

SOCIAL EUROPE

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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.

The basic review comes out three times a year. In addition, a number of supplements/files (8—10 a year) are published annually, each dealing in depth with a given subject, e. g. technologies of the future, education and vocational training, equal treatment for men and women, employment, industrial medicine, migrant workers, etc.

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Editorial

Commission Communication on protective legislation for women in the Member States of the European Community

COM (87) 105 final

This Communication was provided for by the Medium-term Community programme on equal opportunities for women 1986-90.¹ Point 23 (g) of the programme requires the Commission to ensure:

'...the application of Article 3 (2) (b) of Council Directive of 9 February 1976... on the revision of protective legislation for women, so as to achieve a more even mix in employment...'

Furthermore, with regard to adaptability in the labour market, the Council has requested Member States in its Resolution of 22 December 1986 on an action programme on employment growth,² to re-examine restrictive legislation affecting women's employment, as for example that relating to night work in industry.³

The Communication sets out an overview of the legal situation in 10 Member States⁴ together with a list of each national and international provision in this area, in particular the conventions and recommendations of the ILO. The document examines the requirements of Community law, particularly Directive

76/207/EEC, Article 2 (3) of which permits a narrow derogation from the principle of equality and authorizes measures which are strictly necessary to protect the biological condition of women. The Commission stresses that the jurisprudence of the Court of Justice confirms that the scope of this derogation is very limited and that it must be interpreted strictly.

The document casts doubt on various national protective measures as a result of their having ceased to be justifiable or adequate because they have lost their initial justification; a negative influence on employment, particularly of women, from the point of view of the internal adaptability of undertakings and the general policy of prevention; or an application which is far from general or systematic. This is particularly the case with regard to night work.

The document concludes that a number of the protective measures examined in this report should either be extended to both sexes or repealed. The Commission takes the position that protective legislation should, in principle,

be coherent both between the sexes and with regard to the type of employment and it proposes that Member States should review the compatibility of all such measures with the principle of equality.

The application by the Member States of the recommendations in this document will be evaluated in three years time. In the meantime, the Commission will carry out its role as Guardian of the Treaties with regard to all provisions in contravention of Community legislation.

The Commission is requested to approve this Communication and to transmit it to the Council, the European Parliament and the Economic and Social Committee.

¹ Bull. Supp. 3/86.

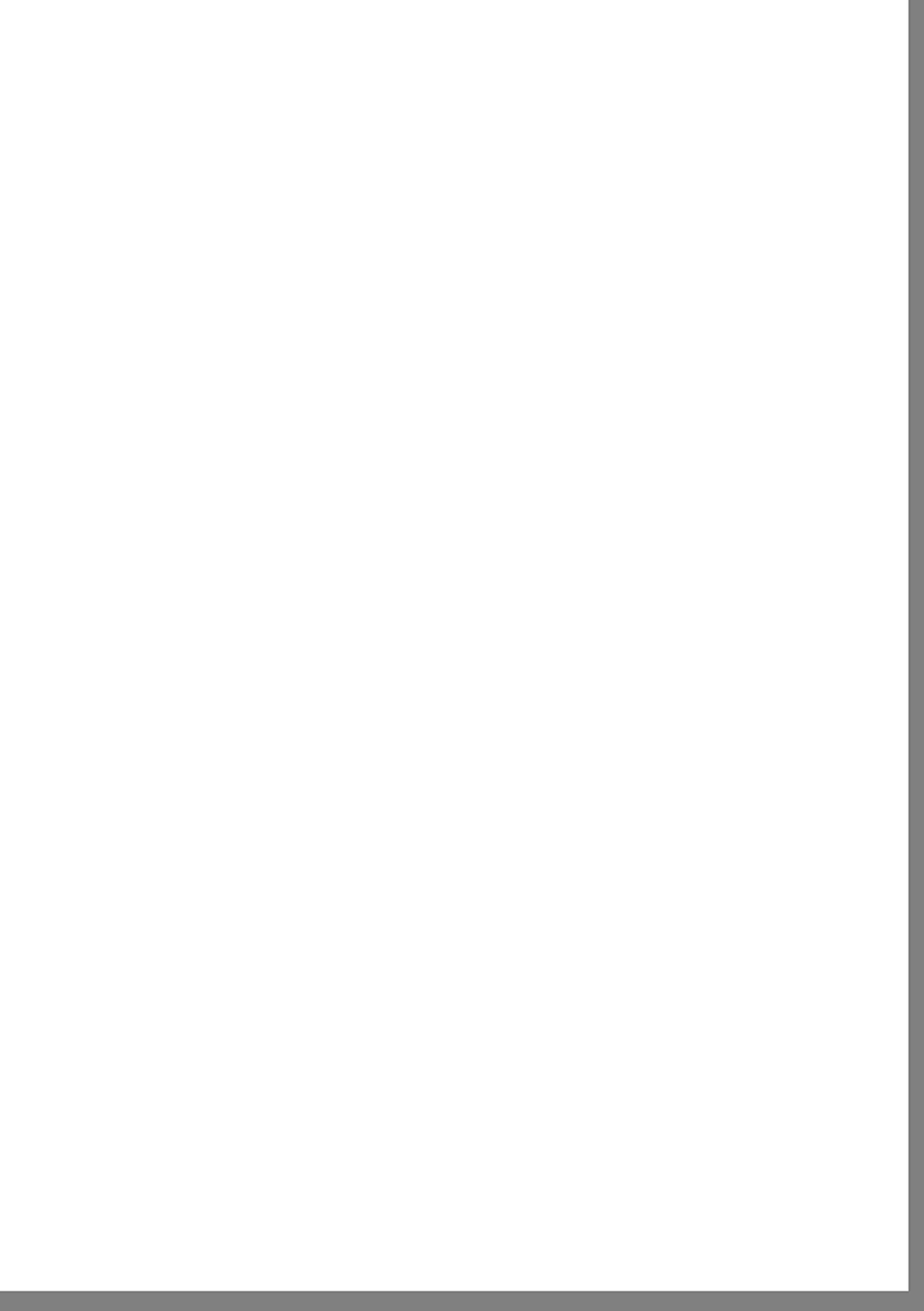
² OJ C 340, 31.12.1986 p. 2.

³ Article 2 (f).

⁴ The situation in Spain and Portugal will be examined in the general reports on the application of Directive 76/207/EEC.

Part one

Actions and guidelines



Employment trends and prospects in Europe

(1) Employment trends

After several set-backs in succession, the level of employment in the Community has recovered in recent years. According to recent estimates this trend should continue.

	1971-80	1981-85	1986	1987 ¹	1988 ¹
Annual growth in employment % EUR 12	0.2	-0.6	0.8	0.6	0.5
¹ Estimates of Commission services.					
	1970-80	1983-85	1986 ¹	1987 ¹	
Labour force in:					
Agriculture	-3.2	-2.4	-	-	
Industry	-0.8	-1.4	-0.1	-0.6	
Services	1.9	2.0	-	-	
¹ Estimates of Commission services.					

This is an encouraging result in a somewhat unfavourable environment, (Economic growth remains weak (12.5%) and international competition fierce). The cooperative strategy for employment growth started upon some years ago is beginning to produce positive effects.

This global trend nevertheless conceals extremely heterogeneous situations depending upon the areas considered. Labour market adjustments take effect more or less rapidly depending upon the macroeconomic policies followed and the nature of the industrial fabric. They have not taken place at the same time nor with the same intensity in all the countries and regions of the Community.

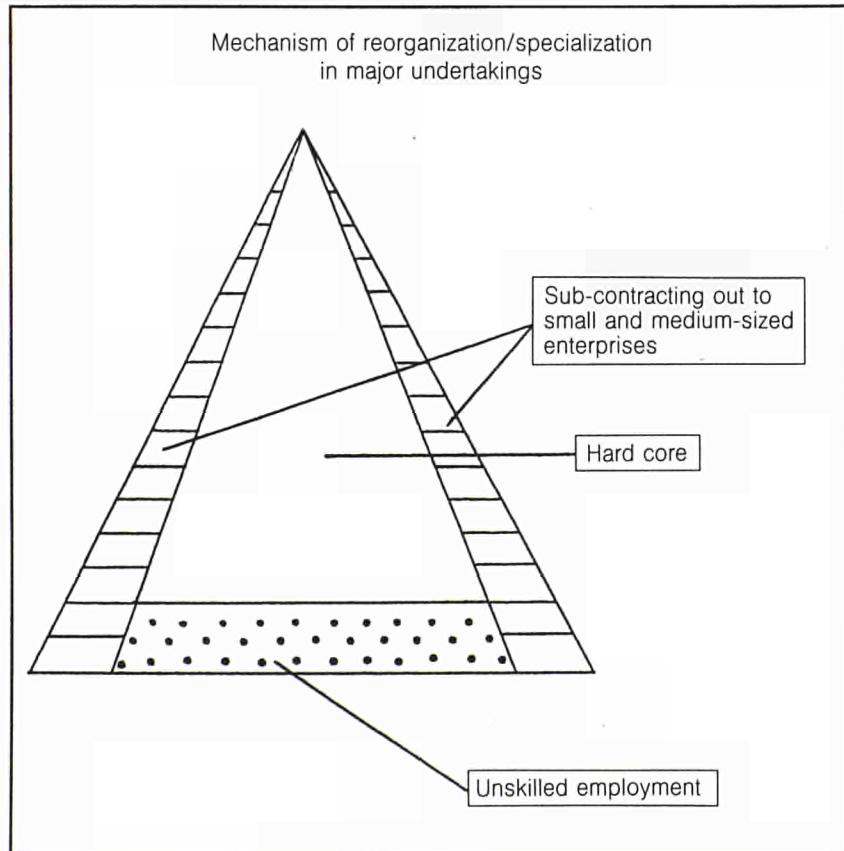
The services sector remains the most dynamic and off-sets the constant decline in agriculture.

The adaptation of European industries through the reorganization of production processes makes even the maintenance of industrial employment at its present level questionable. Recent research has suggested that in future businesses in the industrial sector will

continue to hive off the activities of subsidiary services (growth in specialization) and will use more decentralized production methods (relative growth in the share of small undertakings, development of self-employment, sub-con-

tracting...). Small and medium-sized enterprises are already the main creators of employment, thus confirming this trend.

The employment/population of working age ratio is reaching a historically low level in Europe 12: 57% in 1986 against more than 61% in 1975; this is several points lower than those for Japan and the United States (68.1% and 61.2% in 1985 respectively). These figures represent a worrying trend to the extent that a growing proportion (almost half) of the potentially active population finds itself excluded from the labour market whilst work remains the essential part of existence and social esteem.



(2) The nature of the jobs created

Parallel to these geographical and structural movements profound changes in the nature of the jobs created are taking place. Traditional contracts of employment committing the employee to a full-time permanent activity are gradually being replaced by more flexible forms of working.

These have the advantage of offering businesses greater flexibility in the management of labour. The lifting of a certain number of regulations and the changing behaviour of both workers and employers have encouraged the growth of 'atypical' work in all its forms.

- (i) Permanent part-time work
- (ii) Seasonal or occasional work
- (iii) Fixed-term contracts
- (iv) 'Pacts' for employment
- (v) Home working
- (vi) Temporary or interim work
- (vii) Certain forms of sub-contracting; illegal work.

Self-employment is enjoying considerable growth in some countries (Italy, Great Britain) as a result of various incentives (particularly in the way of taxation). None the less, for the moment it does not constitute a significant alternative form to the traditional salaried job.

Weekly working hours have decreased regularly since 1970, with 39.2 hours in 1975, 37.6 in 1983 and 37.4 in 1985 for EUR 9. Rather than a homogeneous reduction in working hours one observes a sharp drop concentrated on certain categories (short-time work, part-time work, seasonal work).

Part-time work is developing rapidly (it was approaching more than 13% of those employed in 1986 for EUR 9 as against 10.5% in 1979). Almost a quarter of people with a job work on part-time basis in Denmark, the Netherlands and the United Kingdom. In these three countries, respectively 130 000, 300 000 and 1 400 000 workers had a job of 10 hours or less per week in 1985. An analysis by sectors reveals that part-time contracts mainly occur in services and mainly involve women (80 to 90%).

Part-time working therefore looks like becoming the most popular method of work sharing in all European countries.

The number of fixed-term contracts is tending to grow. Very often they constitute the forerunner to obtaining a permanent position and are used systematically when taking on young people. For certain jobs, which are particularly difficult and held in low regard, this type of contract is becoming the rule.

The important changes which have recently taken place in regulations, custom and practice governing the labour market are causing the traditional concept of the job to be reviewed.

The development of 'little jobs' and jobs of a few hours a week undoubtedly is a response to the wishes of certain groups of workers (young people, women, etc.) desiring to organize their leisure time in a different way. At the same time it is encouraging adaptation and reorganization of production methods in businesses.

However, the extension of flexible methods of employment must be accompanied by considerable vigilance as regards working conditions in order that 'atypical' work should not become a de-valued form of job.

(3) Unemployment

At the same time as the more favourable trend in employment, growth in unemployment has been slowing down.

This trend can be explained largely by the slow-down in growth of the labour force, which is the result of a coincidence of both demographic and socio-economic trends (arrival on the labour market of smaller age cohorts; de-

layed entry of young people; reduction in the length of working life; discouragement — the number of individuals who have given up looking for a job is estimated at 20% of all unemployed, etc.)

In the medium term it is likely that further restructuring and the existence of considerable unemployed human capacity as a type of reserve for the labour market will continue to weigh unfavourably on the labour market.

In any case, the slower rate of growth of gross domestic product recorded in 1987 and 1988 will not help to reverse this trend. While unemployment affects more than 16 million people at European level, the local situations are highly differentiated. Thus a classification of the regions of Europe based upon certain key indicators reveals considerable disparities. (The ratio of GDP per head in the 10 weakest regions to the 10 strongest regions was 1 to 3 in 1985; for unemployment, the ratio was 5 to 1).

(4) The nature of unemployment

Unemployment does not equally affect all of society. Certain categories are more vulnerable: young people, women, older or less-skilled workers.

Regional structure

In 1986 the regional unemployment rates were between 4.6% and 19.3% for Italy, 5.5% and 17.6% for the United Kingdom and 13.6% and 30.2% for Spain. These considerable disparities are explained by the nature of industrialization indigenous to each region. The

	1984	1985	1986	1987 ¹	1988 ¹
Rate of unemployment as percentage of active population — EUR 12(%)	11.2	11.6	11.9	11.8	11.8

¹Estimates of Commission services.

major restructuring begun several years ago has resulted in the disappearance of traditional activities. Regions where the industrial structure is old are those most affected by the reorientation of activities.

Structure by age

Young people (aged 18 to 24) represent between a third and a half of the total unemployed. The proportion of young people in total unemployed reached a peak in the Community of around 42% in 1980 and has declined since that date:

- (i) between 1980 and 1983 due to the rapid growth in adult unemployment;
- (ii) since 1983: due to the numerous measures taken in favour of young people.

Considerable growth in the unemployment of those aged between 25 and 30 years is observed. It appears that a form of 'generation unemployment' is developing affecting those who are just ceasing to be young people and who have been unable to acquire satisfactory professional experience, yet are not covered by the various employment and training schemes which have been recently instituted. There is to be observed, finally, great disparity in national situations not only as a consequence of the employment situation in each country but also of the efficiency of training systems.

For this reason the Commission is devoting itself to the promotion of common policies aimed at raising the level and quality of education and professional training on offer and intended for young people, modernizing the various education and training systems and providing young people with the experience of genuinely qualifying training.

None the less unemployment of those between 18 and 25 continues to be disturbing, the more so since the courses, training or contracts suggested, very frequently offer only very short-term prospects. A considerable rate of return to unemployment following

an extended period in an uncertain employment/training status, is to be feared.

Apart from the involvement of the European Social Fund in the field of training, the Commission is endeavouring to disseminate more widely innovative practices in favour of employment of young people.

Structure by duration

Long-term unemployment (more than one year) affected more than half of the unemployed in 1985. This is the most significant trend in the labour market in recent years.

Very long-term unemployment (over two years) with a catastrophic effect on the individuals involved (qualifications become obsolescent, loss of motivation, social exclusion...) is growing at a disturbing rate.

Whole categories are excluded from the labour market for longer and longer periods.

Structure by sex

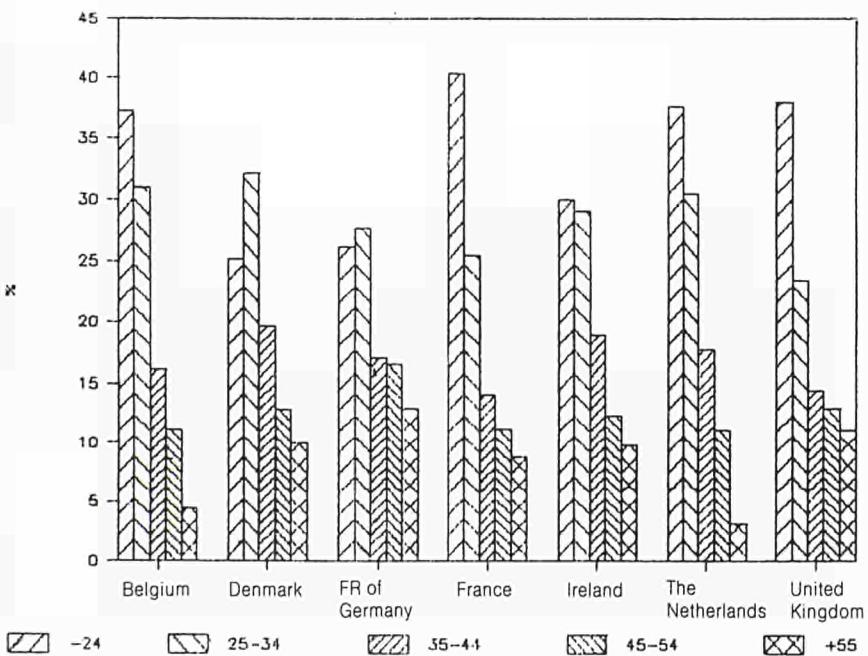
Whatever their age or status, women are more affected than men (42% as against 33% for those under 25; in 1986 12.3% of women were unemployed as against 10.5% of men). Sex appears to be an element of discrimination in the same way as absence of qualifications.

The impact of qualifications

Because conditions of access to the labour market have become considerably more difficult in recent years, longer education no longer constitutes a guarantee of success for obtaining a job. However, it is observed that the phenomenon of downgrading on entry into working life is reduced where young people have had the benefit of brief training.

Structure of unemployment by duration

Source: Eurostat 1985



The social treatment of unemployment and assistance to those categories most exposed or most affected by non-employment are needed. The essential limit to this type of intervention is

to strengthen the effects of crowding-out.

The pursuit of the cooperative growth strategy at European level by

promoting employment intensive growth constitutes a partial response to the persistent imbalance which will continue to affect the labour market in the decade to come.

The social policy of the Community and participation of the social partners in decision-making at European level

The Treaty of Rome

What are the social objectives sought by European integration and how are they defined in the Treaty of Rome¹ and the Single European Act.²

Article 2 of the Treaty of Rome stipulates that the European Community shall have as its task to promote throughout the Community, a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it.

The raising of the standard of living constitutes one of the essential objectives of the European Community and Title III of Part Three of the Treaty contains a number of guidelines as to Community social policy (Articles 117 to 128). Continuous promotion of employment and improvement in living conditions of workers ('while the improvement is being maintained')³ are the leading priorities of this policy.

Article 117 indicates the means to be used to achieve these objectives: '... such a development will ensure not only from the functioning of the common market, which will favour the harmonization of social systems, but also from the procedures provided for in this Treaty and from the approximation of provisions laid down by law, regulation or administrative action.'

The subsequent articles define the 'procedures provided for in this Treaty'; equal between men and women for equal work (Article 119), maintenance of existing equivalence between paid holiday schemes (Article 120), implementation of common measures as regards social security for migrant workers (Article 121), establishment of a European Social Fund to improve employment opportunities (Articles 123 to 127), the establishment of general principles for implementing of a common vocational training policy (Article 128).

Moreover, the task of the executive body of the European Community (the Commission) is to promote close collaboration between the Member States in the social field and in particular in matters relating to employment, labour law and working conditions, basic and advanced vocational training, social security, prevention of occupational accidents and diseases, occupational hy-

giene, the right of association, and collective bargaining between employers and workers (Article 118). To this end the Commission is required to act by making studies, delivering opinions and arranging consultations (Article 118, 2nd subparagraph).

The Single European Act signed at Luxembourg at the beginning of 1986, which came into force in 1987, supplements the Treaty in the social sphere by means of two Articles 118 A and 118 B.

Article 118 A empowers the Council, acting by a qualified majority, to adopt directives aimed at improvement and harmonization 'especially' in the working environment, as regards the health and safety of workers. Such directives must not restrict the development of small and medium-sized enterprises or prevent any Member State from introducing more stringent ones for the protection of working conditions. This reform is significant since to date the Community has only been able to take action in the social field by invoking Article 100 and/or Article 235 of the Treaty of Rome on the basis that the conditions set out in the said Articles were actually met.

Under Article 118 B, the Commission is required to endeavour the social dialogue at European level, such dialogue possibly leading to 'relations based on agreement'. This Article strengthens the Commission in the importance which it attaches to the deepening of social dialogue and provides essential support for its efforts in this direction.

The social programmes drawn up by the institutions

As early as 1959, the EEC Commission stressed that it could not conceive of a Community without social objectives and that it did not intend to place a

¹ Treaty establishing the European Community.

² Luxembourg 17. 2. 1986 — The Hague 28. 2. 1986.

³ Article 117 of the EEC Treaty.

narrow interpretation on the social provisions of the Treaty (in particular Article 117).

Moreover, by means of this declaration the Commission closes ranks with the European Parliament which, at its January 1959 part-session, invited the Governments of the Member States and the Commission to ensure the greatest possible improvement of social provisions and in particular of working conditions, whilst maintaining improvements already made.

However, it was not until 1971 that proposals began to emerge for a more systematic approach to European social policy, even though developments in various other fields of Community policy had forced the European institutions to reflect upon the connection between these fields and social policy as early as 1968.¹

On 17 March 1971 the Commission submitted to the Council 'Guidelines for a social action programme', inviting it not to consider them as formal proposals but rather as a contribution to a wider debate. In the Commission's view the social policy had to be considered in an entirely new light, since the Community had emerged from its start-up phase and was already on the way towards genuine economic and monetary union. Failure to pay sufficient attention not only to the economic and monetary but also the social aspects of integration could jeopardize this process. Moreover, to have full meaning, the achievement of economic and monetary union depended on the contribution which it made towards reaching society's main objectives, i. e. full employment on the best conditions, greater justice and improvement of the quality of life.

The 'Third medium-term economic policy programme',² likewise stated that economic policy should also serve social objectives and that the economic policy of the Community could not be confined to achieving the joint objectives of growth and stability. The quality of this policy was determined by the contribution it made to better conditions of existence: its aim should be both, to raise the standard of living and improve the quality of life.

An important step towards the implementation of the European social policy was taken at the Summit Conference in Paris on 19 and 20 October 1972³ which provided the impetus for the adoption of the 'social action programme' of 21 January 1974.

In the Communiqué published at the close of conference, the Heads of State or Governments stated that economic expansion does not constitute an objective in itself but must be reflected by an improvement in the quality of life and the standard of living. Moreover, they stressed that dynamic action in the social field was, in their view, just as important as the achievement of economic and monetary union. The institutions of the Communities were invited to draw up a social action programme providing for concrete measures, accompanied by appropriate means, to bring about full employment, improvement of working conditions, greater involvement of the social partners in shaping the economic and social decisions of the Community and the involvement of workers in the supervisory bodies of companies.

On 21 January 1974 the Council of Ministers took note of the programme submitted to it by the Commission on 25 October 1973 and stated its political willingness initially to adopt — for the period 1974 to 1976 — the measures required to:

1. bring about full employment on the best conditions within the Community;
2. improve living and working conditions (whilst maintaining already existing improvements);
3. increase the participation of social partners in shaping the economic and social decisions of the Community.

Under these different chapter headings provision is made for concrete measures which, as regards greater participation by the social partners in shaping economic and social decisions include: the involvement on a wider scale of the Standing Committee on Employment in respect of all questions having a fundamental bearing upon employment, the creation of a European Trade Union

Institute,⁴ growing encouragement for the involvement of workers on supervisory bodies of undertakings within the Community, and the promotion of participation by the social partners in the shaping of the economic and social decisions of the Community.

As far as the implementation of this social action programme is concerned, it can be said that many of its provisions have become reality or have led to proposals by the Commission.

Commentary

Until the adoption of the Single European Act, the Treaty had contained few concrete facilities for harmonizing the social policies of the Member States. In fact, the Treaty draftsmen thought that its social objectives would spring automatically from the operation of the common market.

The fact that social well-being does not progress in parallel to economic progress requires no proof. During the 20 years or more of the European Economic Community's existence, not only has economic growth shown itself incapable of solving a number of social problems but, in many aspects, new difficulties have arisen.

Social policy within the Community clearly cannot be confined, therefore, to the formal compliance with the concrete

¹ It should not be inferred from this that the Community had done nothing in the social arena in the meantime. The tasks prescribed by the Treaty had all been more or less accomplished and, moreover, a certain number of Commission initiatives had taken the form of large-scale support measures in the social field (aid towards re-training, reconversion loans, subsidized housing, European Social Fund, etc.).

² Adopted by the Council on 9 February 1971 — OJ L 49, 1. 3. 1971.

³ This Summit Conference was attended also by the three future new Member States (Denmark, Ireland and the United Kingdom), which became Members of the European Community only on 1 January 1973.

⁴ On 20 August 1976 the Council granted the European Trade Union Institute an initial subsidy of BFR 1 500 000. The Institute is intended to meet the growing need felt by the European trade union organizations for training in European affairs.

provisions of the EEC Treaty, but must take advantage of every opportunity to bring about the harmonization of the social policies of the Member States.

As has already been said, the relative silence of the Treaty as regards the form and content of the common social policy has gradually been compensated for by the belief that the Community needs an effective social policy as an essential complement to economic and monetary integration. Whilst it is true that the social action programme of 1974-76 was a first step in this (the right) direction, for reasons of political opportunism, the start-up phase towards a genuine Community social policy was rather hesitant.

The arrival of the recession, more or less at the same time as the launching of the action programme of 1974 meant that, for many years, all the available Community instruments and resources were assigned, as a priority, to measures to combat the most painful aspects of the recession, in particular unemployment.

It was not until 1984 that a second programme of this type was proposed by the Commission. More precisely, it was in its Resolution of 22 June 1984,¹ that the Council adopted the 'Medium-term Community social action programme'. The Council once again stressed the need for parallel development between the economic and social policies.

It also reiterated the prime objectives of the Community on the social plane; full and better employment, improvement of living and working conditions, free movement of workers. Within this general framework, the economic recession and the employment crisis necessitates measures and initiatives in a number of more specific areas: employment especially for young people and women, the social aspects of the introduction of new technologies (acquisition of new skills, basic and continuous training, information, consultation and negotiation on these changes), social protection (greater effectiveness but also assessment of its burden on the competitiveness of undertakings), de-

mographic questions (family policy, ageing) and migration problems.

The successful implementation of a social policy and an industrial strategy imply the continuation and deepening of the social dialogue at European level. The Commission was invited to examine means of improving this dialogue so as to involve the social partners more closely in Community economic and social decision-making. The Council laid particular emphasis on the need to initiate a dialogue on all the changes resulting from the introduction of new technologies into undertakings: the reorganization of work, conditions for use of equipment, questions of health, work schedules and duration of work, conditions of employment, etc.

The Commission's work programme for 1985 included more specific action aimed at the achievement of these objectives. The social dialogue again occupied a very important position in the programme. Since January 1985 the Commission has endeavoured to implement the guidelines of the social action programme concerning the social dialogue by bringing together both sides of industry at Val Duchesse. We shall examine this new structure for dialogue later on.

From the end of 1985 the Commission proposed in parallel to the social policy as such a policy centred upon employment: this is the 'Cooperative growth strategy for more employment'.² It is a strategy of cooperation in that it requires the consensus and active participation of all the partners concerned and it is a strategy of growth since, rather than acting directly upon employment, it aims at speeding up the rate of growth in order to make it more creative of employment. The objective is to achieve a growth rate of 3 to 3.5% producing an annual rise in employment of the order of 1 to 1.5%.

This objective assumes that action will be taken to meet the macro and microeconomic conditions required:

- (i) at the macroeconomic level: growth in investment which creates employment accompanied by wage moderation and creation of demand;

(ii) at the microeconomic level: improvement in organization of markets, in particular the labour market, greater flexibility, adaptation and reduction of working hours.

The monetary and budgetary policies must provide support for such action; measures to combat inflation, stability within the framework of the SME, lowering of interest rates, reorganization of public finance. Within this general framework generous provision is made for discussion with and between the social partners.

Strengthened by the warm welcome which the strategy received both from the institutions — Council, Parliament, Economic and Social Committee — and from the social partners meeting at Val Duchesse, the Commission put its strategy into practical form in its action programme for 1986 and in the 'Action programme for employment growth' adopted by the Council on 11 December 1986³ after being approved by the European Council in London on 5 and 6 December.

In its resolution, the Council undertakes to concentrate its efforts on the following areas: promotion of new undertakings and growth of employment, greater efficiency of the labour markets, increased aid for the long-term unemployed. It will attempt to develop cooperation between the Member States in these fields and undertakes, in agreement with the Commission, to take the decisions required to achieve these objectives.

The Council underlines the importance of the social dialogue and the task which the Single European Act assigns the Commission of intensifying this dialogue. It lends its support to the efforts made by the Commission in this direction.

¹ OJ 4.7.1984, p. 1.

² COM (85) 570 final.

³ *Bulletin of the European Communities*, Supplement 1/86

Participation of the social partners in the shaping of decisions at European level

In all the countries of the Community, the social partners have a direct or indirect influence on the social and economic decisions of the public authorities, either through institutional procedures or in some other way. It is obvious that the same groups must likewise participate in the shaping of decisions in the European Community.

- (i) *The social dialogue is a factor of social cohesion*, in the present context of technological change, economic reorganization, and industrial restructuring. Over and above the adaptation of major industries in difficulty (steelmaking, textiles, shipbuilding), the recent discussions on matters relating to the reorganization of working hours and the mastery of new technologies have shown both the undeniable need for dialogue between employers and workers, the importance of the Community dimension of these issues and the (albeit differentiated central role which the Commission has to play, from the point of view both of analysis and initiative and of stimulation of the dialogue with the social partners.
- (ii) *The social dialogue is also a factor of Community cohesion*. It encourages a better understanding of the economic and social situation and of what is actually at stake, provides a flexible and coherent framework for the discussion of the objectives of social policy and industrial strategy and how they can be reconciled and contributes towards the dismantlement of rigid practices and a *rapprochement* between the ways in which the national entities act.
- (iii) *Finally, the social dialogue is an indispensable factor in the search for a new style of industrial relations in the Member States*. An analysis of the problems of and outlook for collective bargaining in the Member States reveals both the defective functioning of the present form of in-

dustrial relations (still widely based on the distribution of the product of growth) and the similarity of preoccupations in the Member States: a desire to return to lateral negotiations, increasing misgivings as to the results and effectiveness of centralized (or group) bargaining, accompanied, on the other hand, by a fear of fragmentation of collective bargaining (coordination? wild-cat strikes? divisions between the employed and the unemployed? corporate advantage?); public sector bargaining; uncertainties in the field covered by bargaining (organization of work? introduction of new technologies? investments?).

In view of this situation what contribution can be expected of the European social dialogue? On the one hand, whilst allowing for the process of decentralization, the continuation of 'summit-level' consultations between the social partners and process of exchange between the consultations and the Community institutions appears both desirable and possible. What is essential is to keep the consultation process separate from the decision-making proper or the actual bargaining and to establish a channel for exchange between social representatives and Community institutions.

Within the institutions of the European Community there are dozens of committees, joint committees, specialized working parties, etc. in which representatives of the trade union organizations are involved. Some of these bodies, such as the Economic and Social Committee and the ECSC Consultative Committee, are directly provided for in the Treaties, while others, such as the European Social Fund Committee, have their origin in the Treaties and yet others have been set up in the process of integration in order to assist the Council and/or the Commission in the performance of their functions.

It is clear that not all the Committees have the same interest for us in

this study; we shall therefore confine ourselves to studying the Economic and Social Committee, the tripartite conferences, the Standing Committee on Employment and the Joint Sectoral Committees.

Finally we shall devote special attention to the social dialogue at Val Duchesse.

The Economic and Social Committee

The Economic and Social Committee is the manifest expression of the efforts made to involve the various socio-economic groups in the process of European integration with a view to reconciling the interests of these groups with the requirements of an integrated European industrial community.

The Economic and Social Committee consists of 189 representatives of all sectors of economic and social activity, in particular representatives of producers, farmers, carriers, workers, dealers, craftsmen, professional occupations and representatives of the general public.¹

The Committee must be consulted by the Council or the Commission in the circumstances set out in the Treaties or on any occasion considered by them to be appropriate. Since the Paris Summit Conference (October 1972), the Committee has had the right of initiative in formulating opinions on all matters concerning the Community.

Although the opinions may be adopted by a simple majority of votes, they are most often adopted unanimously or by a very large majority. Opinions are notified to the Council and/or the Commission and published in the *Official Journal of the European Communities*.

The purely subordinate role which the Treaties attribute to the Committee has been modified by the right of initiative, which was confirmed and made

¹ Article 193 of the EEC Treaty.

general at the end of 1972, and by the willingness of the Commission and the Council to collaborate with the Committee.

However, this body continues to be consultative and, notwithstanding the value of the opinions which it delivers, their influence in the shaping of Community decisions is somewhat weak. Its opinions have an informative function and are becoming more and more specifically technical in nature.

The groups represented within the Committee prefer to impress their points of view directly on the national authorities (thus influencing the Council) or on the Commission before the latter submits a formal proposal (upon which the Committee delivers an opinion).

It is clear that, whatever its role may be in European integration, the Economic and Social Committee is not the institutional body in which the social partners participate in the shaping of European decisions. The composition of the Committee and its tripartite structure have provoked criticism from various sides and not least from the European Trade Union Confederation. There is no doubt that equal representation of both sides in the Committee's composition would augment its political influence and inspire the social partners with greater drive enthusiasm.

The tripartite conference

In order to encourage consultation between the Council, the unions and the employers' organizations, in collaboration with the Commission, tripartite conferences have been convened since 1970. The first meeting¹ took place mainly as a result of pressure from the social partners who since 1968 had been expressing their dissatisfaction with the social policy implemented by the Community. In particular it was decided at Luxembourg that these tripartite conferences should meet regularly and that a Standing Committee on Employment should be set up.

Debates on real issues only began at the second meeting on 16 December

1974; the main items on the agenda were problems connected with the economic recession, employment and equality of treatment between male and female workers.

The third conference (18 November 1975) was devoted to the search for Community solutions to problems of employment. The fourth conference (24 June 1976) likewise focused on problems of employment and for the first time a result was achieved. The parties stated their determination to strive for a return to full employment, the gradual reduction of inflation to 4 or 5% and an annual growth in the GNP of around 5%.

The conference of 27 June 1977 was held under the banner 'growth, stability and employment', but the participants were forced to admit that the progress recorded as regards economic growth and employment was most disappointing.

The conference of 9 November 1978, which concentrated mainly on the issue of the redistribution of available employment, came once again to a close without any concrete decisions being taken and the Economic and Social Committee threatened to review its participation in future meetings unless proposals were put forward for giving a new impetus for the activities of the conference. In view of this the Commission submitted proposals to the Council and the social partners but it is questionable whether these proposals are consistent with the fundamental aspirations of the Economic and Social Committee. On 9 June 1980 the Council adopted rather timid measures relating to the procedures for the preparation and holding of tripartite conferences as well as their conclusions and any action taken as a result. None the less the conference has never met since 1978.

The Standing Committee on Employment

Since 1967 the European Confederations of Free and Christian Trade Unions had expressed the desire to be more closely associated with the shap-

ing of Community decisions on economic and social matters, particularly as regards employment.

In putting forward this demand they not only intended to give content and meaning to the somewhat vague social measures set out in the Treaty, but also wished to create the institutional framework in which the social partners and executive bodies of the European Community, i.e. the bodies directly responsible for economic and social policy, could meet.

Very soon, Unice came out in support of this idea and brought it to the notice of the European institutions on several occasions. At first the Council and Commission hesitated to set up such a dialogue, but ultimately agreed to the establishment of consultations between the social partners and the institutions of the Community on the subject of the content and meaning of the Community policy in the economic and social field. The idea of setting up a Standing Committee on Employment was discussed during the first tripartite conference on employment (27 and 28 April 1970) and confirmed by the Council of Ministers for Social Affairs of 25 and 26 May 1970. On 14 December 1970 the Council decided to set up this new consultative body, which differs from all the other consultative committees as regards both its composition and its role and working methods. Four partners participate in the activities of this Committee: employers' and workers' representatives, the Commission and the Council of Ministers, the latter holding the Chair and providing the secretariat.

The aim of the Committee is to ensure a continuous process of dialogue, consultation and information between the Council and the Commission, as well as with the social partners, in order to facilitate the coordination of the policies of the Member States with regard to the employment market, by reconciling them with Community objectives.

¹ Luxembourg, 27 and 28 April 1970, The Chairman of the Committee and promoter of the tripartite conference was at that time L. Major.

The Committee becomes involved at a stage prior to the adoption of decisions by the relevant institutions.

From its creation up until 1972 the Committee devoted itself principally to the study of general problems relating to the Community policy for employment and the problems connected with the introduction of a remodelled European Social Fund. In 1972 difficulties arose with regard to the representation of workers following the TUC boycott and it was only at the tripartite conference of 14 December 1974 that a decision to resume the activities of the Committee could be taken. Since that time the Committee has devoted itself mainly to problems resulting from the radical changes in the economic situation caused by the recession: the fight against unemployment, the reorganization of working time, vocational training, and youth unemployment being the main items of the Committee's agenda. In 1980 problems raised by the social implications of the new technologies also began to appear on its agenda.

In accordance with the Council decision of 14 December 1970, the primary objective of the Committee is to facilitate coordination of Member States' policies with regard to the employment market. This same concept of promoting cooperation in the social field is found in Article 118 of the EEC Treaty and it is therefore fair to assume that there is no intention to attribute to the Committee a role which is anything other than consultative in nature.

Although the social partners play a decisive role as regards the matters covered by the Committee, and although they have for the first time, a way of making their points of view known directly both to the Council and to the Commission and the government representatives, it cannot be said that they take part in the shaping of decisions at European level.

In particular, a dispute arose at the time of the discussions on the possible adoption of Community measures concerning the reduction in working hours in May 1983. The workers' representatives take the view that the dialogue and

discussion must allow agreements and decisions to be reached which have subsequently to be finalized by the relevant Community and/or national authorities and adapted to national, regional or sector requirements. More particularly, as regards measures relating to the reduction of working hours, the representatives of the unions considered that it should be possible to arrive at an arrangement in principle within the Committee and that the implementing arrangements could be worked out later by the relevant authorities but, since this proved to be impossible, the workers' representatives protested by temporarily suspending their participation in the activities of the Committee. On resuming its work the Committee gave priority to studying the impact of the new technologies, a move which was moreover endorsed by the Council: 'since technological change has consequences for employment, the organization of work and production, these ought to form the subject of dialogue between labour and management'.¹

Assessment

The Committee meets two or three times a year. Its agenda is discussed by a 'restricted committee'. For some years now it is within this restricted committee that the conclusions of the session under preparation have been worked out. In actual fact, it is within this forum that the most important consultations take place.

The Standing Committee on Employment provides for a direct exchange between the social partners, Council and Commission, i.e. between the social partners and the bodies responsible for Community decisions. It is in this very process that its *raison d'être* and its real value lies. The Standing Committee's debates can be said to exert real influence on decision-making.

The Joint Sectoral Committees

The Joint Sectoral Committees were set up mainly in the 1960s: coal and

steel in 1955, agricultural workers in 1963, inland navigation in 1967, road transport in 1965, sea fishing in 1968 and railways in 1971. The Committee on the footwear industry was set up in 1977 but suspended in 1982. The members of these committees, numbering between 38 and 50, are appointed by the Commission on a proposal from the employers' and workers' organizations, it has itself designated.

The Commission has played an important motive role in the creation of these committees and provides them with considerable practical amenities and assistance: organization of meetings, meeting places and interpreters, secretarial services. The chair of the committees is held on a rota basis and in general is occupied for two years by a representative of the employers or of the workers.

Even if sectoral dialogue occupies the front of the stage to a lesser extent than inter-sectoral dialogue, it is in no way less important. In fact it makes it possible to relate the individual realities of each sector with the ideas and guidelines developed in the more general discussions. It is clear that the social implications of the new technologies, or the reorganization of working hours must be looked at in a quite different manner depending upon whether the sector in question is transport or agriculture.

An in-depth examination of the activity of these committees does not fall precisely within the scope of this study but in general terms these committees can be said to have done valuable work. In most instances, they have carried out an in-depth study of the working conditions in the sector concerned within the Member States, and in certain cases this study has unquestionably resulted in the harmonization of these conditions. In many cases they have provided the Commission with opinions on questions relating to their sector (for example, opinions relating to the social harmonization of working conditions in the road transport sector). The committees have

¹ 935th session of the Council, 7 June 1984.

also taken certain initiatives spontaneously, such as the safety week in agriculture, retraining courses for young watermen in Hull, seminars and symposia, and the organization of assistance at sea. They frequently play a major role in the working out and standardizing of regulations in the health and safety sphere. Over and above this power to deliver opinions, the joint sectoral committees might have played a role in working out collective agreements at European level.

In practice, this European collective agreement has made hardly any progress. The partner which is least well-disposed to the European collective agreement, i.e. the employers' organizations, is adhering strictly to the committee's formal mandate in order to reject this agreement.

On the workers' side is also some lack of faith in the joint committees as bodies in which to conclude a collective agreement, experience having shown that the consultative role of the joint committee is not always taken seriously and that, despite the urgent demands of the workers' organization, it has not been possible to set up joint committees in certain important sectors such as shipbuilding, the motor industry, construction, textiles, the chemical industries, etc.

