree at 130 hours.

By means of an agreement (collective agreement or extended collective

agreement) a higher or lower quota could be fixed.

Overtime in excess of the quota fixed by law or by collective agreement but still within the limits of the maximum working week needed authorization by the inspector of labour after having sounded out the works committee, or, in its absence, the representatives of the workforce.

The law furthermore provided for:

- (i) compensatory time-off of 20% above a 42-hour working week for overtime allowed under the quota regulation;
- (ii) compensatory time-off of 50% for overtime worked in excess of the annual quota fixed by law or agreement.

#### Modulated annual working time

An agreement could provide for variations in the work week on the understanding that on the one hand, over a year, this period did not on average exceed the statutory 39-hour work week and, on the other, that the agreement also set out the ways and means of the modulated working time.

Thus, through an agreement, a company could have its workers work more than a 39-hour week for several weeks provided that at another time they worked less than a 39-hour week, thereby achieving an average 39-hour work week over a year. Under these circumstances, hours worked in excess of the 39-hour week:

- (i) give entitlement to overtime premium payments;
- (ii) could give entitlement to compensatory time-off of 20% above a 42-hour work week;
- (iii) are not taken account of for the annual overtime quota.

#### The new law

Compared with these rules, the provisions brought in by the law of 28 February 1986 have two main effects:

- (i) provide for the possibility of paying as normal working hours the hours which previously had to be paid as overtime;
- (ii) in return reduce the average work week over a year.

The law of 28 February 1986 seeks to reconcile two objectives:

- (i) to allow for greater flexibility enabling the enterprise to adapt to the market through modulated working time;
- (ii) to compensate resulting income losses for the workers by bringing forward the reduction of working time.

According to the terms of the new law, a collective agreement can now in fact provide that overtime premium payments are not due for hours worked in excess of the statutory work week, within the limits of the 41-hour week, provided that the agreement:

- (i) fixes working hours which (on an annual average) do not exceed 38-hours per work week;
- (ii) limits the annual overtime quota to 80 hours (instead of 130 hours).

If the average work week over a year is brought down to 37.5 hours by collective agreement, the agreement can provide that overtime premium payments are not due for hours worked in excess of the statutory work week within the limits of 44 hours.

\* Editors' note: Under the 'DM 624 law' workers with taxable incomes below certain limits receive a 'savings grant' of at least 30% if they invest DM 624 a year in an 'asset-forming manner'. Asset-forming investment means that the money is tied down for a longer period. In very many cases the DM 624 law savings are not, or only partially, paid by the workers themselves. Most collective agreements contain provisions according to which 'asset-forming payments' are wholly or partially made by the employer. That means that in addition to wages or salaries workers receive a certain sum monthly which is not paid out to them but credited to an investment account.

- (i) Hours worked in excess of the statutory work week but within the limits of this 41-hour or the 44-hour work week are not taken account of for the annual overtime quota.
- (ii) Hours worked in excess of the average work week over a year (fixed by agreement) are paid for at the latest at the end of the annual period defined in the agreement.
- (iii) They entitle the person to compensatory time-off equal to 50% of the number of hours in excess of the collectively agreed upon working time (unless the agreement provides that financial compensation can replace compensatory time-off).

### **Netherlands: Reducing working time**

The Minister of Social Affairs and Employment has started a scheme to stimulate the quest for introducing a reduction in working time. More than 10 million guilders have been earmarked for subsidizing employers who have commissioned investigations to reduce working time or who have taken concrete steps towards further reducing working time or bringing in part-time work.

The experimental scheme, recently described in the 'Nederlandse Staatscourant' (official gazette), runs until 1 January 1987. The Minister previously informed the Houses of Parliament and the Labour Foundation of the scheme.

Through this scheme an employer can claim a subsidy for investigating the

causes of and innovative solutions to bottlenecks. Under certain conditions the scheme provides a subsidy of 80% of the expenses, with a maximum amount of HFL 100 000. Employers who are willing to take specific steps towards reducing working time further in their company or institution can, under certain conditions, qualify for a grant under the terms of this scheme.

The grant is mainly intended to cover the costs of recruiting and integrating new employees hired as a consequence of bringing in working time reductions.

The results obtained by reducing working time since the agreement reached in the Labour Foundation in November 1982, indicate that the redistribution of work has taken a variety of forms. It has contributed significantly to combating unemployment: since 1983, it has enabled more than 200 000 people to obtain permanent work. This number should rise to 250 000 in 1986.

Selective forms of reducing working time, such as part-time work and early retirement, provide an important contribution and thus contribute to combating unemployment.

### **Germany: Profile of the unemployed**

No matter how high the numbers of unemployed, it is always the group of the untrained which heads the list. In the autumn of 1985 of the 2.2 million unemployed roughly half were the untrained. This emerges from the latest analysis of

the Federal Employment Institute (BA). This underlines once again that shortcomings in training raises the risk of being unemployed.

Furthermore, it is particularly difficult for the unemployed who have had no vocational training to find new permanent employment, as personnel managers favour when hiring those with the most qualifications.

In addition to those without training, problem groups on the labour market consist above all of persons who, for health reasons, are not completely fit for work. They make up one fifth of all jobless persons. Nor is it easy for the older unemployed and for those looking for part-time employment to find employment. They still need special placement services through the labour offices.

On the other hand, the position of young people has improved. Despite the continuous strong stream of young people into the labour market, the proportion of young unemployed (under 20 years of age) has dropped from 11 to 8 per cent since 1982.

Out of 100 unemployed in September 1985:

- 50 without recognized vocational training,
- 31 unemployed for one year and longer,
- 19 impaired by health,
- 15 starting a vocation,
- 13 older persons (55 years of age and over),
- 11 only interested in part-time work,
- 8 young persons (under 20 years of age).

(Total above a hundred because of multiple categories)

# New technology and social change: Overview of recent events in the Community countries<sup>1</sup>

## I. Government policies

1. Promotion of Research and Development
2. Education policy
3. Other legislation

## II. The attitudes of the two sides of industry towards new technologies

1. Employers and trade unions
2. Collective agreements and labour disputes

## III. Studies and research on social effects of new technologies

1. Diffusion of information technology
2. Employment
3. Women and new technologies
4. Qualifications and skills
5. Work organization and industrial relations

The overview of recent events presented in this issue refers to the period Winter 1985—Spring 1986.<sup>2</sup> No major new technological programme was initiated in this period; what took place was rather a re-financing of ongoing programmes, some new specific projects, and the assessment of programmes which are now reaching completion. These are briefly summarized in the first section.

In the industrial relations field, major discussions are taking place in some countries on the renewal of technology agreements, or on the inclusion of technology clauses in general collective agreements. Trade unions are becoming more and more concerned about this issue, which ranks among the top priorities in negotiations. At sectoral level, this period has been marked by the disputes in the British press, largely caused by rapid technological change in the sector, and its sudden implementation. Section two deals with these events, and with the positions of the two sides of industry on the problems at stake.

Finally, the last section reports on studies and surveys recently completed on the main social implications of technological change.

## I. Government policies

### 1. Promotion of research and development

'Flagship', the largest project in the Alvey programme, was announced in the United Kingdom in December 1985. Flagship is a fifth generation information processing system which will be developed by a consortium comprising ICL, Plessey, Imperial College and Manchester University. It will evolve program styles which make it easier and more economical to construct, modify, prove and maintain application programs. The cost of the project is UKL 15.5 million for the first three years.

In the field of industrial policy, the UK government has maintained its new emphasis in supporting projects representing significant advances on existing practice. In September 1985, the Department of Trade and Industry (DTI) announced two further initiatives to support the application of open systems interconnection (OSI) — the use of a standardized system for connecting computers and computer equipment. The first is in the form of grants of up to 50% for OSI opportunity studies by users; a total of UKL 1.3 million is available. The second initiative is the funding of OSI demonstration projects, with UKL 4.9 million available. One of the qualifying criteria is that at least three different suppliers are involved in provision of equipment to demonstrate how OSI allows integration of different products. The suppliers themselves will be eligible for grants of up to 25% of the cost of developing new products for the projects.

In October 1985, it was also announced that the UK cable TV industry sector would receive UKL 5 million in Government funds over a five year period. The aim is to promote advanced interactive services on wideband cable systems. Firms may apply for up to 50% of the cost of staging demonstrations.

In September 1985 the Dutch Minister of Economic Affairs presented the 'Survey of Technology Policy, 1985—86',

<sup>1</sup> Prepared by the Commission on the basis of information provided by the EPOS network of correspondents on new information technologies, which comprises the following experts: G. Valenduc (B); M. Nikolinakos (GR); B. Quelin (F); P. Piacentini (I); C. Rottländer-Meijer (NL); T. Brady (UK). Coordinator for the Commission: A. S. Piergrossi

<sup>2</sup> We regret that, due to a long postal strike, some national contributions could not be included in this survey. Recent events in Denmark, the Federal Republic of Germany, and Ireland are consequently not covered in this report. As far as Spain and Portugal are concerned, one of the next issues of *Social Europe* will present the situation in these two countries.

which sets the priorities for the budgetary year 1985–86.<sup>1</sup> The following objectives are put forward: to strengthen technology research policy oriented towards the private sector (among others the Innovation Oriented Research Programme — IOP — and the Stimulation Project on Informatics in the Netherlands — SPIN —); to establish closer links between the industrial sector and the research community and to stimulate the educational system to give more attention to technological innovation; to solve socio-organizational problems on the introduction of new technologies; to intensify public awareness activities. In the parliamentary discussion, the opportunity to set up a special Ministry for Science and Technology was widely debated, with both Christian Democrat and Socialist parties being in favour of a special ministry with its own budget and policy instruments. Equally debated was the problem of the low participation of women in information technology jobs: measures will be taken to inform women about educational opportunities and to stimulate their participation in technology-related educational programmes.

Still in the Netherlands, a progress report on the 'Plan for the Stimulation of Informatics' was published in September 1985.<sup>2</sup> The Plan, carrying a budget of HFL 1 700 million for the period 1983–88, is the largest programme in informatics and a framework for activities in all fields of technology policy. Recent developments of the Plan concern: in the educational field, the development of teacher training courses in information technology and of educational software for all levels and sectors of the education system; in the R&D field, the strengthening of the Centre for Mathematics and Informatics in Amsterdam, with a view to creating a broad network of Dutch informatics research institutes and computer services centres; in the agricultural sector, the speeding up of farm automation through the development of information products and services for intensive and extensive farming and through education and research.

Some ongoing research programmes have been re-financed in the

1986 Dutch budget. One is the Industrial Research Subsidy Regulation (Instir), introduced in 1984 to provide subsidies to companies towards the wage costs of research employees; the programme is of primary benefit to small businesses and has been very well received by the business community. Other R&D funds are for Technical Development Credit (Technologische Ontwikkelingskredieten, TOK) and for Research on Priority Fields (Research op Aandachtsgebieden, ADG). In all cases, conflicts have emerged between the objectives of expanding research activities and the imperatives of a strict budgetary policy.

In France, the State research budget for 1986 registers an increase of 14.2%, with the aim of continuing on the policy lines started in 1982. These are the following: the increase in the number of scientific research personnel, which will grow by 3.1% in 1986; more resources for research laboratories; the continuation of major national programmes, such as the electronuclear and aerospace programme; fiscal incentives addressed to firms, with the aim of inducing more firms, particularly small and medium-sized ones, to initiate research activities, and to favour diffusion of research in the whole industrial sector, and particularly in traditional branches; more financial means for specific action programmes, such as the Fund for Research and Technology and the programme to support innovation, which is particularly addressed to small and medium-sized enterprises. Overall, direct and indirect — fiscal — means of support to industrial research increase more than proportionally to the total budget.<sup>3</sup>

In Italy, the annual report on the state of research, submitted by the President of CNR (National Research Council) to the Parliament in Autumn 1985, summarizes figures and trends on the overall research effort in the country: provisional figures for total expenditure in R&D during 1985, estimated at 9 245 thousand million lire, show a rise of 3.7% in real terms over 1984; this sum was quite evenly divided between public and private institutions (4 414 and 4 831 thousand million lire respectively).<sup>4</sup> However, the increase in expenditure in 1985 was

due almost exclusively to firms and other private institutions (+20.9%) while expenditure by Public Agencies, including the CNR itself, increased only marginally.

A plan for the reorganization of the internal structure of the Research Council was announced in January 1986; it is aimed at a higher degree of coordination of existing research laboratories, and it will be accompanied by a 100 thousand million lire investment in the construction of new laboratories. CNR management also complained about low wages and poor career prospects for its research staff, which have recently encouraged a process of brain-drain towards private laboratories and universities.