With regard to this lack of sectoral relations at European level, an exception must none the less be pointed out in the case of agriculture. More precisely, in 1978 and 1980 representatives of the agricultural employers' and agricultural workers' organizations signed within their committee two agreements on the working hours of agricultural workers, in the cropfarming and horticulture and in stockfarming sectors respectively. In the main, these agreements lay down maximum and guaranteed number of working hours per week and per month. A number of more specific provisions cover the various methods which may be used to define daily or weekly working hours, overtime, night and weekend work, etc. These agreements have been extended to Greece and their extension to Spain and Portugal is being studied.

The informal joint committees

It became clear during the 1970s that the establishment of new institutionalized committees is difficult if not impossible. The employers' organizations are opposed to it, refusing to engage in any real negotiations at European level. The existing joint committees are experiencing considerable difficulties. As a reaction to these difficulties, a new method of dialogue is developing: the informal sector committees. They are set up and meet with less ambitious objectives: regular exchange of views on an important problem in the sector jointly selected, but there is no longer any question of parity relations or negotiations.

The Commission provides them with the same practical assistance as the institutionalized committees and finances the studies which frequently form the basis for the discussions. Examples are provided by the banking sector in which a regular dialogue has been set in train on the subject of employment in relation to the introduction of the new technologies, or the construction sector which discusses vocational training, or again and most recently, the retail sector. Beside these organized exchanges at various levels, occasional meetings take place in the hotel/catering, machine tools and shipbuilding sectors; works have also been taken with a view to setting up a dialogue of this type in the insurance and telecommunications sectors.

Naturally this practice is a backward step when compared with the ambitions of the Commission when it institutionalized the joint committee in the 1960s. None the less it supports any initiative aimed at dialogue, however informal it might be.

The social dialogue at Val Duchesse

The social action programme adopted by the Council on 22 June 1984 assigned considerable importance to the social dialogue. In it the Commis-

sion was invited not only to improve the dialogue within the framework of the existing mechanisms, but also 'to work out appropriate methods for encouraging, while scrupulously respecting the autonomy of, and responsibilities peculiar to, the two sides of industry, the development of relations of parity at Community level'.¹

It was to this end and on the initiative of its President, Jacques Delors, that in January 1985 the Commission began making informal contacts with the social partners culminating in a joint meeting at Val Duchesse on 12 November 1985. This meeting brought together the representatives of the ETUC, CEEP and Unice as well as Mr Delors, Mr Pfeiffer and Mr Sutherland representing the Commission, with a view to holding a debate on 'the cooperative growth strategy for more employment' proposed by the Commission.

The results of this meeting were fairly positive since the scenario proposed by the Commission met with fairly general approval and it was decided that possible ways of implementing this strategy should be examined furthermore, within a working party. Furthermore, the social partners adopted a common declaration of intent concerning the social dialogue and the new technologies, in which they agreed to entrust a working party with the task of examining the possibility of arriving within the Community at a common guideline on the social dialogue in connection with the introduction of the new technologies.

Thus in the spring of 1986 the Commission set up a macroeconomic working party chaired by Commissioner Pfeiffer to deliberate on the problems raised by the implementation of the cooperative strategy, and a microeconomic working party chaired by Vice-President Marín as regards the new technologies. The two working parties are tripartite in structure being com-

¹ OJ C 175, 4.7.1984.

posed of representatives of the Commission and, with equal representation, representatives of the workers' and employers' organizations in the number of one per country. The Commission provides secretarial services and supplies the preparatory documents.

The results of the work of the two working partners found expression in two joint opinions. First, on 6 November 1986 the macroeconomic group adopted a joint opinion on the cooperative growth strategy for more employment. Unice, the ETUC and CEEP confirm their agreement on the Commission's basic principles and the general trust of the economic policy proposed in the Annual Economic Report 1986/87. There follows a series of points on which agreement was reached between the social partners: the desire to bring about a significant reduction in unemployment by increased investment, reduce interest rates, keeping inflation at a low level, rapid completion of the internal market, promotion of research and development, better occupational skills, development of public investment and

infra-structure investment, etc. Employment remains the overriding concern and principal focus of each of these fields of action.

The three organizations affirm their conviction of the importance of the social dialogue in the implementation of this strategy and declare their readiness to continue the dialogue on questions not yet resolved.

The joint opinion of the 'new technologies' group dates from 6 March 1987. It is devoted to training and motivation of workers in connection with the introduction of the new technologies into their firm and the information and consultation which must accompany it. While the decision to introduce the new technologies remains 'exclusively the responsibility of the employer', the workers and/or their representatives must be consulted in good time. The social partners underline the major importance of basic training and smooth transition of young people from school to working life. The public authorities are invited to examine the need to re-organize the ed-

ucation systems so as to make them more efficient. Continuous training and retraining are likewise regarded as essential.

On 7 May 1987 a summit meeting convened on the initiative of the Belgian Presidency and the Commission provided the opportunity to draw up the first balance sheet. The meeting also provided an opportunity to confirm the shared desire to continue along the same path towards consolidating the Community social dialogue. The social partners also expressed their support for the Commission's efforts to make the single internal market a reality by 1992.

The two groups have resumed their work fairly rapidly and each has already held a meeting, devoted, in the case of the 'microeconomic' group, to the subject of 'New technologies, organization of work, adaptability of the labour market' and in the case of the 'macroeconomic' group to the problem of public and private investment.

L. Wallyn

The enforcement of Community law on equality at national level



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The scope and content of Community law and policies on equal opportunities is largely unappreciated at national level. This has important consequences for the understanding of national policy in this area, which is significantly influenced by policy and programmes agreed at Community level, and for the proper application of national law.

This article is intended to provide an outline of current Community law, and to set out the operation and objectives of the current Medium-term Community programme on equal opportunities for women 1986–90¹ with regard to the application and the development of the law.

Community law on the principle of equality

Community law on the principle of equality currently consists of Article 119 of the Treaty of Rome and five equality directives, three enacted in the 1970s and two in 1986.²

Article 119 is the only article of the 'Social provisions' chapter of the Treaty to impose a positive duty, and specifically provides for the application of the principle that men and women should receive equal pay for equal work. The Court of Justice has declared that this principle 'forms part of the foundations of the Community'.³

The Equal Pay Directive 75/117/EEC of 1975⁴ was designed to implement

¹ Medium-term Community programme 1986-90, Bull. Supp. EC 3/86; Council Resolution of 24 July 1986 on the promotion of equal opportunities for women OJ C 203, 12 August 1986, p. 2.

² Community and national legislation and case law on equality are set out and discussed in the three volumes of *Equality in law between men and women in the European Community*, Louvain-la-Neuve 1987, ed. Michel Verwilghen. See also Françoise Remuel-Alexandrou, 'Community law and women', Supplement Nos 12 and 19 to *Women of Europe*, XI/318/83 and XI/146/85.

³ Case 43/75, *Defrenne v Sabena* [1976] ECR 455, 472 § 12.

⁴ Council Directive of 10 February 1975 (75/117/EEC) on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women, OJ L 45, 19 February 1975, p. 19.

this principle and to facilitate its practical application. An important feature is the introduction of the vital concept of equal pay for work of equal value contained in ILO Convention No 100.¹

The Equal Treatment Directive 76/207/EEC of 1976² guarantees the principle of equal treatment in access to employment, vocational training³ and promotion, and working conditions. It defines and applies the principle of equal treatment to national legislation, collective agreements, employment contracts and occupational rules. It refers, for the first time, to the concept of indirect discrimination.

The third Directive in this area concerns the progressive implementation of the principle of equal treatment for men and women in statutory social security schemes, 79/7/EEC,⁴ and applies to all members of the working population whose activity is interrupted by illness, accident or involuntary unemployment.

These Directives enable individuals to enforce their rights by due process of law and, in the case of the first two, to be protected against dismissal for seeking to do so. They have all entered into force, the last in 1984, and implementing national legislation has been adopted.

The Council adopted a second social security Directive, 86/378/EEC, to extend the principle of equal treatment for men and women laid down for statutory social security schemes by Directive 79/7 to occupational, i. e. contractual, schemes.⁵ The Commission is currently preparing the draft of a new legal instrument to extend the principle of equal treatment to the areas not covered by the social security directives.⁶

In December 1986, the Council adopted the directive on equal treatment for men and women in self-employed occupations including agriculture, and on protection during pregnancy and maternity, 86/613/EEC.⁷ The directive requires equal access to financial facilities and the possibility for spouses to form a company or set up a business, and guarantees the right for spouses who are not protected under their spouses' social security scheme to join

a contributory social security scheme voluntarily. However, maternity protection and legal recognition of the work of the spouse are set out in the form of recommendations.

The application of Community law

The legal enforcement of the first three directives has taken place at Community and at national level. Many of the cases which have come before the Court of Justice have been initiated by individuals before national courts and referred to the Court of Justice under Article 177 of the Treaty (all of the cases decided in 1986 fell into this category). Others have been pursued by the Commission under Articles 169 and 171 of the Treaty.

There has been considerable difficulty in reaching agreement on the meaning of discrimination — particularly indirect discrimination — and the extent to which the principle of equality applies to allegedly discriminatory situations. The Commission has therefore developed a strategy to improve the application of national provisions on equality at national level. This involves practical initiatives concerning the administrative and judicial process, and the proposal of further Community measures.

1. The enforcement process

The task of overseeing the operation of Community law is the responsibility of the Commission in its role as guardian of the Treaties. The Commission obtains the information it needs to carry out this function in various ways.⁸

In the first place, the Member governments themselves are required by the directives to communicate the texts of the measures which they adopt in the fields covered by the Directives and to forward all the information necessary to draw up reports on their application.⁹ Though this inevitably gives an incomplete picture to the Commission, most infringement proceedings up to now

¹ Convention No 100 concerning equal remuneration for men and women workers for work of equal value.

² Council Directive of 9 February 1976 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, OJ L 39, 14 February 1976, p. 40.

³ See now Case 293/83, *Gravier v Ville de Liège* [1985] ECR 593.

⁴ Council Directive of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security, OJ L 6, 10 January 1979, p. 24. See A. Laurent, 'Equal treatment in matters of social security', in *Ten years of Community policy on equal opportunities for men and women*, *Social Europe* Supplement 2/86, p. 117.

⁵ Council Directive of 24 July 1986 on the implementation of the principle of equal treatment for men and women in occupational social security schemes, OJ L 225, 12 August 1986, p. 40.

⁶ Proposal for a Council Directive completing the implementation of the principle of equal treatment for men and women in statutory and occupational social security schemes COM (87) 494 final, 23 October 1987. See the implementation of equal treatment between men and women in matters of social security for benefits not covered by the Directive of 19 December 1978, V/1261/1/84.

⁷ Council Directive of 11 December 1986 on the application of the principle of equal treatment between men and women engaged in an activity, including agriculture, in a self-employed capacity, and on the protection of self-employed women during pregnancy and motherhood. OJ L 359, 19 December 1986, p. 56.

⁸ See G. Zorbas 'Some examples of Commission intervention on equality', in *Ten years of Community policy on equal opportunities for men and women*, op. cit. p. 127.

⁹ Report of the Commission to the Council on the application as at 12 February 1978 of the principle of equal pay for men and women COM (78) 711 final, 16 January 1979; Report from the Commission to the Council on the situation at 12 August 1980 with regard to the implementation of the principle of equal treatment for men and women as regards access to employment and promotion, access to vocational guidance and training, working conditions, COM (80) 832 final, 11 February 1981; Report of the Commission to the Council on the application of the principle of equal pay for men and women in Greece, COM (84) 667 final, 4 December 1984; Report from the Commission to the Council on the situation with regard to the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion and working conditions in Greece, COM (85) 587 final, 18 December 1985; Interim Report on the application of Council Directive 79/7/EEC of 19 December 1978 on the progressive implementation of equal treatment for men and women in matters of social security, op. cit.

have been commenced on the basis of such information.

Secondly, the Commission may intervene following a complaint by a private individual or an organization. It is common for private individuals, equality and other specialist bodies to bring such matters to the attention of the Commission. The Commission may also commence an investigation as a result of an intervention by a Member of the European Parliament (MEP), whether a question, petition or letter. It is also common for MEP's to steer their constituents to the Commission.

The Commission felt however that there was need for a more systematic monitoring of the implementation of the Directives and exchange of information amongst equality law specialists. It therefore set up a Community-wide network on the application of the equality directives (henceforth the 'expert network'), composed of independent specialists from the legal profession and the two sides of industry.

Members of the expert network inform the Commission of legal developments in their countries at regular meetings in Brussels and in annual reports. Developments during the first equality action programme¹ and the present state of implementation of the Directives have been evaluated in a report which has identified three major labour market problems in all Member States which place women at a disadvantage and have discriminatory effects: job segregation between male and female workers; indirect discrimination — the most common form of sex discrimination; and persistent direct discrimination as a result of inadequate legislation, particularly with regard to legal redress. The report recommended that there should be procedural reform, in particular the modification of the burden of proof; an extension and clarification of the concept of indirect discrimination; the introduction of schemes of positive action which will help to redress the imbalance in the labour market; and the stimulation of research, analysis and data collection in the Community.²

2. Information, training and raising awareness

The Commission's second main strategy in the legal area is the information and training of the persons involved in implementing the equality legislation.

The Community legal system depends on a partnership between the Court of Justice and the national courts. This is particularly the case where the Community law concerned consists largely of directives, which are addressed to the Member States and must be transformed into national law by national legislation. National courts are responsible for the correct application of the law at national level, whether by way of construing national law so as to be consistent with Community obligations or by national courts themselves directly applying Community law in favour of individuals.

Obviously, there is always recourse in principle to the Court of Justice either by way of a request for interpretation, or, where national law is not in conformity with Community law, by the Commission itself under Article 169 of the Treaty. However, the ideal should be the correct and immediate application of the law by national courts.¹⁶

A Community-wide conference was therefore held for judges, practitioners and academics at the University of Louvain-la-Neuve in May 1985, the forerunner of similar national-level conferences in each Member State. Members of the expert network have carried out the organization of many of these conferences. The first national conference took place in Athens in 1986 and was followed in 1987 by conferences in Oxford, Killarney, Rome and Lisbon. It is hoped that conferences will have been held in all the remaining Member States by the end of 1988.

The conferences are aimed at exposing judges, lawyers and industrial relations specialists to equality law and Community law and at equipping them to deal with the still rather novel concepts and procedures involved. It is hoped that each conference will be followed up with further training for legal

and industrial relations practitioners.

A set of publications on 'Equality in law between men and women in the European Community' has been produced for the law conferences by the University of Louvain-la-Neuve. It is hoped to update and expand these publications into a series of volumes covering Community and national legal sources available to all judges, practitioners and specialists in this area. The Commission services are also considering the establishment of a Community data base on equality, to enable the public to have easy access to Community and national legal and research materials and data on women in the labour market.¹⁷

3. Monitoring and enforcement agencies

Within the Commission, the Bureau for questions concerning employment and equal treatment for women (the 'Equal Treatment Office') was established in 1976 to coordinate and to promote the application of the principle of equality within the Community.¹⁸ In effect, the Commission plays two distinct roles in this area. As a Community institution, it has wide powers under the Treaty to propose legislation to the Council and to pursue Member States for non-compliance with existing legislation. As an equal opportunities agency it

¹⁴ Commission communication to the Council of 14 December 1981 on a new Community action programme on the promotion of equal opportunities for women 1982–85, Bull. Supp. EC 1/82.

¹⁵ F. von Prondzynski, 'Implementation of the Equality Directives', Document, Commission of the European Communities (Luxembourg, 1987).

¹⁶ Case 106/77, *AdFdS v Simmenthal* [1978] ECR 644 § 21.

¹⁷ A possible model is in operation in the Labour Court in Ireland, which is progressively entering all its decisions, together with those of the Court of Justice, into a data base open to the public.

¹⁸ O. Quintin, 'Community structures responsible for promoting equal opportunities' in *Ten years of Community policy for men and women*, op. cit., p. 37. A separate Women's Information Office is responsible for the diffusion of information on Commission policies on equality.

is able to coordinate, stimulate and inform persons working on equality law in the Member States — the legal profession and the judiciary, equality and other specialized agencies, employers and trade unions, and industrial relations specialists.

At national level, equal opportunities agencies promote equality policy and provide advice and practical and financial support to women in their respective countries. It is notable that the greatest incidence of attempts to enforce equality rights under the law may be found in Ireland, Northern Ireland and Great Britain, where specialized agencies (the Employment Equality Agency and the two Equal Opportunities Commissions) were set up in the 1970s to promote equality and assist claimants with bringing complaints. These bodies have deliberately developed equality law by assisting selected complaints of discrimination through the national courts and sometimes by way of referral up to the Court of Justice.¹⁹

The importance of such agencies has therefore been underlined by both equality action programmes. They now exist in Belgium, Denmark, Ireland, Italy, Luxembourg, the Netherlands, and the UK, together with analogous governmental or quasi-governmental offices in Belgium, Germany, Greece, France, Portugal and Spain.

These bodies work together at Community level in the Advisory Committee on Equal Opportunities for Women and Men.²⁰ The Committee is responsible for advising the Commission on the drafting of its equality policies and for promoting the exchange of information and experiences. It is regularly informed and consulted by the Commission on policy decisions and has become an integral part of the internal Commission policy-making process.

4. National legal procedure

The Commission is considering means to improve legal redress for the contravention of the principle of equality, in the first instance by the modification of the burden of proof. A comparative re-

view of national experiences was conducted in 1984, aimed at identifying good practice and suggesting solutions for the practical problems that exist. One of the key aspects to emerge from the study was the extreme difficulty for applicants of proving discrimination, particularly indirect discrimination which is a rather hazy concept for many lawyers.²¹

There is increasing evidence that procedural problems encountered by complainants in all the Member States have the effect of depriving the substantive rights provided by Community law of much of their force. In practice, many applicants are discouraged from enforcing their legal rights because of such difficulties.

The burden of proof is the main problem. Most systems place the burden on the complainant, but it is difficult and sometimes impossible in the normal course of events for a complainant to establish. This is because there is a problem of obtaining evidence in discrimination and employment law cases, where the relevant information is often in the hands of the employer. Sex discrimination cases may also give rise to particular problems for complainants because of the widespread but unvoiced and often unconscious prejudices which distort acts or decisions affecting women, especially because of their marital or family responsibilities. The result may well be discrimination, particularly indirect discrimination. These problems have resulted in 'a clear pattern in a number of Member States of cases which were lost despite very strong circumstantial evidence of discrimination'.²²

A preliminary analysis of the current legal situation at Community and national level has shown, however, that modification of the burden of proof is not a novel or even a radical proposal. Normally, the complainant must show on a balance of probabilities that sex was the reason for the act or decision being challenged. In practice, this often means that the case will fail where the respondent provides a plausible explanation for that act or decision, because

the burden remains on the complainant.

To counter this, a partial, subsidiary obligation to adduce certain evidence may be imposed on the respondent in certain circumstances, or the legal burden itself may be passed to the respondent. This latter approach, complete reversal of the burden, would shift the legal burden to the respondent once the complainant has shown discriminatory treatment, for example, a pay differential with regard to a chosen comparator.²³

A compromise approach is to modify rather than reverse the burden. In this case, the legal burden of persuasion remains with the complainant but the evidential burden shifts to the respondent at a certain stage, for example, where the complainant establishes a *prima-facie* case. A *prima-facie* case would consist of a set of facts which give rise to a rebuttable presumption of discrimination on grounds of sex,²⁴ and could include, for example, the possession of a minimum essential set of qualifications. The respondent would be required to rebut such a *prima-facie* case and prove that there was no unlawful discrimination.

Such modification or reversal of the burden of proof already exists in na-

¹⁹ See, for example, Cases 222/84, *Marguerite Johnston v Chief Constable of the Royal Ulster Constabulary*, decision of 15. 5. 1986 as yet unreported, and 96/80, *Jenkins v Kingsgate (Clothing Productions) Ltd* [1981] ECR 911.

²⁰ Commission Decision of 9 December 1981 relating to the setting up of an Advisory Committee on Equal Opportunities for Women and Men (82/43/EEC) OJ L 20, 28 January 1982.

²¹ Jennifer Corcoran and Elaine Donnelly, Report of a comparative analysis of the provisions for legal redress in the Member States of the European Economic Community in respect of Article 119 of the Treaty of Rome and the Equal Pay, Equal Treatment and Social Security Directives, V/564/84.

²² Consolidated Report on the application of the Equality Directives 1987, § 2.5.1.

²³ As in Portugal, Decree-Law No 392/79 of 20 September 1979, Article 9 (4).

²⁴ As is the case under legislation in Germany, France and the Netherlands, and by case-law in the UK.

tional law on unlawful dismissal,²⁵ maternity protection,²⁶ and other areas such as non-contractual liability or consumer protection.²⁷ In principle, the burden should also shift between the parties during sex discrimination litigation. For example, a case of indirect discrimination would in practice involve at least three stages of proof: firstly, the employee must show the existence of a requirement or condition; and secondly, the employee must show that this has a disproportionate impact on members of his or her particular sex. At this stage, a *prima facie* case of indirect discrimination is established. It will be unlawful unless thirdly, the employer proves that the condition was 'objectively justified' — that there was a 'real need on the part of the undertaking' which is both 'appropriate' and 'necessary'.²⁸

There is now a strong body of opinion in favour of modifying the burden of proof, including calls for action by the European Parliament,²⁹ the Economic and Social Committee,³⁰ the Council,³¹ the Advisory Committee on Equal Opportunities³² and the expert network.³³ The Commission has therefore undertaken to put forward a Community legal instrument on the burden of proof applying to all equal opportunities measures.³⁴

5. Legal analyses

The Commission also attempts to promote the better application and positive development of the principle of equality by issuing reports and communications to guide and stimulate debate and positive change.

Thus in the area of equal treatment and the taxation of employment income, the Commission has analysed national systems and demonstrated the diversity and the complexity of systems of taxation of couples in the Member States.³⁵ On the basis of this study, the Commission submitted a Memorandum to the Council in December 1984³⁶ which outlined the main problems of national fiscal systems from the perspective of the principle of equality and made recommendations for action by the Member States.³⁷

More recently, the Commission has adopted a Communication on protective legislation for women in the Member States of the European Community.³⁸ This Communication sets out an overview of the legal situation across the Community, together with a list of national and international provisions in this area. It analyses the implications of Community law under Directive 76/207/EEC for such measures and asks Member States to review their compatibility with the principle of equality in the light of this analysis.

The Commission takes the position that protective legislation which does not relate to pregnancy or maternity should apply equally to both sexes. Furthermore, it appears that many national measures have a negative influence on women's employment and have lost their original justification or are applied in a manner which is neither general nor systematic. The Communication therefore contains a series of recommendations concerning national protective measures, that they should either be extended to both sexes, or repealed, or reassessed in the context of further research.

Another problem in applying the principle of equality is the vexed question of adequate and appropriate sanctions. The Court of Justice has rightly observed that it 'is impossible to establish real equality of opportunity without an appropriate system of sanctions' and has emphasized that Member States must take all appropriate measures to ensure the fulfilment of their Treaty obligations.³⁹ This implies that a remedy which consists of compensation must be effective and have a deterrent effect on the employer. To satisfy these requirements, compensation must at least be adequate in relation to the damage sustained, and amount to more than purely nominal compensation.⁴⁰ As a result of this decision, purely nominal compensation for discriminatory refusal to hire was increased by the German Labour Courts to the equivalent of six months' salary for each complainant.⁴¹

The problem of sanctions has been underlined in a recent Report on the

²⁵ The legislation relating to unfair dismissal in most Member States places the burden of proving the presence of an admissible ground upon the employer. In Germany, Italy and the Netherlands, this is a result of the public administrative procedures involved; in all other Member States save Denmark and Greece national procedures place the burden specifically on the employer.

²⁶ The initial burden of proof is placed upon the employer in Italian and Irish law; the evidential burden passes to the employer in German law once the employee has established a *prima facie* case.

²⁷ Article 1 of Council Directive 85/374/EEC of 25 July 1985 on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products places the legal burden on the producer to disprove liability for a defective product which has caused damage to a consumer.

²⁸ Case 170/84, *Bilka Kaufhaus v Karin Weber von Hartz*, *supra*, §§ 36–37. See generally Interim Report on the application of Council Directive 79/7/EEC of 19.12.1978 on the progressive implementation of equal treatment for men and women in matters of social security, COM (83) 793, 6 January 1984 § II.A.1; § 5 of the opinion of Advocate General Mancini of 7 October 1986 in Case 30/85, *Teuling-Worms v Bedrijfsvereniging voor de Chemische Industrie*; 'Implementation of the Equality Directives', *op. cit.*, § 2.3.

²⁹ European Parliament Report of May 1984 on 'The situation of women in Europe', Report of Inquiry No 1 on *The implementation of the first two directives* p. 43.

³⁰ Opinion on equal opportunities for women – Medium-term Community programme – 1986–90, § 3.1.2.

³¹ § 5, Council Resolution on the promotion of equal opportunities for women of 24 July 1986, *supra*, note 1.

³² Opinion of 15 May 1987.

³³ 'Implementation of the Equality Directives', *op. cit.*, § 1.73 and Chapter 7; Consolidated Report on the application of the Equality Directives 1987, §§ 2.7.1–2.7.5.

³⁴ § 19.c, Medium-term Community programme. See also action 2, Legal redress in respect of equal treatment, of the first action programme.

³⁵ D. Meuldert, J. Haustraete, J.L. Six and B. Vanden Abeele, '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' V/2798/1/82 final. See now Danièle Meuldert, 'Income tax in the European Community – Income taxation and equal treatment of men and women in the Member States of the European Community', (Institute of Fiscal Studies, 1986, ISBN 0-902-992-53-8).

³⁶ 'Income taxation and equal treatment for men and women' COM (84) 695 final. See S. Evans *Social Europe* No 1/85, p. 18.

³⁷ See now 'The seminar on income taxation and equal treatment for men and women in the Member States of the European Community' *Social Europe* No 3/86, September 1986, p. 65.

dignity of women at work.⁴² The report examines the problems caused by sexual harassment in the Member States together with the legal and practical responses developed as a result. It also reviews the research carried out in the area and makes recommendations for action.

It seems that the problem is commonplace in EC Member States and that, though it is in principle contrary to the Equal Treatment Directive and unlawful under various domestic laws, there is a vast gap between theoretical legal rights and the reality of working lives. Such legal protection as exists is implicit and piecemeal, its inadequacy shown by the lack of cases. The report recommends that there should be consciousness-raising programmes, documentation of the problem and its consequences, and further empirical research. Existing legal non-discrimination rights

should be publicized, and support should be provided for complainants, to overcome their reluctance to take action. In addition, it recommends drawing up new clear and explicit legal rights to provide, in particular, for suitable remedies and sanctions.

A 'common law' on equality is being created. It has already made a significant contribution to the legal and social integration of the Community and is one of the more tangible aspects of the human face of the Community, the 'Citizen's Europe'.

Christopher Docksey

Conclusion

Community law on equal opportunities has developed into an advanced legal framework for the benefit of the women and men living and working in the European Community. It operates for the most part by way of national law and thereby requires national courts, practising lawyers and specialist agencies to take a share in the responsibility for its proper interpretation and application. Further initiatives with regard to procedure and to material scope will increase its effectiveness.

³⁸ COM (87) 105 final of 13 March 1987. See *Social Europe* No 3/87, September 1987, p.

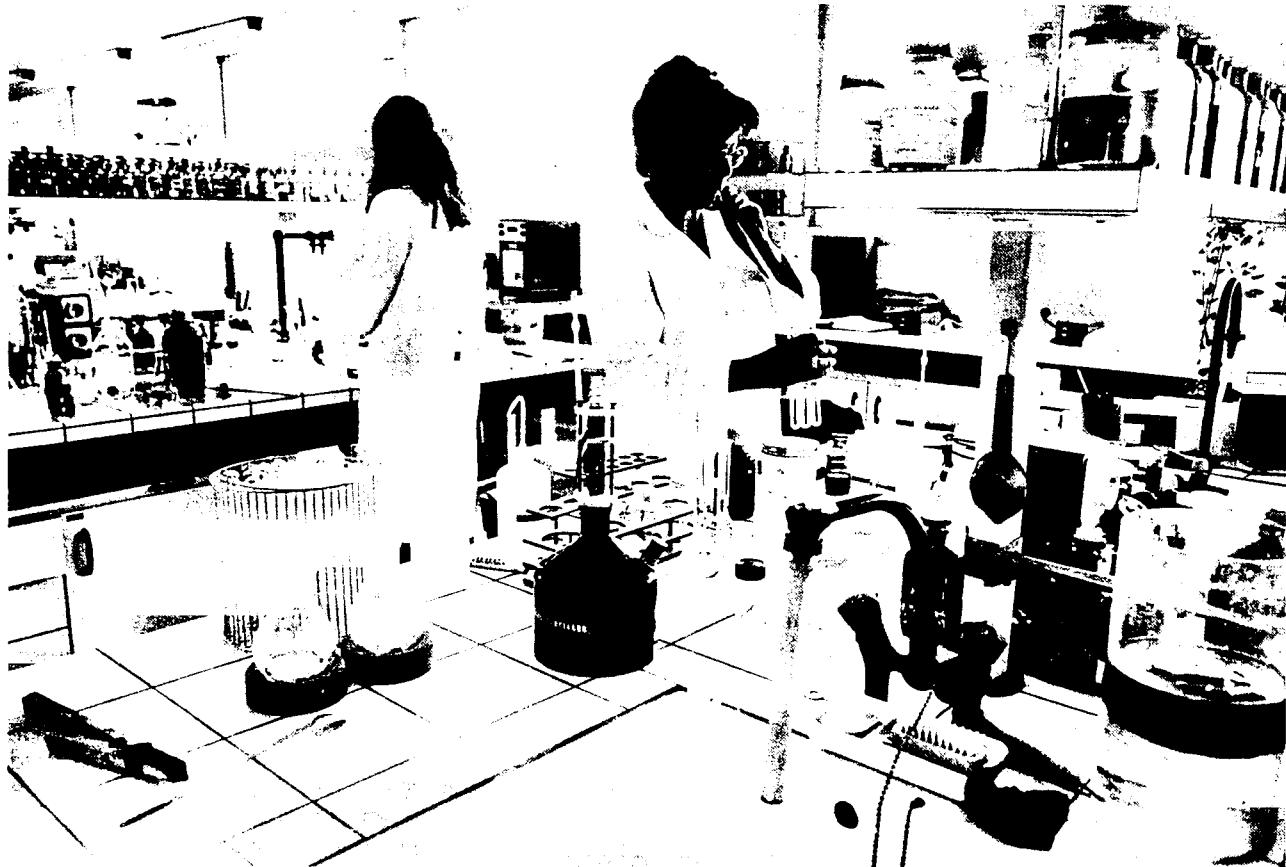
³⁹ Case 14/83, *von Colson and Kamann v Nordrhein-Westfalen* [1984] ECR 1891, 1908 § 22.

⁴⁰ ibid. at p. 1909 § 28. See also Case 79/83, *Hartz v Deutsche Trädax* [1984] ECR 1921, 1939 § 14.

⁴¹ Arbeitsgericht Hamm, 6 September 1984, Der Betrieb, 1984, p. 2700; Arbeitsgericht Hamburg, 7 March 1985, Der Betrieb, 1985, p. 1402.

⁴² Michael Rubenstein, 'The dignity of women at work. Report on the problem of sexual harassment in the Member States of the European Communities', October 1987, VI/412/1/87.

Community initiatives on vocational training for women



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Introduction

The starting-point for any discussion on the question of access by women to vocational training in the Community must be Directive 76/207/EEC of 9 February 1976, 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. This Directive imposed obligations upon the Member States to ensure the implementation of the principle of equal treatment as regards access to all types and to all levels of vocational guidance, advanced vocational training and retraining.

As a result of this Directive, the equal opportunity angle has been included as one aim among others in the implementation of general programmes and training policies which are overseen by the European Commission. Foremost among these is the European Social Fund, which contributes to the financing of vocational training, resettlement, and social and occupational operations, in the context of geographical mobility. Since the regulations laying down conditions of eligibility for aid from the Fund make no distinction between men and women, women have access to all operations receiving priority aid from the Fund. In 1987, the share of

women in the overall volume of aid provided by the Fund was estimated at 38% and the number of women receiving aid was almost 1.2 million. Furthermore, the guidelines of the European Social Fund include a specific point giving priority to measures to promote the integration of women in activities where they are underrepresented. Although this type of operation has proven to be significant as regards the quality of projects submitted, it is insignificant as regards quantity and represents only some 1.5% of total Fund approvals.

Apart from the conditions applying to the Social Fund, the various pro-

grammes, resolutions and decisions which have been taken relating to training have stressed the importance which must be attached to equal opportunities. One example of such programmes was the EuroTecNet programme which was launched by the Commission in the framework of the implementation of the Resolution of the Council¹ of 2 June 1983, on new information technologies and vocational training. One of the four priority themes for this programme is 'the need for women returning to work to benefit from training and retraining in new information technologies', as a result of which a number of women-specific projects have been included in the EuroTecNet network. Similar equality provisions also apply to the measures relating to vocational training in the 1980s, the action programmes relating to the transition of young people from school to working life, the Comett and Erasmus programmes, the training of young people and continuing in-service training.

Initiatives taken by the Commission

Side by side with the development of the programmes mentioned above which, while containing an equal opportunities dimension, are applicable to both women and men, the Commission's Equal Opportunities Office has taken a separate initiative which is specific to women only and which has now lead to proposals to pursue a further initiative in the future. Under the 'New Community action programme on the promotion of equal opportunities for women 1982—85', a network on the diversification of vocational choices for young women and women was established with financial assistance from the Office and comprising national experts on the subject from all the Member States. These experts in turn have established a national network to identify positive action projects in the area of diversification of vocational choices for young women and women. As a result of the practical experiences gained from the operation of these projects in Member States since 1984, this European-wide network has produced annual re-

ports indicating the obstacles encountered and the key concerns which should be built into strategies for equal access by women to vocational training at all levels.

The analysis contained in the reports of the network on the diversification of vocational choices for young women and women prompted the Commission to include education and training as one of seven priority areas for action which are contained in its second programme for women — the Medium-term Community programme 1986—90 on equal opportunities for women. This programme envisages action in the area of education and training by both the Member States and the Commission itself, and commits the Commission to propose Community guidelines on vocational training for women. The recent adoption by the Council of Conclusions on a Commission Communication on vocational training for women² — which was drawn up by the Commission in response to the Medium-term Community programme 1986—90 — has paved the way for a further Community initiative in this area. This new initiative takes the form of the Commission Recommendation on vocational training for women of November 1987.

What is envisaged in this initiative is the setting up of a network of demonstration projects on vocational training for women in all Member States of the Community. National administrations and equal opportunity agencies will be contacted in order to identify worthwhile projects for this purpose, and priority will be given to projects which promote training for women in occupations in which they are underrepresented or in occupations of the future. The major difference between this network and that of the network on the diversification of vocational choices established under the first Community programme is not only the fact that they will be new projects, but that it is intended to promote networking between the different projects in the Member States. This will be brought about by organizing a European-wide seminar to launch the projects in 1988, by following this up with national seminars, workshops and exhi-

bitions on the themes of the projects; by promoting an exchange of instructors and persons responsible for the projects between the Member States; and by promoting comparative research and action research projects where appropriate.

The Commission Recommendation on vocational training for women addresses the Member States by recommending that they take specific action in this area. Among the actions suggested are the integration of national training arrangements for women within a broader process of cooperation between all the parties concerned (education and training authorities, both sides of industry, etc.); the staffing of guidance, training and placement services with persons qualified to deal with the specific problems of women; the taking of specific measures to increase the awareness of instructors; the development of awareness and information measures so as to offer women and those around them images of women engaged in non-traditional activities, particularly those related to occupations of the future; the encouragement of greater participation by girls in the various initial vocational training systems outside the education system, especially apprenticeships; the promotion of women's participation in continuous training; and the provision of specific courses for certain categories of women, particularly underprivileged women and women returning to work after an interruption.

It will be seen from the foregoing that the new Community initiative is far more comprehensive than that established under the first action programme, which has largely inspired these new proposals and which is continuing its own important task of promoting positive action measures in the Member States. The new initiative will represent an important advance in the sensitizing of all parties concerned to the overall priority of utilizing the human resources available to the Community

¹ OJ C 166, 25 June 1983.

² COM (87) 155 final.

— both women and men — to the full by removing the structural barriers which have hitherto prevented the achievement of this priority. It should also meet the aim which the Council has

set itself of '... continuing to promote consistency between specific measures to promote equal opportunities and overall economic and social policy at both Community and national level'.¹

¹ Council Resolution of 24 July 1986, on the Community medium-term programme on equal opportunities for women (1986–90) — OJ C 203, 12. 8. 1986.

Applicability of Directive 79/7/EEC (continued)

Recent decisions of the Court of Justice of the European Community

In the previous issue of *Social Europe* we published the first ruling given by the Court of Justice of the European Community concerning the applicability of Directive 79/7/EEC.

We now publish two other recent rulings which are extremely important in as much as the Court recognizes the direct effect of Article 4 of Directive 79/7/EEC.

Article 4, Paragraph 1, of Directive 79/7/EEC of 19 December 1978, regarding the prohibition of all discrimination on the grounds of sex in matters of social security, could be invoked from 23 December 1984, to counteract the application of any national provision inconsistent with said Article 4, Paragraph 1.

In the absence of procedures for implementing the said Article, private individuals may rely on it in proceedings brought before the national courts, and thus women have the right to be treated in the same way and subject to the same set of rules as men in an equal situation; these rules, failing the implementation of the said Directive, constitute the only valid point of reference (Cases 71/85 and 286/85).

In the next issue we shall publish other rulings handed down by the Court of Justice of the European Community. When the Commission presents its report on the applicability of Directive 79/7/EEC we shall be able to make some kind of evaluation of the progress made and problems encountered in the implementation of this Directive.

Judgment of the Court

4 December 1986

(Equal treatment for men and women with regard to social security — Article 4 (1) of Directive 79/7/EEC — Direct effect)

In Case 71/85

Reference to the Court under Article 177 of the EEC Treaty by the Gerechtshof [Regional Court of Appeal], The Hague, for a preliminary ruling in the case pending before that court between

State of the Netherlands

and

Federatie Nederlandse Vakbeweging

on the interpretation of Article 4 (1) of Council Directive 79/7/EEC of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security (Official Journal 1979 L 6, p. 24),

The Court,

composed of: Lord Mackenzie Stuart, President, Y. Galmot, C. N. Kakouris, T. F. O'Higgins and F. A. Schockweiler (Presidents of Chambers), G. Bosco, T. Koopmans, O. Due, U. Everling, K. Bahlmann, R. Joliet, J. C. Moitinho de Almeida and G. C. Rodriguez Iglesias, Judges,

Advocate General: G. F. Mancini

Registrar: D. Louterman, Administrator, after considering the observations submitted on behalf of

- (i) Federatie Nederlandse Vakbeweging, the plaintiff in the main proceedings, by J. M. M. de Laat, Advocaat, in writing and orally,
- (ii) The Kingdom of the Netherlands, the defendant in the main proceedings, by I. Verkade, Secretary-General in the Ministry for Foreign Affairs, in the written procedure, and by H. Siblesz, in the oral procedure,

(iii) The Commission of the European Communities, by J. Currall, a member of its Legal Department, and F. Herbert, Avocat, in writing and orally,

(iv) The United Kingdom by R. Ricks, of the Treasury Solicitor's Department, in the written procedure,

(v) having regard to the Report for the Hearing and further to the hearing on 6 March 1986,

(vi) after hearing the Opinion of the Advocate General delivered at the sitting on 2 July 1986, gives the following

Judgment

1. By order of 13 March 1985, which was received at the Court on 18 March 1985, the Gerechtshof [Regional Court of Appeal], The Hague, referred to the Court for a preliminary ruling under Article 177 of the EEC Treaty three questions on the interpretation of Article 4 of Council Directive 79/7/EEC of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security (Official Journal 1979 L 6, p. 24) in order to determine whether that provision may be regarded as having had direct effects in the Netherlands since 23 December 1984, the date on which the Member States should have adopted the measures needed to comply therewith.

2. Those questions were raised in connection with an action brought by Federatie Nederlandse Vakbeweging [Netherlands Trades Union Federation] against the State of the Netherlands. The purpose of that action is to obtain a finding that the State of the Netherlands acted unlawfully by maintaining in force or refusing to cease to apply after 23 December 1984 Article 13 (1), point 1, of the Wet Werkloosheidsvoorziening [Law on Unemployment Benefit], which excludes from 'the right to benefit workers who, having

the status of married women, may not be described as wage-earners ('kostwinster') under rules adopted by the competent minister after consulting the central commission, or who do not live permanently separated from their husbands'. The Federatie Nederlandse Vakbeweging maintains that married women disqualified from receiving unemployment benefit under that provision acquired a right to those benefits under the combined provisions of the Wet Werkloosheidsvoorziening and Article 4 of Directive 79/7/EEC.

3. It is not contested that Article 13 (1), point 1, of the Wet Werkloosheidsvoorziening is contrary to the principle of equal treatment as defined in Article 4 of the directive.
4. It appears from the documents before the Court that the Netherlands Government initially intended, as part of a wide-ranging reform of the social security system, simultaneously to transpose the directive into national law and to merge the Wet Werkloosheidsvoorziening and the Werkloosheidswet [Law on Unemployment]. That reform was to include the repeal of the wage-earner requirement.
5. When it appeared that that merger could not be effected by 23 December 1984, a provisional bill amending Article 13 (1), point 1, of the Wet Werkloosheidsvoorziening and designed to extend the wage-earner requirement to unemployed males was tabled by the Government but rejected by the Second Chamber of the States General on 13 December 1984. By letter dated 18 December 1984, the State Secretary for Social Affairs and Employment informed the President of the Second Chamber of the States General that a new bill would be submitted whose provisions would take effect retroactively from 23 December 1984, in order to implement the directive within the period prescribed. The States General was asked to approve the bill by 1 March 1985 (Bill

No 18849 submitted on 6 February 1985).