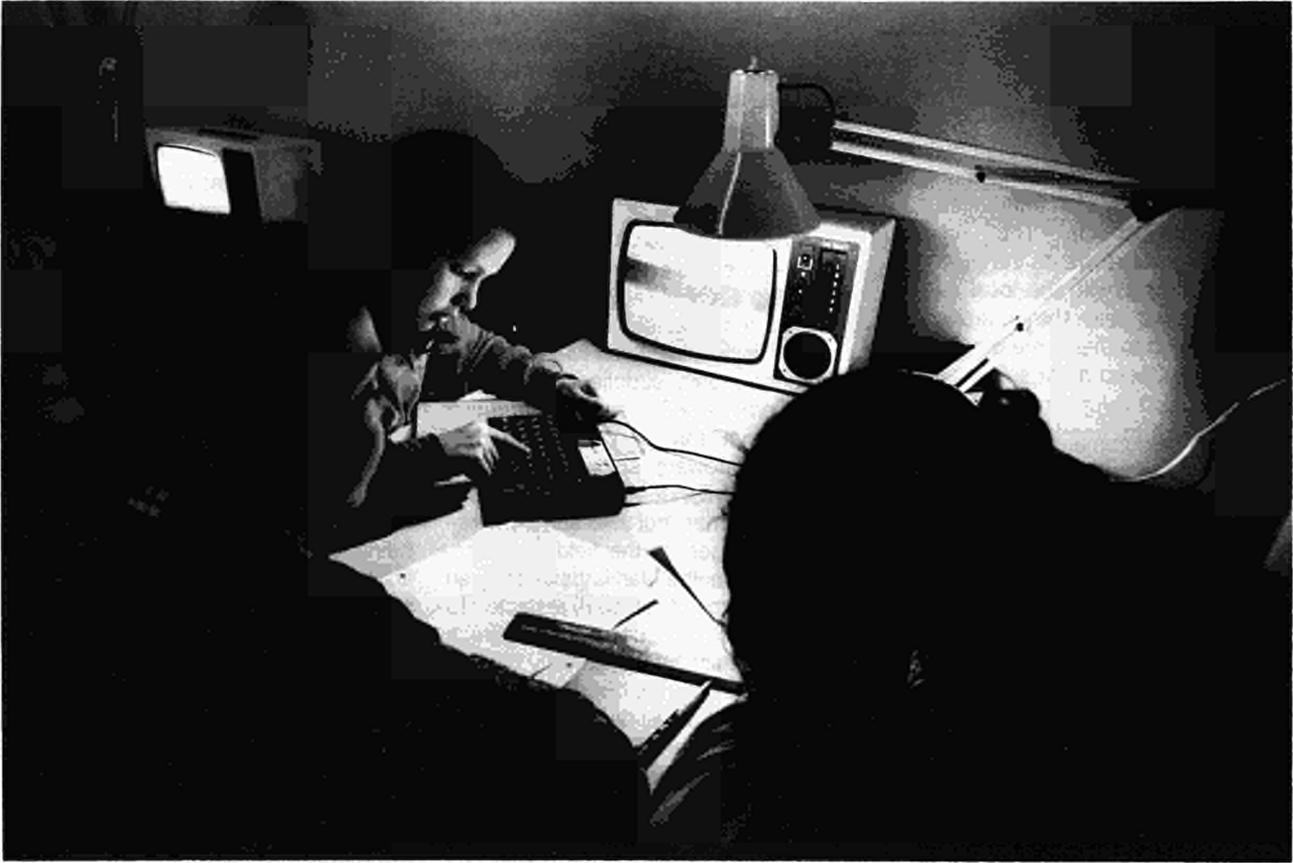
The Italian 'Finalized Research Project on Information Technologies' (Progetto finalizzato informatica) has concluded its planned five-year span of activity. Total public funding amounted to 45 thousand million lire; another 18 thousand million lire were provided by private firms involved in the project. About 36% of this sum was appropriated by the first area of research (System architecture and prototypes for networks of information handling and transmission); 33% by the second area (Computerization of the public sector); 22% by the third area (Methods and systems for the control of industrial processes), with the remaining 9% going into general coordination and administration. Some projects, originally approved, were abandoned due to lack of results or discontinuity in the funding: it was notably the case of the project 'Lavoro', which should have developed an integrated system for the handling of

<sup>1</sup> Beleidsverzicht Technologie 1985–1986, Tweede Kamer der Staten-Generaal, vergaderjaar 1984–1985, 19203 N.1–2.

<sup>2</sup> Voortgangrapportage Informatica Stimuleringsplan, Tweede Kamer der Staten-Generaal, vergaderjaar 1985–1986, 19158 N.1–2.

<sup>3</sup> Bulletin d'information du Ministère de la Recherche et de la Technologie, November 1985.

<sup>4</sup> See ADN-Kronos, *Supplemento Tecnologica e Ricerca*, 1 October 1985.



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data and information on labour market trends.<sup>1</sup> In spite of some criticisms, which pointed out that no more than ten internationally acknowledged patents were originated by the Project,<sup>2</sup> an important result was the achievement of fruitful partnerships between universities and companies.

Among the successful projects, which have already been experimentally applied, some examples can be mentioned, such as a CAD software package for mechanical applications, particularly suited to small and medium-sized firms (Cadme); and a system of data management for the local administration of the National Health Service (Sysnet).

The new Belgian Government, resulting from the October 1985 elections, appears to be willing to continue on the same policy lines initiated in 1985, and particularly on the plan aimed at raising

the research budget to 2.8% of the State budget by 1989. As far as industrial policy is concerned, the Government intends to stimulate innovation primarily by fiscal means; criticisms of this policy have been made by the opposition and by the two main trade unions, on the grounds of the low degree of selectivity allowed by fiscal measures.

In the field of technology assessment, the 'Fondation Roi Baudouin' published in December 1985 a report on the state of scientific research in *Belgium*.<sup>3</sup> The report covers a number of fields, including the mobility of scientists, public support for research, Belgian participation in international programmes, the economic assessment of R&D, and the role of science in social life. Among the recommendations of the report, prepared by a committee of scientists and officials responsible for scientific policy,

the following can be mentioned: the establishment of closer links between industry and university, the need for cultural changes, and the adaptation of the workforce to the new features of the productive apparatus.

Finally, the Greek Government established the long planned Government Council on Informatics which, with the support of a Technical Council made up of specialists in the field, will coordinate all activities concerning the development of information technology.<sup>4</sup>

<sup>1</sup> A first review of the main results of the Project is published in *Media Duemila*, October 1985.

<sup>2</sup> See *Il Sole—24 ore*, 25 November 1985, p. 13.

<sup>3</sup> Fondation Roi Boudouin, *La Recherche Scientifique au service du pays*, 1985.

<sup>4</sup> See *Social Europe*, No. 1, 1986.

## 2. Education Policy

In the United Kingdom, a new scheme of the Department of Trade and Industry is being initiated (the Support for Educational Software scheme), designed to stimulate the purchase of software by local education authorities and independent schools. The scheme offers 50% grants towards the purchase price of software, with the local education authorities and the independent schools having to match the grants. The software purchased must satisfy certain criteria:

- (i) it must be commercially produced;
- (ii) it must be intended for classroom use;
- (iii) it must originate within the European Community.

In the field of advanced training, the UK Manpower Services Commission announced that it is going to expand its Graduate Enterprise Programme. This scheme started in December 1984 to assist young graduates to start their own businesses. Many of these are computer-related. The aim is to encourage young graduates into business and to instill in them more entrepreneurial spirit and risk-taking ideology than is currently perceived in UK management.

The Manpower Services Commission is also unhappy about the attitude of British industry towards training. Speaking to the Computer Services Industry Training Council in December 1985, the Chairman of the Commission accused the employers of being the main cause of Britain's skill shortages because of their lack of investment in adult training. He said that research had shown that UK employers saw training as a 'philanthropic' overhead which would be cut rather than increased in times of recession.