6. Furthermore, the State Secretary notified the competent authorities, by circular dated 21 December 1984, that the contested provisions of the Wet Werkloosheidsvoorziening had to continue to be applied pending the retroactive amending law.
7. The respondent in the main proceedings, the Federatie Nederlandse Vakbeweging, whose statutory objects include safeguarding workers and their families, summoned the State in interlocutory proceedings before the President of the Arrondissementsrechtbank [District Court], The Hague, seeking an order requiring the State to suspend, or at least not to give effect until new published legislation entered into force to Article 13 (1), point 1, of the Wet Werkloosheidsvoorziening as far as concerns the wage-earner rule. By order of 17 January 1985 the President ordered the State to amend the relevant Article 13 before 1 March 1985. The State and the Federatie Nederlandse Vakbeweging appealed against that decision.
8. The Gerechtshof, on appeal, considered that the effect of Directive 79/7/EEC was unclear and so it suspended the proceedings and referred to the Court for a preliminary ruling the following three questions:
 1. Has Article 4 of Directive 79/7/EEC had direct effect since 23 December 1984 and does this mean that from that date Article 13 (1), point 1, of the Wet Werkloosheidsvoorziening is inapplicable and that the women excluded by that provision acquired entitlement to benefit as from that same date?
 2. In that respect, does it matter whether, apart from having the possibility of simply repealing the provision referred to in Question 1, the State had alternative possibilities for comply-
- ing with the directive? For example, in repealing the aforesaid provision and in order to finance the extra costs involved, it could have made more rigorous the conditions for the acquisition of entitlement to benefit and limited it to unemployed persons under 35 years of age.
3. Does it matter, in that respect, that a transitional provision is necessary owing to the repeal of that provision and that a choice must be made between alternative measures?
9. It appears from the documents before the Court that Article 13 (1), point 1, of the Wet Werkloosheidsvoorziening has been repealed, with retroactive effect from 23 December 1984, by the Law of 24 April 1985, Staatsblad 230, which entered into force on 1 May 1985. That Law provides that the abolition of the wage-earner requirement is not to apply to workers whose unemployment commenced before 23 December 1984. In order to secure the funding of the benefits scheme under the Wet Werkloosheidsvoorziening, the Law also reduces the duration of such benefits in the case of unemployed persons — male and female alike — of under 35 years of age.
10. It follows that since the entry into force of the Law of 24 April 1985 male and female unemployed persons are subject to the same system, also as regards the period between 23 December 1984 and the date of entry into force of the new Law; however, differences based on the status of wage-earner continue to affect the entitlement to benefit of unemployed persons whose unemployment commenced before 23 December 1984.
11. Reference is made to the Report for the Hearing, appended hereto, for the detailed arguments of the parties.

The first question

12. In its first question the Gerechtshof

- essentially seeks to establish whether Article 4 (1) of the directive causes individuals to acquire rights as from the expiry of the period granted to the Member States in which to comply with the directive and, if so, whether married women excluded by national legislation acquired entitlement to benefit as from that date on the same conditions as men.
13. As the Court has consistently held, in particular in its judgment of 19 January 1982 in Case 8/81, *Becker v Finanzamt Münster-Innenstadt*, [1982] ECR 53, wherever the provisions of a directive appear, as far as their subject-matter is concerned, to be unconditional and sufficiently precise, individuals may rely on those provisions in the absence of implementing measures adopted within the prescribed period as against any national provision which is incompatible with the directive or in so far as the provisions define rights which individuals are able to assert against the State.
 14. That principle is based on the fact that it would be incompatible with the binding effect which Article 189 of the EEC Treaty ascribes to directives to exclude in principle the possibility of the obligation imposed by them being relied on by persons concerned. The Court therefore considered that a Member State which has not taken measures to implement the directive within the prescribed period may not, as against individuals, plead its own failure to perform the obligations which the directive entails.
 15. The Gerechtshof wishes to know whether Article 4 (1) of the directive may be held to have the characteristics described above and whether, as a result, that article caused individuals in the Netherlands to acquire rights between 23 December 1984, the date on which the directive should have been transposed into national law, and the date on which the new national legislation on that matter was adopted.
 16. Article 1 of Directive 79/7/EEC sets out its aims in the following terms: 'The purpose of this directive is the progressive implementation, in the field of social security and other elements of social protection provided for in Article 3, of the principle of equal treatment for men and women in matters of social security, hereinafter referred to as, "the principle of equal treatment".'
 17. As the Court recently held its judgment of 24 June 1986 in Case 150/85 (*Drake v Chief Adjudication Officer*, [1986] ECR not yet reported), the objective set out in Article 1 of Directive 79/7/EEC is given practical expression by Article 4(1), which provides that in matters of social security there shall be no discrimination whatsoever on ground of sex, either directly, or indirectly by reference in particular to marital or family status, in particular as concerns the scope of social security schemes and the conditions of access thereto.
 18. It must be pointed out that, standing by itself, and in the light of the objective and contents of Directive 79/7/EEC, Article 4 (1) precludes, generally and unequivocally, all discrimination on ground of sex. The provision is therefore sufficiently precise to be relied upon in legal proceedings by an individual and applied by the courts. However, it remains to be considered whether the prohibition of discrimination which it contains may be regarded as unconditional having regard to the exceptions provided for in Article 7 and to the fact that according to the wording of Article 5 Member States are to take certain measures in order to ensure that the principle of equal treatment is applied in national legislation.
 19. As regards, in the first place, Article 7, it must be observed that that provision merely reserves to Member States the right to exclude from the scope of the directive certain clearly defined areas but lays down no condition with regard to the application of the principle of equal treatment as regards Article 4 of the directive. It follows that Article 7 is not relevant in this case.
 20. As for Article 5, which obliges Member States to take 'the measures necessary to ensure that any laws, regulations and administrative provisions contrary to the principle of equal treatment are abolished', it cannot be inferred from the wording of that article that it lays down conditions to which the prohibition of discrimination is subject. Whilst Article 5 leaves the Member States a discretion with regard to methods, it prescribes the result which those methods must achieve, that is to say, the abolition of any provisions contrary to the principle of equal treatment.
 21. Consequently, Article 4 (1) of the directive does not confer on Member States the power to make conditional or to limit the application of the principle of equal treatment within its field of application and it is sufficiently precise and unconditional to allow individuals, in the absence of implementing measures adopted within the prescribed period, to rely upon it before the national courts as from 23 December 1984 in order to preclude the application of any national provision inconsistent with that article.
 22. It follows that until such time as the national government adopts the necessary implementing measures women are entitled to be treated in the same manner, and to have the same rules applied to them, as men who are in the same situation, since, where the directive has not been implemented, those rules remain the only valid point of reference.
 23. The answer to the first question should therefore be that, where no measures have been adopted to implement Council Directive 79/7/EEC, Article 4 (1) thereof, which prohibits all discrimination on grounds of sex in matters of social security, could be relied on as from 23 December 1984 in order to preclude

the application of any national provision inconsistent with that article. In the absence of measures implementing that article women are entitled to be treated in the same manner, and to have the same rules applied to them, as men who are in the same situation, since, where the said directive has not been implemented, those rules remain the only valid point of reference.

The second and third questions

24. As regards the second and third questions which have been referred to the Court by the Gerechtshof and which seek to ascertain whether, in order to adapt its legislation in accordance with the principles of the directive, a Member State may have recourse to methods other than the straightforward repeal of the rule which is incompatible with the directive and, in particular, whether a transitional provision is necessary, it is sufficient to observe, as the Court has already held in its judgment of 19 January 1982 in *Becker*, cited above, that the fact that a directive leaves choice of the form and methods for achieving the desired result to the Member States may not be relied upon in order to deny all effect to those provisions of the directive which may be invoked in legal proceedings even though the said directive has not been implemented in its entirety.
25. The answer to the second and third questions must therefore be that a Member State may not invoke its discretion with regard to the choice of methods for implementing the principle of equal treatment in the field of social security laid down in Directive 79/7/EEC in order to deny all effect to Article 4 (1) thereof, which may be invoked in legal proceedings even though the said directive has not been implemented in its entirety.

Costs

26. The costs incurred by the United Kingdom and by the Commission

of the European Communities, which have submitted observations to the Court, are not recoverable. As these proceedings are, in so far as the parties to the main proceedings are concerned, in the nature of a step in the proceedings pending before the national court, the decision on costs is a matter for that court.

On those grounds,

The Court,

in answer to the questions submitted to it by the Gerechtshof, The Hague, by order of 13 March 1985,

hereby rules:

1. Where no measures have been adopted to implement Council Directive 79/7/EEC, Article 4 (1) thereof, which prohibits all discrimination on grounds of sex in matters of social security, could be relied on as from 23 December 1984 in order to preclude the application of any national provision inconsistent with that article. In the absence of measures implementing that article women are entitled to be treated in the same manner, and to have the same rules applied to them, as men who are in the same situation, since, where the directive has not been implemented, those rules remain the only valid point of reference.
2. A Member State may not invoke its discretion with regard to the choice of methods for implementing the principle of equal treatment in the field of social security laid down in Directive 79/7/EEC in order to deny all effect to Article 4 (1) thereof, which may be invoked in legal proceedings even though the said directive has not been implemented in its entirety.

Mackenzie Stuart Galmot Kakouris
O'Higgins Schockweiler Bosco
Koopmans Due Everling
Bahlmann Joliet Moitinho de Almeida
Rodríguez Iglesias

Delivered in open court in Luxembourg on 4 December 1986.

P. Heim
Registrar

A. J. Mackenzie Stuart
President

Judgment of the Court

24 March 1987

(Equal treatment in matters of social security — Article 4 (1) of Directive 79/7/EEC)

In Case 286/85

REFERENCE to the Court under Article 177 of the EEC Treaty by the High Court, Dublin, for a preliminary ruling in the proceedings pending before that court between

McDermott and Cotter

and

The Minister for Social Welfare and the Attorney General,

on the interpretation of Council Directive 79/7/EEC of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security (Official Journal 1979 L 6, p. 24),

The Court

composed of: Lord Mackenzie Stuart, President, Y. Galmot, C. N. Kakouris, T. F. O'Higgins and F. A. Schockweiler (Presidents of Chambers), G. Bosco, T. Koopmans, O. Due, U. Everling, K. Bahlmann, R. Joliet, J. C. Moitinho de Almeida and G. C. Rodriguez Iglesias, Judges,

Advocate General: G. F. Mancini

Registrar: D. Louterman, Administrator,

after considering the observations submitted on behalf of

- (i) Mrs Cotter and Mrs McDermott, the prosecutrices in the main proceedings, by M. Robinson, Senior Counsel, and G. Durcan, Barrister-at-law,

- (ii) the Irish Government, the respondent in the main proceedings, by V. A. Landy, Senior Counsel, and A. O'Caomh, Barrister-at-law,
- (iii) the Commission of the European Communities, by J. Currall, a member of its Legal Department,
- (iv) the Netherlands Government, by I. Verkade, for the Minister for Foreign Affairs, acting as Agent,

having regard to the Report for the Hearing and further to the hearing on 15 October 1986, after hearing the Opinion of the Advocate General delivered at the sitting on 27 January 1987,

gives the following

Judgment

1. By an order of 13 May 1985, which was received at the Court Registry on 23 September 1985, the High Court, Dublin, referred to the Court for a preliminary ruling under Article 177 of the EEC Treaty two questions on the interpretation of Article 4 of Council Directive 79/7 of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security (Official Journal 1979 L 6, p. 24), in order to determine whether that provision could be regarded as having direct effect in the Republic of Ireland as from 23 December 1984, the date on which the Member States should have taken the measures necessary to implement it.

2. Those questions were raised in the course of two actions brought before the High Court by Mrs McDermott and Mrs Cotter against the Minister for Social Welfare and the Attorney General. In those actions the High Court was asked to quash decisions made by or on behalf of the Minister for Social Welfare terminating the payment of unemployment benefit to the prosecutrices after a period of 312 days and hence, in the case of Mrs Cotter, to restore the pay-related benefit automatically withdrawn. The

prosecutrices in the main proceedings argued that if they had been men or single women they would have been entitled to unemployment benefit for a further period of 78 days. They also pointed out that, as married women, they received lower unemployment benefits than men in respect of all contribution periods.

3. On 4 February 1985 the prosecutrices made application to the High Court for an order to quash those decisions terminating the payment of benefits, on the ground that the decisions infringed their rights under Article 4 (1) of Council Directive 79/7 (hereinafter referred to as 'the directive').
4. It is not disputed that under the provisions of Chapters 4 and 6 of Part 2 of the Social Welfare (Consolidation) Act 1981 the unemployment benefit received by married women is less than that paid to married men and single persons and is paid for a shorter period.
5. However, it appears from the documents before the Court that before the national court the respondents argued that Article 4 of the directive did not impose clear and precise obligations on Ireland and that Ireland thus had considerable discretion in determining the manner of implementation. In their view Article 4 could not therefore be relied on in the Irish courts.
6. Since the High Court entertained doubts as to the effect of the directive, it stayed the proceedings and submitted the following questions to the Court for a preliminary ruling:
 1. Do the provisions of Directive 79/7/EEC, and in particular Article 4 thereof, have direct effect in the Republic of Ireland as and from the 23rd day of December 1984 so as to confer enforceable Community rights upon married women such as the prosecutrices in the circumstances of the present cases?
 2. If the answer to question 1 is in the affirmative, does this mean that national provisions such as those contained in Chapters 4 and 6 of Part 2 of the Social Welfare (Consolidation) Act 1981, as amended, are inactable and that the prosecutrices as married women living in a Member State which had failed to repeal or adapt such provisions are entitled to equal treatment in relation to the relevant social welfare benefits as and from the 23rd day of December 1984 and have rights of action in that regard which are enforceable by them against such Member States?
7. It appears from the documents before the Court that section 34 (6) of the Social Welfare (Consolidation) Act 1981 was repealed by section 6 (c) of the Social Welfare (No 2) Act 1985, which provides that married women are to be entitled to unemployment benefits and pay-related benefits for the same period as other claimants. Section 6 of the 1985 Act came into force on 15 May 1986, and gave limited retroactive effect to the repeal inasmuch as only married women who had received unemployment benefits within the period of 78 days ending on the date on which the section came into force were entitled to take advantage of it. Consequently, the two prosecutrices in the main proceedings, who ceased to receive unemployment benefits in January 1985, were unable to benefit.
8. It also appears that section 2 of the 1985 Act amended in particular Chapters 4 and 6 of the 1981 Act by providing that the rate of unemployment benefit was to be the same for men and for women. That section also came into force on 15 May 1986 in so far as it concerns unemployment benefits.
9. Reference is made to the Report for the Hearing for the observations submitted to the Court, which are mentioned or discussed hereinafter only in so far as is necessary for the reasoning of the Court.

Question 1

10. In its first question the High Court seeks in essence to ascertain whether Article 4 (1) of the directive confers rights on individuals in a Member State upon the expiry of the period within which the Member States were to implement it.

11. As the Court has consistently held, in particular in its judgment of 19 January 1982 (Case 8/81, *Becker v Finanzamt Münster-Innenstadt*, [1982] ECR 53), wherever the provisions of a directive appear, as far as their subject-matter is concerned, to be unconditional and sufficiently precise, individuals may rely on those provisions in the absence of implementing measures adopted within the prescribed period as against any national provision which is incompatible with the directive or in so far as the provisions define rights which individuals are able to assert against the State.

12. That conclusion is based on the fact that directives are binding on the Member States and on the principle that a Member State which has not taken measures to implement the directive within the prescribed period may not, as against individuals, plead its own failure to fulfil such obligations.

13. As the Court pointed out in its judgment of 24 June 1986 (Case 150/85, *Drake v Chief Adjudication Officer*, [1986] ECR not yet reported), the objective set out in Article 1 of Directive 79/7 is given practical expression by Article 4 (1), which provides that in matters of social security there shall be no discrimination whatsoever on ground of sex, either directly, or indirectly by reference in particular to marital or family status, in particular as concerns the scope of social security schemes and the conditions of access thereto.

14. Furthermore, in its judgment of 4 December 1986 (Case 71/85), *Netherlands v FNV*, [1986] ECR not yet reported) the Court held that standing by itself, and in the light of the objec-

tive and contents of the directive, Article 4 (1) is sufficiently precise to be relied upon in legal proceedings and applied by a court. Moreover, that article in no way permits Member States to restrict or place conditions on the application of the principle of equal treatment in its particular area of application.

15. With regard to the argument to the effect that the multiplicity of alternatives available for the purpose of achieving equal treatment makes it impossible for the directive to confer rights on individuals, it will suffice to point out that, as the Court has already held in its aforesaid judgment of 19 January 1982 in *Becker*, the fact that directives leave to the national authorities the choice of the form and methods for achieving the required result cannot constitute a ground for denying all effect to those provisions which may be relied upon before a court.

16. It follows from the foregoing that Article 4 (1) is sufficiently precise and unconditional to allow individuals, in the absence of implementing measures, to rely upon it before the national courts as from 23 December 1984, in order to preclude the application of any national provision inconsistent with that article.

17. The answer to the first question must therefore be that where Council Directive 79/7/EEC of 19 December 1978 has not been implemented Article 4 (1) of the directive, which prohibits all discrimination on grounds of sex in matters of social security, could be relied upon as from 23 December 1984 in order to preclude the application of any national provision inconsistent with it.

Question 2

18. With regard to the second question raised by the High Court, which seeks in essence to determine whether, where no measures have been taken to implement Article 4 (1) of the directive, married women barred by national legislation are entitled as from 23 December 1984 to

benefits under the same conditions as men, it will suffice to point out that, as the Court held in its judgment of 4 December 1986 referred to above, until such time as the national government adopts the necessary implementing measures women are entitled to have the same rules applied to them as are applied to men who are in the same situation, since in such circumstances those rules remain the only valid point of reference.

19. The answer to the second question must therefore be that in the absence of measures implementing Article 4 (1) of the directive women are entitled to have the same rules applied to them as are applied to men who are in the same situation, since, where the directive has not been implemented, those rules remain the only valid point of reference.

Costs

20. The costs incurred by the Netherlands Government and the Commission of the European Communities, which have submitted observations to the Court, are not recoverable. As these proceedings are, in so far as the parties to the main proceedings are concerned, in the nature of a step in the proceedings pending before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT

in answer to the questions submitted to it by the High Court, Dublin, by order of 13 May 1985, hereby rules:

1. Where Council Directive 79/7/EEC of 19 December 1978 has not been implemented, Article 4 (1) of the directive, which prohibits all discrimination on grounds of sex in matters of social security, could be relied on as from 23 December 1984 in order to preclude the application of any national provision inconsistent with it.

2. In the absence of measures implementing Article 4 (1) of the directive women are entitled to have the same rules applied to them as are applied to men who are in the same situation, since, where the directive has not been implemented, those rules remain the only valid point of reference.

Mackenzie Stuart Galmot Kakouris Delivered in open court in Luxembourg
O'Higgins Schockweiler Bosco on 24 March 1987.
Koopmans Due Everling P. Heim A. J. Mackenzie Stuart
Bahlmann Joliet Moitinho de Almeida Registrar President
Rodríguez Iglesias

Proposal for a Council Directive completing the implementation of the principle of equal treatment for men and women in statutory and occupational social security schemes

The progressive implementation of the principle of equal treatment for men and women in matters of social security has already been the subject of two Directives, Nos 79/7/EEC and 86/378/EEC.

Directive 79/7/EEC of 19 December 1978¹ is concerned solely with statutory social security schemes. Already limited in scope, since it covers statutory schemes only, the Directive comprises still more exceptions. Thus Article 3 (2) formally excludes survivors' and family benefits, whilst Article 7 gives Member States the right to exclude if they wish certain specific forms of unequal treatment, the most familiar one being the unequal pensionable age.

A second step was then taken with the adoption of Directive 86/378/EEC of 24 July 1986² on equal treatment in occupational social security schemes which provisionally leaves aside the question of certain inequalities (Article 9), partly on the basis of those of Directive 79/7/EEC, and which may be deferred only for as long as the corresponding exceptions in Directive 79/7/EEC.

Under the Community action programme 1986–90³ on equal opportunities for women, the new proposal for a Directive presented by the Commission on 23 October 1987⁴ constitutes a third and final step which covers all the problems not settled by the two abovementioned Directives and thus completes the implementation of equal treatment in matters of social security.

The substantive scope of the new proposal thus extends to benefits previously excluded and to the exceptions provisionally authorized in the preceding Directives.

Although its scope in relation to persons is the same as that of the two preceding Directives, i.e. working population including persons whose activity is interrupted, the benefits covered by the Directive (family benefits, survivors' benefits) have been extended to members of the family, survivors and other dependants.

The rules to be applied in order to eliminate existing instances of discrimination are set out in greater detail.

These rules have three aims:

- (i) to update the principle of equal treatment whilst respecting the right of Member States to choose the means of implementing it, wherever different solutions could reasonably be considered;
- (ii) to guarantee that the measures to be taken do not harm the persons concerned, either directly or indirectly by excluding equality of treatment where it would be to their disadvantage and by arranging the necessary transitional period;

(iii) to promote individual entitlement as an alternative to the extension of derived rights, in so far as this arrangement, because it does not make cover dependent on the existence of legal relationships between spouses, does not subject that cover to the vicissitudes which these relationships may experience and is therefore more satisfactory.

How does the Commission propose to fill in the gaps left by the two preceding Directives?

How is the principle of equal treatment being brought up to date?

I. The Commission proposals

(a) Survivors' benefits

The instrument concerns benefits of surviving spouses, orphans' benefits and the benefits provided for in certain legislations for survivors other than spouses or children. These benefits must be awarded without discrimination on grounds of sex.

As regards surviving spouses two solutions are proposed (Article 4) to ensure equal treatment in statutory and occupational schemes:

- (a) granting the same entitlement to a pension (or other benefit) to either spouse in the event of the death of the other. This means that a widower is granted the survivor's pension which is often restricted to widows. This would entail a revision of the conditions for granting such pensions or benefits as well as of the possibilities of drawing them concurrently with wages or other social benefits, with a view to equal treatment;

¹ OJ L 6, 10. 1. 1979, p. 24.

² OJ L 225, 12. 8. 1986, p. 40 as corrected by OJ L 283, 4. 10. 1986, p. 27.

³ *Bulletin of the European Communities — Supplement 3/86*, p. 2.

⁴ COM (87) 494 final.



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(b) replacing a system of derived rights (like the surviving spouse's pension) with a system of personal entitlement, enabling the persons concerned to be guaranteed appropriate cover under the conditions laid down in Article 11.

It should be pointed out in connection with this Article that according to the Court of Justice, equal treatment of surviving spouses is a fundamental principle of Community law (Judgment of 20.3.1984 in Cases 75/82 and 117/82 — Razzouk and Beydoun). It is therefore essential that the principle should be implemented in full in the substantive law applicable to the Member States and in their national law.

(b) Family benefits

Articles 7 and 8 are designed in particular to complete the implementation

of the principle of equal treatment in respect of family benefits under both statutory and occupational schemes.

Thus Article 7 concerns:

- (i) family benefits for the maintenance of children. The principle that there should be no discrimination on grounds of sex must apply to both parents and the children for whom the benefits are granted, provided of course that the statutory conditions have been met. That is the purpose of paragraph 1(a) of this Article.
- (ii) benefits for the parents themselves (allowance intended to top up wages, parental leave allowance, allowance for single parent families or for persons who have been left by their spouses, etc.) (paragraph 1(b)).

Paragraph 2 regulates in the same way the situation of couples who

have dependent children of whom they are not the legal parents.

Paragraph 3 seeks to determine which parent will receive the benefits. Where the parents live together, there is no overriding reason to give preference to one or other of the parents. For this reason, the Directive allows them to choose. Where they do not exercise this option, the mother will receive the benefits in the presumed interest of the child. On the other hand, in the event of the divorce or separation of the parents, the interests of the child dictate that benefits should be paid to the parents bringing up the child, unless this is opposed by the other parent.

In the case of benefits granted in respect of dependent adults, the wording adopted (Article 8) reiterates that there should be no discrimina-

tion, whether direct or indirect, on grounds of sex.

The latter could result among other things from the granting of benefits for dependent spouses, a concept which is apparently neutral but which, in fact, refers to the wife, since husbands are very rarely dependent on their wives.

(c) Extension of the principle of equal treatment to areas where its implementation could be excluded or postponed under Article 7(1)(a) to (d) of Directive 79/7/EEC and Article 9(a) of Directive 86/378/EEC

Articles 9 and 10 extend the principle of equal treatment to a number of areas which, under Article 7 of Directive 79/7/EEC, Member States were allowed to exclude from the scope of that Directive. When the Council adopted Directive 86/378/EEC, the Member States decided that until equal treatment had been achieved in statutory schemes, Member States should have the right to defer compulsory application of the principle of equal treatment with regard in particular to determination of pensionable age for the purposes of granting old-age or retirement pensions, and the possible implications for other benefits.

(i) Pensionable age

The principle of equal pensionable or retirement age, already established in several Member States as regards the statutory pension (Denmark, Spain, France, Ireland, The Netherlands), means that provisions laying down a specific pensionable age for women or perhaps certain categories of women (married women or mothers) must also be abolished in occupational schemes.

Article 9 puts forward alternative proposals for achieving this objective.

The first type of solution adopts a uniform age for men and women. As the fixing of that age could lead to a reduction or increase in the age pre-

viously in force for workers of a given sex, it was considered necessary to introduce temporary safeguards for those who, having already reached a certain age close to retirement, would like to maintain the status quo. In addition, progressive implementation is planned to ease the transition.

The second type of solution (paragraph 3) allows the persons concerned themselves to choose their retirement age during a specified period ('flexible retirement').¹ The conditions, particularly with regard to the number of contribution years, must be identical for both sexes. It will be noted that the laws of some Member States provide for pension rights, regardless of age, provided that a given number of contribution years can be proved. This so-called length of service pension also conforms in full to the principle of equal treatment. It completely eliminates the problem of retirement age.

Other areas

Article 10

Paragraph 1 of this Article corresponds to point (b) of Article 7 of Directive 79/7/EEC. All discrimination must now be abolished as regards the advantages or entitlements in respect of old-age pension insurance following periods of interruption of employment due to the bringing-up of children. As regards paragraph 2, it was considered undesirable to extend to the (dependent) husband the corresponding provisions of Directive 79/7/EEC concerning the (dependent) wife, in view of the risk of indirect discrimination resulting from the abolition of direct discrimination. The solution adopted is to prohibit these provisions in future, subject to the retention of acquired entitlements for (dependent) spouses who have not been able to establish, by the date on which the Directive takes effect, their own right to benefit.

Article 7 of Directive 79/7/EEC also contains a point (e) relating to the consequences of a provision which has been abolished. There is no need to

come back to this question since the disputed provision has been deleted.

II. Updating the principle of equal treatment with regard to personal entitlement

In order to take account of the socio-logical change in the Member States and since this Directive should complete a process started in 1978 of progressively implementing equal treatment for men and women in matters of social security, it was considered necessary to lay down provisions (Articles 5 and 11) which give Member States the right to replace a system of derived rights with a system of personal entitlements in matters of social security.

Here the Commission fulfils its commitments by incorporating a concept already put forward in its latest programmes on equal opportunities, notably its recent medium-term programme (1986—90).

Some national laws extend to the spouse of the insured person the right to social security benefits by virtue of the legal ties between the two spouses. These are referred to as derived entitlements, as opposed to the personal rights acquired by the insured persons themselves, and enable social security schemes to be extended to non-entitled persons by virtue of the persons covered. This fairly widespread system of derived entitlement, in particular as regards benefits for dependent spouses, is not entirely satisfactory from the standpoint of the principle of equal treatment.

¹ See Council Recommendation of 10 December 1982 on the principles of a Community policy with regard to retirement age.

Most of the social security systems in the Member States that are over 100 years old are still based on a fairly traditional concept of the roles of husbands and wives: the man is usually regarded as the head of household and the woman is financially dependent on her husband. This view no longer corresponds to the current economic and social realities and indeed certain Member States (e.g. Denmark) have promoted a more individualized approach.

Personal entitlements correspond to the current trend for social security to provide everyone with a minimum degree of social protection whilst producing measures to rationalize the social security budgets. It still seems to be the most appropriate method of attaining the objectives of the Community Directives on equal treatment for men and women in matters of social security, namely, that there shall be no discrimination on the basis of sex, either directly or indirectly, by reference in particular to marital or family status.

In following up the application of Directive 79/7/EEC, the Commission found that the problem of indirect discrimination arose chiefly in the field of social security and in particular as regards benefits related to the concept of 'head of household' and the supplementary benefits for dependent spouses.

The Commission proposal does not make it compulsory for Member States to establish individual entitlements. The provisions of Articles 4 and 11 are purely optional. It is therefore for the Member States, after assessing the financial implications, to choose whether to introduce such entitlements. This also enables Member States which already have this system to comply with the objectives of the Directive.

Naturally, the opening of personal entitlement goes hand in hand with direct or indirect financing.

The problem of financing the introduction of such entitlements is part of the more general context of social security financing. The wide variety of social

security systems means that the options will vary from one State to another.¹

This Directive completes the programme of equal treatment for men and women in matters of social security. Announced by Directive 76/207/EEC 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, it rounds off the set of legal measures which give full effect to a general principle of Community law, going beyond Article 119 of the Treaty, and covers the whole field of social legislation.

Dimitrios Kontizas

¹ The Commission, in its communication in December 1982 on the problems of social security attempted to transpose the debate on financing from the national to the Community level. 'Round tables' were organized and there were two informal Council meetings (November 1983 and April 1984) on the topic. In 1986, in a second communication, the accent was again placed on social security financing. Studies on the matter are under way.

Annex

Proposal for a COUNCIL DIRECTIVE

Completing the implementation of the principle of equal treatment for men and women in statutory and occupational social security schemes

The Council of the European Communities

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 100 and 235 thereof

Having regard to the proposal from the Commission¹

Having regard to the opinion of the European Parliament²

Having regard to the opinion of the Economic and Social Committee³

Whereas Article 3 (2) of Council Directive 79/7/EEC of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security⁴ states that the Directive does not apply to the provisions concerning survivors' benefits or to those concerning family benefits; whereas Article 7 (1) specifies that the Directive is without prejudice to the right of Member States to exclude from its scope a number of specified provisions;

Whereas Article 4 of Council Directive 86/378/EEC of 24 July 1986 on the implementation of the principle of equal treatment for men and women in occupational social security schemes⁵ limits the number of risks covered in respect of self-employed persons; whereas Article 9 of that Directive provides that Member States may defer its application as regards determination of pensionable age and survivors' pensions;

Whereas on 24 July 1986 the Council adopted a resolution on the promotion of equal opportunities for women⁶ wherein it in particular gives its support to the main lines of the Commission Communication concerning a new medium-term programme promoting equal opportunities for women 1986-90;⁷

whereas this programme in particular envisages the proposal of a new legal instrument to supplement existing provisions in areas not covered by current legislation with a view to the gradual individualization of entitlements;

Whereas by its Resolution of 22 December 1986⁸ on an action programme on employment growth the Council reiterated at paragraph II (2) (f) its wish to bring about an increase in the equality of access to, and of opportunity within, the labour market for women, especially through implementation of the Community medium-term programme 1986-90;

Whereas Article 9 (a) and (b) of Directive 86/378/EEC envisages the adoption of a subsequent Directive to terminate the derogations authorized therein;

Whereas it is appropriate to implement the principle of equal treatment in areas where application of Directives 79/7/EEC and 86/378/EEC is or may be excluded or deferred, in order to achieve total elimination of discrimination on grounds of sex in respect of social security; whereas arrangements for this purpose should be laid down;

Whereas implementation of the principle of equal treatment as regards social security should not prejudice the provisions relating to the protection of women by reason of maternity;

Whereas equal treatment of male and female workers constitutes one of the Community's objectives, necessitating in particular the achievement of equality as regards the conditions of coverage by statutory and occupational social security schemes whilst maintaining the improvement of such conditions;

Whereas it is appropriate to select from the means available to achieve this aim those which particularly tend to promote the individualization of entitlements;

Whereas achievement of this aim should be accompanied by transitional measures designed to protect certain categories of holders of existing entitlements;

Whereas there are broad overlapping areas in statutory and occupational schemes; whereas Directives 79/7/EEC and 86/378/EEC take account of this; whereas as a consequence it is appropriate to take simultaneous action in respect of both these areas by means of a single legislative act;

Has adopted this Directive:

Article 1

1. The aim of this Directive is to complete, in the areas specified in Article 3, the implementation of the principle of equal treatment for men and women in matters of social security as defined in Article 4 of Directive 79/7/EEC and Article 5 (1) of Directive 86/378/EEC, hereinafter referred to as 'the principle of equal treatment'.
2. This Directive shall be without prejudice to the provisions relating to the protection of women by reason of maternity.

Article 2

This Directive shall apply to:

- (a) the working population (including self-employed persons, workers whose activity is interrupted by illness, maternity, accident or involuntary unemployment and persons seeking employment);
- (b) retired workers;
- (c) disabled workers;
- (d) members of the family, survivors and other persons dependent on those referred to under (a) (b) and (c), these categories of persons to be defined by the Member States' national legislation.

¹ OJ C 309, 19.11.1987, p. 11.

² OJ C

³ OJ C

⁴ OJ L 6, 10.1.1979, p. 24.

⁵ OJ L 225, 12.8.1986, p. 40.

⁶ OJ C 203, 12.8.1986, p. 2.

⁷ EC Bulletin-Supplement 3/86.

⁸ OJ C 340, 31.12.1986, p. 2.

Article 3

Under the conditions laid down by this Directive, the principle of equal treatment shall be extended to:

- (a) the provisions of statutory schemes concerning survivors' benefits and family benefits;
- (b) the corresponding provisions of occupational schemes (including those concerning the family benefits of occupational schemes for self-employed workers);
- (c) the areas in which implementation of the principle of equal treatment may be excluded or deferred pursuant to:
 - (i) Article 7 (1) (a) to (d) of Directive 79/7/EEC;
 - (ii) Article 9 (a) of Directive 86/378/EEC;
- (d) the provisions concerning social assistance, where they are intended to supplement the benefits referred to under (a) or (c) (i) or to replace them.

I. Survivors' benefits**Surviving spouse's benefits****Article 4**

The principle of equal treatment means, as regards surviving spouse's benefits, that there shall be no discrimination on grounds of sex and to this end:

- (a) either the recognition on the same terms for widowers of entitlement to the pensions and other benefits provided for widows;
- (b) or the replacement of widows' benefits by the creation or extension of a system of individual rights open to all surviving spouses regardless of sex.

Orphans' benefits**Article 5**

The principle of equal treatment means with regard to orphans' benefits

that there shall be no discrimination on the grounds of the sex of:

- (a) the deceased parent, or
- (b) the orphan.

- (ii) in case of divorce or separation, benefits shall be paid to the parent who is actually taking care of the child.

Benefits for dependent adults**Article 6**

The principle of equal treatment means with regard to other survivors' benefits that there shall be no discrimination on the grounds of the sex of:

- (a) the deceased person, or
- (b) the survivor.

**II. Family benefits
Child benefit and birth or adoption grant****Article 7**

1. The principle of equal treatment means that there shall be no discrimination on grounds of sex with regard to:
 - (a) child benefit,
 - (b) benefits introduced to assist parents to assume their parental responsibilities.
2. The principle of equal treatment thus completed in this area shall apply both to natural parents and other persons responsible for a child and thus meeting the conditions (other than those which are incompatible with this principle) laid down for the grant of benefits referred to in paragraph 1.
3. Unless there is statutory provision for parents to share entitlement, benefits shall be paid without discrimination to one or other parent. Accordingly:
 - (i) where parents are living together, benefits shall be paid to the mother only if the parents have not exercised their option of specifying which of them shall receive the benefits;

III. Extension of the principle of equal treatment to areas where its implementation might be excluded or deferred under Article 7 (1) (a) to (d) of Directive 79/7/EEC and Article 9 (a) of Directive 86/378/EEC**Retirement age****Article 9**

1. Without prejudice to the transitional provisions in paragraph 2 and in Article 10, when a pensionable age is determined for the purpose of granting old age and retirement pensions it shall be identical for both sexes.
2. If fixing an identical pensionable age leads to a reduction or increase in that age for workers of a given sex, provision shall be made for gradual implementation and for temporary safeguards for workers having reached the specified age, enabling them if they so wish to claim their pension at the age previously prescribed.

3. In the case of schemes which do not specify the pensionable age, the principle of equal treatment shall be deemed to have been complied with where:

- (a) within specified limits, the choice of age is left to the beneficiaries who meet the prescribed conditions, which must be identical for both sexes; or
- (b) the entitlement to the pension or other benefit depends solely on the completion of a given number of contribution years, which is identical for both sexes.

Article 10

1. There shall be no discrimination as regards the advantages in respect of old age pension schemes granted to persons who have brought up children, or as regards the acquisition of benefit entitlements following periods of interruption of employment due to the bringing-up of children, provided that such persons have actually interrupted their employment for that purpose.
2. The granting of old age or invalidity benefit entitlements by virtue of the derived entitlements of a spouse, or the granting of increases in long-term benefits in respect of invalidity, old age, accidents at work and occupational disease for a dependent spouse shall be authorized solely in the case of those spouses who on the date when this Directive comes into effect have not constituted their own personal entitlements to these benefits.

General and final provisions

Article 11

This Directive shall be without prejudice to the right of Member States to replace a system of derived rights granting to the insured person's spouse entitlement to social security benefits as referred to in Directives 79/7/EEC and 86/378 and this Directive by reason of his or her legal links with the insured person with a system establishing personal entitlements, granted to all beneficiaries individually, to the following benefits:

- (i) in case of sickness, health service care;
- (ii) in old age, entitlement to a full pension;
- (iii) in the event of the death of a spouse, entitlement of the survivor to financial assistance for reasons of health or social situation in the years preceding the age at which the survivor is entitled to an old age pension, as well as temporary benefits in the case of early death leaving the surviving spouse with a dependent child or children.

Article 12

Without prejudice to the application of Articles 9 (2) and 10 (2) of this Directive, Directives 79/7/EEC and 86/378/EEC shall take effect within the fields covered by this Directive on the date set for the implementation of the latter, subject to the following amendments:

- (a) in Directive 79/7/EEC:
 - (i) Article 3 (2) is deleted;
 - (ii) in Article 7 (1) paragraphs (a) to (d) are deleted;
- (b) in Article 9 of Directive 86/378, paragraphs (a) and (b) are deleted.

Article 13

1. Articles 5 and 6 of Directive 79/7/EEC and Articles 7, 10 and 11 of Directive 86/378/EEC shall apply to the matters covered by this Directive.
2. With respect to application of the principle of equal treatment to benefits of the surviving spouse or the pensionable age, the Directive may not be relied upon in respect of applications submitted before the date of its implementation.

Article 14

1. Subject to Articles 8 and 9 (c) of Directive 86/378/EEC, Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive within three years of its notification. They shall immediately inform the Commission thereof.
2. Member States shall communicate to the Commission the text of the laws, regulations and administrative provisions which they adopt in the field covered by this Directive.

Article 15

Within four years of the date of notification of this Directive, Member States shall forward all necessary information to the Commission to enable it to draw up a report on the application of this Directive for submission to the Council.

Article 16

This Directive is addressed to the Member States.

Transborder projects: The role of the European Social Fund

The intra-Community transborder programmes respond to two needs. One of these is to help resolve administrative problems and eliminate the unequal treatment still encountered by some 250 000 migrant workers within the Community. The other, and by far most important need, is to attempt to reduce the economic imbalances between adjacent regions in two or more Member countries; regions where their economies ought to complement each other.

The significance of the transborder programmes in regional development was recognized by the Commission in its recommendation to the Member States of 9 October 1981, where mention was made of the responsibility of the countries concerned to solve the problems specific to those regions with internal borders.

With regard to regional development, the main Community instrument is the European Regional Development Fund (ERDF). The regulations of this Fund provide for technical, and especially financial aid to encourage the countries concerned to set up joint development programmes for regions with an internal border. This can be done by defining the common objectives, the plans for action on both sides of the border and means of implementation, particularly cooperation between regional bodies and local authorities.

How is the European Social Fund being involved? Transborder schemes are an implicit priority in the Commission's guidelines for the management of the European Social Fund.

In fact, since 1984, priority has been given to transnational projects. This priority is not subject to regional limitation, in order to avoid possible contradictory effects with the Community's regional policy, and to allow the Social Fund to be involved in Community integrated development schemes.

The task of the Social Fund, which is to participate in the financing of vocational-training schemes, the promotion of employment and geographical mobility, is to be considered as complementary to the structural development of border regions. Within this framework, the Social Fund may have a financial involvement in various types of transborder projects, whatever their institutional or legal frame may be. Thus requests for aid for schemes concerning vocational training or job creation resulting from an outline programme of transborder development approved by the Commission, or flowing from bilateral initiatives of the regional border authorities, or even resulting from cooperation between organizations in the border regions and sup-

ported by the respective regional and national authorities are to be taken into consideration. In all cases, the projects must demonstrate their common objectives, the establishment of transnational collaboration between the various partners in the vocational training process, notably at the educational level, and the results expected from this collaboration. From the administrative point of view, each region must arrange for its own application to the Social Fund to be made to the Commission by its national supervisory body.

Up to now, the Social Fund has financed several transborder projects of various scales. One project, which is now well underway, is being conducted jointly in Briançon (in the French Alps) and Bardonecchia (in the Italian Piedmont region). The French and Italian organizations, both experts in alpine professions, drew up an educational cooperation agreement so as to bring about a more effective adaptation of training to the vocational activities already in existence or still to be set up. The qualifications are related to alpine professions, the hotel and restaurant trade, bee-keeping, crafts and sports tourism. Training courses, as far as possible, have students from both countries, and include exchange of bilingual teachers. The diplomas are issued jointly and are recognized by the profession.

The Commission this year agreed to finance an innovative, three-year project to set up a joint training scheme in advanced production techniques, under the auspices of the local border authorities in the Twenthe (The Netherlands) and Rheine (Federal Republic of Germany) areas. The two areas face a lack of skills in the integrated techniques that must modify the ones now practiced in the metalworking and textile industries. Authorities there have set up an association involving for example a German-Dutch steering group, made up of a dozen multi-disciplinary experts. The substance of the training scheme is decided in collaboration with industry, and takes the form of modules adapted for both the German and Dutch trainees. The training modules are to be tested on a group of 90 trainees from both

countries. They will serve to merge the teaching of advanced systems of numerical control with that of existing skills dealing with lathing and milling, soldering, pneumatic and hydraulic tubing, and loom weaving. After it has been evaluated, the final joint training product will be made available to enterprises in both border areas, and this will promote the mobility of their workers, who will be fully operational when completing their training.

Another interesting and beneficial example of aid from the Social Fund concerns a scheme developed within the framework of the transborder Meuse-Rhine programme. The partners are three higher institutes of technology situated in Belgian and Dutch Limburg and in Aachen, Germany. Only the Belgian and Dutch requests for aid were made to the Commission, since the German costs came out of the budget of a Community R&D programme. Financing from the Social Fund was granted for a three-year period in 1986, as a specific measure, that is to say, one with an innovative character. As in the preceding example, the project's objective was to establish sustained collaboration between the three higher institutes of technology and the business community (represented by a subsidiary of the Dutch

mining group DSM), with a view to updating existing skills in measuring and regulating techniques in the production facilities. The continuing computerization of a growing number of industrial processes requires staff skilled in command procedures. In these regions, enterprises are faced with a lack of adequate training facilities to retrain their technical staff, as well as having a lack of operations staff. The new training scheme to be set up jointly brings with it the introduction of data-processing and control procedures in the use of measuring and regulating devices and in simulation systems for production processes. The substance of this training and instruction will be tested on a group of 100 young technicians from both countries who are either unemployed or threatened with unemployment. The trainees have use of new graphic-simulation software developed jointly by a subsidiary of the mining group and the institutes of technology in order to enhance the training. The trainees will come out of their course as qualified technicians in control procedures. This function implies an expertise in measuring and regulating devices as well as a solid ground in mastering the entire process. The first applications for this will be in the chemical industry. Subsequent developments are envisaged in mechanical, electrical, hydraulic, thermal and bi-

ological manufacturing, as well as in simulating emergency or disaster situations.

These three examples show how there is an objective need (and capacity at the regional level) for collaboration and exchange of transborder experience in matters of vocational training. However, the imbalance in the number of transnational and transborder projects requesting aid from the Finance Commission of the Social Fund leads to two deductions. The first is that the governments are giving priority to the national over the regional dimension; the other is that they fail to make sufficient use in an integrated way of the different Community financial bodies to achieve structural ends. These two weaknesses, which are also linked, will perhaps be corrected in the future, when reforms are completed of the three structural Funds: the European Regional Development Fund, the European Social Fund and the ERDF-Guidance (European Agricultural Guidance and Guarantee Fund). This reform will aim at bringing administrative procedures into line with managing these Funds so as to promote an integrated and programmed approach to Community financing.

Christiane Specht

EuroTecNet:

Past experience and future outlook

Amongst the multitude of European programmes which will gradually lead the Community to provide a consistent and secure technology for Europe, those concerned with training may seem to be the least spectacular. Nevertheless, they are effective and necessary, for behind each technological achievement which reawakens European pride and gives Europe a greater opportunity to maintain its position among the leading world economic powers, from the Ariane rocket to integrated telecommunication systems, there are those individuals to whom tribute must be paid who, over the last 20, 30 and even 40 years, have constituted the human resources which make such achievements possible. 'Investing in training for Europe's future', the title of the conference held in London in 1986, is the very essence of European training programmes. Their results can never be measured in the short term but they are perhaps even more necessary because they are long-term. Such a programme is EuroTecNet.

The programme was launched by the Commission in 1985 — Programme of work 1985-88 (COM (85) 167 final) — following the Council Resolution of 2 June 1983 (OJ C 166, 25. 6. 1983) on vocational training measures relating to new information technologies. The programme was built around three main fields of action: a network of demonstration projects, an outline programme of research on a number of key issues, and a programme of study visits for vocational training experts.

Guidelines

According to the underlying philosophy of the texts forming the core of the programme, Community action in this sphere must complete and consolidate the action of Member States with a view to 'promoting the development of a united approach to the introduction of new information technologies which would meet the economic and technical needs and social consequences to which those technologies may give rise.'

Since the outset it was proposed to the Member States that there should be four major guidelines in the choice of demonstration projects making up the network, in the selection of research topics and in the projects chosen for study visits. These were:

- (i) the requirements of enterprises especially the SMEs, with a view to familiarizing managers with the use of new technology, and thus to promoting the transfer of technology;
- (ii) Youth employment schemes, especially for young people with a low educational level by attempting to establish an underlying technological culture in this field, in order to encourage the development of economic activities;
- (iii) maintaining current employment levels or finding new jobs for skilled workers through training programmes in new skills, leading to the retraining of production and maintenance personnel affected by the computerization of management and production processes;
- (iv) retraining women or finding them new employment by means of innovative training programmes designed to facilitate their access to new, developing professions.

Demonstration projects

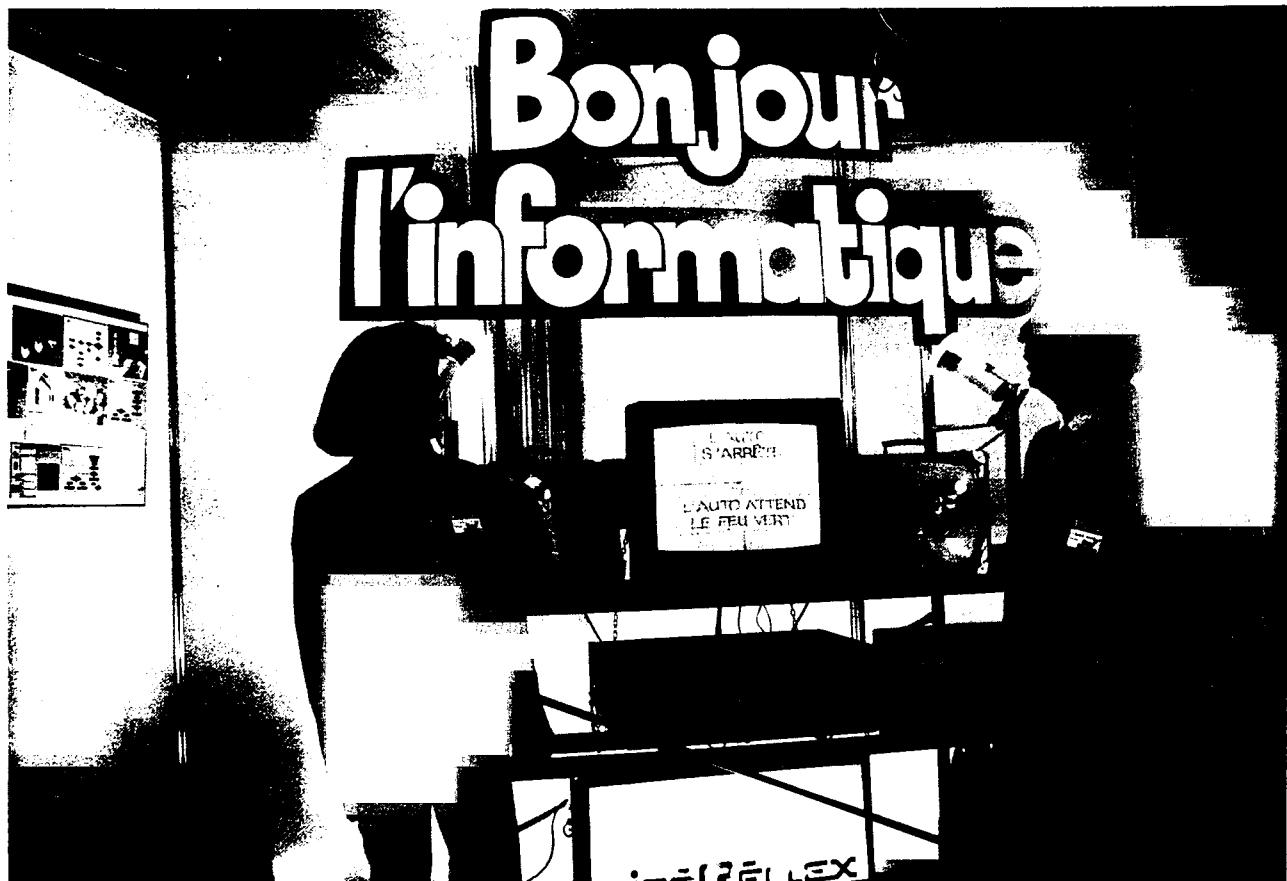
The EuroTecNet programme was conceived from the very start as a flexible programme of confrontation, mutual exchanges, information and evaluation of past experience by means of as direct a contact as possible between the

participants. This is why the network of demonstration projects quickly became a central element in the progressive development of the programme.

The demonstration projects were identified and chosen by national bodies on the basis of a number of criteria defined by the Commission's departments in collaboration with the national authorities and the European social partners. It is clear, in view of the limited number of projects (about 70 up to the end of 1986, almost 150 today due to the expansion of the network to include an ever growing number of enterprise projects, and to the addition of Spanish and Portuguese projects) that the EuroTecNet network cannot cover the whole complex and diverse field of activity dealing with vocational training in the face of technological advances. On the other hand, bearing in mind the totally unpredictable rate of change which is a feature of the field of new information technology, and the inevitable delays in the considerably slower development of training and educational structures, it is not always possible to know whether the choice of a project is appropriate to the latest innovations. Thus at the beginning of 1987 all projects were reviewed and a new list drawn up. As complete a description as possible of the network projects, based on a questionnaire sent to all project managers during the summer of 1987, will be put in the data base to be found on line on the ECHO (European Community host organization) network, in principle from early 1988. This information will also appear in a revised compendium to be published at about the same time.

But the existence of a data base does not in itself guarantee firm exchanges of experience. The EuroTecNet programme established two kinds of action in order to achieve the desired result. Firstly, various meetings were organized, the most important taking place in 1986 being:

- (i) a large informal meeting in Brussels in June 1986, attended by all project managers, giving great opportunity for contacts to be made between the projects;



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(ii) the major conference, 'People and technology', held in London in November 1986, at which numerous projects from various Member States presented their results at their own stands.

Secondly, all project managers received financial support to visit personally one or more projects in other Member States, in order to gain direct knowledge about the experience acquired there. We should also point out that in certain Member States, the projects are organized into a 'national network' and the people running them meet more or less regularly, as in the Netherlands, UK and Denmark. These meetings at a national level have been promoted by the Commission, which has financially supported national conferences to be held this year to launch networks in Spain and Portugal.

Research

The research programme was developed at the outset around four themes which gave rise to cooperation between various research institutes in the Member States, and to four consolidated reports delivered to the seminar held in June 1986. The four themes are:

- (i) new qualifications emerging from the introduction of new technologies;
- (ii) the in-house training needs of the SMEs and the actions required to meet those needs;
- (iii) distance learning and modular teaching;
- (iv) regional training policies within the framework of the regional management of human resources.

Many participants wanted the research carried out under the auspices of EuroTecNet to be more directly linked to the experience gained from the demonstration projects included in the network, so the research themes provided for in the programme of activities for 1987-88 have been retained with this in mind. On the one hand, the problem of 'training the trainers' and on the other, reforms in 'certification procedures' will take into consideration the experience gained by the demonstration projects. Special investigation of these projects will be carried out for this purpose, based on the information gathered by the questionnaire which served to collate details for the data base.

Study visits

The programme of study visits was organized by Cedefop and made it pos-

sible for several dozen vocational training experts to learn about new experiences in other Member States concerning the priority themes mentioned above, as well as to meet their colleagues and exchange ideas with them. This form of action became one of the elements of Cedefop's permanent programme. These visits complement the visits of the project leaders who have produced individual reports testifying to the value of these direct exchanges. A sort of informal EuroTecNet community has therefore been established, promoting exchange of experience and technology between Member States.

EuroTecNet's achievements

It is not easy to evaluate fully the positive effects of the EuroTecNet programme because it is now entering a second stage a sort of new departure, constituting as it does a considerable beefing up of activities. Firstly, it should be stressed that EuroTecNet is a growing body of people who are closely involved in the work at hand. While the programme is the subject of exchanges and questions raised in two important Community institutions, the meetings of Directors-General for Vocational Training and the Advisory Committee (tripartite) on Vocational Training, it also includes:

- (i) the group of national policy coordinators (one or two from each Member State) which meets three times a year, not only to consider the progress of the programme at Community level, but also to coordinate the participants' activities in each country, thus guaranteeing maximum cohesion between the development of the programme and the various national policy guidelines in the field;
- (ii) the officials of the Commission, who are responsible for the work of the network, and of Cedefop;
- (iii) the group of officials ('animators') who in certain countries have the job of following specific activities (national conferences, *ad hoc* seminars, inquiries, etc.) and who meet

in the capacity of an advisory group to the EuroTecNet team;

- (iv) the EuroTecNet team itself, made up of five full-time workers from the offices of the 'European Centre for Work and Society' in Maastricht and Brussels, together with several outside consultants carrying out specific tasks;
- (v) representatives of organizations from social partners (European, national or local bodies);
- (vi) researchers from the various institutes involved in completed or pending projects;
- (vii) project leaders or people involved in contacts or inquiries who, at the centre of each project, follow the development of their own work in relation to the whole;
- (viii) a wider audience, drawn from the business community or groups concerned with the projects, invited to attend public meetings forming part of the programme.

The individuals who, in various capacities, follow EuroTecNet activities and take part in them can thus be counted in the hundreds. All these personal contacts have a snowball effect, and we must try to evaluate the long-term results of the programme in the light of this contact. If the aim of EuroTecNet activities is to promote an awareness of the impact of new technology on vocational training in Europe, the fact that the number of individuals involved in the various aspects of the work has increased considerably (EuroTecNet's Information Bulletin has a circulation of 2 500) must be considered as a mark of success. The important thing is to maintain these exchanges for as long as possible.

Discussions and observations

However, knowledge must not only be spread but also examined if the desired end is to be achieved. This examination is provided for within the framework of the programme of activities, as it

is expected to develop towards the end of 1987 and during 1988, mainly by the organization of a series of specialized working parties, to which project leaders, social partners and government experts will be invited. Three of these working parties the 1987-88 programme. One, on training in the machine-tool sector, another on the needs of the SMEs (in cooperation with the Commission's Task Force on SMEs), and a third on office technology attended by manufacturers and users of office technology systems. It is envisaged that in the future there will be an increase in the number of these specialized working parties held on specific areas of work, which will deal with either local problems (building, transport, etc.) or matters directly concerned with training problems (the training of trainers, certification procedures, etc.).

Finally the EuroTecNet programme aims at the down-to-earth spread of information either by directly publishing the results of work undertaken, in the EuroTecNet series of the European inter-university press in Maastricht, or by promoting the circulation of information stemming directly from the projects themselves, such as teaching aids, video tapes or publications.

What is the impact such activities might have on Community policies and national policy trends with regard to new technologies? We must first of all point out that this field changes so rapidly that specific policies can be formulated only with great care. The danger in fact is to want to move a whole training scheme in one specific direction which subsequent technological developments may very rapidly render obsolete. Moreover, it is significant that the questions posed by the EuroTecNet team to the national policy coordinators about national policies in this field, when the network was reviewed at the beginning of 1987, have mainly remained unanswered or have received only very vague replies. But this political ambiguity does not surprise the careful observer who has seen that new technologies have brought with them technical and educational developments as well as a radical transformation of manufac-

turing systems and vocational training structures.

It is not ignorance which prevents the Member States from developing clear policies in this sphere, but a simple matter of caution. Too open an involvement in a line of action which might soon face challenges from new technol-

ogies or a radical reform of methods may have an effect which is more negative than beneficial. As long as we continue to live in a world in which the rate of change in the technical and the educational systems is not the same, it will only be possible to go forward by experimentation. We will need to set up pilot schemes which little by little will help

our governments and the authorities concerned to identify effective lines of action that will allow us to set up adequate long-term training structures. These would have to be more flexible, more adaptable to change and to the contradictory needs of a changing world. EuroTecNet contributes directly to this process.

Continuing training: Challenge and prospects

I. The challenge

1. The role training plays in complementing technological and economic change, and more generally, economic revival and company competitiveness has long been recognized. In fact, the last decade has shown that it is no longer adequate to be content with the classic contingency plans, while confining vocational training to a defensive role and a circumstantial adjustment to so-called 'spontaneous' market trends.
2. This interaction, reinforced by economic objectives, is accompanied equally by a change in the final goals and make-up of the training programmes. It is no longer a question simply of modifying, after the event, the effects of industrial restructuring and new technological processes; it has become necessary to anticipate the evolving medium-term requirements of enterprises. In this respect, training, and especially, continuing training, is as long as it is undertaken early enough, a crucial asset in the fight to save jobs.
3. Considered more and more as a real investment, continuing training — the mobilization and use of human resources within the enterprise — results from the increasing importance given in company strategic planning to such factors as the flexibility of production processes, the need to exploit the results of research and development (R&D) and the greater need to improve production quality. The rapid growth over the past few years in 'non-tangible' investment (where training plays a central role, together with other functions such as R&D, marketing etc.) as compared to the total investments made by business confirms this change of attitude towards continuing training.
4. If, on the whole, the larger companies now recognize the central role played by continuing training and have taken significant measures in this field, even going beyond their legal obligations, quite different is the case with small and medium-sized enterprises, important levers in the growth of employment and regional development. In fact, with the exception of certain high-tech enterprises, which remain very competitive, continuing training has not seen the same development. The problems encountered arise from factors particular to the nature of these enterprises — especially their small size — and to the conditions of employment, work and pay still often to be found there. Also, faced with strong competition in the labour market to recruit a workforce with the skills required by the new technologies, SMEs frequently run up against the problem of a return of the labour market of non- or low-skilled adult workers — especially in declining industrial regions.
5. Accepting the importance of continuing training implies that such training can truly develop and benefit those firms and workers which take advantage of it, if, from the start, the training is based on a number of objectives underlying the training schemes themselves. These objectives are:
 - (i) to promote greater integration of continuing training schemes with the medium-term internal development strategies of the enterprises: in other words, it is not a question of developing training for its own sake but — together with policies regarding investment, job engineering and research into developing more flexibility in production — of conceiving of training as a decisive modernizing element and as a prime method of providing employees with mobility and real skills during the whole of their working life;
 - (ii) to strengthen interaction between initial basic training (including education) and later continuing training. Too many young people leave school without even mastering the basics and with no experience whatsoever of the world of work. In this framework, continuing training remains a part of the permanent educational process to which so often lip service is given, but which is just as often ignored;
 - (iii) to ensure greater inter-penetration of collective, employer-initiated continuing training schemes with individual programmes initiated by employees. Just as continuing training must respond to the company's planning requirements by keeping up with, or even anticipating, changes in production processes and methods — so, too, must workers be allowed to exercise what, in some Member States, is already a 'right', even if the training schemes selected are not directly related to the company's immediate needs;
 - (iv) to promote a greater internal and external awareness of the skills acquired through continuing training so as to bring about the professional and geographical mobility of the workers involved. By analogy, if continuing training is to be considered as an investment for the enterprise, one can also say it is an asset to the worker, that is, it adds to his 'market value'. Internal and external recognition of the skills acquired allows the workers to increase the value of their training in the job market;
 - (v) to facilitate access to continuing training for those categories of workers threatened with job losses, by giving them training which increases their skills and makes them more self-reliant; in other words, to proceed in such a way that the training given opens up greater prospects for secure and qualified employment even if in itself it offers no guarantee — and that this training helps to enlarge the worker's freedom of choice and his chances of promotion and job mobility;

6. A policy of continuing training in line with these objectives implies in return, the implementation or encouragement of a number of different contractual schemes, either at the level of the individual enterprise or in sectors of industry, and, should the occasion arise, at the level of Member States. It is essential to:

(i) facilitate the identification of anticipated skill shortage and training in the new sectors of industrial and technological development. It is not a question here of strictly applying more or less mathematical models matching training to employment, but above all of implementing continual processes of advance management — in other words, to promote an anticipatory attitude towards change, instead of submitting to it afterwards as a consequence of technical and industrial transformation;

(ii) encourage the development of methods of financing continuing training which are better suited to the developing and diversified needs of both enterprises and workers, as well as new management techniques which involve workers in management and are likely to respond to economic needs. Managing finances in this way brings with it the substantial involvement of both sides of industry, and this can only facilitate the development of continuing training, in which both sides have an interest. It will also help to increase the involvement and participation of both the enterprise and its employees by extending their responsibility within the company;

(iii) increase employer motivation — particularly in the SMEs — and that of employees at all levels, with regard to continuing training. The fact is, that despite efforts made by management and labour and by the compan-

ies, with a view to promoting continuing training for employees and executive staff, relatively few take this step. One reason for this, apart from objective factors such as the availability or the means at hand, is the impression potential beneficiaries of the training have of it: some think it to be expensive and not very important; others fear that it might lead indirectly to redundancy (or, at the very least, the risk of job loss while being absent from the company);

(iv) encourage enterprises to create stronger links between their training policies and the development of their economic environment (employment catchment areas, regions) and, more generally, to give greater consideration to the potential offered by the creation of an internal Community market.

7. Although, in point of fact, employers have the main responsibility for continuing training, and although its full implementation means strengthening the social dialogue at all levels, public authorities should make a significant contribution to its development. In the context of their legal powers and of their relations with both sides of industry, they are, in effect, in a position to facilitate the implementation of innovative approaches in line with the guiding principles listed above. This support may be of a financial nature, and is all the more justifiable since continuing training is one of the ways to prevent unemployment, whose direct and indirect costs are for the most part borne by the State. It may also take the form of other support measures (fiscal, for instance) as well as aid and advisory services.

8. If we are unable to establish a consistent policy for continuing training which is anything but a small aspect of company policy resulting from industrial restructuring or a series of *ad hoc* measures responding to the

circumstantial or immediate needs of the enterprise, we shall never be in a position to deal concretely with industrial and technological challenges. The new economic 'situation' — and that includes the internationalization of the productive process and the wish to be competitive in the European market — necessarily implies that more attention must be given to the 'human resources' area. This does not mean limiting ourselves to the 'elite' (managers, engineers and executive staff); it can include the workforce as a whole, and should do so if divisions inside the company are not to be accentuated.

II. Prospects

9. One constant factor can be observed when we consider what is happening in the Community: continuing training is well under way — particularly when organized by enterprises. The data gathered by the Commission — though still incomplete and not very uniform — shows that this is the case in all the Member States.

10. A number of other converging factors should also be noted:

(i) almost everywhere there is a drift away from 'reactive' training and towards training based on forward projections. At company level — particularly in the large enterprise — this move is accompanied by the creation of training schemes geared to internal development strategies;

(ii) the development of mixed partnerships bringing together public authorities/businesses/management and labour in setting up and running vocational training schemes, particularly at a regional level;

(iii) the individualization of training, in keeping up with the new technologies and new working arrangements, allows company employees a better chance to

- enter the training process and accept their share of responsibility;
- (iv) the concern to ensure a consistent line of development between initial and continuing training which, as far as possible, must not seek to make up for a lack of initial training.
11. These converging factors still have their limits. A concrete example can be seen in the recent French agreements on worker participation in management, which the employers' associations and the trade unions made on the issue of 'individual training leave' and the financing of linked work and training schemes (June 1987). It is essentially a matter of the extent of power which each of the parties has over the definition and administration of continuing training within the enterprise. It is also a question of how much attention should be given to individual training schemes arising from employee initiative, but not directly linked to company programmes. For the employers, training is initiated, above all, by company management. The workers' representatives, on the other hand, argue for a global approach to training on the basis of dialogue between management and labour at company level: in other words, the procedures governing the training schemes and their actual contents must be negotiated by both sides and be subject to certain controls by the unions.
12. Another element must be taken into account — the new role of the public authorities in relation to continuing training. The fact is, that if a certain consensus seems to exist on the major responsibility held by the employers in this field, this is probably due to the fact that they provide the basic finances. But public authorities cannot shy away from the issue:
- (i) first because, by giving direct or indirect support to development and/or industrial restructuring, they thus become the beneficiaries of the integrated training schemes which emerge: here, in the case of France, one can mention plans for the textile and metalworking industries as well as electronics. Moreover, the fact that the public authorities play a crucial role in the process of formal recognition of skills gained through training programmes — in other words, certification — increases their involvement;
 - (ii) further, since they are responsible for training the unemployed and young people having difficulty entering the labour market, public authorities have an interest in avoiding the development of the social and economic divisions already mentioned above;
 - (iii) finally, because they are in a position to support innovative schemes of employee continuing training — for example, within the framework of pilot projects set up together with enterprises at regional or sectoral levels within the framework of effective contracts covering the economic development of training.
13. The involvement of public authorities is not solely of an economic nature, in the form of direct aid. It can also take legislative form, by following up and making more general the results of contractual agreements between management and labour, and even imposing agreement if the two parties concerned cannot reach it. Equally, it can take an indirect form — for example by means of fiscal provisions affecting companies.
- III. Towards a common policy on continuing training**
14. It is not within the scope of this article to give a detailed description of the basis for a common policy on continuing training. The interested reader will find the main points in the Commission's Communication on Adult training in firms, published in January 1987 (COM (86) 780 final). This memorandum, treated in the conclusions of the Social Affairs Council of May 1987, and well-received by the European Parliament and the Economic and Social Committee, was more in the nature of a study document outlining 'in fine' the possible guidelines for Community action in this area.
15. The first question to be posed concerns the added value of Community action. To the extent that continuing training concerns essentially the two sides of industry and takes place within legislative, administrative and regulatory frameworks specific to each Member State, some have questioned — and continue to question — the legitimacy and the real objectives of Community action in this field. These doubts, if not simple unwillingness, apply especially to everything concerning Community measures of a binding nature (directives, for example).
16. This, however, is not the true issue: Community action finds its added value in three types of contribution:
- (i) support for enhancing the experience and practice of continuing training by means of a structured programme of meetings, information and visits on priority topics of common interest to the Member States. Without wishing to impose any kind of pattern, these exchanges on such issues as funding training, forming inter-enterprise training partnerships, setting up 'warning systems', all contribute to the mutual benefit of those involved;
 - (ii) logistic and financial support for innovative continuing training operations of a pilot nature, undertaken either by single companies or groups of companies, with or without the aid of public authorities, thus giving rise to training products which are potentially transferable and utili-

zable in other Member States. The objective here is a triple one:

- (a) economic, in that one can reduce the costs of training by sharing training facilities, preferably on schemes having a European dimension: it may be a question of training schemes hingeing directly on the creation of an internal Community market; it might also be training that leads to facilitating the transfer of technology, for example between a large company and a pool of SME sub-contractors, perhaps around an industrial project (building the Airbus or the Channel Tunnel are good examples of this approach); it might also concern networks of companies — essentially of SMEs — organized on a regional or local basis;
- (b) political, by favouring the emergence of a collective demand for training in response to economic and industrial needs — either in a technological sector rapidly requiring new skills (new materials, for example), or in a field which is being restructured in such a way that this will affect companies in several Member States (shipbuilding, for instance);
- (c) educational (and economic), by facilitating the development and optimum utilization of new training methods, especially those making use of the new technologies in information and communications (computer-assisted training, the application of telematics, satellites, etc.);

- (iii) aid for technological transfer in training matters, particularly for schemes or programmes based on individual regions or sectors, and including support for training the trainers; such an approach, which would particularly benefit the outlying regions of the Community, where available training schemes do not meet local needs, may in fact help to strengthen its internal cohesion, essentially if this transfer of training aims at bringing closer the prospect of stable employment levels, as is the case, for example with the integrated Mediterranean programmes.
- 17. As far as we can judge these trends, which must still be confirmed, they seem to respond to expectations expressed in various quarters *vis-à-vis* the Community about continuing training. It is not so much a question of devising new legislative measures, but rather of stressing methodological or educational instruments to be used in this area, such as training SME employees, particularly the executives and managers of these companies. Stress should also be laid on developing joint training schemes with the public authorities, enterprises and both sides of industry, as well as strengthening training schemes geared to the new technologies and experimenting with new ways and means of training.
- In short, what is needed is a pragmatic and decentralized approach — as opposed to a regulatory, standardized and centralized attitude — which essentially will emerge from the direct participants in the training scheme (the enterprise, management and labour).
- 18. The outlook described above currently depends on the implementation of a number of Community programmes. First and foremost are Comett and Tecnet; the former dealing with cooperation between university and enterprise in advanced training for technology. Launched in January 1987, its success — in the light of the response so far received has been considerable. The latter project, being less extensive and with far fewer resources, is concerned with vocational training for the new technologies, and has already led to the creation of a European network of more than 100 demonstration projects across the Member States (EuroTecNet). Finally, we should not forget the substantial technical contribution of Cedefop, which through studies, meetings and exchanges of information, supports the Commission's activities.
- 19. Lastly, we should emphasize that Community action in favour of continuing training for employees is a factor in the development and promotion of an industrial, technological and social Europe, in accordance with the aims of the Single Act. Just as the Community, through the expedient of its structural financial instruments, has to intervene massively in the struggle against unemployment and for a more balanced, regional, economic development, so it must also be able to support efforts made to ensure a better social and vocational integration of young people into the workforce. In the same spirit, it should also promote investment in human resources. Continuing training of employees remains at the heart of this challenge.

A. Kirchberger

New action programme for disabled people

A new programme

On July 10 the Commission adopted a proposal for a second action programme in the field of handicap, entitled the 'action programme to promote the social and economic integration and independent living of people with disabilities'.¹ The programme is planned to occupy the four years January 1988 to December 1991.

This action will constitute the continuation and extension of the first action programme in this field, adopted by the Council² within the framework of the 1981 United Nations International Year of Disabled People, but not fully launched until 1983. The Commission's Memorandum presenting the new programme contains also a report of the progress made during the one which is now finishing.

The context

Disability has always been an important reality in our society; it is now recognized as an essential element in Community social policy. Ten per cent at least of all citizens have significant physical, intellectual or psychological impairments; the 'universe of disability', comprising also the families, professionals and administrators directly concerned, is of course very much greater than this.

Disability is not a declining phenomenon: whereas many impairments are now prevented and cured, this effect is balanced by high accident and, more importantly, by the frequent initial survival of many who would have died in the past; moreover, many more people live on into old age, some of whom are disabled already and many more of whom incur disability at that stage.

Even more striking is the *positive* character of the whole domain of disability. Increasingly the over protective and paternalistic approaches of the past are being abandoned, more stress is being put on what disabled people can do than on what they cannot and handicap is being seen as often the result of a poor environment rather than of the

impairment itself. Albeit slowly and sporadically, improvements are being made in the accessibility of housing, transport systems and public buildings; in a number of Member States provision for vocational rehabilitation and measures to facilitate employment are well developed. The demand for social and economic integration is meanwhile increasing as a result of policies of 'deinstitutionalization' — the reduction in size or closing down of long-stay residential establishments — which can be seen operating in all Member States. And at the same time disabled people are themselves becoming better organized, more able to express their own viewpoint and fight their own battles at national and at European levels.

Positive but problematic, a domain of almost limitless potential but one where little headway will be made — even, given economic constraints, there could be a decline in achievement — unless there is a continuous effort to update services and improve measures: it is these characteristics which have convinced the Commission not only that there ought to be a Community action to promote the integration of disabled people for economic and moral reasons, but that there is every reason to believe that such an action can be effective in both technical and policy terms. This view is shared by the Parliament which has always afforded prominent support to Community activity in this field. It also receives corroboration from what it has been possible to do, even with modest resources, during the first programme, and from the positive response to Community initiatives which has come from all categories of those directly concerned in Member States.

The educational dimension

The programme is designed to cover all the social and economic (as opposed to medical) aspects of adult integration. What is more, the Council and Ministers for Education, on the basis of a Commission proposal, have already adopted in May³ a first action programme to promote the educational integration of children and young people

into ordinary schools. Lasting also from 1988 to 1991, this activity will not merely be carried out in parallel with the second socio-economic programme but will be fully coordinated and interactive with it. For the first time ever therefore the Commission is able to prepare one comprehensive and coherent action spanning the three chief elements of integration — the educational, the economic and the social.

Programme goals and structure

In order to overcome the legal problem in launching an action which covers a wide range of social and economic needs and services, the Commission has presented its second main programme in the form of two draft Council Decisions, one dealing with vocational rehabilitation and economic integration and based on Article 128 of the Treaty, the other referring to Article 235 and covering social integration and the environment of independent living.

In practice, however, there will be one comprehensive programme consisting of three interdependent elements: policy initiatives, positive action and information services. Compared with the first programme, there will be more stress on the policy level, and the previous emphasis on employment will be balanced by an equal concern for environmental issues.

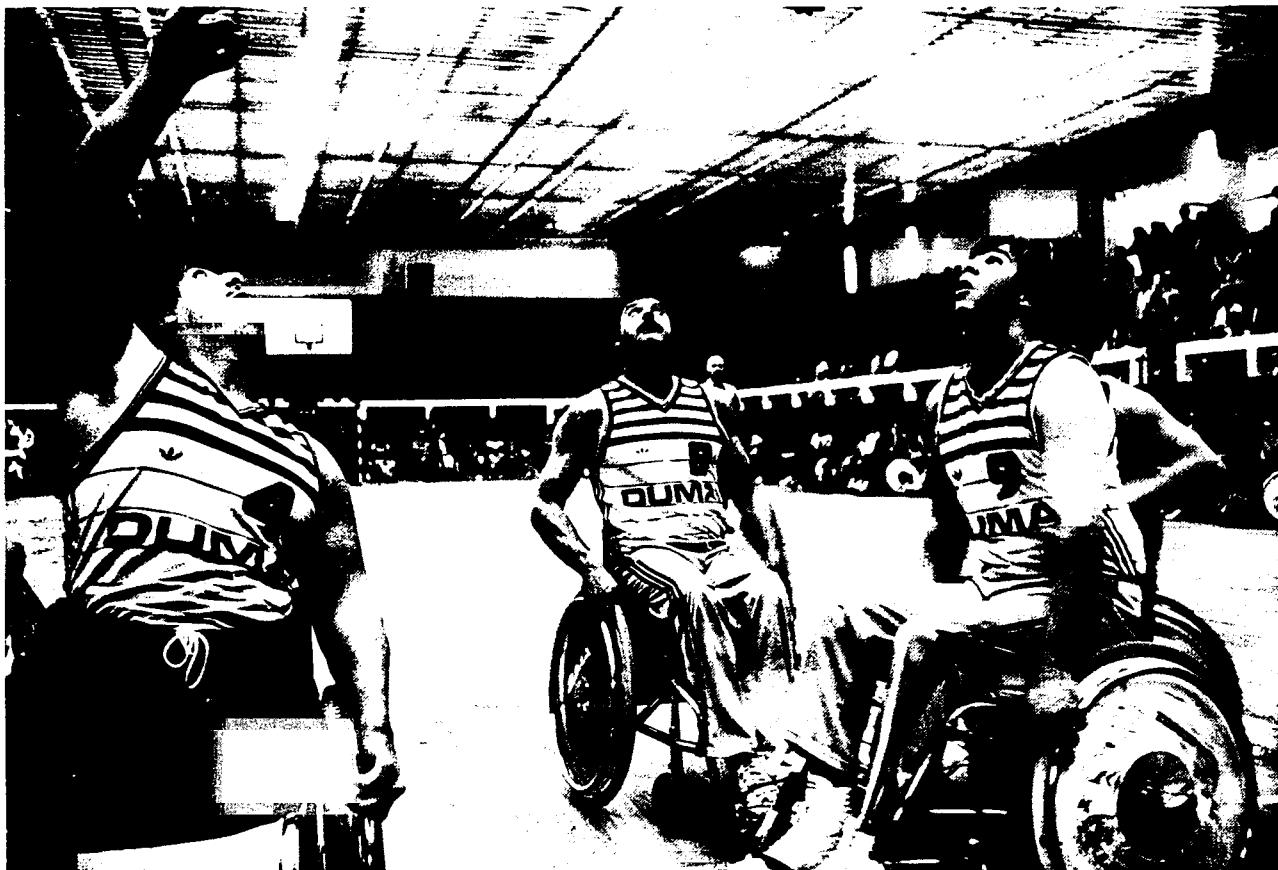
(i) *Policy initiatives*, consisting of two actions:

follow-up to the 1986 Council Recommendation on the employment of disabled people: the Commission's report on implementation will be submitted to the Council in July 1988 and will be followed, if necessary, by further proposals on this point;

¹ COM(87) 342 of 6 July 1987.

² Resolution of the Council of 21 December 1981 adopting an action programme to promote the social integration of disabled people (OJ C 347, 31. 12. 1981).

³ Conclusions of the Meeting of the Council and Ministers for Education of 14 May 1987, PRESS 6502/87; OJ C 211, 8. 8. 1987, p. 1.



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preparation of a series of policy proposals concerning the physical environment and other supports to independent living (mobility and transport, access to public buildings and facilities; independent housing, including physical, personnel and financial aspects).

(ii) *Positive action*, comprising four sub-programmes of technical cooperation:

creation of four networks of local projects or experiences, concerned respectively with the coordination of services, with vocational training and employment, with the environment of independent living and with educational integration;

extension of the existing Community network of rehabilitation centres, to

embrace also sensory and psychiatric impairments; establishment of an 'outer network' to ensure dissemination of good practice throughout the rehabilitation systems in all Member States;

continuation of the programme of grants to support the European cooperation of non-governmental organizations, with an increasing stress on support for associations of disabled people or (where appropriate) their families;

creation of a new special action on independent living, consisting of an annual programme of prizes for outstanding projects in various defined fields, the good practice thus identified being disseminated by an annual exhibition-conference and publication.

(iii) Information services, which will be of two adjacent kinds:

the operational launch and further development of the Handynet project, the long-term activity to establish a European multilingual mechanized data bank on disability questions, pooling information collected by national centres for wide distribution at national, regional, local and (where appropriate) individual levels;

development of a newsletter and direct documentation service in support of the numerous centres, associations, public authorities etc. engaged in the technical cooperation activities described in (ii) above; extension of the present audio-cassette and braille services for blind people, and development of illus-

trated and video services for the hearing impaired.

Almost as important as the structure and range of the programme itself will be the vehicle for discussing and monitoring its progress and impact. For this reason, the Commission attaches particular importance to its proposal that the Council decisions should establish a

new Consultative Committee consisting not only of governmental members but also of representatives of the social partners and of the leading European associations of and for disabled people. If this is agreed, then the Commission will have captured an advanced position, quite beyond anything before envisaged. This would be a fitting basis for a

programme which is designed above all to be cost-effective. The total cost over the four years, including the educational element, is estimated at no more than 26.6 million ECU. That will be a worthwhile investment if it will carry us, as it should, significantly closer to our goal of a 'Europe without handicap' by the end of this century.

Encouraging initiative

What has a youth information centre in Thessalonika in common with a gypsies' drop-in centre in Dublin, or a car repair workshop in Barcelona in common with a music workshop in Glasgow or a young women writers' cooperative in Turin in common with a school newspaper in Paris? You have no idea? Well, the simple answer is that they are all projects organized by young people which have received finance from a new sub-programme of the Commission of European Communities — a programme sensitive to the views of young people and dedicated to supporting their ideas and plans for action. This new youth initiative programme is part of the Commission's second programme for the transition of young people from school to adult and working life and during 1986, it financed over 70 projects in every Member State of the Community.

There were a number of reasons why the Commission was interested in creating this experimental programme within the framework of the second transition programme. For example, the emergence of new training programmes and structures, the lengthening period of training and the increasing number of exit and re-entry points to training presents young people with a confusing and complex picture. Young people should feel that they have an element of choice and that they can negotiate their own learning programmes, but a prerequisite to choice and to negotiation is an awareness of the range of options. Many young people, and particularly disadvantaged young people, do not know about the variety of programmes, facilities and services which are available to them. It is not that information does not exist. It is simply that it is not presented in the appropriate style or format to make it attractive to, and understandable by, young people. The Commission had already supported a series of youth information projects such as The young Scot, Viaggio and Ung ABZ school leaver booklets. These and other more local projects demonstrated how existing agencies, working in conjunction with young people themselves, can successfully market their services to many others who are in the period of transition.

In addition to these youth information projects, there was a wealth of evidence in the different Member States to suggest that many young people are themselves eager to take the initiative in launching projects.

Throughout the Community, there are a large number of young people, who are unemployed. Within the 16-25 age group, one in four young men and one in three young women are unemployed and in some countries such as Portugal and Spain, young people are almost 60% of the total of the unemployed. Unfortunately, youth unemployment is also increasingly becoming long term. Had it not been for the 'baby boom' and the current recession in world trade, many of these young people would have been expected to gain a job and to remain in employment. So

there are talented and able young people who are now looking for a positive way of occupying their time, looking for opportunities for training and looking for activities which might lead on to jobs or to self-employment.

These initiatives of young people to communicate, inform each other, identify themselves in the media etc. are an important part of removing the traditional paternalism of youth policy, which has undermined many of the well-intentioned efforts by public authorities to solve young peoples' problems for them. So the Commission decided to give limited support, on an experimental basis, to a series of youth initiatives or projects, in which young people play a leading role in their design and management, primarily in the area of information, training, cooperatives and contact with the media.

A major catalyst in this decision was the 'Info-action '85' conference which the Commission organized in conjunction with the Luxembourg Government as part of its contribution to International Youth Year. This conference brought together policy makers, practitioners, such as teachers and youth workers and more importantly young people from existing youth information and initiative projects. The conference provided a useful and lively exchange of ideas on how youth projects might best be supported. It ended with a challenge from the spokesperson for the young delegates 'You have heard what the youth of this conference have to say. You have the info. Now let's see the action!'

The Commission responded to this challenge by allocating a budget of 550 000 ECU within the framework of its transition programme, to be given in small grants of up to 10 000 ECU to young people's projects. The Commission also reflected the conference's wish to increase the participation of young people by involving them in the operation of this new sub-programme. It established an Advisory Group on Youth Initiatives representing young people from projects, young practitioners and young policy makers from all the Member States.



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Representatives from the European Youth Forum were also invited to join the group and this created an important link between youth initiatives and the representative structure for the voice of youth in Europe. The members of this Advisory Group also have an important role to play in evaluating all of the project applications which come from their own country.

The demand

This new action officially began at the beginning of 1986 but it was early summer before detailed criteria had been established and a promotional leaflet had been distributed. After this distribution, the number of applications increased dramatically and the Commission received more than 400 applications in the course of the year. The num-

ber of applications for grants continues to increase and the programme appears to be meeting a real need on the part of the youth of Europe.

In 1986, 74 projects were financed. At the beginning of 1987, a further 50 projects were accepted for financing and in June, 90 more had been proposed. Because many of the projects are applying for exactly what they need, the request is often less than 10 000 ECU. This meant that in 1987, it was hoped to offer grants for approximately 160 projects which, while it will be more than double the number for 1986, will only represent about 20% of the applications which will be received.