The French plan 'Informatique pour tous' (IPT — Informatics for everybody), launched in January 1985, has been rapidly implemented: in October 1985, some 46 000 educational establishments had received 120 000 microcomputers. The plan, carrying a total budget of FF 2 000 million in 1985, has been jointly financed by the Industrial

Modernization Fund, by the postal administration (PTT) and by the Ministry of Education; it includes investment in hardware, software and training. Computing equipment of different degrees of sophistication has been installed in schools of all levels, ranging from 'family' microcomputers in primary schools to professional micros in universities. The plan generated an important demand for French industry: Thomson supplied the greatest share of family micros, while the professional ones have been mostly supplied by Bull and SMT. Some 2 000 micros have been bought from foreign companies. Besides the hardware, software programs of all types have been selected, mostly educational ones, but also some professional packages. In the field of educational software, the plan is generating an important demand, which is expected to induce French producers to acquire a know-how which may eventually be sold on the export market. From the educational point of view, the plan is rather ambitious, since it aims at familiarizing some 11 million students with information technology.<sup>1</sup>

Meanwhile, 1986 will see the completion of the training programme for informatics (Plan formation de la filière informatique). The objectives of this programme, initiated in 1982, were to generate an additional supply of 3 000 informatics engineers and 1 500 technicians by 1986. The achievements have been somewhat below the initial target: 2 500 engineers and 1 000 technicians are expected to be available. Nevertheless, the programme has been an overall success, insofar as supply now matches market demand for these specialists, which was far from being the case in the past few years.

Several education and vocational training programmes are reported from the Netherlands. At the level of secondary education, the NIVO project (Nieuwe informatietechnologie in het voortgezet onderwijs — New information technology in secondary education) was launched in October 1985, with financial contributions from the government and from three computer companies (IBM Nederland, Philips, Computata). The

companies make hardware and software available to schools, for teacher training in the first stage, and then for the training of pupils. 7 000 teachers are expected to be involved (at least one teacher per school shall be a woman), who will in turn transfer their knowledge to the students of 2 250 secondary schools. At the level of higher education, the three Dutch technical universities presented a plan to the Ministry of Education and Science, which gave its approval, aimed at stimulating education and research on micro-electronics; furthermore, one of the three institutes (the TH-Delft), in cooperation with 12 industrial companies, is planning to set up a joint teaching and research institute in robotics technology, the target being to achieve complete integration of automation systems into a fully automatic production chain. However, manpower needs are still much greater than the present supply of highly educated persons. A report prepared by the 'Group of Initiative for the Informatics University' (Initiatiefgroep Informatica Universiteit, IUU) found that in the coming years the annual requirement of people with a higher education in informatics will be 2 900, while only 1 200 graduate each year; the report consequently recommends the establishment of an informatics university, which should offer a two-year post-graduate training. Education fees should be partly supported by industry, which is expected to provide 50% of the candidates for the course.<sup>2</sup>

Similar shortages of supply of qualified manpower are reported in the vocational training field. In December 1985 the Council for Higher Vocational Education (HBO-Raad) presented its 'Plan for Informatics in Higher Vocational Education 1986—90' (Beleidsplan Informatica in het HBO 1986—1990) to the Ministry of Education and Science. The plan is highly critical towards the low budget

<sup>1</sup> Mission aux Technologies nouvelles, *Informatique pour tous*, Paris, Ministère de l'Éducation Nationale, 1985.

<sup>2</sup> Initiatiefgroep Informatica Universiteit, IUU, *Een informatica universiteit in Nederland* (An Informatica University in the Netherlands), Amsterdam, September 1985.

allocated to vocational education, which is deemed to be not even enough to keep the present level of training. Moreover, the higher vocational training system produces 500 graduates in informatics per year, while 5 000 would be needed. An additional problem is the high quit rate of teachers, attracted by more favourable terms of employment in the private sector.<sup>1</sup>

At a lower level, vocational training in informatics is offered to drop-outs and young unemployed under the ISI project initiated in March 1985. The courses have a practical orientation and they have met with an enthusiastic response from the students, although a good starting level of knowledge is required from participants. Only 25% of participants in the first phase were girls, although the initial aim was to attract an equal number of boys and girls.

### 3. Other Legislation

In the increasingly discussed field of computer crime, the United Kingdom adopted a Copyright (Computer Software) Amendment Act, which came into force on 16 September 1985. The Act makes it clear that computer programs are subject to the same protection available to literary works and enhances the criminal remedies of the Copyright Act 1956 against piracy of computer programs.

The Netherlands is also considering including software in the copyright legislation. If the 1912 copyright legislation is applied, as recommended by an inter-departmental working group, misuse of software will be punishable by imprisonment of up to four years. In related fields, a commission on computer crime (Commissie Computercriminaliteit) has been set up by the Ministry of Justice, to give its advice within one year on new legislation to fight computer crime. Finally, in the field of privacy and data protection, a new draft law on personal registration (Wetsvoorstel Persoonregistratie) was proposed by the government in August 1985. The aim of the government is to set only general rules on the establishment and use of personal data-

bases, leaving much of the responsibility for the protection of privacy to the organizations concerned.

## II. The attitudes of the two sides of industry towards new technologies.

### 1. Employers and trade unions

The Belgian Conseil Central de l'Economie (CCE) and Conseil National du Travail (CNT) (both committees comprising representatives of employers and trade unions with consultative power on economic and social matters respectively), issued in March 1986 a joint opinion on new technology and social change.<sup>2</sup>

Employers and trade unions expressed in this opinion some common positions and some divergent statements. The issues on which the two parties are in agreement concern: the need for a continuing consultation of all parties concerned in order to determine and assess objectives and policy options; the need for all parties (researchers, enterprises, employers and trade unions) to cooperate and to develop education, training and re-training in view of the new qualifications required. As far as policy options are concerned, employers and trade unions put forward different priorities. The employers stress the importance of new technologies in improving competitiveness; the need to adapt work organization and working time in order to make the best use of new equipment; workers' geographical and job mobility; they also stress the importance of a concerted approach towards social consequences, provided this does not hamper the firm's decision-making process nor its prerogatives in dismissing workers. On the trade unions' side, priorities are iden-

tified in the volume and quality of employment; an industrial policy orientated towards new products and an enlargement of productive capacity; a re-distribution of work via a general reduction of working time; new ways of financing social security; and finally, consultation and negotiation based on timely and thorough information.

As reported in earlier issues for other countries, UK trade unions are increasingly making use of information technology for their own administration. Under the terms of the Trade Union Act, unions are obliged to build up and maintain lists of members so they can be balloted on strikes, the election of executive officials and on the maintenance of political funds. In order to assist unions in this task, Unity Trust, the new trade union-backed banking institution has negotiated a central computer facility to keep a register of members. Individual unions have been assured that none of the information on the files could be accessed by anyone except the union concerned.

Information technology is, however, not only an opportunity but also a problem. The degree of unionization of people working in high tech industry is in fact rather low, in the UK as well as in other countries. In November 1985, the Technology Policy Unit at Aston University staged a seminar on this problem. The main unions concerned were Tass, the white-collar engineering union, EETPU, the electricians' union, and ASTMS, the technicians' union. Unions agreed that it was very difficult to unionize in this area, although they have adopted very different strategies in trying to woo members. The EETPU is concentrating on trying to secure no-strike deals and to push high-tech training. They mostly aim at the manufacturing

<sup>1</sup> *Beleidsplan Informatica in het HBO 1986-1990* (Plan for Informatics in Higher Vocational Education 1986-90), Den Haag, 1985.