The range of activity

One of the most exciting aspects of this new programme is the range of ac-

tivity. Young people are identifying a variety of different ways of tackling problems and situations and are using or learning many different skills to help them in their projects. The existing projects which have been funded can be grouped under the following four headings:

- Job creation
- Vocational training
- Youth information
- Social and cultural activities

However these headings are not mutually exclusive as within each project there is some form of training element, some form of information exchange and all make a contribution to the social and cultural life of the area in which they are based. Some projects also have a number of different aspects. For example young members of the Gateshead Youth Council in the north of

England are involved in providing a youth enquiry service, and also answering all kinds of queries on work, education, training, travel etc., developing opportunities for voluntary service, mounting courses on training in personal and social skills and organizing tuition in playing musical instruments. What is particularly interesting about this project is that over 40% of the young people who have been involved have been successful in finding jobs in an area which has an extremely high level of unemployment. There are however many excellent projects which address one of the four identified main themes.

If we consider job creation, network for jobs in Ireland is a group of six small cooperatives run by young people in Dublin. The cooperatives include a neighbour newspaper, a clothing repair service, ornamental goods and computer software. Through the network, these young people can share ideas and help each other in areas such as marketing and accountancy. The network for jobs also promotes its information and experience to other young people.

There are many examples of training projects of which Module 26 is but one. In this timber workshop, in Liège, there are young people who had previously been unemployed but are now making toys and large wooden frames for use in nursery schools. Apart from the practical skills which they have gained, they have also had a general training course on subjects such as French, management and mathematics organized by the 'Centre d'Information et d'Education Populaire'. It is now intended to create a youth cooperative as there appears to be a large potential market for their products.

An important aspect of youth information, is the involvement of young people in meeting the information needs of their peers. This approach ensures that the information is both relevant and credible. The Association of Youth Clubs in Denmark is training young people to inform others about their rights and entitlements when unemployed and about possibilities for further education, training and employment. Courses are

being held throughout the country and this will result in the creation of a cadre of peer group counsellors.

In the field of social and cultural activity there are a wide range of projects but many are targeted at disadvantaged groups or address common themes or problems for example Boutiques Logements in Paris and the JIWA in Aschaffenburg are both projects offering information, advice and support to young people seeking accommodation. Both projects are also encouraging young people to renovate existing redundant housing stock.

The benefits of youth initiatives

Although it is difficult to generalize about the many different kinds of projects, focusing on different issues and using different methods and techniques, one can clearly identify some of the social and economic benefits of this activity. Youth initiatives are making a contribution in all of the following areas.

- (i) guidance: many initiatives are about developing young people's 'projet de vie' (scheme for their life), and helping them identify what they want to do and what kind of training opportunities exist to enable them to do it;
- (ii) initiative: self-help and cooperative group projects are a way of developing skills and attitudes which help young people to think and act independently;
- (iii) problem-solving skills, team work and adaptability: giving more initiative to young people is one way to encourage them to develop, by experience, skills such as problem-solving, and abilities such as working in a team and coping with the unexpected. These are exactly the qualities which employers increasingly regard as important;
- (iv) self-employment: it has to be recognized that successful young entrepreneurs, or creators of new firms, are rare, and likely to be rather well

qualified. However, the young people's cooperatives which have been financed cover a very wide spectrum of young people and thus seems a hopeful development for the future;

(v) communication skills: the skills of self presentation, discussion, advocacy and negotiation are prerequisites not only for an effective working life but for success in other aspects of adult life. In addition, skills in particular aspects of communication can be extremely useful in the job market. Many youth initiatives are information based and even where they are not, there is a strong promotional and publicity element; thus young people are presented with opportunities to develop a variety of communication skills including specific skills in graphics, design and printing, broadcasting and new technologies;

(vi) creativity: as action is left in the hands of young people, they have the freedom and space to be creative. This gives them a chance which they seize upon and it is also a situation in which new, and possibly more effective, methods or solutions may emerge. Young people's approaches to a particular problem or issue will not be conditioned by previous practice or tarnished by past failures and thus they represent a major force for constructive change within society.

Networking

In addition to the four main themes which have been identified there are already potential groupings of projects which have issues or methods in common — video, radio and television, computers, working with the mentally handicapped, drug abuse, housing problems for young people, working with disadvantaged young people etc. One important task during 1987, was to promote a sharing of experience between projects. This process of learning from each other can happen at regional, national and international level and already within this

programme, there are interesting regional and national networks which have been developed.

The network for jobs which has been mentioned earlier is one example of a regional network and there are similar examples in Flanders and Sicily. Then at a national level, an Info-action network of all local youth initiative projects has been established in Ireland. These include some projects which have been funded by the Commission but also many others which want to benefit from the mutual support which the network provides. Within the network, projects can share ideas on topics such as fund-raising, administration and publicity. The network also promotes the concept of youth initiatives in Ireland and provides a corporate national voice for the views of young people involved in youth action. Similarly in Portugal, the National Association of Young Entrepreneurs encourages liaison between Portuguese projects as well as providing technical assistance to those working in the area of employment creation.

At a European level, a number of things are being done to promote international links. The first step was the publication in April 1987 of a youth initiatives newsletter. This newsletter was produced with the assistance of the European Youth Forum and has been sent to all the projects and to other organizations and individuals interested in the concept of youth initiatives. At the same time, each project received a list of the other projects which have been financed. The listing included a brief keyword description and a contact name and address and telephone number for all projects. Already this has produced concrete results. Video projects have begun to exchange their programmes, there has been an exchange of information between the various music workshops and one excellent example of cooperation between boat-building projects. The Het Boot project in Brussels

originally intended to renovate a barge as a way of giving disadvantaged young people training in carpentry, welding and painting. They were then contacted by the Zeezeiljacht project in Haarlem which had links with other projects in Germany and the United Kingdom. As a result the Het Boot project has now decided to build its own 'sea-going' vessel and a joint training course in welding and metal work has been arranged in Haarlem. A very practical example of international support and cooperation!

Within the projects, there is a real desire on the part of young people to share ideas and to meet and to work with young people from other countries, despite possible language difficulties. The first steps in this direction were taken later in 1987 when there were two work study visits. The first was to Ireland and young people from six Member States spent three weeks working in Irish youth initiative projects which are geared towards job creation and training.

Then later in 1987, Belgium hosted a similar visit on the theme of youth information. In late 1988 or early 1989 it is planned to hold a major event which will involve young people from all of the projects which have received funding and many others from projects outside the scheme. Apart from providing an opportunity for a sharing of experience, it would also assist the Commission to evaluate the first two years of what has essentially been an experimental programme.

Links with other Community programmes

Within many projects, alternative forms of training are being developed on the young people's terms rather than on the terms of the tutor or the institution but often with their help and cooper-

ation. In this way, young people take responsibility for their own learning and begin to develop the skills and confidence which can help them cope with future challenges.

It is important that this experience of the youth initiative programme and the view of the young people who are involved are shared with other Community programmes in favour of young people. As youth initiatives is a sub-programme of the second transition programme such an exchange has already been established particularly in areas such as guidance and counselling, links have also been developed with the youth exchange and young workers programmes and as a result of many projects' interest in handicapped young people, a dialogue has been developed with the Commission's action in favour of the disabled. The Commission has been fully conscious of their needs in drafting the new Decision on an action programme for the training and preparation of young people for adult and working life. This programme it is hoped will be adopted by the Council of Ministers before the end of 1988. It has been briefly described in *Social Europe 2/87*. It aims to ensure better quantity and quality of training for young people throughout the Community. One of the actions under the programme which will be the continuation and expansion of the action in favour of young people's initiatives and information projects.

The results of the first experimental year have been very successful, and interesting new policy implications are evolving from it. As a conclusion, it is vitally important to explore new forms of transition which reinforce the value, status, self-esteem and the confidence of the youth of Europe. This sharing of experience between all relevant programmes of the Community is an important step forward in assisting the young Europeans in transition towards a more positive future.

Cooperation between residential centres for adult education

Since 1981, the European Commission, on the initiative of the European Parliament, has managed funds earmarked for cooperation between residential centres in the Member States in the field of adult education and continuing training.

What is meant by 'residential centre for adult education'? Originally, it encompassed a non-authoritarian form of education launched in the last century for the benefit of rural populations by N. F. S. Grundtvig, a Danish pastor and social reformer. The teaching was, and still is, carried out in 'Folkehøjskoler' (literally: people's high schools), in certain languages translated as 'residential centres for adult education'.

Even in its country of origin, this type of education is still an alternative or a supplement to the official education system, which usually requires that 'the pupil' joins a class which he or she 'receives' instruction passively. At a residential centre, on the other hand, the active participation of the individual all day throughout the 'course' is a key element of the learning procedure. In other words, each participant is supposed to learn as much discussing with others, for example during meals, as when listening to a teacher.

Experience has shown that this type of teaching seems less forbidding than official ones, and it often manages to attract those members of our society who need education and training most (school drop-outs, people with elementary instruction levels and those who left school so long ago that they fear starting over again, etc.).

They are amongst the target groups of this programme. Each year the European Commission, in consultation with trainers and heads of adult residential centres, puts forward priority themes and fields of action eligible for subvention. These fields of action are publishing annually in an information note; those used in 1987 are listed below:

- (i) basic adult education focused on literacy, numeracy and the acquisition of basic social skills (working as part of a team, decision-making in a local context, problem-solving, etc.);
- (ii) impact and curriculum dimensions of basic adult education and training as a part of local employment and vocational training initiatives particularly aimed at the education/training/re-training of long-term unemployed adults and of those with little or no work experience (cooperation between industry, trade unions, public authorities, development agencies, etc.);
- (iii) role of adult education and training as a factor of socio-economic and labour market development in disadvantaged urban or rural areas, including environmental protection;

- (iv) improving effectiveness and skills of educators, trainers and instructors involved in adult education and training, particularly with a view to enhance and promote the public image of adult education and training and its active role in society;
- (v) meeting the needs of cultural and linguistic minorities as well as specific socio-economic categories by the means of adult education, especially in areas suffering from economic and employment difficulties;
- (vi) the use of new technologies in training or re-training and the role of distance learning and open learning in the education and training of adults.

Allocation of Community aid for conferences between adult residential centres also depends on other conditions which are described in the annual information note.

Each year, a certain proportion of the funds available is allotted to the promotion of the European dimension in adult education, dispensed particularly by the European Federation of Europe Houses and the International Centre for European Training. The rest is distributed to a certain number of centres according to the conditions laid down in the information note and taking into account, amongst other things, the participants' languages and nationalities. The 'youngest' Community Member States play an active and effective part in this programme, concentrating on specific or local problems which might benefit from cooperation with adult education experts from other Member States. As examples of this could be mentioned:

- (i) 'Adult education in literacy and numeracy as a factor of individual and collective development' (Salonica, Greece, 6-10 May 1986);
- (ii) 'Adult training and its role amongst cultural and linguistic minorities' (Faro, Portugal, 21-25 April 1987);
- (iii) 'The contribution of training to cooperative action against unemployment, and for the social and economic improvement of the peripheral

regions of the Community' (Barcelona, Spain, 15-19 June 1987).

Over the years, this cooperation programme has established permanent contacts between people involved in

continuing training and adult education across national borders and linguistic barriers.

The networks operating in this field, especially the European Bureau of Adult

Education, as well as the participants in the European Exchange for Community Development have contributed repeatedly to the success of a number of the seminars, and have also helped firmly to instil the notion of the basic social usefulness of this cooperation.

The European youth card



Copyright: Noé Ramos

But perhaps there is no need to repeat the message. The fact is, that as from 1987 there have been the beginnings of cooperation between the different youth cards in Europe, and so the Young Scot card has had to venture into the difficult territory of foreign languages!

But what are these youth cards anyway? What are Young Scot, the two Cultureel Jongeren Paspoorts, Carnet jove and Cartao Jovem — or even Carte Jeunes, for that matter?

The idea of giving discounts to young people, to encourage them to take greater part in certain types of activity, goes back over a quarter of a century. It was in 1961 that the Cultureel Jongeren Paspoort was launched in Amsterdam. It was a local scheme, open to young people in the City of Amsterdam, and as its name implies the emphasis was clearly on Culture — concerts, museums, ballet, the drama. The first Cultureel Jongeren Paspoort (or the CJP, as everyone now knows it) was local, but the idea caught on. Ten years la-

ter there were a host of local cards up and down the Netherlands, and in 1972 all these cards came together in a National Federation, to give a homogeneity to the different CJPs, and to allow the development of larger-scale discounts and reductions. For example, the Federation can negotiate not just with individual museums, but with the National Association of Museums in the Netherlands, in a way that a local CJP cannot.

Good ideas soon travel, and the CJP soon travelled across the border into Flanders. 1974 saw the launch of a CJP in the Flemish-speaking Community of Belgium, designed along much the same lines as the Dutch one, and with immediate reciprocity between the cards. From the very beginning, young

people could use either CJP across the whole Dutch/Flemish-speaking Community in Europe.

But there, perhaps strangely, the good news stops for a decade. Between 1974 and 1984 there were no successful new youth cards launched at national level. It was not until 1985, International Youth Year, that the next two youth cards appeared.

March 1985 saw the birth of a further 'culture' card — the first incarnation of the Young Scot card, launched with support of the Scottish Arts Council by the Scottish Community Education Council. More importantly, however, on 1 June 1985 Mr Laurent Fabius, then Prime Minister of France, launched the 'Carte Jeunes' — the first national, all-purpose youth discount card.

The 'Carte Jeunes' had a number of 'firsts'. The first all-purpose card — discounts on anything and everything, from culture to fast food, from boutiques to museums. The first card launched by a government — the others had all been non-governmental. The first whose sales topped the 300 000 mark. It was the bonanza of the year.

Again, good news travelled. In 1986 the Portuguese Secretary of State for Youth, Mr Antonio Fernando Couto dos Santos, launched the 'Cartao Jovem' — like the Carte Jeunes, an all-purpose, wide-ranging discount card. So successful was it that the first listing of discounts had hurriedly to be re-labelled just before the launch date as the 'provisional' guide, since a new one with a further 150 pages and 2 000 discounts was already rolling off the presses!

In 1987 the low-profile Young Scot card was replaced by a new, high-profile 'Young Scot' card — part of the Young Scot package. This package represents a new way of looking at the youth cards. It is not just above discounts; it aims, as the proposal says:

'To try to help young Scots (aged 16-25) help themselves by:

(i) providing information on opportunities and services;

- (ii) encouraging access to existing resources and facilities;
- (iii) enabling them to try new experiences and opportunities by reducing the cost barriers;
- (iv) providing small pump-priming grants for projects established by young people.'

And here, the aims begin to change. The Young Scot package has a dimension which most of the other cards do not have — yet! An educational and developmental dimension. Most of the cards started off as passive instruments, with the organizers saying (in effect) to young people: 'Here's your card, it's up to you if you do anything with it.' But now the Young Scot has its 'package'; the two CJPs have their own magazines; the Cartao Jovem puts some of its income back into youth projects ... the cards are becoming 'pro-active', not merely 're-active'. They are no longer content passively to offer a discount, they want to encourage young people to use their cards, to participate, to do things they (thought they) could not otherwise do.

Some of this development has local roots; some of it comes from looking over the fence to see what the neighbours are doing — 'Look, they've got a magazine, why don't we have one too!' And this, perhaps, is where international cooperation comes in.

In fact, the Commission's interests converge from two directions. On the one side, the Commission has been supporting projects and guides that promote and facilitate participation by young people in the decisions that concern them, and in the range of opportunities offered to them, for years. For example, the Commission supported much of the preparatory work, as well as the production, of the first Young Scot guide — the present version being the seventh edition. Other guides — such as Viaggio in Italy, or UNG ABZ in Denmark — have also had Commission support; and there are others in the pipeline.

The fact is that information is a key without which many doors to opportunity remain firmly closed. True, information is always available — somewhere. As a representative of the Belgian Youth Associations once said, 'I don't see why you make all the fuss about the Young Scot guide, there's nothing new about it. If you put together the publications of the 10 biggest youth associations, you'll find all the information there already.' No doubt. But who has the time — not to say the interest and the energy — to go through 10 publications, even supposing that one has them all?

Providing information to young people about their rights, their opportunities, the things they can do and the things they might want to do, is a recognized obligation on society. Every Ministry produces leaflets about what it does, who has entitlements to this right or that benefit. But few of these leaflets are written by young people, or are couched in language that they want or they can apprehend. Helping with the process of bringing the information closer to the young people for whom it is intended is an established part of the Commission's work.

On the other side, everything to do with what is grandly called 'the mobility of young people' — with helping them to go and see how the people of another Member State live, where they are different, how they are the same; with letting them see at first hand the links between the different cultures of Europe; with the quiet encouragement among individual young citizens of what the Treaty of Rome, also grandly, calls the 'ever closer union of the peoples of Europe' — that is undeniably the business of the Commission. The 'developmental' reasons for introducing a youth card in Scotland or in France need only a small added dimension to justify mutual recognition — why should the young Frenchman touring the Highlands and Islands of Scotland not be able to use his Carte Jeunes? Why make him buy a Young Scot card as well?

The processes of international cooperation always take their time. For the youth cards, they started with a seminar

in Edinburgh, passed through a discussion meeting at France's 'Institut National de l'Education Populaire', at Marly-le-Roi outside Paris, and culminated on a fine sunny day in June 1987 in the signature of the 'Lisbon Convention' on board the training ship '*Creoula*' on the River Tagus in Lisbon. The Convention is short, by international standards — not more than 17 articles. But their essence is even shorter. The youth card organizers agreed:

- (i) to recognize each other's cards as valid at home;
- (ii) to have a standard size and format, so that all the youth cards in the system should look alike;
- (iii) to serve the same age-group (16 to 25);
- (iv) to begin on 1 September each year.

These are the nuts and bolts of cooperation, simple things, but fundamental. And in practice, both the 'developmental' and the 'mobility' reasons come together in the Commission's 'YES for Europe' programme, put forward in March 1986 to try and stimulate youth exchanges across the Community. Youth exchanges have two, linked potential benefits — they are a tool of youth work, one of the options open to youth workers as they encourage young people to take hold of their lives and to make their own decisions; and they are also, each one, small building bricks in the construction of a more united Europe.

This is why the Commission has been supporting the current efforts among youth card organizers to come to reciprocal recognition. The Nether-

lands, Flanders, France, Scotland today; Spain, and perhaps the French-speaking Community of Belgium tomorrow; and in a longer term, perhaps, Greece, Italy, and other countries too. After all . . .

'SALUT! Tu es maintenant un Young Scot honorifique! Avec ta Carte Jeunes tu peux profiter . . .'

Every young person should have one!

Note: A report on existing and proposed youth cards, and on the process of international cooperation in this field, has been drawn up with Commission support by Eryica, the European Youth Information and Counselling Association. Copies are available from Eryica, 101 Quai Branly, F-75740 Paris Cedex.

A European seniors' concession card¹

I. Introduction

In general, senior citizens seem to be under-privileged in the field of socio-cultural and recreational participation in present-day society. For social and humanitarian reasons, they should be encouraged to strengthen their participation in society.

Moreover gerontological research has pointed out that the best way to prevent and decrease their demand for care-provisions is to activate their mobility and to enable a varied pattern of daily life.

To obtain an accrued activity and participation of the elderly, several European countries have introduced a card, giving important reductions on the purchase of some services. In this matter, the Dutch case offers an interesting experience.

II. The Dutch example

The Dutch Ministry of Welfare, Public Health and Cultural Affairs therefore introduced a 'Pas 65' which is a standard card valid throughout the country and offering reductions in many different services. For many people the main appeal of the Pas is the fact that it entitles the holder to cheaper public transport, usually 50% of the normal bus, tram or underground fare.

Beside fare reductions, the Pas entitles the bearer to reductions in the admission price to all sorts of cultural, recreational and educational facilities and activities. These include admission to all State museums and very many provincial and private collections and exhibitions, dancing lessons (ballroom as well as folk dancing, membership of art and record libraries, cinemas, sporting events, the rental of holiday bungalows and the use of all kind of recreational facilities. The Pas 65 also offers numerous opportunities in adult education and training. Post offices and banks accept the Pas as proof of identity.

The Dutch Pas 65 is a resounding success. It has proven to be a simple and highly effective means to make the

elderly participate and integrate in society and to render society as accessible as possible for them.

For policymakers, it is important to note that the charm of the Dutch Pas 65 system is its simplicity; nothing can be misunderstood about it; it requires no big organization and nearly all the activities are carried out by already existing institutions. Last but not least it is financially profitable for an organization to grant certain concessions to the senior public, since normally the elderly would hardly ever be part of their audience.

III. Towards a Seniors' Europass

At the Conference of European Ministers on Family Affairs in Copenhagen (1983) the Netherlands' delegation requested the Council of Europe to make an inventory of existing cultural facilities for elderly people in its Member States.

The feasibility of a Seniors' Europass was discussed on several occasions in the European Parliament and at the United Nations World Conference on Ageing in 1982. It has been revealed that the idea of such a pass has to be based essentially on the need of creating a better mutual understanding, of stimulating closer relationships, of creating the unity of European countries.

Furthermore a Seniors' Europass will facilitate tourism, which over last decades has become a very important economic factor. Income and expenditure on social tourism have stimulated a better redistribution of income. In some Mediterranean regions, tourism is of great help in creating new opportunities for development. Also off-peak tourism can reduce the burden of overconcentration of economic activity in a very limited part of the year.

Following this line of arguing, being utilized by the European Parliament on several occasions,² the Commission has engaged a study to obtain a general view on the advantages and reductions offered to the elderly. Also, a seminar was organized by Eurolink age in Madrid from 27 to 30 January 1987, spon-

sored by the European Commission. M. Marin, Vice-President, made clear in his speech that the Commission considers the social insertion of the elderly as very important, and said that a European card could be one incentive out of many other ones, to put this principle into practice.

The Madrid seminar has made clear that in the Community two major approaches have been used for the granting of advantages to the elderly:

1. Some countries did not introduce any such card, although all sorts of facilities are offered; any valid document showing the age and identity of the person concerned is sufficient.
2. In other countries there is one card or there are several cards entitling seniors to certain benefits.

If such cards exist, the entitlement may be dependent on age alone (somewhere between 58 and 67), or on age combined with income (means testing), or on age combined with residency (local validity) or even on age combined with income and residency.

The Nationale Federatie voor Bejaardenbeleid (NFB, The Netherlands) has been engaged for the preparation of the establishment of the 'Europass 65'. Its first task will be to find a compromise between these different concepts in the Community. For the development of a European system for an international concessions card for the elderly, the NFB will follow two major principles:

1. One must try to look for a system with as little bureaucracy as possible.

Once a certain age is fixed (60-65 years) the easiest way for a citizen of a Member State to lay claim to concessions or facilities would be to simply show his date of birth in his regular passport or driver's licence.

¹ This article was prepared with the help of P. F. Driest, Director of the Nationale Federatie voor Bejaardenbeleid, The Netherlands.

² OJ C 88, 14. 4. 1986, p. 17. OJ C 148, 16. 6. 1986, p. 61.



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2. If better should fail, the well-known problem-solving method should be followed of splitting the problem into components which may be solved separately: taking up of separate European arrangements on different spheres of activity; for instance, standardization of public transport concessions as a working goal separated from the standardization of concessions for cultural activities.

Taking into account the different systems in the various European countries (an age between 58 and 67, age plus residency, age plus income, age plus residency plus income), it is highly improbable that a uniform European system can be inaugurated within a few years. Unless all governments concerned are willing to invest in this at their own risk, it will be necessary to

prove at a limited scale that 'joint ventures for the favour of the grey market' are economically rewarding.

A simple start followed by a gradual extension can be brought about in the following way. Member governments could be persuaded to enable senior citizens of other Member States to benefit from the already existing socio-cultural and recreational facilities in their country. Especially national organizations of senior citizens should take responsibility in approaching their own governments for this purpose. These lobbying activities should be properly supported and coordinated, at whatever international level.

Each government in its turn could persuade private organizations and establishments to do likewise.

In the long run this diversified system could grow into a uniform one, especially once it has proven its value. At this moment in nearly all countries concerned, concessions on cultural and recreational programmes are being granted to the elderly and in many countries senior tourists already benefit from the same concessions, on just showing their national passport or senior-card.

Once agreements between the European countries are brought into effect, even on a small scale, a European office can be established. Its task will be to advocate the Seniors' Europass so that governments will expand its role in public and private organizations and establishments and to organize, in cooperation with the relevant national institution, publicity to ensure that elderly travellers benefit as much as possible from the concessions offered.

IV. Conclusions

Starting from the principle to encourage the elderly to insert themselves in a more active way into European society,

the idea of a European card for the elderly has been put forward. This simple idea, i.e. the creation of only one standardized card giving the right to important reductions all over the Community, revealed itself to be quite complicated to put into effect, giving the dif-

ferent habits and systems already in use in the Member States. Consequently, a gradual approach was chosen: once a hard core will have been created, a multiplier will come into effect. The first results are expected for the beginning of the 1990s.

Elise, the information available to the Local Employment Initiatives (LEI)

Elise, the European information network on local employment initiatives is just three years old as 1988 begins. Its first term is already completed, an anniversary providing an opportunity for improved presentation of this network which is unique in Europe. What are the operating areas for Elise? What are the means of access to the information? What is the experience, and what are the development prospects?

In three years the terrain of local employment initiatives has undergone profound change in Europe. Not only has the number of local employment initiatives increased but their environment has been improved and new participants have appeared. Put briefly, the importance of local economic development has grown. What is at stake has been confirmed. For Elise, the back-up network through information for local employment initiatives, this means new responsibilities.

January 1985. Elise sets up its offices at rue Vilain XIII, in the avenue Louise area of Brussels. The permanent working team is formed. The networks for collecting the information are installed. A few weeks before this the association had been created. On the initiative of DG V of the Commission of the European Communities (which finances Elise) three partners met to set up the association: Cecop (the European committee of production cooperatives), EG-LEI (the European group for local initiatives for employment creation) and The planning exchange (information service on local economic development in the United Kingdom). To these three partners uniting their resources and their facilities was added in July 1987 IULA, the international union of local authorities.

At the end of 1987 it was possible to draw up the first balance sheet. The collection, treatment, publication of information on local employment initiatives and local development: the services of Elise are fully operational.

The documentation centre, computerized, holds a register of more than 2 000 specialist documents in all the countries of the European Community: works of reference, conference reports, monographs, research studies. Each of these documents is the subject of a complete bibliographical index entry containing a summary in English/French as well as key words which ensure rapid tracing of information: young entrepreneurs, fight against unemployment, professional training, cooperatives, creation of work, etc.

The Elise documentation centre is open to the public. The documents can be consulted *in situ*. The bibliographical data base itself facilitates and reduces time on research. As from the end of 1987 this data base is further directly accessible via the ECHO (free) host, run by the European Community, to which Elise is connected.

Elise has available a data base covering 1 700 bodies which are active in the field of local employment initiatives: a service which is particularly useful in assisting the creation of networks between individuals, carrying out

searches for partners or running consultations. The data base on innovative experience (summary, key words, address, contact person, etc.) also stimulates exchanges and cooperative effort.

The Elise information service responds in a personalized way to more complex requests for information or those which require fuller replies. The requests are varied as are their originators. They may be local development agencies, management recruiting agencies, local authorities, researchers, or private groups. Or they may be national officials or European institution officials, technicians or policymakers.

In 1987 almost 300 detailed requests were dealt with in this way by the Elise information services, three times higher than in the preceding year. This indisputably demonstrates the growing area of coverage of Elise. Does this not confirm the need for a dual information service on local employment initiatives: factual information on the one hand certainly, but also some explanation setting information against its background so as to best match it to the request. In this connection it should be noted that Elise is not content merely to collect and publish information. It processes it, particularly in the form of dossiers, newsletters, and sundry publications (see following).

In order to collect this information and publish it effectively, Elise has set up a flexible network of correspondents in each of the countries of the EEC. In the initial stage it was necessary to bring together all facilities, whatever the status of the informer (public/private), the function (researchers, public authorities, trade union members, those involved with economics, etc.), or the geographical area (local, regional or national). Thus the Elise network has been made up of about 600 source bodies or persons in close contact with the head office at Brussels, and spread around in each of the 12 countries of the European Community.

This flexible and widespread method of building up the network for collecting and publishing information adequately meets the desire of DG V when it launched Elise at the beginning of 1985.

At that time it was stated that the objective was to construct 'an independent system, open and accessible to anybody working in the fields of the local employment initiatives or interested in it'.

There is no need to detail here the origins of Elise, set up following the important resolution of the Council of 7 June 1984 relating to the contribution of local employment initiatives in the fight against unemployment. It appears to us to be more useful to examine the history of local employment initiatives within the EEC during three years. There have been advances in which the Elise information network has participated and which today influence the strategic choices it makes as a technical tool at the service of local employment initiatives and local development.

In 1984 the number of jobs created through local employment initiatives in the European Community was estimated at one million. Notwithstanding the difficulty of making an accurate count of these initiatives (local employment initiatives are most often included among the statistics as small undertakings), everybody acknowledges that there has been a considerable increase in numbers of LEIs in recent years. This increase demonstrates the genuine take-off of cooperative production associations: over 100% creations in Italy, in the last five years ... Another example is that in 1986 71 000 unemployed persons had recently become self-employed in France. In 1987 some 100 000 of them were counted in Ireland.

From 1984 to 1986 36 local consultations instigated by the European Communities Commission took accurate measurements of the phenomenon. Local employment initiatives are developing, and gaining in impact upon the ground. Regarded as experimental measures at the beginning, LEIs are at present acknowledged by the majority of the EEC countries as one of the essential methods of employment creation. In its report to the Council (1986), the Commission drew up a balance sheet of the progress achieved in each of the Member Countries as regards official support to LEIs. There is quite

marked progress in the programmes adopted to encourage the unemployed to start up their own undertaking.

This growing importance of LEIs has been specifically recognized in recent political standpoints. The Economic and Social Committee in its report on 17.12.1986 mentions the 'useful and sometimes essential role of LEIs'. In its resolution of 15. 7. 1987 the European Parliament declares that it is convinced of the 'particularly significant role' of LEIs 'in the fight against unemployment, for the re-launch of economic activity, regional development and the response provided to social problems'. The European Council, in its resolution (3.11. 1986) relating to the action programme for SMEs makes specific reference to LEIs. Of significance also is the unanimity demonstrated by the Economic and Social Committee, the European Parliament and the Council in stressing their interest in strengthening the systems for exchange of information and experience and, in this context, in supporting the Elise network.

Sudden awareness

If local employment initiatives have gained the freedom of the city in the various countries of the EEC, this is to a large extent linked to the sudden awareness which has come about within the groups of decisionmakers who for a considerable time had remained on the brink or on the touchline, indifferent, and even hostile.

The local development agencies, the genuine 'rank and file' of local initiatives will henceforth be counted in thousands in Europe. This new profession has improved recognition and is about to obtain genuine status. With the support of the Commission, participation by EGLEI but also of Elise at the level of provision of information, exchanges between local development agencies have multiplied in Europe from one region to another in 1986 and 1987.

Local authorities are likewise becoming more and more involved. The idea is taking hold that the setting up of

undertakings is the concern above all of the local community. They are adopting the role of privileged discussion partner. They are experimenting. It is no longer a question of local authorities merely of laying out the classic industrial sites or taking care of the roads. Local authorities are renovating old unused buildings which they lease to small and medium undertakings. They are setting up financial instruments — holdings ... in order to stimulate local projects. Risk capital companies are being created. Support is provided to local groups. There is involvement in training. The dynamism demonstrated by IULA and its information magazine are good symbols of this new position adopted by the local authorities.

With the exception of certain southern countries such as Italy, to date the trade union organizations have tended to demonstrate suspicion with regard to local employment initiatives. They place at the forefront the dangers of self-exploitation for workers, and the risk of turning away from macroeconomic solutions which are still needed. Such questions are still being put by the European Trade Union Confederation. But there is a new fact, the Confederation declaring itself ready for dialogue and acknowledging the value as social experimentation of the LEIs for trade union organizations. They are gradually becoming involved in the process of LEIs. Tools for training, support and not least financial assistance are being created.

In 1986 and 1987, three seminars held on the initiative of the Commission at Bonn (FR of Germany), Blackpool (United Kingdom) and Chantilly (France) provided an opportunity for re-launching the trade union discussion and contributed towards putting forward the points of view both of the north and south of Europe. For its part Elise made its contribution with the publishing of a bulky dossier listing the inventory, country by country, of trade union campaigns and giving the foreword to Matthias Hinterscheid, General Secretary of the Confederation.

Large firms have also begun to mobilize themselves, particularly in those areas which are experiencing severe industrial decline like the north of England. Here such undertakings are becoming convinced that it is essential that they open themselves to the local community. Initiatives are being taken in support of the creators of small undertakings and LEIs: assistance in training, making premises available, provision of specialists on attachment, financing grants, use of export services, etc.

In short, one cannot restrict oneself to recording the quantitative growth of the phenomenon of the LEIs. There is an intensification of the sudden awareness of the movement. But above all, the field of initiatives is enlarging, the groups of those actively involved are multiplying at the same time as they are diversifying.

This evolution affects the term local employment initiative itself. Some years ago the LEI was branded as lacking in precision. In certain countries an LEI covered any SME working in the local or regional territory. On the other hand, elsewhere LEIs were restricted to enterprise projects initiated by the underprivileged groups (women, young people in difficulty, unemployed) or sectors producing alternative goods or services. Today there is agreement in defining the local employment initiatives in a broader sense. There is a tendency also to substitute for it the concept of local development, which is a better form of integrating the concepts of cooperative effort and this spirit of partnership which characterize LEIs.

Fresh needs

Although somewhat confused at the outset, the information requirements of those involved and the partners in local development have thus become clearer

with the passage of time. From 1987 Elise the European information network has attempted — taking into account the means at its disposal — to adapt its work of collection, processing and publishing of information to the new situation.

To begin with Elise concentrated its activity upon some subject of priority, which facilitates processing of information in depth and the systematic 'sweeping' of the different data (experience, organizations, bibliography, etc.). Hence in 1987 Elise started more specific work on the fields of the initiatives combating unemployment, those emanating from the trade union partners, the creation of business by young people, as well as the local partnership.

These subjects have been the concern of publications designed to be working tools or seeds of discussion: yearbooks, records of experience, research studies, minutes of seminars, dossiers.

Elise has set about diversifying its network of collectors of information. In addition to the informants derived from the social economy movement, networks are being set up comprised of information professionals: the media, researchers, private consultants.

Having computerized its various services, Elise has launched itself into the field of telematics. The bibliographical data bank can be accessed via the ECHO host. At the end of 1987 technical tests are working with about 15 partners in different regions of Europe. In 1988 these tests will lead to the transmission 'in real time' of data banks (organizations, experience, bibliography) to the correspondents of Elise via telematics.

Finally, in addition to its collaboration on 'feedback'-Elise (OECD) and the production of *Info-Reseau* (monthly newsletter available in English/French

by subscription), in June 1987 Elise started the publication of *EEC-News*. *EEC-News* which appears every fortnight in three languages (English, Italian, French) selects information originating from the different institutions of the EEC and directly interesting those involved in local economic development and their partners.

During its initial development phase, Elise has made public opinion, the authorities and partners aware of local employment initiatives. It has gathered information and set up operating tools. The second stage, initiated in 1987 is this time aimed at accelerating the exchange of information and experience, taking into account the specific needs expressed by the different participants, using the specific slots, adapted to need, for publishing the information among the various target publics.

Wider access to information is probably the key word. Parallel to the development of telematics experience, Elise has started up a series of contacts with the national authorities so that they are more closely associated with the progress of Elise. A three year plan has been worked out, intended to lead to the adoption of de-centralized Elise structures in the regions of Europe. These structures, certain of which are already being created, will play a fundamental role as reduction systems and transmitters of the information to each of the regions concerned.

Will the local employment initiatives be tomorrow the heart pacemakers of Europe, an inventive and dynamic Europe which will be able to put the social ethic at the centre of the economy? Elise, the European network for exchange of information on the LEIs, is capable of being within its specific field a uniting line, but also of being a factor of encouragement in this hope-bringing process.

Part two

Analyses, debates, studies

The changing nature of employment: new forms, new areas

Report of an international conference held in Paris on 19-20 June 1987

This conference was organized by the Commission as a follow-up to a five-country study carried out for the Commission in 1986.¹ The objective was to present the results of the study to an informed audience, and on the basis of other work being carried out in this area, to discuss the main issues involved. The conference was divided into three principal parts: an opening session in which the original study was presented, a series of sessions in which individual issues were examined, and a final session which discussed conclusions for policy and methodology. All the participants in the conference had submitted written contributions; these were presented by the rapporteur for each session who opened the debate with a summary and critical analysis of the papers and indicated the main issues arising from them.

Opening of the conference

1. New forms and new areas of employment

Presentation of the study 'New forms and new areas of employment growth'

The rapidity of technological change and the changing nature of employment are causing substantial institutional changes. One of the objectives of the conference, frequently repeated by participants, was to cast some light on the probable or necessary future developments.

Robert Lindley, the coordinator of the study on 'New forms and new areas of employment growth', presented the study and its main findings. He explained that, of necessity, the study had been based on existing statistical and empirical work, and no new fieldwork or raw data collection had been carried out. The mandate of the experts involved had been to assemble and present the main stylized facts; to identify the factors which needed explanation, and to determine and develop the necessary theories to explain them.

He summarized the main findings of the study as follows:

- (i) new jobs will not compensate for the losses still occurring in the European labour market; at best a slow decline in employment may be expected;
- (ii) the nature of these new jobs will be markedly different: more women working, more self-employment and other non-traditional types, reduction of working time, rising skill-content of jobs;
- (iii) at a sectoral level, the trends away from large enterprises towards SME, and from manufacturing to services may be expected to continue.

The results of the study give rise to three areas meriting further research:

- (i) qualitative aspects of employment growth, with more rigorous analysis

of the relationship between wages and conditions of employment;

- (ii) employment structure and functional re-location, to show how the functions and content of jobs are shifting within the employment structure;
- (iii) the economics of new forms of employment and explanations of the long-term trends in the labour market.

The main implications for policy concern the relationship between the quality of jobs, the role of job creation schemes, and the role of adult training schemes. There is a serious problem of training and skills due to the observed phenomenon of excess supply of unskilled labour and shortages of highly-skilled labour.

Discussion

Several speakers noted the absence of macroeconomic context, given that unemployment is continuing to rise in both the short- and medium-term. Unlike the United States, Europe seems unable to create the new jobs necessary to compensate for the rising labour force. It was therefore unclear exactly what role is expected to be played by the changes in the nature of jobs.

The new forms of employment are badly understood, as is their distribution across regions and sectors. A discussion arose around the dichotomy of 'good jobs = big firms = full-time (male) jobs' against 'bad jobs = small firms = new (female) jobs'. It was emphasized that this was a function of the overall economic situation which affects the relative power positions on the labour market, but also that it was directly influenced by the level of wages.

Many speakers felt that the analysis should be widened to take into account the role of the public sector, the regional dimension, immigration, and the informal sector.

¹ 'New forms and new areas of employment growth in France, Germany, Italy, the Netherlands and the United Kingdom'. For a report of this study see *Social Europe* 3/87.

Introductory session

There followed a discussion of the general issues raised by the problem of new forms and new areas of employment growth; the papers presented for this session were as follows:

- J. Moura: The changing nature of employment: some general questions
- A. Prieto: Changes in employment in Spain 1982—86
- P. Van der Hallen: Quantitative and qualitative discrepancies on the labour market, as seen from the standpoint of supply and demand — forecast, retrospective and policy issues
- M. Schenkel: Occupational structure in Italy 1961—81
- M. Skaliotis: Recent developments in the labour force and work patterns in Greece
- B. Walsh: The labour market in a stagnant economy — Ireland since 1979

The reports presented here showed up profound changes in both the level and areas as well as the forms of jobs created. The weak response of the education system to the challenge posed by the new skills was raised. The Greek report also emphasized the need for inappropriate existing regulations to be adapted to the new forms of work.

Discussion

The discussion concentrated to a large part on the notion of flexibility, on its role as a stimulant to economic activity and on its effects in the social field. Some speakers pointed out that flexibility has existed for a long time in the southern regions of Europe without contributing to vigorous economic growth. In any event it is by no means clear whether the new forms and areas of job creation are complementary to, or substitutable for, the traditional forms.

The scope for reduction in working time is limited by the increase in training

costs which this imposes on firms. The new forms of employment require institutional changes both to protect the workers in precarious jobs as to provide the social partners with a clear legal framework for their negotiations.

It was stressed that there is no *a priori* solution, either microeconomic or macroeconomic, to the unemployment problem. The growth of new forms and the appearance of new areas of employment growth do not mean that they will necessarily be more flexible. There is at present an undefined zone, between part-time work and informal work which is regulated neither by the social partners nor the authorities.

2. Economic changes, management of the workforce and qualifications

For the first of the subject sessions, the following papers were submitted:

- F. Buttler: Why and under what circumstances do firms prefer internal flexibility of the labour force to external flexibility
- B. Coriat: New technologies, new job content
- F. Eymard-Duvernay: Products and jobs — trends and prospects in the new industrial context
- F. Eyraud: The process of reconstructing workers' skills
- F. Huijgen: Changing skill requirements of jobs in the Netherlands
- L. Hunter: Some aspects of flexibility decisions
- F. Stankiewicz: On the flexibility of labour — specific skills or an infrastructure labour force?

The rapporteur of this session introduced the various papers listed above. The themes covered numerical, functional and wage flexibility versus internal and external flexibility as well as their overlapping, the quasi-fixity of labour

(caused by human capital investments and/or the existence of a necessary core workforce), the cost and productivity analyses of various employment relationships, the evolution of the skill structure, job content and job requirements, the role of quality as an action parameter for enterprises which implies some market and employment coordination and the relationship between integration and flexibility of the innovative process.

Discussion

The main issues which came up during the discussion were the following:

- (i) flexibility does not automatically equal efficiency, the latter being very often fostered by stability;
- (ii) the links between technological development and skills are to a certain extent pre-determined but leave a considerable degree of malleability; financial and managerial constraints seem to be more of an obstacle to their spread than union behaviour;
- (iii) the problem is not deregulation but another form of regulation reflecting the fact that competitiveness of firms requires not only stable employment relations but also contractual stability between enterprises themselves;
- (iv) some participants stressed the importance of the 'company spirit' as a metaphor for a stable and functionally flexible labour force, what is important is the mobility of the human capital resources of the occupied population inside and outside the firms in a geographical and functional sense;
- (v) some participants warned against over-exaggerating the need for high qualifications when entering the job market and referred to the quick integration of migrant workers with low training. It should also be considered that those least qualified are — under the permanent employment crisis — driven out of the labour market, and that

- skills and jobs are mutually dependent;
- (vi) the different patterns of behaviour of small and larger enterprises in terms of qualitative and quantitative employment as well as often different needs of adaptability and stability need to be borne in mind;
- (vii) other speakers stressed, however, the negative influence of rigid wage costs and costs of dismissal as well as declined mobility as the most important determinant of job losses. Deregulation should extend not only to State provisions but also to the regulatory power of the social partners;
- (viii) the question remained open as to whether forms of 'flexible' employment are really announcing an important trend of future employment developments, many speakers insisting on the quality aspect of the job relationship and the necessity for contractual and legal forms to stabilize product and labour markets.

3. New forms and new statutes of work and employment

- G. Caire: Temporary work in a time of crisis
- B. Casey: The extent and nature of temporary employment in Great Britain
- J. Denys: Flexibility in working conditions
- D. Dineen: Employment developments in the Irish economy since 1979
- C. Hakim: Home-based work in Britain — An example of the expanding flexible workforce
- J. Palacio: Significance and possibilities of 'alternative' forms of employment
- E. Pugliese: New skills in the Mezzogiorno

- H. Seifert: New forms of working time — Ignition for the labour market? Experiences with the latest reductions in working time
- C. Thelot: The 'particular' forms of employment in France
- The rapporteur of this session, on the basis of the abovementioned reports from various countries, directed the discussion to the question whether the so-called new forms of employment show some degree of uniformity across industrialized countries and whether their existence might be of a transitional nature, with a numerical upper limit compared with stable full-time employment.

Discussion

The first issue concerned the 'newness' of the non-traditional forms of employment. Some participants rejected this. Similar forms certainly existed in the past, with the jobs done by different people but basically it is the relationship between forms of employment and institutional arrangements which determine the classification. The important question is the measurement criterion, the yardstick being mostly the predominant statistical phenomenon, i. e. nowadays the full-time and dependent employee.

This gives rise to different quantitative estimates of what is considered as 'flexible' employment. Estimates carried out in France and the UK come to different results (20% of the workforce in the former and one third in the latter) not only because of much higher part-time employment in the UK but also because of different definitions, the UK research including the self-employed as part of the flexible workforce.

Other discussion points were:

- (i) it would be worthwhile developing a typology of enterprises and the use they make of the workforce, especially whether 'flexible' forms of employment reflect mainly short-term transitional adjustment periods and tend to be regulated in the longer term;
- (ii) what are the dynamic forces behind this phenomenon (weakening of the unions, employment crisis, less mobility and recruitment rigidity, service producing goods development, changing life styles and different time management by both employers and employees)?;
- (iii) the degree of voluntarily taking up 'flexible' forms of work versus the imposition of these forms, due to technological developments and power shifts between both sides of industry due to the employment crisis.

Finally the heterogeneity of these forms of employment and the considerable fluctuations in their actual implementation were stressed as well as their dependence on institutional settings and management strategies across European countries. This implies the need to find contractual and other mechanisms to reconcile different forms of flexibility between employers and employees in a negotiating process.

4. Trends and prospects of employment and skills

- M. Candida Soares: The results of various forecasting methodologies in Portugal
- J.-F. Germe: Some remarks on training and employment
- F. Hegner: New forms and new contracts of employment and work. Empirical results and outlook
- R. Pearson & A. Rajan: UK occupation and employment trends to 1990
- P. Petit: Tertiarization, growth and employment — some new logical relations
- R. Soltwedel: Labour market regulation and the perspectives for employment in West Germany
- B. Struempel: Working time, employment and socio-economic change

C. Teulings & M. Koopmanschap: An econometric model of crowding out of lower educational levels.

C. van der Vegt: Old and new areas of employment

The rapporteur noted that the papers submitted for this session were even more diverse than the previous ones. The main thread which drew them together was the analysis of the determinants of the structure of employment, and in particular, the trend in service sector employment. He noted that the relative rise in the service sector had to be placed in context so as to enable an examination of the conditions which have to be met for the service sector to continue to create jobs. In the service sector in particular, the price/quantity effects are indissociable from the qualitative effects. The contributions on the trends in working time, all from German participants, anticipate the reduction of working time of full-time workers or of all workers, but interestingly, this will occur through non-standard forms. Finally, he noted that forecasting new forms and new areas is essentially a confrontation between the adjustment variables and the determinants of employment.

Discussion

Many of the speakers noted the problem of productivity growth linked to employment in the service sector; the transfer of functions from the manufacturing sector to the service sector has a double effect: it increases apparent productivity in the secondary sector, and employment in the service sector. The spread of technology into the service sector is allowing economies of scale and encouraging more capital intensity such that a step change in productivity growth is not to be ruled out in the future.

Other discussion points were:

(i) relative prices do act as a distributive mechanism in private markets, and are the originators of employment creation, but quality effects prevail in the service sector;

- (ii) international trade in services is likely to provide the biggest boost to employment growth in services, but the market for international services in Europe is highly structured, and the employment effects of innovation are indeterminate;
- (iii) deregulation and privatization are two positive ways of encouraging employment growth in services, but experiences so far with reduction of working time experiments are not unambiguous.

(i) the labour force survey is an obvious source but there are some doubts over the results of questions relating to labour market behaviour, which is crucial here;

(ii) the sort of data we have determines the tone and nature of the sort of analysis we can do, which is perhaps the main reason for the imbalance of interest between new forms/new areas;

(iii) the data sets a limit to what is feasible in the short-term compared to what might be desirable in a longer-term, such that a traditional type analysis is imposed by traditional type data.

5. Conclusion of the conference: proposals for policy and methodology

A number of the issues raised during the conference which appeared to have emerged as points of convergence or interest were identified.

General remark: there is obviously a great deal of overlap between the different themes and further research into the inter-relation between new forms/new areas/training is required.

1. Macro questions and implications

- (i) the study was not intended as trying to contribute to the short-term problem of reducing unemployment, but rather with the more positive long-term problem of identifying where structural adjustments are likely to take place, who they will affect, and to what degree;
- (ii) the macro situation sets the limits and the context for the examination of the role of new forms and new areas;
- (iii) the problem of wages is indissociable from the question of the quality of jobs and therefore new forms and new areas.

3. New forms

There was much emphasis on definitional and quantification aspects, but what is really important is whether there is a new impact on labour market behaviour. Is it growing? Who is doing it? The policy implications are then to reconcile the contrary interests of employers and workers.

- (i) more work needs to be done on the question of segmentation: the existence of core/periphery workers, the relative strength of substitution and complementarity effects and the good jobs/bad jobs dichotomy;
- (ii) new forms does not mean increasing precariousness on the labour market;
- (iii) it is possible to dissociate the question of flexibility and new forms: we are asking the question whether non-standard forms lead to more employment, and if so, how and why.

4. Education and training

This is clearly a major policy area.

- (i) the development of new forms and new job content has altered the traditional roles of education and on-the-job training; there are serious policy implications involved in the

analysis of flexibility/fixity/mobility of the workforce;

- (ii) traditional policy has dictated a traditional analysis, a new approach to new forms may lead to different policy conclusions;
- (iii) the debate on polarization/upgrading is still wide open, in terms of analysis, evidence and policy implications; it is a prime candidate for more work, particularly the link with new forms and new areas.

5. Policy issues

At Community level, a major policy issue is the social implications of the internal market. The role of international trade in services has been cited as a possible engine of both economic and employment growth. Will this lead to the spread of new forms into new areas, and will it give us the step change in productivity which may be imminent? It has been said that competition in the product and labour markets leads to better quality and a more stable labour force. This would be a pleasant out-

come, but there is a lot more work to do to ensure that the completion of the internal market leads to beneficial results and not to greater segmentation, greater polarization, increasing precariousness, more unemployment, and more under-employment in low-skilled, low-wage jobs.

It is envisaged that a summary of the proceedings of the conference complete with the papers submitted to it will be published by the Commission in early 1988.

Managing change: Working for growth and employment

Last year, The Commission and the United States Industry Coordinating Group¹ co-sponsored a conference on 'Managing change: employment practices in European and American firms'.² Representatives of large European and American firms described how they were managing employment and responding to change in socially responsible and innovative ways.

One of the conclusions of the seminar was that the Commission should, in a sort of 'return match', make a series of presentations to representatives from US and European companies describing current Community policies for growth and employment.

This second seminar was held in Antwerp on 14 and 15 May 1987

What follows summarizes the presentations which were made and illustrates some of the many ways in which the institutions of the European Communities are working for a more dynamic Europe.

In a keynote address to participants, Jérôme Vignon, Head of the Central Advisory Group of the President of the Commission, said that 'The completion of a unified internal market by 1992 is the European Community's strategic goal'.

This goal was chosen by Jacques Delors from among other possible objectives such as joint defence or completing the European Monetary System. It has since been approved by all of the Community's institutional bodies, i.e., the European Commission, the European Council, which is composed of the 12 Heads of State or Government, and the European Parliament. The stakes are thus as much political as economic.

The completion of the internal market brings coherence to the multitude of the levers for action, ranging from competition policy to the common agricultural policy, which are under the jurisdiction of the Community institutions. A key question is whether Europe's strategy will also be a vital element of business strategies, especially those of the larger companies.

Some insist on the pre-eminent role that businesses can play in creating employment, including those areas affected by industrial decline, by means of their creativity, sense of organization, sense of the market and their financial capacities. Others underscore the fact that, despite their achievements to date, European enterprises still have important

adjustments to make if they are to take advantage of the opportunities offered by the vast internal market. If this is a matter of increasing the ability to anticipate and adapt in the very heart of an enterprise-internal flexibility — and not just of making the functioning of the job market more flexible — external flexibility — then is it not necessary to have a social foundation that is in harmony with the traditions of collective negotiations which exist in the European Community?

It is vital, concluded Mr Vignon, that the contacts between the European Commission and representatives of the USICG and other business organizations continue so that discussions on these issues can be pursued further.

Employment and economic growth strategies

Europe's employment record had compared badly with that of the United States over the last decade, said John Morley, Head of the Commission's Employment and Labour Market Policy Division. However, the extent of Europe's poor performance is sometimes exaggerated. Comparing the US employment growth of over 20 million since 1975 with a more or less constant level of employment in Europe is not the best measure. US growth has been partly related to a much larger increase in the number of people of working age than in Europe. The more relevant, and disappointing, statistic for the Community is the percentage of the population of working age who are in employment. The Community has slipped from 65% in 1975 to

¹ The United States Industry Coordinating Group comprises: the United States Council for International Business, The National Foreign Trade Council, the National Association of Manufacturers, the United States Chamber of Commerce and the American Chamber of Commerce in Belgium. The purpose of the USICG is to keep its members informed of EC activities as well as of its members' EC-related activities and, where appropriate, to present unified positions to the EC on matters of common interest to the business Community.

² See *Social Europe* 1/87 or *Europe Magazine* October 1986 for a summary report. Full conference reports are available from European Service Network, 42 rue Elise, B-1050 Brussels.

around 57% today and this should be compared with a current US figure of over 65% and a Japanese level of 70%.

Poor employment performance was reflected in rising unemployment. In 1981-1982, unemployment rates in Europe rose above US levels for the first time in the post-war period. US rates have normally risen and fallen over the economic cycles whilst those in Europe have risen inexorably. In 1985, unemployment in Europe had reached 12% compared with 8% in the US.

Another major difference between the US and Europe is the proportion of the unemployed who have been unemployed for longer than a year. An overall rate of about 50% in Europe compared badly with the US level of only 10%. Unemployment remains a serious problem in most parts of the Community, caused by lack of demand, changes in the industrial structure and a badly functioning labour market. The new, small dynamic firms springing up, the high quality of the European labour force and low inflation had yet to make an impact in terms of new jobs.

Against this backdrop, Morley explained how the Commission played the role of 'innovative watchdog' — protecting and implementing the Treaty, whilst promoting successful practices. In the employment field many of the initiatives were of the 'softer' type of legal instrument, cajoling governments into national action through Resolutions of ministers rather than through binding directives. However, the Community could be tough — for example in combating unfair competition which often had employment consequences — and it could also intervene financially, for example in providing support for training and recruitment through the European Social Fund. The emphasis of Community policy has changed over the years. In the early 1980s under President Gaston Thorn, Commission policy was still cautious about macroeconomic solutions and more emphasis was given to targeting actions at unemployed youth, the long-term unemployed and dealing with technology issues. However, the Commission's Annual Economic Report began to take on a more central role as the

basis for Europe-wide economic management. Unions and employers also began talks again with the Commission acting in a supporting role.

Since 1985, under Jacques Delors' Presidency of the Commission, the commitment to economic growth within the Annual Economic Report framework has become central to employment policy. Coupled to this have been support for specific measures on training, action to increase flexibility in the labour market and to support the growth of small firms. This commitment was ratified in a Council Resolution at the end of 1986.

Although employment has improved somewhat over the past two years, reducing unemployment — especially long-term and youth unemployment — will remain at the top of the Community agenda for some time. 'The emphasis of policy is now very much on increasing new job creation', said Morley. However, he also suggested the wider social policy issues which had been somewhat put to one side in the fight against rising unemployment, — for example, greater standardization or simplification of social security systems — could rise higher up the agenda within the framework of the completion of the European internal market. Whilst there was some traditional reluctance by employers regarding some of these issues, there was little doubt that the range of social issues to be discussed at the European level in the late 1980s and 1990s would be likely to increase rather than decrease.

Cooperative growth strategy: Europe's economic response

Heinrich Matthes, Deputy Director-General of the Directorate-General for Economic and Financial Affairs, said that we needed to shift the world economy up a gear in a managed manner in order to absorb the unemployed.

However, acceleration of economic growth could not be created by a demand management policy alone. Structural reform, reduction of protectionism and greater flexibility of labour and capi-

tal markets were all needed. There was a need for a coordinated international approach by debtor and surplus countries. If those countries in trading surplus fostered faster expansion of demand this would relieve exchange rate strains. But there seems to be a lack of consensus as to the scope for additional fiscal action by Germany and Japan and, on the other hand, the US does not seem to have fully appreciated the strong argument for immediate concrete US action to reduce its current account deficit.

Matthes said that the economic situation was 'significantly worse' than a year ago. The devaluation of the US dollar, coupled with quicker than expected moves by oil exporting countries to cut production had led to more caution in investment activity and in taking on staff. Real domestic demand in 1987 would grow fairly slowly with weak exports and strong imports leading to a deterioration in Europe's ability to contribute to the adjustment process.

The Commission's cooperative growth strategy is the most valid approach to the Community's and the world's economic problems in the medium term. It combined the three recommendations of real wage adjustment, structural reforms and fiscal stimulus. The Commission's Annual Economic Report highlighted certain conditions which could lead to potential European growth rates of between 3 and 3.5% coupled with an annual rise in employment of 1 to 1.5%. This was achievable and would be an adequate contribution by Europe to the international adjustment process whilst at the same time helping the unemployment problem. This could cut unemployment from its present 12% level to 7% by the end of the 1980s.

Matthes said that the main stimulus for growth must come from strengthening investment demand in the private and public sectors. Over the past 10 years a pent-up demand had built up in some countries for infrastructure projects, especially in transport, communications and environmental protection sectors. The continuing social dialogue

between unions and employers was an important element in restraining inflation. The stability-oriented European Monetary System was another key element in Commission policy although external factors such as the US dollar's depreciation still left European interest rates at risk — another argument in favour of international realignments.

The Commission's plan to complete the European internal market by 1992 would provide a substantial supply-side impetus as it allows the markets for certain products to reach critical thresholds. On the demand side, sluggish Community growth might remove the 'headroom' for creating this internal market so that there was a pressing need for injecting some more momentum into the national economies to ease this difficulty. 'Otherwise', said Matthes, 'there is a risk of painful restructuring for many sectors in different countries. If restructuring is not taking place in a dynamic context, the internal market could add to cumulative downward pressures'.

Session II:**Internal market: boosting Europe's economy by 1992**

Michel Petite, a member of Lord Cockfield's cabinet, said, that industry's interest in the need for a single European market place for goods and services had galvanized the European Community into action. But there are tough negotiations ahead if the 1992 deadline to complete the internal market is to be met.

All European governments have endorsed a Commission white paper which sets out 300 individual measures which need to be taken to remove the fiscal, physical and technical barriers to free trade across Europe.

VAT collection is to be taken away from border posts. A clearing house system could ensure that VAT is collected at the end of the chain and then redistributed between the initial and final consumer States. 'It is an administrative problem, not an economic problem', said Petite.

There was also the economic question of tackling the different rates of VAT which caused distortions of trade. The 10% higher rate in Ireland than in Northern Ireland was one example which encouraged consumers to buy where the tax rate was lowest. This problem was now provoking stringent moves by the Irish Government to block its border. Convergence of the rates would prevent this sort of thing and, however sceptical some governments might be, the Commission was pushing for acceptance of its proposals for two VAT bands of 14-20% and a band of 4-9% for necessary goods. Removal of barriers to trade in goods and services was going ahead and was an area where ministers were 'willing to move'.

For instance, in standards for products, the new approach was to set a European standard, in cases where health and safety were concerned, based on a general assessment of essential requirements of the product and to delegate the national implementation of this to national or private standardization bodies. This method and its corollary of mutual acceptance of national standards was accepted by all Community governments. The European Court of Justice's ruling in the Cassis de Dijon case, backing free movement of goods already marketed in one State, would provide the legal force for those goods where health and safety were not an issue.

Standards for food products, veterinary and plant health controls were proving 'more difficult' to put in place. For many Member States these were sensitive issues and European food standards, for example, would have to rely less on the principle of mutual recognition and more on enforcing common requirements, particularly labelling.

Turning from goods to the movement of capital, a first directive had been adopted in December which had led to France and Italy removing their exchange controls. It will be followed by a second proposal in the autumn. This will aim to complete 'total freedom' so that, for example, people can open bank accounts in other Member States. However, European finance ministers are be-

coming 'slightly more hesitant' on this question, questioning the fiscal consequences and the likely direction of capital flows.

Similarly, central bank governors were loath to replace the rather loose recommendations under which they operate at present, by binding Community legislation on prudential ratios and the control of branches, and a recent Court of Justice ruling had slowed down complete liberalization of the insurance industry by requiring some basic harmonization of controls. Cost-cutting governments were more open to proposals on public procurement, however, and much progress could be made here.

Proposals to aid individuals, as opposed to businesses, had progressed less well within the internal market programme. For example, a directive to simplify border formalities had been so emasculated that, if adopted in its present state by governments, it would be 'an empty directive'. Progress on a harmonized system of recognition across Europe for members of professions, such as lawyers, is also slower than it need be.

Completing the internal market was an asset the Community could offer in the latest GATT round of trade talks but a move away from national quotas towards Community quotas as a result of the removal of border controls could be difficult to obtain.

Petite rejected the charge that common standards would lead to a lowering of the quality of goods and a lack of regard for environmental considerations. The new Single European Act stressed this concern.

Session III:**Managing change in companies: good practices and information exchange network****Multinationals and local employment initiatives**

Millions of jobs could be created if more major companies committed themselves to local employment initia-

tives said Giles Merritt. He had just produced a booklet for the Commission which explains to big companies the do's and don'ts of setting up a scheme to help new businesses get started and prosper.

Jobs can be created at low cost and corporations gain good public relations, improved relations with trade union organizations and valuable sources of subcontracting. The initiatives can also offer companies access to high-technology start-up companies, keep surplus managers busy and use derelict property as business centres. Where older industries, such as steel plants or coal mines, have closed it has also prevented skilled labour moving away and contributing to a 'desertification' of the area.

In the past, many of these initiatives have been American ones with companies there contributing 2–5% of pre-tax profits to socially responsible causes. In Europe the figure is still less than one tenth of that and there is plenty of scope for promoting more schemes.

In his advice to companies, Merritt stressed the importance of making the conditions as commercial as possible. Charity is not a good basis for such initiatives, nor, it seems, is specific targeting of the company's former employees. The 'do's' suggest short-term letting of space, making sure managerial advice, accounting and secretarial services are available on site, and close liaisons with local government organizations. Merrit also stressed prompt payment by large corporations to small suppliers, which he said was as damaging to start-up businesses as any other factor.

Three company representatives then described how they had pursued this sort of initiative:

(i) At their Brixton Enterprise Centre, British American Tobacco had turned a former department store into managed premises for small business entrepreneurs. Since the initiative began two and a half years ago, 115 small businesses had been set up with only five or six not suc-

ceeding. It has helped to create 450 jobs. BAT had assisted the new companies with a mixture of management assistance and local purchasing.

The centre has also been used to run training schemes and the UKL 2–5 million investment has had a knock-on effect on the local economy. Marks & Spencer, British Home Stores and Tesco, large UK retail chains, have all refurbished their stores with the effect of creating a further 400 jobs.

(ii) British Coal Enterprises explained that their aim had not been specifically to help ex-employees but to assist in job creation in the areas where coal mines had been closed. An investment of UKL 27 million has led to 1 200 new enterprises and generated 16 000 jobs. Financing by British Coal had been limited to 25% of the total requirement and was structured so as not to provide a 'feather bed'. Equity stakes in the business had been avoided and the loans offered had an interest rate that rose gradually over a typical three-year period from about two thirds of the full commercial rate to the full rate.

British Coal Enterprises managers had played a crucial role in ensuring that the failure rate had been kept 'very, very minimal' by helping businesses with the forward planning of the cash flow and reviewing the situation every three months.

(iii) British Petroleum had avoided 'parachuting' initiatives into localities where its plants had closed. To be successful it was necessary to create a long-term base in the community and unleash latent entrepreneurs, creating jobs at a cost of UKL 2 000–3 000.

The UK oil giant has launched job-creating schemes in the area of its Swansea refinery in Wales and on the Isle of Grain in the Thames estuary near London. It has set up two venture capital funds and redeveloped disused buildings in Swansea

for occupation by small business. Similar initiatives were undertaken when BP closed its West German training establishment in North Rhine-Westphalia.

The seminar then discussed the possibility of establishing an information exchange network on how large companies managed change and employment. The Commission has commissioned a feasibility study on the need for and possible forms of such a network. The study has shown that there is a lack of consolidated and easily accessible information on the subject of employment practices and that the exchange of information on good practices should be encouraged. To date, the favoured systems for such an exchange of information are seminars and working groups on specific topics.

Speaking on behalf of the United States Industry Coordinating Group, Stewart Sullivan said that companies which had pursued 'good practices' had been successful. Good practice meant respecting and understanding the individual employee and the work team, encouraging innovation and different ways of working and fostering good relationships with local communities. In many companies, major changes are occurring in the way work is organized for both individual jobs and work teams, allowing business and employees to adapt to change.

It is not true that employee attitudes towards work are mainly negative, adversarial and resistant to change. In reality, most companies and employees work in industries which have long-standing positive employee relations practices which have enabled evolutionary changes to be assimilated and innovative approaches to compensation and working time introduced.

Both Sullivan and Philippe Meyer from Unice pointed out that a vast amount of information already exists on managing change in large companies and that better use needs to be made of this information. Both, however, were anxious that any information exchange network should involve employer initiative and not be too formalized.

*Session IV:***Adaptability**

Surveys show that the European workers are 'substantially more flexible, innovative and performance-minded in their attitudes than is often alleged' argued Gernot Nerb, Economic Adviser in the Directorate-General for Economic and Financial Affairs. But making the labour market more flexible would not prove 'a miracle cure' for unemployment. Nerb analysed the results of surveys which had been carried out for the European Commission. These surveys had addressed 12 000 employees and 15 000 companies in nine European Community countries and 16 companies, in four countries, in depth.

Although a majority of employees (62%) would prefer an increase in wages rather than a general reduction in working hours, more than half of all European employees are prepared to accept a more flexible organization of working hours. 50% of employees are in favour of payment by performance and say they would accept temporary pay cuts during hard times for their company.

Industrial employers, meanwhile, reckon their workforces are too large, except in the Netherlands and West Germany. The surplus is almost exclusively in unskilled and office and sales staff whereas there were shortages of skilled workers and technicians in some companies.

Companies said insufficient demand for their products was the first reason for not employing more labour, with low price competitiveness, non-wage labour costs, insufficient flexibility in hiring and shedding labour, rationalization and shortage of skilled applicants being the other reasons in that order.

Companies said, that they would revise their employment plans upward if institutional changes such as shorter periods of notice, more fixed term contracts, more flexible hours, emphasis on productivity and simpler legal procedures were made. Reductions in the working week, on the other hand, would

have little effect on their employment plans.

In general, employees were more enthusiastic than employers about flexible working hours although employers believed that some of their jobs could be split into part-time jobs to meet the needs of employees. In particular the scope for creating 'part-time' jobs of around 30 hours a week should be examined.

Company profit-sharing schemes had not in the past been viewed as promoting employment but as a means of motivating staff and redistribution of income. Companies in general still believe that any direct effects on employment would be relatively slight. However, the survey showed that the wholesale and retail trades were more optimistic and that schemes did stabilize employment levels when profits were declining because the variable element of wage costs came down as well.

Nerb suggested that governments could, as well as encouraging overall economic growth, tackle non-wage labour costs by reducing taxes and social security charges. They should also encourage more rapid and more specific information from industry on where there were skill shortages so that training could respond more effectively. Trade unions and management had to be innovative in creating a framework for greater flexibility in working hours but Europe would threaten its competitiveness, particularly in capital intensive industries, by simply cutting both plant hours and personal working.

Productivity and new technologies

New technologies will be the spur to renegotiate collective working agreements between companies and their workers, according to Hermanus Van Zonneveld, Head of the Social Aspects of Industry Policies and New Technology Division.

The Commission realized in the second half of the 1970s that Europe had become weak in the high-technology

field, and began launching research and development programmes such as Esprit, Brite and Race to stimulate new technology.

But the Commission also recognized the social consequences of such a move. In particular, the traditional relationships between employers and workers would have to adapt.

'People who are accustomed to the old habits and like a fixed structure where everyone knows his place, become unhappy if they see complete new techniques of management and relationships are developing. But without new experiments of management, without different hierarchical structures, the introduction of new technology is much more difficult', said Van Zonneveld. The negative effects of the introduction of new technology should also be recognized. Although some workers would be retrained and find another job in the same company, others would lose their job. Many highly qualified staff were joining the market but a large minority of people was growing in marginal situations with low pay and insecure work or with no work at all. It was important not to create a group of outcasts.

The Commission had recently produced a paper tackling adaptability and new technologies which was being discussed with employers and trade unions at European level. It considered training and information, reorganization of working time, the multiplicity of employment contracts, wage adaptation and dismissal and recruitment systems. Discussions had shown that the European labour market is not so rigid and difficult to change as has often been suggested.

Commission policy on reorganizing working time has shifted. In 1976 it had been thought that a reduction in working time would improve employment but this mechanical link proved not to be the right approach. Instead, reorganization had become linked to reductions in individual working time and the introduction of new technology. Further changes would follow as service industries became more important economically.



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The concept of working time has gradually developed hand in hand with major changes in the content of work. Full cooperation between management and labour was needed in this process. In Europe progress had been made in the area of information and consultation. 'Real teamwork' would be required to tap the potential of workers as the labour market adapted to the mix of issues related to new technology and working time.

Improving the quality of training

It is the quality and not the quantity of education and training for workers which is at fault, said Burkart Sellin from Cedefop, the European Centre for the Development of Vocational Training. Surveys showed that in some cases the workforce had skills and qualifications

which were not being used and that the latent talent of many workers was not being tapped. In other key areas there was a lack of skills. These findings were leading to improvements in basic education and training. Commission policy in this field had become less a case of making binding instruments and more of setting up pilot projects to learn better ways of teaching new skills.

The Resolution of December 1986 on an action programme on employment growth called on Member States to provide up to two years vocational education and training for school leavers leading to a recognized vocational qualification. This resolution also spelt out that Community actions were needed to overcome restrictions to training, to identify training needs, particularly at local level, and to provide more flexible and cost effective forms of training using new technologies. These

actions had to cope with the differences between more advanced States such as Germany and the poorer States such as Spain and Portugal. European Social Fund spending could help here as the UK had demonstrated through its Youth Training Scheme. Managing these types of programmes to produce quality training was important and the Resolution called on industry and commerce to become more involved in the design and provision of vocational education and training.

There is a need for a greater exchange of information throughout Europe on good practices in the provision of education and training to ensure that positive results are fed into national policy. The social dialogue between the two sides of European industry can also play an important role in providing a joint view of training needs and problems.

Community funding for education and training

Community and nationally funded programmes for education and training were moving up the political agenda, said Tim Mawson from the Vocational Training and Adult Education Division.

Preparing young people for working life and high level technological training were two issues being tackled as part of a continuing package of measures being proposed by the Commission.

Mawson said: 'The Council of Ministers is looking at a Communication on how adults in companies can be better trained. The Community will make a contribution in helping to develop initiatives but also bring firms up against their own responsibilities, particularly as regards investing in training and integrating training into company strategies.'

'Firms are directly concerned with training and upskilling their own workforces, and for smaller companies this can present particular problems of releasing key employees, identifying training requirements and sometimes even recognizing the need for training at all.'

'But apart from people actually in employment there are a vast number of people whose skills are wasted and who are unprepared for the technological change that will take place, because

they are out of work and often have no opportunity to improve their skills and therefore their chances on the labour market.'

'Unless there is a dialogue between innovative companies and public authorities, that category of people will lose out. There is a need for a more intensive dialogue between what is going on in private companies and the public sector.'

The plan to promote employment for young people is a mix of encouraging individual States to take measures such as guaranteeing all school-leavers a minimum period of training prior to taking up employment, and committing European Social Fund cash to projects.

Out of the USD 3 billion spending last year USD 2.4 billion went on young people and this year the fund would reach USD 3.5 billion in size. The Community aimed to provide added value with this funding for training as well as help to offset some of the regional disparities in training provision.

Other money on offer included the USD 5.2 million in the three year Comett programme¹ for which the first applications were currently being considered. This would develop the high level training potential coming out of universities, according to Mawson, as well as stimulate cross-frontier cooperation between firms in joint training projects.

The recently agreed USD 99 million three-year Erasmus programme² would 'make sure European-style managers came out of universities'. It would encourage student exchange and joint programmes between countries of the Community. The Commission will shortly be asking students and universities to apply for the funding under this latest scheme.

Conclusions

In summing up John Morley said that the wide range of contributions meant that it was impossible to attempt to summarize the proceedings in any comprehensive way but it was clear that the fruitful cooperation between the Commission, the USICG and other large entrepreneurs should be continued.

¹ Comett is the Community programme to stimulate cross-border cooperation between the world of higher education and industry to improve the level of qualification and European awareness of future managers, technologists and trade unionists, etc.

² Erasmus is the European programme of cooperation and exchange between universities and the Community.

'Research among undertakings regarding innovative practices in the employment of young people', CEGOS

Important regional research among innovative undertakings as regards the employment of young people was carried out in 1985 and 1986 for Denmark, Spain, France, Greece, Italy, the Netherlands, Portugal and the Federal Republic of Germany. The research enabled contacts to be made between the various social participants and led to a classification of current practices regarding the taking on of young people to be produced.

The economic crisis and the rise in unemployment which is generated have initially affected mainly young job seekers. They were in effect the first to be affected by the freeze or reduction in companies' labour forces. Young people with little or no qualification and lacking professional experience are often ill-prepared to face a saturated employment market. Thus in 1986 the share of young people under 25 in total unemployment was 23% in Denmark and West Germany, 36% in France, 43% in Spain and 48% in Italy.

The recovery in the level of employment and the multiplicity of plans for training and employment offered to young people have brought about a reduction in unemployment of young people by several percentage points over a number of years.

However, the absence of working experience is not an insurmountable handicap once business, having invested in rationalization and reorganized its production, enters a more favourable environment. Young people then have a contribution to make both as regards adaptability and dynamism.

Consultations with company heads, representatives of public bodies and professional teaching systems as well as trade unions and university specialists allowed the identification of three themes around which research is being carried out.

1. Links between school and business

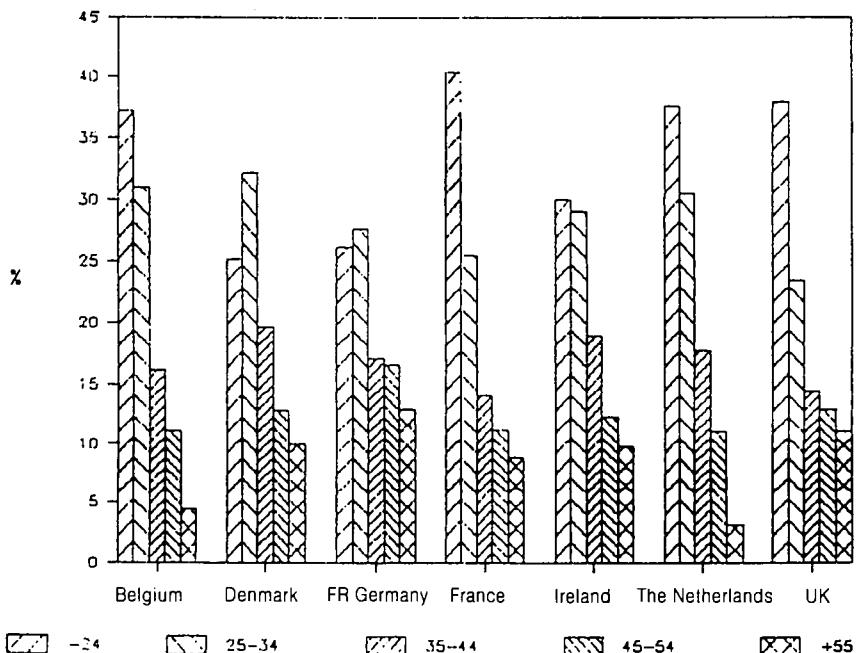
As conditions for access to the employment market have become considerably more difficult in recent years, a di-

ploma is no longer a guarantee against unemployment. On leaving school, it has become normal to go through an extended stage of seeking employment. In general, the increase in the rate of unemployment is greater where the level of training is low. If it is observed that diplomas lead less and less to a specific profession, it is none the less noticeable that the phenomenon of downgrading on entry into working life is less marked where young people have had the benefit of brief training.

By tradition the periods of education and working life were distinct, each of them corresponding to a stage in the life of young people. This dichotomy is tending to disappear beneath the joint impact of unemployment and the need of businesses for new qualifications. Hence the education system is gradually being led to place itself at the service of business by adapting its teaching so as to make it as functional as possible. This may be taken even further, since certain training centres are going as far as suggesting engineering services to businesses. Training then becomes partly transformed into func-

Registered unemployed — Structure/age

Source: Eurostat



tional activity, obtaining yet further growth in the resources of the establishment. For his part the student experiences real situations and becomes aware of the needs of the business. For their part the companies are sometimes induced, as a result of a gap in the school system, to undertake the training of their employees.

The traditional system is based upon the discontinuity of the transition from school to business (without a diploma, the student was unusable by business; equipped with a diploma, he suddenly became 'the man of the moment'). Now, even if he has a diploma, the young person taken on needs a period of adaptation in his new function.

The discontinuity of the transition from school to business is gradually being bridged in favour of a mixed situation (apprenticeship linked to low remuneration). If the development of 'intermediate' forms of work may represent a chance of integration for young people who are excluded from the world of work, the capacity of these various formulas to increase the employability of young people should none the less be examined.

2. Reliance upon young people to bring about the evolution of business

The crisis has encouraged the birth of new forms of consumption and new forms of production. Restructuring implies the abandonment of certain traditional forms of production and respecialization around new core projects. This requires adaptation both on the part of capital and labour. By their capacity for adaptation and their dynamism young people taken on may contribute to the success of business reconversion.

Several experiences indicate that the 'value of youth' exists and that it is genuinely appreciated by businesses which, having completed their withdrawal phase, are seeking to redevelop on new bases. Young people have essential values which the business needs. They represent the social culture

which is emerging, new ways of thinking and lifestyles.

Admittedly young people cannot by their presence alone induce the cultural change required for adaptation to new professions. What permits the change is a mix between their faculty for accepting new methods of work — the absence of an inhibiting professional past — and the training which it has been necessary to construct for them and which benefits all employees in one way or another.

Technological changes raise new problems: what values are required for the new techniques to be used for the best? Not being sure, businesses take on staff at high level, but they pay too highly for labour which is seen as technically unqualified.

The guild system is a partial reply to this question. It allows young people which have difficulty in moving into the world of work to become integrated whilst obtaining a genuine professional qualification.

Parallel to this there is at present a whole range of jobs, mainly in the services sector, with fairly low qualifications, but which the new technologies or new methods of production make more attractive in social terms (fast food, rapid services...). This professionalization of odd jobs, certain of which are today held on a part-time basis by students, undoubtedly constitute a promising employment field provided that one agrees to abandon the traditional image of work.

This new flexibility in the work market opens up numerous possibilities for the organization of young people's work and leisure time. The experience of Fox Biscuits near Birmingham may be given as an example. Since 1980 this company has practised 'job sharing' taking on two young people on a half-time basis for each job. The percentage of those kept on for three years is about 75% which is regarded as very satisfactory. What happens is that on this half-time basis the young person finds a balance between his money requirements, free time and responsibility in economic and social life.

3. The role of the environment in the creation of innovative initiatives

It is difficult to make any judgment as to the efficacy of assistance given to companies in favour of taking on young people. It appears that such aid has only small effect upon net job creation. Whatever its amount this never justifies taking on an employee which the company does not need. The impact of assistance is more effective in pointing out the direction a company should take or in hastening its putting into effect. Public money only encourages the creation of new developments if considerable dialogue has taken place leading to the definition of concrete action in which everyone may become genuinely involved and find in it some meaning.

On the other hand as long as one is content to formulate general principles, these remain pious hopes and the partner who sees the action on the ground has plenty of time to turn the principle to his sole advantage. In this respect it is interesting to observe that the most original and successful experience as far as everyone is concerned has been undergone by partners who were speaking of their interests in terms of survival. It can be survival of a building (GFC, Pascal), or craftsmanship (Botteche de Transizione), of a company undergoing change (Frankignoul), or of technical training (Institut technique St. Laurent).

The partnership is what makes possible a situation in which each person gains something. In a conflict relationship one gains and the other loses. Cooperation between acknowledged partners allows each of them to gain something.

The development of local interdependence is a key element of dynamism at regional level. The interest is in intensifying the links between the partners. Such links are not without effect upon the maintenance of employment. It is sufficient to see the success met with by collective redeployment operations everytime a company is forced to make redundancies.

In the report on the interviews carried out in 1985, it was apparent that in the traditional two part play, with the roles held by the school and the business, it was advisable to accord a special status to young people which was no longer that of a mere extra.

The fresh series of interviews carried out in 1986 demonstrate that the most interesting effects of cooperative effort, apart from the role to be accorded to young people, become apparent once the system of training and integration within the business involves, in addition to the two principal actors, a third whom

one might describe as the prompter.

In the various examples met with, either a local professional union or a municipality was involved.

This 'triangular relationship' actually acquires meaning as soon as it operates locally within one and the same employment catchment area.

(i) It is in fact on this basis that the principal actors are able to come to know each other and hence to consider a common action which it must be admitted does not correspond to the logic of either of the institutions.

(ii) It is ultimately at this level that any business experiences its social responsibility.

It is interesting to note that where the public authorities are restrictive, energy is applied in the direction of becoming free from such restriction rather than in the direction of seeking positive action.

In order to create the conditions for success it is hence necessary to stimulate the emergence of an environment which favours new initiatives.

Unions: need for permanent cooperation between scientific research bodies and the trade unions^{1,2}

On 15 and 16 June a conference was held in Brussels which brought together more than 250 trade unionists, researchers, university professors and rectors, delegates from governments and international bodies coming from all the Community States and other Western countries.

The objective of the conference as referred to by Mr Degimbe, Director-General, Directorate-General for Employment, Social Affairs and Education, in his address was to discuss the methods of cooperation between the worlds of the trade unions and of research which already exists in various countries, to draw some conclusions from this experience, to ask whether such structures might be used as models for the setting up of fresh cooperative efforts, and to look for means of further progress in this field.

The high level of participation in this first European conference on cooperation between trade unionists and researchers bears witness to the considerable interest of trade unionists, researchers and universities in this initiative of the Commission; from all these groups there was exhibited a very clearly displayed desire to pursue the dialogue which had been begun and to see the Commission taking initiatives in this direction.

It is important to point out that this is only the beginning of a process which can only develop gradually. The development of such cooperation requires an internal change on the part of each partner and the working out of common rules, and this can only be done by specifying stages which have the utmost regard to the diversity of the participants and countries involved.

A diversity of participants and objectives

The need for cooperation between trade unionists and researchers is in keeping with the general fact of a change in position of science and technology in the development of our society which is modifying the responsibilities of the universities and trade unions, and the organization of production. But this cooperation finds its own dynamic by relying on acknowledgement of the situations and restrictions which are individual to each participant. Several speakers at the conference stressed the difficulty of overcoming the tensions linked with the different forms of logic — the logic of social involvement and the scientific logic — and also the benefits of maintaining this tension, having regard to the risks of a fusion which can only come about at the expense of one or other and ultimately of both.

Hence in the interest of development of such cooperation it is important to clarify properly the objectives which belong to each of them. The conference discussions provided numerous examples of this, whilst adding to those directly involved, i. e. the trade unionists and the university researchers, two others closely concerned and able to play a major role in regard to the funds made available: business and the State.

For the unions, three types of objective will be considered:

- (i) to influence directions taken by research and thereby the industrial developments and ways of life which are the consequence. This means being present at a point prior to the exercise of technological choices so as to have observed the social dimension of such decision;
- (ii) to acquire the knowledge needed for comprehension of a complex world. This means justifying or adjusting their claims as well as developing their capacity for working out alternative proposals;
- (iii) to change themselves. In order to remain an important participant and to have a strategy, the trade union can

no longer restrict itself to its own vision of things. It needs to use and allow itself to be questioned by knowledge which is external to it.