<sup>2</sup> CCE-CNT, *Avis émis à l'occasion du second rapport technique de la commission mixte 'nouvelles technologies', relatif aux conséquences socio-économiques générales de l'introduction des nouvelles technologies, Bruxelles, 1985.*

companies many of whose products and processes are high-tech. Tass is more concerned with the high-tech companies producing highly sophisticated components, often using computer-based technology. A particular target are the software houses which have increasingly taken over work previously carried out by Tass members in-house. Perseverance was deemed to be the key and taking the opportunity of circumstances, such as redundancy announcements, to try to get a foothold in some companies.

Declining rates of unionization, not only in new technology sectors, but at broader industrial level, are a matter of concern also in the Netherlands. The decline was attributed by the president of the employers' association in the metal sector FME to technological development, which sharply reduces the need for manual labour. While this opinion is not shared by trade unions, the latter are giving more and more attention to the changes in the content of work brought about by new technology, and to the consequent educational needs. The programme of the Federation of Dutch Trade Unions (FNV), published in the framework of the election debate in spring 1986, puts forward three main objectives: a reduction of working time, an increase in incomes, and social security. The union believes that these three objectives are mutually compatible, although most action is focusing on the reduction of working time.<sup>1</sup>

The increased interest in automation is shown by a discussion project organized by the FNV in May-June 1985 on 'Trade Unions and Automation' (Vakbeweging en automatisering). 600-700 members of the FNV, divided into 55 groups all over the country, participated in the discussion. They came up with a number of recommendations, such as the need for an explicit union policy on automation, the dissemination of information on good and bad examples of automation, research projects to develop norms to be applied by employees working on automated equipment, the need to set up special courses for union executives and workers, proposals to modify existing legislation on

works councils and on quality of work, considered no longer adequate to fast technological development.

Still with the aim of disseminating knowledge and experience on automation, and on the example of the German 'Technologieberatungsstellen', the FNV plans to set up Technology Advisory Centres (Technologische Adviespunten), which should be advisory bureaux for union members and executives. The Ministries of Social Affairs and of Economic Affairs agreed to subsidize the project. The other trade unions have been invited to join in the project, although the CNV (Dutch Christian Union) has manifested its intention to set up similar centres on its own.

## **2. Collective agreements and labour disputes**

In Italy, no agreement has yet been reached on the renewal of the main three-year national collective agreements, which expired in December 1985. Some 10.5 million workers are concerned, in the largest industrial sectors and in several services sectors. One of the main issues at stake is the reduction of working hours: the three union confederations (CGIL, CISL, UTL) put forward a common demand for a reduction of 90 working hours throughout the year, leaving margins of flexibility on the forms and terms of this reduction. The trade unions have also stated that they are willing to negotiate a reduction in hours in exchange for compensatory clauses guaranteeing the firm greater flexibility in labour utilization (e.g. reorganization of shiftwork, availability for overtime). Such clauses have already been introduced in some local agreements, e.g. in the textiles sector, where non-standard patterns of working hours (such as 6 hours x 6 days) are locally implemented. In metalworking and engineering, however, employers have so far opposed any reduction of working time.

Another important issue in the renewal of collective agreements is the renegotiation of information rights on the

introduction of new technologies by firms and on its effects. 'Information clauses' have been normally included in collective agreements since 1975; this time the unions are pressing for an enlargement of the content of such clauses and for a more effective application. A recent sample survey among workers in the engineering sector, organized by FIOM (the engineering branch of CGIL), revealed that the majority of workers considered the bargaining over the effects of technological change to be more important than any other claim, including working time reduction. More extensive information rights defined in the so-called 'Protocollo IRI', the agreement reached in December 1984 between unions and management of IRI (the largest holding of enterprises under State control)<sup>2</sup> may become the basis of discussions on extending of its terms to agreements with private employers.

Discussion on technology agreements was re-opened in the Netherlands by the services section (Dienstenbond) of the FNV (Federation of Dutch Trade Unions) in December 1985. Some forty technology agreements at firm level have been concluded in the Netherlands mostly with large scale companies. The Dienstenbond now wants to give them higher priority in negotiations, not only when jobs are at stake, but more generally with the aim of improving the quality of work. The social acceptability of automation projects, and their use to increase quantity and improve quality of employment, are considered central issues. Moreover, while employees are presently involved only in a *posteriori* discussions of the effects of automation, the union aims at technology agreements which should define from the very beginning the role to be played by the employees in the automation project.<sup>3</sup>

<sup>1</sup> FNV, *Kiezen voor nieuwe kansen* (To choose for new chances), 1985.

<sup>2</sup> See *Social Europe*, No 3, 1985.

<sup>3</sup> Price G., 'He automatiseringscontract', *Intermediaire*, 15 November 1985.



Several disputes hit the UK printing and publishing sector on new technology issues. Following a year of argument about 'direct inputting' in the provincial newspaper sector<sup>1</sup> the two unions concerned — the National Graphical Association (NGA) and the National Union of Journalists (NUJ) — reached an agreement on the introduction of new technology at the end of September 1985. The central part of the deal is that NGA members will be allowed to transfer to the editorial floor whilst still retaining NGA membership. They will also have to become members of the NUJ and be subject to NUJ discipline. The NUJ will represent such workers in pay negotiations. In return the journalists will be able to key in directly.

However, management at the Liverpool Daily Post and Echo refused to re-

cognize the new accord and announced in October that the new 'direct input' system it was installing would lead to the loss of 85 printing jobs. It also refused to allow an NGA representative to be present as an observer when negotiating with the NUJ. Other areas of contention emerged at Thomson Regional Newspapers, where management agreed to discuss redeployment and retraining of composing-room staff and made available generous voluntary redundancy payments to those displaced by new technology, but rejected the unions' insistence on a five-year freeze on the full implementation of new technology.

Other disputes centred on national newspapers. In August 1985, journalists at the Daily Telegraph voted with a very slight majority to accept a technology

deal paving the way for transition to photocomposition from hot metal printing. However, because of unsatisfactory trading the management tried to impose a pay freeze which unions felt reneged on their earlier agreement. Journalists at the Daily Telegraph and the Sunday Telegraph voted unanimously at a meeting in November to express no confidence in the management's ability to save the company from bankruptcy, and to invoke the disputes procedure over the attempts by management to renege on the new technology agreement.

The most significant dispute, though, was that between the unions and management of News International over the

<sup>1</sup> See previous issues of *Social Europe*.

future use of the company's new complex in Wapping. Rupert Murdoch, the chairman of News International, proposed to print a new newspaper, the London Post, at the new plant. Murdoch was looking for a no-strike agreement from the unions before giving them the representation rights at the new plant. In addition he wanted complete flexibility in working practices, with no demarcation lines. There would be no closed shop although union membership would be encouraged. The draft agreement demanded that unions accept 'that the laws of supply and demand and technological developments will dictate changes in the skills required from the employees, manning levels and productivity'. Negotiations continued but the agreement expected by Christmas 1985 was never reached. The NGA (National Graphical Association) offered to accept the principle of direct entry by journalists at Wapping but News International rejected this as being insufficient. They wanted a legally binding no-strike deal which the unions were not prepared to accept. The talks then shifted to conditions of work at the existing News International printing plants at Bouverie Street and Gray's Inn Road. Unions found these even less acceptable than the conditions sought for work at the new plant. Murdoch revealed that he was looking for thousands of redundancies and that any future contracts of employment would have to be legally binding once the existing ones ran out in July.