For the universities and researchers, a dual movement has been referred to at the conference: one of getting close to reality and the other of being forewarned of the imbalances which may be the result of thus getting close, whence come two objectives:

- (i) that of coming closer to society, of obtaining a better understanding of the pertinent problems which trouble it and of seeing the results of science used to better effect by those involved;
- (ii) that of guaranteeing the neutrality of science — some have even spoken of liberating science from being too much under the influence of the market — working both with the management of businesses and with the representatives of the employees.

For the State, it means that research should be directed towards public interest and in particular should take more into account the problems of production and work. To do this it is necessary for the State to correct the inequalities in access to research, since the trade unions have little funds to obtain such access.

This existence of links between the university and society guarantees better use of public resources and is doubtless also an excellent means of adopting them permanently.

For the managements of businesses, experience shows that they have two basic reasons for relying on such an operation, even where it is outside them:

¹ This article is based upon the conclusions of the Round Table at the conference published by Mr Yves Lichtenberger, Executive Secretary for the Technology/employment/work activation programme, Ministry of Research and Higher Education, Paris.

² See article 'Cooperation between trade unions and universities - a German experience' which appeared in *Social Europe*, January 1987.

- (i) to make technology acceptable. This has more chance of being adopted in a productive manner if it has been designed in relation to the workers and it is well known that this is best achieved if the workers have participated in it;
- (ii) to have responsible discussion partners in putting through any change.

Motivation of workers is a condition for productivity and more and more business managers are becoming aware that this can not be achieved without a collective framework.

Methods and means of cooperation

Beyond the start up phase, in which there is a somewhat voluntary awareness of such cooperation, the problems of methods become very important. They define not only the efficacy of the forms of cooperation undertaken but also they govern their regularity and durability.

If this question of methods and means is not asked one is left with sporadic operations with a weak effect of apprenticeship, accumulation and considerable waste of energy for everybody. Beyond particular occasions of common working and intermittent successes the organization of cooperation becomes an objective in itself. The discussions at the conference assist in specifying the implications of such an objective for each partner and at the same time for their common activites.

First it means that individual plans of action must be made by each partner for cooperation and these plans must allow him to take his position in cooperation and above all to benefit from the fruits of such cooperation. Cooperation is always an opening onto the outside world which will disturb the functioning of everybody. Without some internal plan of action which ensures coordination of the internal effort and the interface with the outside world, there is a considerable likelihood that cooperation will remain an unconsummated marriage or will fall to pieces at the first difficulty.

Then it means having the common means for enduring cooperation which allows both for adjustment of the different logics of each partner and for ensuring a gradual initiation to obtain regularity and permanence of such cooperation. These means involve:

- (i) Common rules of work. This means defining a professional code of ethics which guarantees the precision of the scientific progress and the autonomy of the social participants. Each day it is necessary to invent practices which have regard to the logic of each. The conference, which particularly brought out the difficulties, shows to what extent we are merely at the beginning.
- (ii) Common institutions which provide the interface, i.e. simultaneously guaranteeing the common rules and providing the driving force for exchanges of view and working parties. Almost without exception those attending the conference stressed the need for formal agreements and plans of action which involve the institutions, universities and trade unions rather than individuals.
- (iii) Procedures which allow for working out, follow up and assessment on a mutual basis of particular actions exemplifying the cooperation. The procedures obviously relate both to allocation of tasks to be carried out by each partner and the common requests (for funds or access to information) to be made of administrations or business managers.

Levels and subjects for cooperation

Those attending the conference on several occasions stressed the fact that the content of such cooperation between trade unionists and researchers should not be limited in advance. Obviously such cooperation should not be enclosed within what are customarily called social problems, but under the pretext that science and technology are involved care must also be taken to avoid partition of a different nature, fre-

quent in scientific environments, considering only problems which are linked to technological choices.

An essential benefit of such cooperation is to obtain more easily a complete view of the real world bringing together its different technical, economic, social and organizational components. This permits an alternative approach to problems which does not prevent treatment of them as a whole or, on request, treatment of one or other of the purely social or purely technological problems.

In order to facilitate development of such cooperation and regulate the funds for it, it is necessary to delimit more precisely the different levels and aims to which such cooperation applies.

The conference has shown the diversity of level at which such cooperation occurs.

Obviously it is related to the individual structure of those concerned: hence the universities are more suited for cooperation at regional level, whilst the trade unions are more organized at national level. The level depends also upon the subject of cooperation: for example, a regional level may appear more suited to industrial development objectives. On the other hand, the company level, with a wealth of sporadic cooperation, appears to be too limited to provide continuity. The question is not one of putting together these different levels — there is plenty of experience of allowing them to be joined — rather does it mean finding those links which provide nearest to the problems to be resolved stimulation and continuity of common efforts.

The role and responsibilities of each participant in this cooperation also vary considerably according to the aims pursued. Stories told during the two days of experience define four types of aims going from the programming of research carried on separately to the conduct of joint research via various forms of transfer of knowledge;

- (i) participation by the trade unions in defining research priorities for universities and regional development centres, most often by an institu-

- tional presence on the boards of directors;
- (ii) participation of researchers in training of those responsible in the trade unions with teaching modules specially adapted and negotiated between institutions. This goes beyond a straightforward opening of universities to workers;
- (iii) the production by researchers of analyses, consultative documents and studies on behalf of trade unions. The majority of unions are endowed with a research department to develop this type of recourse to researchers, most often selected, apart from their scientific ability, because of the closeness of ideology;
- (iv) conduct of joint research which brings together the original contributions of each whilst respecting the different needs of social participants and scientific participants.
- This path of joint research is developing fully between universities and businesses. It may also represent for researchers and trade unionists a path with a wealth of cooperation:
- (i) It allows the researcher to have the benefit of an accumulation of knowledge and empirical data held by those involved on the ground thus allowing him to give direction with more certainty to his individual hypothesis and to speed up his results.
- (ii) It allows the trade unionist to understand better and convey to the researcher the nature of the problem for which they are awaiting new tracks for work and reflection. By participating in the research process they are better able to stand aloof from their own individual reality and know-how to use the results produced throughout the process.
- (iii) It allows the producer of knowledge not to enclose itself within a progression which is too much subject to partitioning of the different scientific disciplines. The subjects of the social participants, like those of industrialists are by nature tied to disciplines and are good opportunities for inter-disciplinary cooperation and renewal of discipline.
- In addition this allows production of knowledge which does not stop at theoretical knowledge but goes to the end of the chain to meet up with functional knowledge in its turn with a wealth of new questions.
- But, and this has been referred to on many occasions at the conference, such cooperation must remain highly attentive to the role of each side in the research process. It is different at each phase of research: definition of objectives, definition of methods of investigation, collection and processing data, working out of descriptive concepts and explanatory concepts, operation consequences of the results. Each of these phases justifies a different form of cooperation and involvement or non-involvement of the scientist and trade unionist. Thus new practices must be clarified, allowing trade unionists to find their place in the very general development of cooperation between Universities and businesses.
- To begin with, the variety of actions undertaken impels one to say that at this stage it involves more the application of a process of balancing and experimentation than launching with much ado a programme having already a fixed idea of the products, projects or types of institutions to be supported.
- The present need is less one of creating a supplementary programme of research on subjects which interest the trade unions than developing the capacity of trade unions to use the result of existing research and to influence the direction of new research. In this sense, support might be given to allow joint research to be mounted and have access to existing technological and socio-technical programmes such as FAST, industrial programmes such as Eureka or training programmes such as Comett.
- Thus the possibility of finding financial support is admittedly important but experimentation can also be assisted by exchange of information, supporting networks, and provision of methodology.
- In very concrete terms this leads one to wish for:
- (i) the continuance of the initiating working group for this first European gathering,
- (ii) the production of decentralized assessments of situations by holding national conferences,
- (iii) support for exchanges of experience, allowing the provision of methodology, particularly as relating to the creation of interfaces ensuring enduring cooperation,
- (iv) support for some experiments providing them from the outset with funds for follow up and assessment.

Conclusion in favour of follow up

By the number, attention and quality of those participating the conference shows that it responds to a real need. A considerable number expressed a desire to see it followed up.

CAP Seminar — Social aspects

Twenty-five years of social dialogue in agriculture: from the Consultative Conference of Rome in 1961 to the European Seminar in Brussels in 1987, role and activities of the Joint Committee on Social Problems of Agricultural Workers

The Community social policy and the social dialogue have legal bases contained in the Treaty of Rome, in particular Article 117 thereof, which are consolidated by the Single European Act, Article 118 A of which stipulates that 'Member States shall pay particular attention to encouraging improvements, especially in the working environment, as regards the health and safety of workers, and shall set as their objective the harmonization of conditions in this area, while maintaining the improvements made'.

Article 118 B states further that 'The Commission shall endeavour to develop the dialogue between management and labour at European level which could, if the two sides consider it desirable, lead to relations based on agreement'.

In the field of social dialogue, the agricultural sector has long played a pioneering role, a Joint Committee on Social Problems of Agricultural Workers having been set up as early as 1963. The aim of the joint committees, the setting up of which was closely linked to the existence of 'integrated' common policies was very ambitious, since it involved contributing to the establishment of a European system of work relations and encouraging collective bargaining.

There is no doubt that the Joint Committee on Social Problems of Agricultural Workers has come nearest to this objective since, as long ago as 1978 (i. e. almost 10 years before the Single European Act), it enabled a European agreement to be adopted on the harmonization of the working hours of permanent agricultural workers, specifying a 30 hours working week in the cropfarming and horticulture sectors, which was extended in 1980 to the stockfarming sector.

This drive and enthusiasm was to come up against hard realities: successive world economic crises, increasing difficulties with the common agricultural policy, Community

enlargement in 1973, and antagonism by the social partners towards the role of the European social dialogue. None the less, the dialogue has now continued for more than 25 years with periods of growth followed by periods of crisis. The seminar on the social aspects of the CAP held in Brussels in June 1987 gives some grounds to hope for its revitalization.

I. The origins and growth of the Joint Committee: from the conferences in Stresa in 1958 and Rome in 1961 to the conclusion of the agreements on working time¹

1. Background to the creation of the Joint Committee and development of its role and its status

The need for consultative participation by the social partners in the planning and taking of decisions relating to the common agricultural policy was affirmed at the Agricultural Conference of Member States held in Stresa in 1958: in its Final Resolution (paragraph V), the Conference notes with satisfaction the intention expressed by the Commission to maintain close and continuous collaboration with the professional organizations.

This general approach was subsequently confirmed by the Economic and Social Committee which, in an opinion of 6 May 1960 on the principles of the CAP, developed *inter alia* the idea of the effective and regular involvement of the relevant producers' and workers' organizations in the process of defining and implementing the principles and mechanisms of the common agricultural policy. On 8 March 1961 in turn the European Parliament adopted a Resolution on the social situation of wage-earning agricultural workers paragraph 22 of which calls once again for the creation of an Advisory Committee on social questions relating to agriculture in which the organizations of all categories of farmers and agricultural workers set up within the framework of the Community would be equally represented.

¹ The historical section of this article owes much to the research work carried out by Mrs Bernadette Viennot, author of an essay on 'the European agreements on working time in crop-farming and stock-farming' (University of Dijon).

The importance of the dual 'Advisory' and 'Joint' character of the Committee was again emphasized in the recommendations of Working Party No 2 of the *Consultative Conference on Social Aspects of the Common Agricultural Policy organized by the Commission in Rome from 28 September to 4 October 1961*.

This consultative conference took on considerable importance since, at the invitation of the Commission, it brought together delegates from the Committee of Agricultural Organizations in the European Community (COPA) representing the farmers and delegates from the 'agriculture and foodstuffs' working parties of the European Organization of IFCTU¹ and from the European Federation of Agricultural Workers of ICFTU², representing the workers as well as observers from the European Parliament, governments of the Member States, the Economic and Social Committee and socio-professional organizations involved with these questions.

Four working parties studied the social problems of family run agricultural holdings, the social policy relating to agricultural wage-earners, problems of occupational mobility, migration and free circulation, training and cultural life in the rural environment. They reached conclusions and made recommendations, many of which are still relevant 26 years later as shown by the fact that at the European seminar held in Brussels in June 1987 the participants decided in favour of studying the development of the social situation in agriculture in its positive and negative aspects and the application of the conclusions and recommendations of the Rome Conference.

In response to these various attitudes and numerous discussions, in 1963 the Commission drew up an action programme on the subject of social policy in agriculture (V/VI/COM(63) 353 final) on the important subject of employment, vocational training, access to occupation, wages and other working conditions (working time), health and safety at work, social security, housing, share farming etc. and on 17 May 1963 the

Joint Advisory Committee on the Social Problems of Wage Earning Agricultural Workers was established.

The role allocated to this Committee was at the outset fairly modest, since the Commission reserved the right to convene meetings and determined the extent of the Committee's terms of reference: in fact, Article 2 of its Rules of Procedure stipulated that the Committee *may* be consulted by the Commission on all social problems which concern as social partners both agricultural employers and the agricultural wage-earners, while the second paragraph of Article 8 provided that the Committee is authorized to consider only those requests for opinions which are formulated by the Commission.

This somewhat restrictive conception of the role of the social partners was to continue, resulting in the creation on 25 July 1974 of the Joint Committee on Social Problems of Agricultural Workers, but with broader terms of reference than those of the old Advisory Committee: it shall 'assist the Commission in working out and adopting the social policy aimed at harmonizing the living and working conditions of agricultural employees' (Article 2). In order to do this, it is authorized to deliver opinions *on its own initiative*. Lastly, in the field of competence of the employers' and employees' organizations represented on the Committee it *encourages social dialogue and discussion and facilitates negotiation between these organizations*. It can carry out studies, participate in symposia and seminars and keep interested circles informed of its activities. It also has a certain degree of autonomy in its operation: the appointment of a Bureau and *ad hoc* or standing working parties, with the possibility of convening a meeting on the initiative of the Bureau or one third of its members.

It continues to have the same broader field of competence, but the composition of the Committee has evolved to keep pace with both the successive enlargements of the Community, and the unpredictable development and changes in the European and world-wide trade union movement. On

the employers' side the Committee of Agricultural Organizations of the European Community (COPA) was involved from the outset and continues to be so; on the workers' side, the changes have been numerous: the European Federation of Agricultural Workers' Unions within the Community (EFA) derived from the old ICFTU³ working party has been a member of the Committee since its inception. By contrast, the participation of the Christian Trade Unions (affiliated to IFCTU the WCL⁴ and the trade unions affiliated to the WFTU⁵ has been more intermittent: the decision of 15 April 1970 allowed the European Coordinating Committee of Agricultural Workers' Trade Unions CGT-CGIL⁶ to submit proposals for membership but the splitting up of this coordinating committee caused by the withdrawal of the CGIL from the World Federation of Trade Unions made the participation of the French CGT a problem. The accession of Spain and Portugal has raised the problem of the participation of the Spanish Workers Committees and the Portuguese Trade Unions.

In addition to the members proposed by COPA (25) and EFA (25), the most recent decision of the Commission, adopted on 31 July 1987, empowers it to appoint six members from among the most representative employers' and workers' organizations which may be organizations other than the EFA and COPA. However, in order to avoid tension and problems and to reconcile efficiency with 'trade union democracy', provision is made for consulting EFA and COPA prior to such appointments. Whether or not such tension and problems can be avoided whilst permitting the French, Spanish

¹ International Federation of Christian Trade Unions (IFCTU then WCL) subsequently known as Eurofedag.

² International Confederation of Free Trade Unions (ICFTU) subsequently known as EFA.

³ See footnote 2.

⁴ See footnote 1.

⁵ World Federation of Trade Unions (WFTU).

⁶ Confederation Generale du Travail for France, Confederazione Generale Italiana del Lavoro for Italy (CGT-CGIL) affiliated to WFTU.

and Portuguese workers' organizations which are recognized as representative in the countries but which are not members of the European organizations of the EFA or the European Trades Union Confederation (ETUC) to participate fully in the work of the Committee, only time will tell.

2. The first results of social bargaining: the European agreements on working time

Well before the change in its rules of procedure in 1974, the Joint Advisory Committee with the support of the Commission department undertook harmonization work and negotiations which resulted in the conclusion on 6.2.1968 of a European agreement on the harmonization of the working time of permanent agricultural workers engaged in crop-farming¹ with somewhat modest content (2 348 hours annually, i.e. an average week of 45 hours). This agreement was extended in 1971 to the stockfarming sector with greater flexibility in the distribution of the average weekly 45 hours in order to take account of the specific needs of the sector.

However, these initial results could not conceal the continuing disparity between the agricultural sector and the industrial and commercial sectors and, as early as 1974, the workers group submitted to the Joint Committee a new proposal for an agreement on the harmonization of working time in cropfarming. The negotiations resulted in the signature of the Agreement of 22 March 1978 which also took the form of a recommendation from the agricultural social partners of the Member States of the EEC but stipulating that the social objectives of the agreement had to be implemented by appropriate measures taken at national or regional level *within a period of four years*.

The content of this agreement, which was much more specific, fixed the normal working week at 40 hours, annual working time at 2 088 hours and holiday entitlement at four weeks per full year's work. Negotiations continued within the 'harmonization' group of the Joint Com-

mittee resulting on 10 June 1980 in an Agreement on the working time of stockfarming worker, which contained the same provisions as the 1978 Agreement with a number of additions. The 1978 Agreement was then extended on 27 November 1981 to cover all plant production in the cropfarming and horticulture sectors (with the exception of forestry).

However in all these cases the agreement applies only to *permanent fulltime agricultural workers*, and therefore excludes workers whose working conditions are the least well defined and the poorest: temporary workers, part-time workers and casual seasonal workers.

Contractual negotiations then went through a period of stagnation despite numerous meetings of the 'harmonization' group... After long discussions a proposal from COPA for the modification of the agreement, introducing greater flexibility, was unsuccessful since the EFA group wanted a 38-hour week in return for their approval. Since then some quarters have proposed less quantitative and more qualitative forms of reciprocity: continuous training, educational leave, etc. The enlargement of the Community to include Spain and Portugal saw a renewal of negotiations since the objectives of the agreement are far from being achieved in Portugal (with a 45 to 48-hour working week). The European Seminar of June 1987 on the social aspects of the CAP has opened up new prospects, in particular for the legal protection of non-permanent agricultural workers.

II. Other aspects of the social dialogue and the European Seminar on the social aspects of the common agricultural policy held in Brussels in June 1987

1. Other aspects of the social dialogue

If some time has been spent on developing the 'collective bargaining'

aspect of the Joint Committee's work this is because the agreement on working time is so far the only example of a framework agreement or recommendation concluded by the social partners at European level. However the activities of the Committee have developed in a number of more traditional fields such as vocational training, health and safety, statistics, and employment and it has delivered opinions on the socio-structural proposals of the Commission, particularly the system of early retirement or other subjects such as action in the forestry sector. In the field of statistics the Committee adopted an opinion² in its plenary session of 25 February 1986.

In the health and safety field, it delivered an opinion on the problems of safety and prevention of accidents with assembly and disassembly equipment, coupling and uncoupling of tractors (plenary session of 21 December 1986) and adopted an important report containing recommendations addressed to the Commission, the Member States, industry and training services concerning minimum safety requirements in the use of plant-protection products³ (plenary meeting of 25 February 1986).

It lends its support and provides facilities for the dissemination of safety training modules produced by the Commission in important fields (physical behaviour of people at work, handling of animals, use of plant-protection products in winegrowing, etc.).

At its most recent plenary meeting held on 24 November 1986, it adopted a report on the promotion of employment in the forestry sector⁴ and two opinions, one on Community action in the forestry sector⁵, and the other on socio-structural measures to accompany the CAP,⁶

¹ The term 'agreement' might best be interpreted as an 'understanding' in so far as it does not constitute a genuine European collective agreement applicable directly, but a recommendation specifying the objectives to be achieved by the social partners at national level within the framework of collective agreements.

² Document V/1638/85.

³ Document V/1641/85 revision 2 of 21.1.1986.

⁴ Document V/1253/86 final.

⁵ Document V/1336/86 final.

⁶ Document V/1422/86 final.

in particular the system of early retirement for farmers and workers over 55 years. At present it is preparing an opinion on vocational training in agriculture and is carrying out a survey of collective agreements in the agricultural sector. In addition it regularly monitors problems connected with the application of agreements on working time.

2. Preparation and holding of the European Seminar on the Social Aspects of the CAP, Brussels, 24, 25 and 26 June 1987

The social partners in agriculture and more particularly the Joint Committee felt the need to make an appraisal of social policy in agriculture and to relaunch dialogue by organizing a new 'Social Conference' similar to that held in Rome in 1961. The need for such action had become increasingly urgent over the previous 10 years mainly in response to the serious crisis in the CAP and the proposals of the Commission in the socio-structural domain contained in the first and second 'Green Papers'.

A unanimous opinion calling for such a conference to be held in 1983 was adopted at the plenary meeting of the Joint Committee on Social Problems of Agricultural Employees held on 6 May 1981. The call was renewed at subsequent plenary meetings and also at the Secretariat meeting on 26 January 1983.

With the aim of preparing for a conference of this type, the Commission (DG V) arranged for a survey of the employment and working conditions of permanent agricultural workers in the Community. The survey was carried out in 1985 by a British consultant, Mr Whitby, and was supplemented by a survey relating to agricultural workers in Spain and Portugal carried out by Mr Fernandez Cavada, which was completed in March 1987.

Following this preparatory work, the Directorate-General for Employment, Social Affairs and Education, in close collaboration with the Directorate-General for Agriculture, made preparations for a seminar, which was held in Brussels on 24, 25 and 26 June 1987.

Less ambitious than the Social Conference of 1961, with more limited funds and in the much more difficult context of the adaptation required of the common agricultural policy, the seminar had none the less a number of important objectives:

- (i) to improve the information available to the social partners concerning the CAP, its economic and social implications for the workforce of the sector and the accompanying socio-structural measures which have either been taken or are in preparation and to develop the dialogue between the social partners and the Commission and its departments;
- (ii) to afford an extensive exchange of views on employment and working conditions in the broad sense of the term (working time, remuneration, training, health and safety, etc.) of Community agricultural workers on the basis of two reports commissioned by DG V (one on agricultural workers in Europe of the 10, and one on agricultural workers in Spain and Portugal) and technical notes drawn up by consultants;
- (iii) to relaunch the social dialogue between the social partners at European level, in particular in the field of harmonization following the adhesion of Spain and Portugal;
- (iv) to arrive at common conclusions concerning the range of subjects dealt with as a basis for the future work of the Joint Committee on the Social Problems of Agricultural Workers (for DG V) and of the Advisory Committee on Social Questions affecting Farmers and members of their families (for DG IV).

This information and discussion seminar basically brought together representatives of the social partners in agriculture and associated sectors and other participants, in particular from the European Parliament, the Economic and Social Committee and from the Commission. Although the seminar focused chiefly on the social problems of agricultural workers, it rapidly became apparent that these problems were closely re-

lated to the existence of viable agricultural holdings and the future prospects of the common agricultural policy. Hence the discussion also concerned the common agricultural policy, its economic and social implications and the accompanying and supporting socio-structural measures to assist the various categories of agricultural workers as well as technical subjects such as employment and working conditions of agricultural workers; vocational training of agricultural workers; health and safety in agriculture — all matters of concern to farmers and workers.

The conclusions¹ which were adopted after very productive debates showing considerable openness and readiness to engage in dialogue, fall into several major categories: general considerations relating to the present context of the CAP, the development of the social situation since the Consultative Conference held in Rome in 1961, the situation of agricultural employees in the Community, the opportunities offered by the Single European Act, vocational training in agriculture, social protection, health and safety, harmonization of the working conditions for agricultural workers whilst maintaining existing improvements.

These conclusions contain very concrete proposals for action at Community level: 'Safety week' concerning the use of toxic and plant-protection products in agriculture, a conference on social protection in agriculture, etc.

More important still, the conclusions demonstrate the readiness to step up harmonization work within the Joint Committee on Social Problems of Agricultural Workers with a view to drawing up a set of proposals for examination and approval by the Committee.

¹ Document V/1006/87. The conclusions, the preparatory work, the report of the seminar and the work of the Joint Committee on Social Problems of Agricultural Workers can be consulted at the secretariat of the Joint Committee, (DG V.A.2).

Possible subjects for discussion are:

- (i) working time: the ratification and application of the 1978 Agreement on the working time of permanent agricultural employees of the EEC is an aim which must be pursued in those Member States where it has not yet been achieved, and discussions on the reduction and flexibility of working time must be continued;
- (ii) vocational training: the right to continuous vocational training and re-training, the right to educational leave;

- (iii) harmonization of working conditions;
- (iv) legal protection of non-permanent agricultural workers.

It is now up to the social partners with the assistance of the Commission staff to give practical expression to the proposal for dialogue so that this seminar can be seen not as an end but as a starting point for the relaunching of the social dialogue in agriculture, for harmonization of the working conditions of agricultural workers whilst safeguarding existing progress. Although declining, the number of such workers doubled

with the adhesion of Spain and Portugal, and their employment and working conditions are still less advanced than those of workers in other sectors of the economy. The harmonious development of the whole Community and the strengthening of its social and economic cohesion aimed at by the Single European Act makes it a duty for us to also tackle problems of the most disadvantaged categories of the European population.

Homeworking in Italy, France and the United Kingdom

Under the remit of the 'New Community action programme on the promotion of equal opportunities for women, 1982-85', the Commission of the European Communities, in September 1985, requested a group of experts from three Member States to furnish them with a study on the present status and conditions of homeworking as it manifests itself in their respective countries.

The study was carried out in Italy, France and the United Kingdom, by experts from the three countries involved. It was coordinated by the Pietro Seveso Foundation in Milan.

The summary and conclusions were written by the two Italian members: Pier Antonio Varesi and Paola Villa.

In order to discuss the expert report on homeworking as it manifests itself among some 13 million people resident in the European Community, this article will be divided into three broad headings, which are:

1. definitions,
2. description of homeworking, and
3. legislation.

Under these three headings, some of the more pertinent and interesting aspects of the report will be drawn out and a summary of the conclusions presented.

1. Definitions

Many of the initial problems associated with this study were related to the fact that homeworking, as a phenomenon, is both widespread and diverse in its occurrence and form.

Over the last 15 years, homeworking has expanded in some industrial sectors in all three countries, as the outcome, partly of a general process of industrial decentralization, and partly of growth in new forms of homeworking (for example, new technologies).

The group of experts defined homeworking by reference to three basic criteria. These are:

- (a) Location: The people engaged in homeworking work primarily at their home.
- (b) Subordination: A situation of dependency upon an employer exists, whereby the producer has neither contact with the final market, nor does s/he determine the quantity and the quality of the work needed.
- (c) Market position: The homeworker has little or no initiative in the product market; this implies an economic dependency of the workers, as their relationship with the market is either weak or indirect.

From the above definition, it becomes obvious that the general phenomenon of 'outworking' as a whole should be considered, if a comprehensive analysis of 'homeworking' is to be done.

The reasons for this are twofold

The main reason for including all forms of 'outworking' in the report is the lack of adequate statistical data on 'homeworking'. 'Homeworking' is an ambiguous concept not clearly defined for statistical purposes and it overlaps with other forms of employment in all the countries studied.

The second reason for this approach is that diverse employment forms must be identified in order to examine the various legal, institutional and labour market forces to which they are subject, and to point the way forward to the creation of employment legislation that will cater for the needs of these workers as a specific group.

As was mentioned above, statistical data on homeworking are lacking. The underestimation of the actual number of people involved is due to two surveying problems encountered at the initial stages of the research in all three countries. These problems can be summarized under two headings:

Sampling problems: It was found that homeworking is concentrated amongst ethnic minorities in certain regions and industries which may not be adequately represented in a small scale national survey.

Interviewing techniques: Due to the existence of 'nondeclared homeworking' and the tendency for many of the homeworkers to call themselves 'self-employed', some resistance was found amongst the interviewees — for tax evasion and social insurance reasons — not to reveal the information needed.

On consideration of these issues, the report recommends further quantitative and qualitative research to augment and expand existing knowledge and statistics. A common statistical background on 'homeworking' is required to analyse the situation and eventually to make policy proposals.

A suggestion for a possible solution arises from the United Kingdom experience, which relates to the 1981 survey of home-based work.

This survey, carried out in conjunction with the Eurostat labour force survey, covered all types of home-based workers, including self-employed people. The experts suggest that the same kind of survey might be carried out in all EEC countries, as a follow-up to the Eurostat labour force survey for all workers who state they use their home as their place of work.

This broader data base would allow for a more in-depth and satisfactory understanding of the phenomenon. Since publication of the study, the Expert Group on Women in the Labour Force, appointed by the Commission of the European Communities, has already started to work on data concerning women in atypical forms of employment, including homeworking. Paola Villa is the Italian expert in the Group, and thus, continuity with the study will be ensured.

2. Description of homeworking

Who are homeworkers? In drawing up a broad picture of those involved in homeworking across three countries, the final result is quite startling.

The most striking aspect of the picture is the fact that homeworking is a predominantly female occupation. In all three countries, the share of male homeworkers is extremely small, and even then, men tend to be concentrated in a few sectors requiring very specific skills.

It was also found that amongst women homeworkers, certain social groups are over-represented, as is the case of new immigrants in the poorest districts of Paris. The Commission has noted this and intends to tackle the problem under its Action programme on equal opportunities for women, which lists migrants and members of ethnic minorities as a group requiring particular efforts. The over-representation of ethnic minorities in homeworking is considerable. These groups are particularly vulnerable, as many of them do not have viable alternative employment and are not in a strong bargaining position.

Why homeworking? The reasons behind this are most important for explaining why homeworking is such a female dominated area.

The main reason for recourse to homeworking was found to be family responsibilities. The average age of homeworkers is in the early 30s — generally a childbearing and childrearing phase.

As there is a lack of facilities for childcare, coupled with the fact that many of these women do not want to leave their children, the case in all three countries was that young mothers found themselves concentrated in this sector.

The typical pattern which emerged was for women to enter the factory at an early age to gain their experience in the workshop, to leave the factory at the time of marriage or childbirth, to engage in homeworking while the children were young and finally to return to the factory once the children had grown up.

Therefore, their main reason for engaging in homeworking is to supplement the family income to an acceptable standard of living, while the family is in the childrearing stage.

A sectoral analysis of homeworking reveals great variations in homeworking both by sector and sex.

It was found that in both the UK and France, homeworking associated with traditional manufacturing industries is no longer the predominant form it used to be.

In the UK, the 1981 survey found that only 2% of home-based workers were in the manufacturing industry. The UK appears to have the most diverse forms of homeworking, occurring in a broad range of sectors.

In France, although manufacturing is still the main sector for homeworking, its weight has been declining steadily from 80% in 1973 to 51% in 1985.

In Italy, homeworking is predominantly in the traditional manufacturing industries, involving mainly manual work and traditional manufacturing processes. However, these areas are im-

portant sectors in the Italian economy and contain many small or medium-sized enterprises which are not common in the other two countries.

The sexual division of labour was most obvious in the case of France: taking the 16 sectors where homeworking exists, women are found in all 16 and men only in eight. Thus, there are eight sectors that are exclusively female and these tend to be rather traditional and requiring low skills.

Men, on the other hand, tend to be concentrated in the high technology areas where women's presence is decreasing, areas with high skills and high socio-economic status.

From the studies carried out, two different ways of distributing work to homeworkers were found.

In France and the UK, relations between the firm and the homeworker remain the general rule, and the intervention of middlemen is a minority practice. In Italy, the intervention of agents or middlemen in homeworking is forbidden by law, but in practice, the law is sometimes circumvented.

In all three reports, it was found that there were situations in which labour costs for homeworkers are much lower than those for factory workers producing the same output. This is due not only to the payment of piece rates and the non-consideration of 'dead moments' between individual items produced, but also to savings on overheads, often including tools and even machinery.

A general problem that was also felt by homeworkers in all three countries, was the variability in earnings associated with the variability in workloads. Firms are not obliged to give stable workloads. For the workers involved, there is almost no guarantee of a standardization of payments, because of their vulnerable position and lack of bargaining power.

Although the reasons for homeworking vary, the researchers agreed that the main argument for the use of homeworking as a mode of production is its flexibility.

From the employers' point of view, homeworking provides them with a pool of workers whose skills can be adapted to the seasonal demands of the market.

Labour costs are significantly lower, and homeworkers tend to have a higher productivity level than 'inworkers'.

In *Italy*, the non-payment of social welfare contributions as well as tax evasion is a very significant factor in determining labour costs.

In brief, homeworking as a phenomenon gives firms the opportunity to utilize the skills of women who for family reasons wish to work at home, and for whom they as employers will have to pay labour costs often significantly lower than those of factory workers.

3. Legislation

The legislation as it exists in the three Member States ranges from rigid and detailed provisions in *Italy* to the lack of any specific legislation pertaining to homeworkers in the *United Kingdom*.

The French law on homeworking has, since 1982, become remarkably similar to the Italian law on these matters.

The underlying desire of Italian law is to equalize the homeworker with a person governed by the standard employment relationship.

In the *UK*, there is no specific legislation regulating the employment conditions of homeworkers. Employment protection legislation and social security legislation apply only to employees. Given the weak bargaining position of homeworkers, employers may take advantage of this legal situation to impose 'self-employed' status on the homeworkers, thus excluding them from protective employment and social security legislation.

It was agreed by the British experts that the recent growth in atypical employment may not, in fact, be due to a revival in the economy, but rather to cost-cutting strategies by employers, induced by the differential in protection between direct and indirect labour.

The experts' recommendations for more efficacious legislation take as their ultimate goal the protection of homeworking as a viable mode of economic production.

The proposals start from the premise that homework must be flexible, as this has advantages for both the employer and the employee.

Flexibility is also important because the different forms of homeworking are constantly changing and will continue to do so.

Homeworking is showing itself to be one of the most interesting fields of investigation with regard to employment policy; it needs to be governed by some specifically conceived legislation to ensure its development and protection.

In order to protect those involved, a 'safety net' has been suggested by the researchers, which should provide suitable guaranteed minimum protection for all homeworkers. This should include the following four components:

- (a) *Minimum wage determination* by legislative intervention collective, bargaining and, if necessary, trilateral commissions.
- (b) *Social security protection*: This will include setting a minimum level of work over a period, following which social security benefits would be payable and thus some income support for inactive periods guaranteed.
- (c) *Duration and stability of the relationship*: Here, the importance of preci-

sion in legislation is emphasized in order to ensure that the parties are fully aware of their rights.

(d) *Protection of health*: This is obviously a crucial point, as homeworkers are often exposed to harmful processes and substances. Public institutions must have maximum control potential.

All the above measures are minimal ones which will demand monitoring on a territorial level. The experts suggest aiding this by establishing equivalent bilateral bodies financed by both employers and employees.

The specific aim of these bodies must be to introduce a greater degree of legality into dependent homework, by turning to a mixed technique of incentives and sanctions which are mutually beneficial to all parties concerned.

In conclusion, homeworking in all its different forms is a priority area for employment legislation. A body of uniform, coherent and flexible legislation is required that will establish minimum standards in all the Member States, thus allowing homeworking to develop and expand as a viable employment form, but not to the disadvantage of those who work in this sphere.

This progress should be aided by the Community, for in the current Medium-term Community programme on equal opportunities for women (1986-90), the Commission has promised that, when the results of the study on homeworking by women are available, it would decide on future action to take.

The recommendations of the study will serve to guide the discussions now underway towards such future action.

Teacher training

Summer university — Madrid — July 1987

The Council and the Ministers for Education meeting within the Council on 14 May 1987, adopted conclusions on the training of teachers (see *Social Europe* 3/87).

Within the framework of these conclusions, and in the light of a study carried out on the subject at the Commission's request (see *Social Europe* 1/87), a Summer University was held in Madrid in July 1987.

From 12 to 19 July, 65 experts from the 12 Member States worked together on the theme of in-service teacher training.

The objectives of the Summer University were:

- (i) to analyse the key elements of in-service training in a European context;
- (ii) to exchange experience and establish contacts between those responsible for in-service teacher training at national or regional levels in the 12 Member States;
- (iii) to analyse proposals and suggestions made by the different working groups;
- (iv) to make proposals for the establishment of a network of cooperation between the different countries of the Community.

Working sessions centred on the following issues:

- (i) changes in the teaching profession and their consequences for the content of training schemes;
- (ii) in-service training focused on classroom problems — methodology;
- (iii) school-focused in-service training;
- (iv) the trainers (description, status, training, etc.).

Each of these topics was introduced by two or three statements made by participants from different Member States. Four working groups were then formed to carry the discussion further.

It should be added that several working sessions were devoted to informal discussion by the participants; 17 impromptu speeches were made, which shows the interest felt in this field.

A complete report is currently being produced which combines the proceedings of the Summer University, with introductions to the issues discussed, summaries of the working groups' findings on the various topics, and the general conclusions made by the Chairperson, Mrs Ana Martin Uriz.

With regard to the objectives of Community cooperation in the area of teacher training, these were defined by the Conclusion¹ of the Council and Ministers for Education meeting within the Council on 14 May 1987, as follows:

- (i) to clarify the goals in this area;
- (ii) to create a consistent, flexible and diversified training supply;
- (iii) to link in-service training programmes as far as possible to staff-development projects, drawn up by those benefiting from them;
- (iv) to develop in-service training resources;
- (v) to improve continuity between initial and in-service training.

The Commission was invited to examine, in close collaboration with the Education Committee, those initiatives deemed necessary in the area of in-service teacher training.

For this purpose a summary was made of the comments and proposals of the participants at the Summer University. Of course, the report is not of an official nature, but it attempts to reflect the wealth of proposals which certainly will lead to an advance in Community cooperation, in this area.



¹ OJ C 211, 8. 8. 1987, p. 5.

What sort of Community cooperation in the area of in-service teacher training?

Summary of the proposals put forward by participants at the Summer University

Work on this topic continued for the whole week, often on an informal basis. During the final half-day, the working parties put forward proposals for action and discussed their common views on the future.

The participants' proposals and observations may be summarized as follows:

1. First of all,

we should note the richness of their proposals and their unanimous desire to see the establishment of true Community cooperation.

The rapporteur received an impressive number of suggestions, wishes and demands from the working parties, informal national meetings or individuals.

2. The scope of this cooperation

A clear majority expressed itself in favour of a scope of work not restricted solely to in-service training. Continous teacher training should be considered as a whole, with an initial stage and an in-service one. On the other hand, the initial/in-service training link was continually underlined as an essential element.

Studies and analysis of initial training have not reached the same stage as those for in-service training, for which a study has already been made. Existing data on initial training in the Member States should therefore be collated as soon as possible.

3. Work topics

The participants wished to see future cooperation centred on more specific issues, considered to be determinant elements today in teacher training. The proposed issues may be placed in three categories.

The first category contains special types of training having a specific objective. The introduction of new technologies is one of the most frequently cited areas. In fact, all the Member States are developing teacher-training programmes in this field. Also mentioned was the training of language teachers, so as to improve this area of teaching so indispensable to the building of the European Community. Discussed as well was the training of technical and vocational teachers, and also the training of teachers dealing with social problems such as drugs, sexism, etc.

The second category concerns the training process itself. The participants often asked that a more thorough study be made of the problem of teacher motivation (or lack of it) in the face of in-service training, as well as of the advantages or disadvantages of this type of training being made compulsory. Other aspects could also lead to a more thorough examination: the role of the universities; evaluation of training; the role played by heads teachers and their own training (as well as that of the political decision-makers); school-focused in-service training; the link between training and the vocational development of teachers (two issues already dealt with during the Summer University).

The third category concerns external factors determining the effectiveness of training. Of these elements, the most frequently cited concern the administration of the teaching population (flux, recruitment, age patterns), teacher evaluation, the link with adult training in business, the broader context, and educational traditions surrounding training.

Finally, the problem of the budget allocated to in-service training was raised several times in the discussions. On the one hand, the participants wanted information concerning these resources to be clearer and more accessible, and on the other,

they feel the European Community should reach an agreement on the need to increase resources.

4. Cooperation procedures

These are the procedures called for by the participants:

- (i) Mutual study visits and development of exchanges;
- (ii) Organization of a network of projects (local or regional) in the Community;
- (iii) Sharing of human resources in the form of high-quality trainers;
- (iv) Sharing of material resources for training;
- (v) Mutual assistance and expertise when reforms are carried out in a Member State;
- (vi) Implementation of joint evaluations;
- (vii) Development of Community research and the strengthening of research/training links;
- (viii) Improvement of information distribution, principally by means of the Eurydice network,

The people involved in these action procedures might be extremely varied (trainers, programme leaders, employers, administrators, teachers, research workers).

5. The precautions to be taken

Several participants made observations on the precautions which would be necessary if cooperation were to be effective.

In the first place all these activities must contribute to strengthening the links between Member States in the Community. For this to be achieved, it is necessary to give priority to North-South exchanges (corresponding to traditions dating way back) and to act in such a way that mutual expertise is really mutual, and not just assistance in the form of transfer.

In the second place, the participants stressed the difficulties they had encountered in grasping the different educational contexts. This type of mutual information must therefore be improved, and it must be kept in mind that it is impossible for an exchange to be fruitful if the context is not properly understood.

Finally, the danger of the 'permanents' of Community cooperation was mentioned. The participants wanted the activities to involve a large body of people which would be constantly renewed, and they wanted a firm link to be maintained between these activities, on the one side, and national policies and basic work, on the other.

6. The rapporteur's conclusions (Commission of the European Communities)

From all these proposals it is quite possible to construct a coherent and sound programme of Community cooperation. The Conclusions of the Council and Ministers for Education meeting within the Council, give us

the necessary foundation to launch these activities.

In October 1987, a report on the Summer University will be submitted to the Education Committee under Danish Presidency.

In fact, it seems possible that certain actions may soon begin. A necessary preliminary is for each Member State to appoint an interlocutor on the subject, somebody competent in the area of in-service teacher training. These representatives or experts could then meet several times, in order to help the Commission to implement the programme.

The two experts who carried out the study will begin a 'tour of the capitals' so as to update the study, inform the Member States about the Community position, and confirm details about initial training.

The mutual study visits could soon begin within the framework of the general programme already in existence. Also, the Eurydice network could lend its support to the distribution of information.

A general examination of the determining external factors, such as the administration of teachers, may take place in the coming months, for example, in the form of a seminar at Community level.