By mid-January 1986 the situation had become worse and both NGA and Sogat '82 (the general workers union in the printing sector) balloted their members and declared strikes across the four News International titles (the Sunday Times, the Times, the Sun, the News of the World). A few hours later News International announced that it would dismiss all NGA and Sogat '82 members (some 5 500 workers) on the grounds of breach of contract. They aimed to print the titles at the new plant in Wapping using alternative labour (including some members of the EETPU, the electricians' union). Journalists at News International were offered wage

rises and fringe benefits to work at Wapping; the majority accepted, despite instructions from the National Union of Journalists not to do so. Production at Wapping managed to take off, using an alternative distribution network through a private transport firm. The dispute is at a standstill: the two striking unions have been sentenced in court, while the EETPU was called to a special meeting of the TUC general council to face disciplinary charges about its dealings with News International. The workers dismissed have not been re-employed.

Finally, we report on two cases of restructuring. The first one is in Belgium. A plan to reshape manpower and wage policy at the multinational firm Caterpillar, which makes intensive use of new technologies (robotics, flexible manufacturing systems) and of advanced management systems (quality circles), provoked a strike at the plant of Gosselies in January 1986. The restructuring of the plant has reduced employment, eliminated some repetitive tasks, and enlarged the job content of remaining workers. The firm tried to introduce a new system of wage determination, with wage levels depending on the specific job and performance of each individual. Following workers' rejection of the new system, and the intervention of the Ministry of Labour to help find an agreement, the positions of the two parties have come closer, by accepting the principle of new wage scales and the reward of new technical skills, but rejecting the proposal of individual wage levels; moreover, the firm agreed on a generalized wage increase.

The second case, in France, is a relatively successful example of re-training of workers made redundant. Following the bankruptcy of the firm Creusot-Loire in December 1984, the association ARFAS was assigned the task of re-training and finding alternative employment for the former employees of the firm. This was part of the agreement between public authorities and trade unions. One year later, 48% of the former employees had found a new job, which represents a net improvement in comparison with previous cases of recycling (such as those at Talbot and Dunlop).

ARFAS carried out a detailed analysis of the workforce to be re-trained, including those who had to learn a totally new job. To these least re-employable workers two types of training were offered: one aimed at a general updating of their knowledge, the other based on short courses on specific techniques (such as word processing, stock-keeping and maintenance). Those who have been re-employed have been mostly recruited by firms in the same area and by small and medium-sized enterprises. ARFAS is now planning to assist the establishment of some small-scale enterprises in the area, which could give employment to a further 200 workers. The cost of the operation, in terms of investment in training and retraining, has been estimated at FF 80 000 per employee.

### **III. Studies and research on social effects of new technologies**

#### **1. Diffusion of information technology**

Seven years after the NORA-MINC report on the computerization of French society, the 'Agence de l'Informatique' (ADI) published in January 1986 a new report on the same subject.<sup>1</sup> The report observes that the growth of the French market in computer equipment has been one of the fastest in the world, with an annual growth rate of 19% in the period 1982-84. The only weak point is package software, which accounts for only 24% of the French software market, as compared with an average of 40% in the other industrialized countries. The emergence of new firms has been sizeable: 300 new firms have been recorded in the period 1982-85 in hardware production, 1000 in distribution, 250 in automation, and 5000 in 'activities linked to

<sup>1</sup> ADI, *Rapport sur l'état d'informatisation de la France*, Paris, Economica, 1986.

computerization'. French expenditure in computerization amounts to 2.9–3.5% of GDP, which ranks France third in the world after the USA and the UK. The largest share of expenditure (55 to 60% of the total) comes from administrations and large-scale enterprises; however, the rate of computerization of small and medium-scale enterprises (10 to 200 employees) increased from 19% in 1981 to 75% in 1985. In smaller firms, the rate is much lower (10–12%). The structure of supply underwent important changes: while in the 1970's a limited number of large-scale producers and utilizers shared the market, the following years have seen on the one hand an increase in the number of suppliers, particularly service firms, and on the other hand a diversification of the producers into a number of related activities. Moreover, software houses are expanding in the export market. Finally, the report underlines a number of problems, one of the most important being the need to industrialize software production.

In the United Kingdom, the magazine *Engineering Computers* announced the results of its annual survey, based on over 2 000 firms, of the engineering industry's use of computers.<sup>1</sup> In 1985, the spread of computers increased substantially: the number of engineering plants using computers for engineering purposes was 11% higher than in 1984, and the total number of computers installed increased by 42%. The most common use of computers was for manufacturing management, including production control, followed by mechanical design and production engineering. The fastest growing area of application was computer-aided design and drafting. The number of CAD users had grown by over 50% and projected growth for 1986 was 100%. Such growth would imply over 3 000 UK engineering plants using CAD by 1987.

Another UK study suggested a sharp rise in UK industry's demand for computers, but pointed out that the UK computer industry may not benefit from this rise. The report by Cambridge Econometrics forecasts industrial demand for computers growing at 4% per annum on average during the next ten

years. However, gross output of the UK computer industry is forecast to grow at only 0.5% per annum over the same period.<sup>2</sup>

Also in the Netherlands the degree of computerization is rapidly growing. At the end of 1983, 26% of the firms employing more than five persons had computer equipment valued at HFL 10 000 or more; at the end of 1985 they were estimated to have reached 46%. These are data of the Central Statistical Office CBS, based on a survey of 23 000 firms.<sup>3</sup> About 60% of the computers in use are small systems; fast growth is recorded in video display units, which increased by 45% in 1985, so that there is now an average of 85 VDUs per 1 000 employees.

As far as small and medium sized firms are concerned, a study of AMRO Bank, based on 3 600 enterprises, forecasts that the number of computers installed in these firms will more than double by January 1988.<sup>4</sup> The study foresees that more than a quarter of such firms will have a computer in 1988, and the highest growth rate is expected in firms having no more than nine employees. 10% of these had a computer system in 1985; they are expected to become 24% by 1988. Computerized firms are mostly to be found in wholesale trade and the business service sector; other sectors are expected to catch up in the coming years, notably the hotel and catering industry, retail trade, construction and repairs.

On the supply side, a report commissioned by the Dutch Ministry of Economic Affairs and carried out by the Stanford Research Institute recommends that Dutch producers of office automation equipment and services should try to penetrate the Japanese and US markets. This penetration, deemed to be essential to the survival of the industry, should be based on greater specialization, particularly in software, and on the search for market niches. In the Dutch market, the spread of office automation is inhibited by the lack of qualified staff; the report consequently recommends special training programmes to reduce the gap between supply and demand of qualified staff.<sup>5</sup>

In Belgium, a comprehensive study of both supply and demand side of the computer industry was carried out for IBM by the Département d'Economie Appliquée of the KUL (Leuven) and by the Centre E. Bernheim pour l'Etude des Affaires of the ULB (Bruxelles). Within the information technology sector, software and service activities have been growing more rapidly than the production of hardware, and the same is true for employment. The Belgian information technology market is very open, insofar as much of its demand is met by imports, while domestic production is mostly exported. In the case of robots, for example, only 1% of installed robots in 1983 were domestically produced. Main utilizers of computers are banks and insurance, besides the public sector. Main utilizers of robots are the automobile industry and education. By distinguishing different groups of industry according to their degree of computerization (measured as expenditure for information technology in % of value added), the authors analyse employment trends over the period 1973–83. Employment has most sharply declined in enterprises with a medium degree of computerization, and in these manual workers have been the worst affected; on the contrary, employment grew in enterprises with a low degree of computerization, thanks particularly to the increase in female employment. The most computerized firms registered a slightly negative employment trend. The study concludes with the importance of modifying organization in order to take into account qualitative employment changes, and points to the need for a major investment effort in training.

<sup>1</sup> 'Computers in Manufacturing', *Engineering Computers*, November 1985.

<sup>2</sup> Prospects for Computer and Office Machinery in the UK to the year 2000, Cambridge Econometrics, November 1985.

<sup>3</sup> CBS, Automatiseringsstatistieken, particuliere sektor 1983, Den Haag, 1985.

<sup>4</sup> AMRO-Bank, Het M. K. B. computeriseert, Amsterdam, October 1985; AMRO-Bank, Doorbraak van de automatisering in het middenen kleinbedrijf, Amsterdam, October 1985.

<sup>5</sup> In 1990 ruim een miljoen computers in Nederlandse kantoren, Staatscourant, 19 December 1985.

## 2. Employment

A survey carried out in the United Kingdom for the Institute of Personnel Management suggests that increased use of robotics in UK industry would lead to significant job losses. The definition of robotics used was wide, covering both robots themselves and computer-integrated manufacturing. The survey was carried out alongside a similar one in the USA. Both UK and US respondents agreed that robotics would be gradually introduced into manufacturing industry but they would become widespread by the turn of the century. Their introduction is expected to result in a decrease in supervision at work, but increase the amount of shiftwork and the variety of tasks.

Severe employment losses have been recorded in the telephone sector in France. Sectoral employment was 73 500 in 1977, and only 52 000 in 1984. 88% of the decline concerned unskilled workers, who are in turn mostly women (86% of unskilled workers). In a report written for the Ministries of Industry, Labour, Post and Telecommunications, and Planning Department, G. Metais points out that employment may be expected to keep on declining at a rate of 1 to 3% per year, while skilled manpower is urgently needed. The report pleads for a restructuring plan for the sector, and for a coordinated public intervention in three main fields, namely: better information to firms as concerns changes in qualifications; clearer information on public procurement policy; a policy of support to training based on a medium-term strategy rather than on piecemeal interventions. According to the report, training must be forward looking and capable of preparing for major changes in technology and markets. While foreign competitors in the sector invest more than 8% of the total wage bill in training, French producers spend in training only 2% (the private sector) or 3–5% (the public sector).<sup>1</sup>

Positive employment trends are recorded only in computer-related occupations. The Dutch annual survey carried out by Berenschot Informatica points out that the market for computer

personnel is becoming more dynamic after a period of stagnation. Surveyed companies reported 11.6% vacancies, and an increase in mobility of computer staff. The composition of demand is shifting from programmers to computer analysts.

Average age is increasing: only 10% of computer staff are under 25 years of age, as opposed to 25% in 1975.<sup>2</sup>

## 3. Women and new technologies

The proceedings of the European Colloquium 'Women and new technologies', held in February 1985, have been recently published in Belgium.<sup>3</sup> Among its findings, the report points out that of office automation, which affects particularly the tertiary sector where 80% of working women in Belgium are employed, is expected to have a very negative effect on female employment, insofar as one automated workstation displaces four traditional jobs. The report proposes to involve women more closely in the computerization process, in order to avoid a deterioration in their position on the labour market.

Similar findings emerge from a Dutch study on microelectronics, automation and female employment in the province of South Holland, carried out by the University of Leiden for the Steering Committee on Emancipation of the province.<sup>4</sup> The study concludes that both volume and quality of women's employment in the province will worsen, and that the position of women in the labour market will weaken. Despite the fact that a greater number of women are engaged in paid work since the 1960s, women are still relegated to the service sector and low-level jobs.

In January 1986, the Italian Prime Minister presented the results of a research project on 'Women and New Technologies', carried out by a staff of women managers and researchers, as part of the action programme of the 'Commission for Equality between Men and Women', created by the Government in July 1984. The number of

women holding a university-level degree has doubled between 1971 and 1981; however, through the detailed analysis of three case studies (in a large-scale enterprise in telecommunications, a major bank, and a public agency), the research group detected a set of handicaps and discriminations limiting women's career possibilities, even in the case of skilled professionals with the same level of formal education and training as their male counterparts.

## 4. Qualifications and skills.

A report by R. Pearson of the Institute of Manpower Studies suggests that the UK will face a long-term decline in the availability of suitably qualified graduate manpower.<sup>5</sup> Two main problems are foreseen in the information technology area — a shortage of students with high school qualifications in maths and physics, and a shortage of skilled teachers. The report suggests that, given current policy in higher education, 'trying to engineer effective change within the framework of reducing finance will be an almost impossible task'.

Still in the UK, an internal report by the Manpower Services Commission suggests that skill shortages are likely to continue across a widening range of jobs. Not only are these shortages likely in the new advanced technology areas of engineering and electronics but also in the service sector. Research indicates shortages at all levels in the engineering industry—craftsmen, technicians, professional engineers and computer specialists. Another finding though, is that

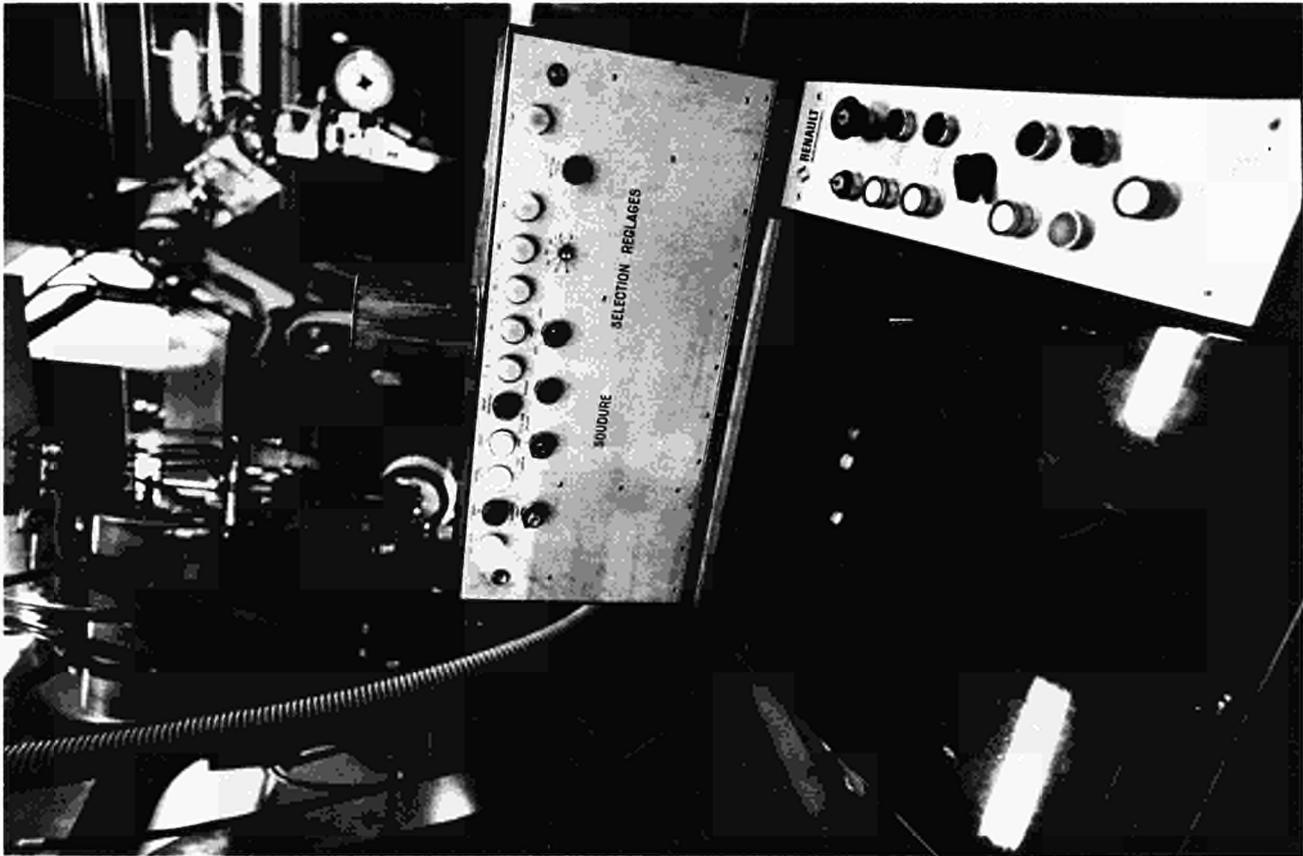
<sup>1</sup> Metais, G., Evolution de l'emploi et des qualifications dans le secteur de la téléphonie, December 1985.

<sup>2</sup> 'Opleving arbeidsmarkt automatiseerders', Computable, 5 July 1985.

<sup>3</sup> Dury, R. (ed.), Femmes et nouvelles technologies, Editions Labour, February 1986.

<sup>4</sup> Universiteit Leiden, Micro-elektronica, automatisering en vrouwenarbeid in de provincie Z-Holland, Leiden, 1985.

<sup>5</sup> Pearson, R., 'Where Next for Graduate Employment?', in *Manpower Policy and Practice*, Gower, Autumn 1985.



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there are also shortages of traditional craft skills including bricklayers, carpenters and joiners, and some textile workers. Shortages in the service sector industries include employees in personal services occupations like nursing, catering and hairdressing, alongside accountants and staff with modern office skills.

One reason for the growing skill shortage problem is the lack of training found in many UK companies. A recent report prepared for the Manpower Services Commission and the National Economic Development Office by consultants Coopers and Lybrand, paints a dismal picture of training practice in the UK.<sup>1</sup> According to the report 'most companies agreed that Britain did undertrain compared to its main overseas competition, but also thought that the amount of training they themselves undertook was

about right. This lack of concern might be regarded as reflecting confidence; we think it would be more realistic to regard it as reflecting complacency'. The report suggest various promotional measures to encourage a change in employers' attitudes including a Queen's Award for training; a legal requirement for companies to detail their training activities in annual reports; tax relief on capital investment in training facilities; more government grants for adult training.

In Italy, the metalworkers section of the UIL trade union confederation sponsored research on 'Robots, Computers and the New Working Class'. Patterns of adjustment of volume and structure of the workforce after the introduction of new technologies are described for a number of firms in the engineering/metalworking sector. The most common

trends are the increase in the share of technical staff and the decline in the number of lower skilled workers but also of traditional administrative staff. There are, however, cases of an overall net gain in employment, as for COMAU, the FIAT subsidiary for robotics and other electronically controlled machinery.

<sup>1</sup> *A Challenge to Complacency: Changing Attitudes to Training*, Coopers and Lybrand Associates, MSC/NEDO, November 1985.

## 5. Work Organization and Industrial Relations.

The French CNRS (Social Research Council) and the Commissariat Général au Plan organized in November 1985 a colloquium on 'Perspectives to the year 2005', which analysed the main aspects and problems of technological change in the coming years.<sup>1</sup> One working group was specifically concerned with changes in the modes of production, work and employment produced by technological change in information technology and automation'. Three main changes are identified, concerning respectively the technical system, work, and negotiation and training. As regards the technical system, the working group forecasts that information technology will be applied everywhere. Even in 1995, the ratio between computerized workstations and employees in offices will be one-to-one, as compared with the present ration of one-to-eight. In the factories the number of robots will increase from 4 000 to 100 000 and there

will be some 1 000 flexible manufacturing systems. Moreover, artificial intelligence will take over conventional DP activities. Work organization will change correspondingly: in the offices, conventional administrative jobs will be replaced by jobs requiring composite skills (e.g. in informatics and management); while in the factories unskilled posts will be replaced by multi-functional posts, requiring the ability to diagnose, repair and program. The division of labour, however, will depend on the organizational system, which will in turn imply a negotiation of worker mobility. The report estimates that 10 to 15% of working time will have to be spent in training, and that firms will have to monitor continuously the changes in jobs, by setting up special departments to analyse job evolution.

'Technical Changes and Industrial Relations' was the subject of the annual conference of the Italian Association for the Study of Industrial Relations, held in Bologna in November 1985. Among the research papers presented at the con-

ference, a report prepared jointly by research staff at Intersind/ASAP (the association of industrial firms under public control) and trade union research units (Fondazione Seveso, IRES, CREL), focused on innovation and industrial relations in nine big enterprises under public majority control.<sup>2</sup> Well before the formal inclusion of information rights in national collective agreements, public enterprises have been a trial ground for the implementation of consultation practices. The report suggests that, rather than including formal statements in collective agreements or in legislation, it is preferable to realize more advanced experiments of management of technology and industrial relations at firm level. Such practices can then be spread to the whole of the industrial sector.

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<sup>1</sup> CGP-CNRS, *Les sept explorations de l'avenir-Prospetive 2005*, forthcoming, 1986.

<sup>2</sup> For a summary, see *Industria e Sindacato*, No 42, 29 November 1985.

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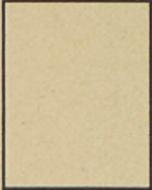
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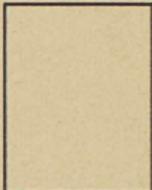
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