Finally, the gradual construction of a network of regional projects spread throughout the whole Community is to commence shortly.

With regard to the other more complex and more ambitious proposals such as sharing resources, mutual expertise and assistance, and the implementation of joint evaluation and research, these must be made the object of a comprehensive programme to be submitted for adoption to the Council of Ministers for Education under an upcoming presidency.

In conclusion, the rapporteur warmly thanks all the participants for their many suggestions, and points out that such a positive approach to Community action shows that cooperation in education is today entering a decisive stage.

Indicators for assessing exposure and biological effects of genotoxic chemicals

Preface

Chemicals have become a basic element in the well-being and effective functioning of present day societies. Their consumption is doubling every seven years with many new products synthesized annually. The applications and benefits of the substances are well documented. However they may also have adverse health effects.

The challenge facing scientists and regulatory agencies is to devise and apply convenient methods for assessing the toxicity and measuring exposure to chemicals with potential health hazards. How each individual will respond to such exposure will depend on the intrinsic toxicity of the chemical itself, the extent of exposure, as well as individual variations in sensitivity.

The science of toxicology attempts to evaluate and measure the toxic effects of chemicals. The methods covered include measuring an effect on isolated cells, testing in animals and epidemiological studies in man. Such evaluations become the basis on which regulatory and other agencies recommend guidelines on the use of the chemical. They take into account the benefits of the chemical, its adverse effects, the extent if any, of exposure of the population at large, or of specific population groups such as workers, and the need for an adequate protection of health.

Since 1986 a toxicology action programme has been adopted at the European Community level to promote, in particular, the development and improvement of toxicological testing methods.

Genotoxic chemicals are of special concern as exposure to them may result in the onset and development of cancer, and the appearance of heritable mutation disorders. At present it is not possible to determine for a given genotoxic chemical; an exposure level below which no adverse health effect is likely to occur. It is, however, important to be able to determine for a given population group the extent of exposure to genotoxic chemicals and early biological ef-

fects relevant to genotoxicity and which are considered reversible. A scientific workshop was held in Luxembourg in July 1987 to evaluate the current methods available which use indicators in human biological materials for assessing exposure to and biological effects of genotoxic chemicals. In the framework of its cooperation with international agencies and in order to draw from world-wide expertise, the Commission of the European Communities organized this International Workshop jointly with the International Programme on Chemical Safety of the ILO/UNEP/WHO, the International Agency for Research on Cancer (IARC), the WHO Regional Office for Europe and the Finnish Institute of Occupational Health. 53 experts from 19 countries reviewed the state of the art and reached a series of consensus conclusions and recommendations.

- (ii) provide reproducible results with low analytic errors;
- (iii) be convenient and relatively risk-free to perform;
- (iv) provide information over and above that obtained by ambient monitoring (i.e. of air, water);
- (v) and, finally, and fundamentally, the concentration of the agents measured in the various body media should be quantitatively related to the relevant risk of a health effect.

Evaluation of biological indicators of exposure

A number of methodologies are in present use or under development. The advantages and limitations of each are as follows:

Introduction

Ideally, assessing the effect of a genotoxic agent would include testing the intrinsic toxicity of the compound of interest as well as evaluating any immediate, as well as long-term changes in health following different times of exposure to several of its concentrations. In practice, such toxic evaluations have only been applied to less than 1 % of known chemicals, since they are very expensive and time consuming to conduct. Decisions therefore more usually have to be based on results from exposure studies. These can be obtained either by ambient monitoring of specific molecules in the environment (air, water) or by biological monitoring. The second technique, which involves measurements on body media, has the advantage that it can also give useful information in situations where the exact nature of the exposure is not known.

The aim of the workshop in Luxembourg was to review the current methods of biological monitoring and to indicate those which seemed of promise in the future. For any test to be of value, it must fulfill the following criteria:

- (i) measure or evaluate absorption of an agent;

1. Measurement of the chemical or its metabolites in biological media

The concentration of a chemical in any biological media will depend on its relative rates of absorption and excretion. The chemical can also be biotransformed by metabolism; the liver being the major organ involved in these processes. When based on the selective determination of the chemical in biological media, this approach presents the advantage of being sensitive, specific and in theory, applicable to all potential industrial carcinogens. In addition, the determination is usually performed on urine which is non-invasive and accepted by the individual. So far, however, tests relying on the determination of the unchanged chemical or its metabolites in biological fluids have only been described for a limited number of carcinogenic or mutagenic compounds.

2. Detection of mutagenic activity in biological materials

This assay is usually performed on urine and detects substances which give rise to mutagenic compounds which interact with the DNA of bacteria (Ames Test). The bacterial test has been

successfully used to detect an increased mutagenicity of urine in patients treated with cytostatics, in smokers and workers in different types of industry. The relative lack of sensitivity of the test is an advantage when one is trying to determine whether there has been exposure to mutagenic compounds whatever the source, but by the same token, smoking may have a synergistic action with occupational exposure and together with diet and medications, increase individual basal urine mutagenic activity.

These tests, like those measuring chemicals in body fluids are simple to perform, give reproducible results and reflect recent exposure. The problem with them is that elevated mutagenic activity may not predict what has/will happen(ed) to the genetic material of the target organ. A further caution to be borne in mind with the applicability of this method is that only about half of the known mutagens tested were mutagenic in the Ames Test. In other words, a negative result may not be totally reassuring.

3. Detection of cytogenetic changes in human cells

Because most human white blood cells (lymphocytes) remain in the circulation for about three years they are a useful material to appreciate extended and/or repeated exposure to genotoxic agents. Their genetic material can be analysed for changes in chromosomal structure by one or all of the following three methodologies:

3.1. Chromosomal aberrations

This method, like the following two, is performed on peripheral blood lymphocytes. The main plus of the test is that chromosomal changes are cumulative and will reflect exposure over a relatively long period of time. Interpretation of any data must take into account wide inherent individual differences in the baseline frequency of change in the structure of chromosomes (for instance, due to one of the inherited diseases, smoking, or influenced by age and med-

ical history). A rigorous design study is therefore essential, as indeed for all the tests under discussion, with comparable matched groups. Since the method is complicated and exacting, it is considered more suitable for cases of suspect exposure rather than as a routine screening procedure. Due to the existence of many confounding factors and to the low increase in aberrations which can be expected in professional exposure to clastogenic agents, many of the positive results reported in the literature appear questionable.

3.2. Sister chromatid exchanges (SCEs)

The term sister chromatid exchanges (SCEs) is used to describe the exchange of material between the two chromatids of the same chromosome. The test which measures these changed structures is usually performed on human lymphocytes. It is non-specific but for many mutagens is more sensitive than the chromosomal aberration approach and certainly easier to score. In fact, chromosomal aberration and SCEs do not necessarily occur simultaneously in human lymphocytes.

The method, which seems to reflect mainly recent exposure, has not so far been a good indicator of human exposure in the occupational setting but has been more successful as an exposure indicator in experimental research situations. No health effect is known to be associated with SCEs as such. The method seems non the less to be promising, provided ways can also be found to take into account inherent individual variations in levels of, and stabilities of SCEs, with perfectly matched control groups.

3.3. Micronuclei

Micronuclei, or DNA fragments, are indicators of chromosome breakage, providing a rapid and easy scoring method of detecting chromosome aberrations. In humans, the assay can be applied to lymphocytes and possibly also to other cells like erythrocytes (red blood cells).

At the present time it is impossible to correlate chromosomal aberration in peripheral blood lymphocytes with the probability that the carrier would develop a cancer or give birth to offspring displaying genetic defects.

4. Detection of gene mutations

Several methods are actually under development for the detection of gene mutations in human somatic cells such as lymphocytes or erythrocytes. The frequency of mutation is usually low, requiring the examination of a high number of cells. For this reason, the assays are extremely laborious and time-consuming to perform. It therefore appears that their use for routine monitoring of persons occupationally exposed to suspected or known mutagens is closely dependent on the possibility of developing techniques allowing for the scoring of high numbers of cells in short periods of time, together with the distinction between two mutants and phenocopies. Many questions remain also about the translation of these results into genetic risks and, in fact, it is not known whether such mutations are predictable of neoplastic transformation or cancer promotion.

5. Determination of protein or nucleic acid adducts (molecular dosimetry)

Most genotoxic carcinogens can bind to sites on cellular molecules like DNA or proteins to form DNA or protein adducts. In general, adduct formation is specific with respect to the chemical group bound and/or to the binding site on the protein or DNA molecule. They are therefore generally determined on the basis of known chemical structures. Protein adducts are preferred because of their longer stability and half life: in the case of haemoglobin this is of four months, for albumin, it is 20 days. The results obtained so far suggest that protein adducts might be a sensitive enough index for measuring occupational and even environmental exposure. To be meaningful in the health context,

protein adduct determination would require that the degree of binding to blood proteins be related to the exposure dose, and, moreover, to DNA — binding in the target organ. Most DNA adducts are rather unstable and may be eliminated rapidly: they therefore provide a less extensive time-frame index of exposure than protein adducts. They can be specifically quantified provided their chemical nature and stability are well characterized but in general, a non-specific measuring procedure is adopted. There is so far no evidence that an increased incidence of DNA adducts can be quantitatively translated in a higher cancer risk.

A final limitation of this approach, particularly for DNA adducts, is the methodology itself, which is too elaborate for routine monitoring. The development of immunological methods for the determination of adducts is considered a promising avenue of research but so far only a few antibodies against carcinogen-DNA adducts have been described.

6. Determination of markers of cell proliferation and transformation ('tumour markers')

A test which would provide a diagnosis of cancer at the preclinical stage has not yet been discovered. All that is known at present is that the development of certain tumours is associated with an increased production and elevated levels of some enzymes (acid phosphatase for prostate cancer), hormones (breast cancer) and antigens. Measuring these products, e.g. carcino-embryonic antigen (CEA) and alfa-fetoprotein may serve as useful 'tumour markers' for some cancers.

At the present time this approach is limited by the fact that tissue damage and other situations associated with cell proliferation may also lead to elevated tumour marker levels in biological fluids. Furthermore, the data obtained does not necessarily indicate the localization and extent of the cancer process. More research needs to be directed to finding more specific markers (for instance,

monoclonal antibodies to tumour-associated antigens) and establishing their predictive value of a carcinogenic risk. At their present stage of development, assays of existing tumour markers do not seem appropriate for biological monitoring.

7. Determination of DNA repair: unscheduled DNA synthesis

The majority of the alterations produced by mutagens to DNA are, normally, rapidly repaired by the cell itself. A method is available to detect DNA repair in lymphocytes. The major limitation of this technique is that it only detects that damage which the cells' inherent repair systems can deal successfully with, and this is not the case for all harmful chemicals. Further drawbacks of this approach are that individuals vary widely in their ability to repair DNA and any change probably only reflects very recent exposure immediately preceding the assay. It is therefore difficult to estimate to what extent the method can be used for routine screening.

8. Sperm assays

Measurements of sperm counts, mobility and shape are useful to evaluate toxic effects on the male reproductive system. Abnormalities in these measures of sperm quality have been shown to be associated with reduced fertility, sterility or a higher incidence of spontaneous abortions. Practical difficulties may be encountered in obtaining samples, especially in environmental and occupational studies, which explains why this material is more rarely studied for biological monitoring. It should moreover be stressed that these changes do not necessarily reflect damage to the genetic material.

9. Determination of nucleic acid damage by-products (other than adducts) in urine

Degradation products resulting from the oxidation of DNA have recently been reported in human urine. This observation might, some day, become a basis of

tests for indirectly assessing exposure to some of the genotoxic chemicals. This approach would however suffer from the same limitations as the DNA repair test i.e. of detecting only irreversible damage susceptible to the cell repair mechanisms, and of probably reflecting very recent exposure. There is, moreover, at the present time, no evidence clearly linking the appearance of these oxidation products of DNA to exposure to carcinogens.

Main conclusions and recommendations

The meeting divided the methods of using biological indicators of effects for assessing exposure to genotoxic agents into two groups:

(a) Those appropriate to situations of exposure to one, or a few, well-defined known chemicals with known biological characteristics.

Of the tests currently available, those which seem best adapted are:

- (i) determination of the chemical or its metabolite in blood or urine to estimate absorbed dose;
- (ii) cytogenetic studies to evaluate effects within the cell;
- (iii) analysis of specific protein or DNA adducts to evaluate the dose at the target site.

(b) Those better adapted to situations of exposure to unknown genotoxic chemicals or to poorly characterized mixtures of genotoxic chemicals. In this situation, those which seem most appropriate are:

- (i) estimation of mutagenic activity in urine to evaluate exposure to genotoxic chemicals;
- (ii) cytogenetic studies to evaluate effects in the body;
- (iii) Non-specific determination of DNA adducts.

For any test to be relevant, it must be validated by stringent appropriate controls at the individual or group level. The interpretation of the results and deciding

whether there is a health risk is never easy. The importance was therefore underlined of the need to inform all participants to any study of its aim, on its result and, where possible, on the implication to the individual and/or group health outlook. The ultimate objective of biological monitoring is to reduce unnecessary exposure to genotoxic agents. It may, in addition, prove a useful indicator of whether preventive measures to reduce exposure have indeed been effective.

Concluding remarks

It is essential that in the working environment in particular, the indicators discussed above are not used indiscriminately without due consideration given to their limitations.

Their incorporation in an individual health surveillance programme is not appropriate at this time. The Commission of the European Communities will carefully monitor the research developments in this field and will encourage

harmonization, standardization and quality assurance efforts which could promote these methods from the research area to a routine tool, valuable for enhancing the protection of workers and the population *vis-à-vis* genotoxic chemicals. Quality assurance programmes established in the past at the European Community level have contributed considerably to improve the quality of the analytical performance of many laboratories within the European Community.

Part three

Recent developments

Employment policy in the Member States

Developments at a glance

Overall developments

- | | |
|--|---|
| <input type="checkbox"/> Denmark | Labour market bottlenecks
Voluntary profit-sharing |
| <input type="checkbox"/> Germany | 8th AFG amendment |
| <input type="checkbox"/> Spain | Promoting cooperatives |
| <input type="checkbox"/> Italy | Smaller firms' investments |
| <input type="checkbox"/> The Netherlands | Flexibility report |
| <input type="checkbox"/> Portugal | Structural adjustment programme |
| <input type="checkbox"/> United Kingdom | Deregulation views |

Aid to the unemployed

- | | |
|--------------------------------|---------------------|
| <input type="checkbox"/> Italy | Mezzogiorno reliefs |
|--------------------------------|---------------------|

Training

- | | |
|--|--|
| <input type="checkbox"/> France | Modular training results |
| <input type="checkbox"/> The Netherlands | BKE evaluated
BVJ apprenticeships increased |
| <input type="checkbox"/> Portugal | Women |

Job creation

- | | |
|---|--------------|
| <input type="checkbox"/> France | TUCs revised |
| <input type="checkbox"/> United Kingdom | Jobshare |

Special categories of workers

- | | |
|--|--|
| <input type="checkbox"/> Ireland | Women in business |
| <input type="checkbox"/> Italy | Registering non-EC illegals |
| <input type="checkbox"/> The Netherlands | New equality legislation
JOB evaluated
Municipal work
School leavers
JWG, MLW extended |

Working time

- | | |
|---------------------------------|--------------------------|
| <input type="checkbox"/> Spain | Early retirement schemes |
| <input type="checkbox"/> France | Annualized system |

Placement

- | | |
|--------------------------------|-------------------------------|
| <input type="checkbox"/> Spain | Aids to geographical mobility |
|--------------------------------|-------------------------------|

Miscellaneous

- | | |
|--------------------------------|-----------------------------------|
| <input type="checkbox"/> Italy | Protecting Italian workers abroad |
|--------------------------------|-----------------------------------|

Overall developments

Denmark: Bottleneck problems on the Danish labour market

In February 1986 the Danish Government published a report on bottleneck problems on the Danish labour market. The background was the strong growth in the Danish economy which has taken place since 1983. The increased demand was of course greater in some sectors than in others, for specific types of skills and/or in certain regions of the country.

It turned out to be difficult to satisfy this strong selective demand for labour to the extent and at the point of time required. This problem, the so-called bottleneck problem, turned out to be most serious in the exporting trades, potential exporting trades, trades competing with imports and in the building and construction sector. The consequences were apparent in the form of, for instance, increased pressure on wages, increased costs for the enterprises and reduced competitiveness, loss of orders and slower development, in particular in the technology dependent trades.

The report not only described the main causes of the bottlenecks, but also pointed to possible initiatives and measures to remedy and prevent them. Among the strategies proposed were:

- (i) surveillance of developments on the labour market;
- (ii) regional perspectives in resolving problems;
- (iii) close cooperation between public authorities at all levels;
- (iv) involvement of the social partners as responsible partners;
- (v) preventive measures.

Denmark: Voluntary profit-sharing schemes in Denmark

There has been a strong growth in voluntary profit-sharing schemes in Denmark in recent years. It is estimated

that about 10 % of all enterprises in Denmark have introduced some form of voluntary profit-sharing scheme.

Against this background the Danish Government introduced a 'package' of bills in *Folketinget* (the Danish Parliament) with a view to further spreading voluntary profit sharing. The Government's intentions with the proposed legislation were:

- (i) to make it more attractive for enterprises and employees to introduce profit-sharing schemes and to spread ownership;
- (ii) to remove obstacles to introducing profit-sharing;
- (iii) to promote cooperation within enterprises;
- (iv) to stimulate savings by tying up the capital in the enterprises.

In June 1987 this 'package' was adopted by *Folketinget*. The most important proposal is that enterprises may now allocate shares of up to DKK 6000, per year on favourable terms to their employees. Enterprises are for tax purposes allowed to deduct the costs of allocating these shares as operational costs.

One condition is that all employees in the enterprise are covered by the scheme.

Employee share schemes mean that employees get the shares taxfree, while the dividend on the shares is taxed according to the ordinary rules. The shares are tied up for a period of 7 years and after the compulsory holding period they can be sold without tax liability. This ensures the desired savings in the enterprise. The shares have, with a few exceptions, full voting rights at the general meetings of shareholders. The background is a wish to increase the employees' interest in the results of the enterprise for the benefit of the production.

The legislative package adopted includes a proposal to reduce the ceiling for employee representation on company boards. In companies with 35 em-

ployees or more an employee representative may now be elected to the board. Previously the minimum number of employees required was 50. This provision may affect about 1 100 enterprises.

Finally it is now possible for employees to invest pension funds in their own enterprise to a greater extent than previously.

The main proposal concerning employee shares for up to DKK 6000 per year supplements the already existing rules concerning employee shares and employee bonds. Further, it is also possible for the enterprise to introduce profit sharing in the form of distribution of cash payments.

Generally, the new legislation has given enterprises improved possibilities for introducing profit sharing on a voluntary basis. The Danish Government is satisfied with this result after more than 15 years' of fruitless discussion of the idea of profit sharing.

The Government continues its work with a view to extending employee share schemes to new groups of employees.

In the autumn of 1987 the Government will thus introduce a bill aiming to promote cooperation in enterprises, to stimulate savings and to spread ownership to company employees.

Germany: Bill for the 8th amendment of the Labour Promotion Act (AFG) — Strengthening employment measures — Protection from abuse of benefits

The bill passed by the Federal Government on 23 July has the following aims:

- (i) to complete the battery of active labour market policy instruments;
- (ii) to broaden and improve placement possibilities;

- (iii) to contribute to protecting community solidarity of the unemployment insurance from the abuse of drawing benefits;
- (iv) to help companies to solve personnel problems in a socially acceptable way; and
- (v) to contribute to simplifying administrative procedures in the employment offices.

Active labour market policy

The active labour market policy will be completed by, in particular, the following measures:

- (i) Specific help will be targeted at older unemployed persons. According to the structural survey of the employment offices, 432000 persons of 50 years of age or older were unemployed in September 1986. More than 50 % of them had been unemployed for one year or more.

The bill enables older unemployed persons to be placed in employment with a wage-cost subsidy of up to 75 % without annual deductions for a maximum of 8 years. Thus, on top of extending unemployment benefit payments there is now a measure to ease the return to working life for older unemployed persons.

- (ii) By means of the Federal Government's disadvantaged persons' programme, disadvantaged young people, especially those who have left *Hauptschule* (short-course secondary school) without a leaving certificate or who have attended special schools (*Sonderschulen*), are being helped to complete qualified vocational training. Until now the disadvantaged persons' programme, implemented by the Federal Employment Institute (*BA*), was scheduled to end in December 1989. From a labour market policy view, fostering these young persons who, without help, remain without any chances, continues to remain necessary. Hence, the disadvantaged persons'

programme will be permanently anchored as a labour market policy aid in the Labour Promotion Act (*AFG*).

- (iii) Language courses for *Aussiedler* (resettlers, i.e. Germans who have come to the Federal Republic from east European countries), political refugees (persons seeking political asylum) and quota refugees are being taken into the catalogue of the *BA*'s tasks. The upward limit for support is being extended from 8 to 10 months.

ing, bad weather and promotion of winter productivity in the building trade will be simplified and adapted to the needs at the operating level.

- (ii) A minimum threshold will be introduced as regards subsidies for additional costs within the promotion of winter productivitiy in the building trade.
- (iii) Jobseekers who are not in receipt of benefit must expressly renew their applications for placement after 3 months.

Abuse of benefits

The abusive drawing of *BA* benefits will be tackled in particular through the following measures:

- (i) The possibilities for manipulating wages in the last three months of employment will be eliminated. Manipulations have been aimed not just at giving employees a higher unemployment benefit but also at 'buying off' them the protection against dismissal. Where there are exceptional pay increases, the period used for calculating the unemployment benefit will be extended from 3 months to one year.
- (ii) The regulations concerning the drawing of unemployment benefit and unemployment assistance by students and schoolchildren are being revised. Thus in future students and schoolchildren will only be able to claim unemployment benefits if they are not only available for the labour market for typical students' jobs.

Simplification

Labour promotion law should be simplified in particular through the following measures:

- (i) The regulations concerning the competence of employment offices for allowances for short-time work-

Consequences for *BA*

The bill transfers the full responsibility — including the financial — for the following programmes (which it is already carrying out) to the *BA*:

- (i) The disadvantaged persons' programme;
- (ii) The federal law on allowances for unemployed youths;
- (iii) Increased resources for the job creation programme (*ABM*);
- (iv) Language courses for resettlers, political refugees and quota refugees.

These new *AFG* instruments are in everyday touch with the labour market; without such proximity, commissioning the *BA* to carry out these tasks would not so far have been possible.

The core and goal of these instruments is to get the target groups concerned back into working life. Thus are the tasks appropriately assigned to the *AFG*.

The bill for the 8th amendment of the *AFG* will cost the budget of the *BA* some DM 950 million in 1988. At the end of 1986 the reserves of the *BA* amounted to some DM 5.47 billion. This created some scope for labour market policy. With the 7th amendment of the *AFG* and the improvements in the entitlement to benefits which came into force on 1 July 1987 (See iM 17) resources are being made available to the unemployed and employees who are dependent on aid.

Spain: Schemes for promoting cooperatives' employment

Cooperatives and partnerships have been developing rapidly in the recent past in Spain.

This has been due in part to the crisis experienced by smaller and medium-sized enterprises which have been unable to stabilize their situation under difficult economic conditions. Thus have various workers' 'collectives' taken over these enterprises.

Similarly, the difficulties in finding employment on the labour market have also encouraged workers to set up on their own, generally in new sectors, and mainly in the form of 'young people's collectives' looking for their first job and the long-term unemployed.

This is the context in which measures for promoting and developing the cooperatives' movement are being taken by the Ministry of Labour and Social Security in conjunction with other ministries and the autonomous communities. Four major areas of activities can be discerned:

Legislative change

The 1978 Spanish Constitution itself covers the question of appropriate legislation for promoting cooperatives (Article 29 § 2).

The most important law in this respect is undoubtedly the recent General Law on Cooperatives No 3/1987 of 2 April. This brings Spanish legislation into line with that of the Community, thereby promoting entrepreneurship as well as majority participation and the democratic control by members.

This legal framework will be completed by a further law on cooperatives' taxation system, as well as a specific law to deal with credit cooperatives.

Regulations in the partnerships' sector have also been completed by the Law on Workers' Partnerships, No 15/1986 of 25 April, which governs a

partnership form, which is widespread in some regions of Spain.

Training and promotion of cooperatives

Since 1983 the Directorate-General for Cooperatives and Workers' Companies has brought in a training scheme for cooperatives. This scheme is flexibly structured with contents which are adaptable to the characteristics of the collectives for which it is designed. It has enabled recurrent training to be carried through in this sector.

Since 1986 programmes for the management and administration of cooperatives have been added which are co-financed by the European Social Fund. The training scheme has a three-fold aim:

- (i) to train cooperatives' members and prospective members;
- (ii) to disseminate the principles of cooperatives; and
- (iii) to spread the various forms of cooperative enterprises and partnerships.

Direct promotion of cooperatives' employment

There are various types of cooperatives: those of 'associated work', agricultural cooperatives and workers' partnerships. All can draw on direct aid from the Ministry of Labour and Social Security:

- (i) Financial support to reduce interest costs on loans for fixed capital investments; technical assistance (hiring managers, feasibility studies, audits and economic information, etc.). These subsidized loans can only be given by financial institutions which have reached an agreement to this effect with the Ministry of Labour and Social Security.
- (ii) Grants of up to PTA 250 000 per member worker for subsistence income for persons under 25 years of age or unemployed persons over 25 years of age registered for at least one year at an employment agency and who are in the process of be-

coming worker-members of a cooperative.

The amount is doubled if the programmes receive ESF approval.

(iii) Exceptional supports for associative work cooperatives which have been newly established exclusively by young persons under 25 years of age or are devoted to teaching. In the latter case an agreement has to be reached beforehand with the Ministry of Education and Science. In accordance with Royal Decree 2377/1985 (18 December), the Ministry of Labour and Social Security must in both cases have given its authorization after consultation with, according to the case, the Ministry of Culture or the Ministry of Education and Science.

(iv) Those in receipt of unemployment benefit (the contributory system) can also request that this be paid out in a lump sum provided that they become members of an associative cooperative or a workers' partnership.

Other measures, perfectly compatible, can be added to the above when the location of these associations enables them to draw on the promotion programmes of ZVRs, reindustrialization zones, or support measures for employment in the autonomous Communities.

Promoting *asociacionismo cooperativo*

Chapter III of the new law is devoted to *asociacionismo cooperativo*. This opens up the possibility for free voluntary groupings to be in cooperative unions, federations and confederations without thereby prejudicing their possibility of making use of the general legislation governing the right of association. (This enables both the compulsory framework of 'vertical trade unions' which existed until 1977 to be replaced and the legislative vacuum which still exists today to be filled.)

Thus, the past few months have seen decisive steps making it possible to strengthen future *asociacionismo cooperativo*.

Italy: Emergency measures to facilitate industrial production by small and medium-sized companies and refinancing mining policy measures

Decree Law No 212 of 1 June 1987 brings in important regulations designed to facilitate production by small and medium-sized industrial firms and artisan firms. The decree provides for grants-in-aid to be given for purchasing machinery and various tools as well as systems for increasing automation and robotization within small and medium-sized companies.

The subsidy granted to each individual company cannot exceed LIT 350 million or LIT 660 million in the *Mezzogiorno*, LIT 160 billion have been earmarked for the financial year 1987.

On the other hand, a 'National fund for crafts' has been set up by the decree-law for financing programmes and projects supporting and enhancing crafts and trades and developing craft production. 75 % of this fund is being used directly by the regions, divided up each year between them by decree of the Ministry of Industry, of Commerce and Handicraft. For 1987 the expenditure foreseen is LIT 40 billion.

Finally, to foster and support mining research abroad, grants-in-aid are being given to *ENI* (National Hydrocarbons Corporation) and to *IRI* (the State holding company), the latter as regards minerals of interest to metallurgy. These grants cover up to 70 % of the expenses borne abroad for developing studies and geophysical, geochemical and geological surveys, for operational research work and for infrastructural work necessary for carrying out mining research activities.

The Netherlands: A more flexible labour market is needed to fight unemployment

The Committee of Economic Experts, *CED*, of the Social and Economic

Council, has put forward a package of policy measures aimed at increasing the flexibility of the labour market.

The Dutch labour market is, in the short term, less flexible than that of other industrial countries. This has contributed to the rate of unemployment being higher than in other comparable countries of the European Community and much higher than in the United States and Japan. A policy which increases labour market flexibility is thus necessary to fight unemployment. Increased labour market flexibility means that supply and demand on the labour market react more strongly to real wages and that real wages react more strongly to shortages on the labour market.

Shortage of jobs

As far back as 1978 and 1981 the *CED* pointed out that, in the context of a policy aimed at increasing the rate of profits and investments, measures would have to be taken to improve the working of the labour market. Unfortunately, in 1987 not only is much still wrong with its functioning, but also, compared with 1981, the unemployment situation has further deteriorated while prospects are anything but rosy.

The report states that in 1983 more than half of the unemployment in the Netherlands was structural and quantitative in nature. Of unemployment overall, 25 % results from imperfections on the labour market and 20 % is cyclical. Since then cyclical unemployment has been reduced: so the current situation is characterized in particular by a shortage of jobs.

Although increasing labour market flexibility must be an essential part of fighting unemployment, it is not — according to the *CED* — the only way. The major part of unemployment is a result of a shortage of jobs. The creation of new jobs must be brought about through permanently raising the rate of investment, both by companies and by government. If an increase in the number of jobs is actually to result in reducing unemployment, greater labour market flexibility is required.

Proposals

The *CED* makes four sets of proposals in this respect:

(i) Increase the capacity of real wages to react to shortages on the labour market.

In-depth analysis shows that in the Netherlands real wages react less in the short term to shortages on the labour market than in other industrial countries. The *CED* considers that it is desirable to increase this capacity to react. Given the current decentralized approach to wage fixing, can real wages react sufficiently to high unemployment? The social partners are primarily responsible for ensuring that real wages react to a greater extent to labour market shortages. Government can try to encourage this in central consultations. In the last instance the *CED* does not rule out a situation in which the government will feel obliged to intervene in wage fixing.

An interesting policy option could furthermore be to foster the application of profit-related remuneration systems in profitable sectors having evenly balanced asset ratios. Despite their disadvantages, introducing such pay systems would make real wages more flexible.

(ii) Increase the gap between the minimum wage and the modal wage

A drastic reduction of the minimum wage would undoubtedly increase labour market flexibility. However, the *CED* considers that such a rigorous change in policy would demand too high a social price. A certain increase in the difference between the minimum wage and the modal wage is, however, desirable. This is possible by a gradual development whereby the purchasing power of the minimum wage and benefits is maintained and the modal wage and wages exceeding the minimum grow.

(iii) Intensify training

The *CED*'s policy proposals for training of the long-term unemployed are cu-

rative in nature. It is neither economically nor socially justifiable to discard the hard core of the long-term unemployed. The *CED* thinks that it can be warranted to make training obligatory for the long-term unemployed who show insufficient readiness to be trained. This must go hand in hand with offering the prospect of a job, in the last resort conceivably a temporary job in the public sector. It should be remembered that preventive training must also be considerably intensified. Such preventive training which has to ensure that long-term unemployment does not arise, demands considerable flexibility of the educational system. Government and social partners must jointly shape training policy. Central consultation can contribute towards this end.

(iv) Reduce the fiscal burden on incomes

Average and marginal income tax is relatively heavy in the Netherlands. Reducing this burden has a positive effect above all on the propensities to train, to take up work and geographical mobility. Reducing the burden also limits real wage increases. But the budgetary situation does not offer much leeway for reducing taxes. The necessity to further reduce the financial deficit does not allow for this at present. Yet in the longer term it will have to be given priority, certainly at the bottom end of the income structure.

Portugal: *PCEDED* programme

The Government's 1987–94 programme for correcting the structural imbalances of the Portuguese economy (the balance of payments deficit and unemployment) was published in April 1987. It sets out a medium-term economic strategy, constituting a framework whose orientations go beyond the sectorial character of employment promotion initiatives.

The first phase (1987–90) seeks to achieve the following goals:

- (i) an annual average real increase in output of some 4 %;
- (ii) an annual average real increase in investments of some 8–10 %;
- (iii) an annual average growth in productivity of 2.5–3 % as well as the restructuring of the system of production;
- (iv) an annual increase in employment of about 1 % and a reduction in the rate of unemployment to 7.2 % by 1990;
- (v) a reduction in the annual rate of inflation from some 8–9 % for 1987 to some 4–6 % for 1988;
- (vi) a reduction in the ratio of public administration deficit in GDP.

The second phase (1990–94) consists solely of projections of some economic variables. It will take into account the effects of the measures taken previously, and include adaptations made necessary by new situations and problems arising during the implementation of this programme.

United Kingdom: Deregulation in Europe: a UK viewpoint

A recent report to the UK Parliament gives an account of progress made on deregulation since the publication in May 1986 of the White Paper 'Building businesses... not barriers'. Deregulation is one of a range of Government initiatives to encourage enterprise (see iM 11).

The commitment to reducing the burden of regulation on business was announced by the Government in the report on 'Burdens on business' (1984) and the White Paper 'Lifting the burden' (1985), as well as in 'Building businesses... not barriers'.

Both White Papers on deregulation have identified requirements and regulations emanating from the European Community as a major area where action is required to reduce the impact on business — in particular, on small and medium-sized enterprises. Since the publication of 'Building businesses...

not barriers', considerable progress has been made in taking forward the initiative which was originally launched by the Prime Minister at the European Council in March 1985.

The Commission's Task Force on small and medium-sized enterprises has day-to-day responsibility for carrying out the Commission's action programme for small and medium-sized enterprises (SMEs), including measures to improve the administrative and legal environment in which business operates.

The resolution setting up the action programme stressed the important role of SMEs in job creation and, in recognition of their particular problems, adopted a Community strategy designed to assist initiatives in individual Member States.

In December 1986 the Social Affairs Council adopted an action programme on employment growth reaffirming, among other things, the importance of easing restrictions on business, particularly in improving the climate for the growth of new enterprises and small firms. Continued efforts are now needed by the UK and other Member States, in conjunction with the Commission, to build on the initial successes of this strategy.

The Task Force has responsibility for the Commission's system for assessing the burden to industry posed by Commission proposals. Under this system, every Commission proposal for legislation sent to the Council must be accompanied by a *fiche d'impact* — or business impact assessment — setting out the likely effect of the proposal on business.

The Task Force aims to involve officials in examining more critically the justification for legislation and how proposals can be implemented in the least burdensome manner. This is an important start. The Task Force's priority now must be to ensure that *fiches* are prepared at an early enough stage to be of use in the decision-making process and to seek a greater business input to the *fiche* assessment through early consultation.

In the UK, the Enterprise and Deregulation Unit (EDU) monitors the operation of the *fiche* system, together with the appropriate Government departments. *Fiches* can provide a useful parallel to the compliance cost assessments produced by UK departments domestically. The EDU will continue to liaise with the Task Force and other Government departments to ensure a greater business input to, and earlier production of, *fiches*.

The Task Force is also responsible for analysing the burdens posed to business by existing Community legislation. The UK will be pressing the Task Force to consider possible ways of assessing and monitoring the impact of existing Community legislation on business and how appropriate amendments could be made to legislation.

If the European deregulation initiative is to be successful it is important that the views of European business groupings, particularly those representing small business, be made known to the Commission's decision-making at an early stage. A first step is to encourage greater interest from small business associations in Member States. A series of small business information seminars, funded by the Commission, are currently being run to help improve UK business input and awareness of the Commission's activities and the EC legislative process.

In October 1986 the Industry Council agreed that there should be a regular exchange of information between Member States to share experiences and compare deregulation systems, and thereby help develop the business environment. A working group of officials from Member States has been set up; it held its first meeting at the end of April 1987.

UK officials have also held bilateral discussions with their counterparts in a number of Member States to compare different national experiences, to emphasize the importance of European deregulation and to look for areas of cooperation on further initiatives. A successful joint Anglo-German seminar on deregulation was held in April, attended by

Ministers, officials and business representatives, and a similar venture is being organized with French counterparts. UK officials have also discussed the prospects for improving the administrative and legal environment with officials and business representatives from France, Belgium, the Netherlands and Portugal.

Conclusion

Although initial progress on Community deregulation has been slower than might have been hoped for, real changes are now starting to take place. The UK continues to attach importance to the changes begun during the UK Presidency of the Council of Ministers and will continue to seek support from its partners in the Community's institutions and other international bodies. Over the coming months, the UK priority will be to support Commissioner Matuses and officials in his Task Force to carry forward the deregulation initiative — in particular, by ensuring the establishment of the *fiche* system as a central deregulatory tool in the policy formulation process; by aiming for real deregulatory progress in respect of existing legislation; and by improving liaison and information between business, Member States and the Commission. The Task Force has a substantial agenda and a difficult role to play. The UK will continue to work to help ensure that it is as successful in its tasks as possible.

Aid to the unemployed

Italy: Fiscalization of social charges, extension of relief in contributions in the Mezzogiorno and measures for sectors experiencing difficulties

Decree Law No 156 of 28 April 1987 confirms that the relief in contributions provided for by Decree Law No 328 of

July 1986 is applicable until 31 December 1986. Furthermore, the date fixed for applying reductions in contributions to the National Health Service, which had previously been fixed by Decree Law No 882 of 22 December 1986 is extended to 30 November 1988.

The expenditure earmarked for facing up to these reductions amounts to LIT 7.140 billion for 1987 and LIT 7.430 billion for 1988.

As regards the relief in social security contributions for firms operating in the Mezzogiorno, there has been reconfirmation of the extension of the date until 30 November 1987.

Finally, the extension of the deadline for implementing the provisions on early retirement for blue- and white-collar workers employed by industrial firms experiencing crises, has been confirmed as 31 December 1987.

These dates have been fixed by the Decree Law No 244 of 27 June 1987 which supersedes the previous one.

Training

France: Results of 1986 modular training

In 1986 more than 38 000 jobseekers participated in a *stage de formation modulaire*: modular training. In 1985 (September—December), the year of launching the programme, there were 33 000 participants.

Women were the main beneficiaries of this approach. Their proportion has grown from one campaign to another: 56.3 % in 1985 to 59.8 % in 1986 (September—December). They tend to be enrolled at ANPE for returning to the labour market, looking for their first job or following their having given notice, having been employed as skilled (51.4 %) or unskilled (25 %) employees. Men, by contrast, generally enrol following redundancy, and their percentages as skilled and unskilled employees are 13.9 % and 8.9 % respectively.

Overall, 41 % of the participants had unskilled jobs, i.e. labourers, clerks, etc., and 6.2 % executive jobs, supervisors, technicians or draughtsmen. More than one half (51.5 %) had been registered at ANPE between one and two years and 28.3 % for more than two years. 96.3 % of the participants were registered at ANPE in category 1 (i.e. the unemployed who are available immediately, looking for a full-time, indefinite length employment contract). A comparison between programme participants and those category 1 jobseekers as regards their age structure and the length of their being registered at ANPE as jobseekers shows that the programme's target groups really had been reached, priority having been given to persons registered for more than one year, these differing from those on ANPE files (the majority having been registered for less than one year).

On the other hand, although the scheme had been focused on adults (who represented 83 % of all jobseekers who participated in courses in 1986), the proportion of young people (—25 years) experienced considerable growth in the first quarter of 1986 (6.5 % increase over September—December 1985). The dip observed during the third wave (9.5 % instead of the 17.6 % registered during the second wave of January—April 1986) coincides with the implementation of employment measures for young people (April 1986). The displacement effect of adults having in particular a level of training below that of the under-25s, thus ceased once specific measures for these young people were brought in. This brings out the significance of targeted measures.

The results of the 'DELD' programme (for long-term jobseekers) for the months of March and April 1987 show the growing proportion of this measure in all actions developed by ANPE to help the (re)integration of the long-term unemployed: of the 19362 and 55 808 jobseekers who were interviewed in this context in March and April respectively, 9.7 % and 17 % were given the opportunity of participating in modular training.

The Netherlands: BKE target groups attained

The BKE pilot projects, educational activities for the vocational qualification of adults, were designed for persons with little previous training who had a vulnerable position on the labour market. Despite their objections to the way in which the BKE is being implemented, former participants believe that BKE is an important measure meeting a real need. This is clear from a survey of the experiences of some target groups in the BKE scheme.

BKE aims at providing adults who have only an advanced elementary (mavo) or lower vocational (lbo) education with the skills needed for a job similar or at the same level as that of the basic apprenticeship system to enable them to consolidate their position on the labour market. Projects are implemented by joint associations consisting *inter alia* of the local school, the centre for vocational orientation and preparation, the adult vocational training centre, day and evening classes, day-release courses and the regional employment office. Altogether 22 projects are being carried out.

The BKE projects seem to have done well in reaching women and foreigners, two groups which are usually difficult to involve in job related adult education. Among the foreign women, those from Surinam and the Antilles are best represented, with Turkish and Moroccan women taking only a limited part in BKE.

As with other forms of adult education, there is a high percentage of participants who prematurely pull out of the course. In the first group of participants (1983—84) 69 % had dropped out after a good two years. The commonest reason for stopping early is that work has been found. Declining motivation also plays an important role (after all the whole situation on the labour market is none too bright) as do personal circumstances.

The aim of virtually all participants is, say the investigators, to get a job. Most participants seem, however, to doubt

whether they will have a chance of a job once they have obtained their diploma. People from Mediterranean countries use the BKE projects to learn skills which might be useful should they ever return to their home country. The low cost as well as the fact that the course can be attended by people in receipt of benefit also play a role in people choosing BKE rather than any other form of training.

The results of the investigation can also contribute to the organization of the PVBE, the primary vocationally-oriented adult education; for the Ministry of Education and Science and the Ministry of Social Affairs and Employment are working on the organization of PBVE as a regular activity.

The Netherlands: Greater emphasis on joint training activities in the BVJ scheme

More money is being made available for joint training activities organized by various branches of industry in the context of BVJ, the regulation on contributions to the vocational training of young people. The special grant per apprentice which is provided over and above the basic amount is being increased from HFL 2000 to HFL 3000. At the same time, the basic amount for individual training activities is being reduced from HFL 4 000 to HFL 3 500. The special subsidy available for training girls in traditionally male occupations is being maintained at HFL 2000 per apprentice.

The Minister for Social Affairs and Employment has taken this decision to further enhance the significant growth of the intake of apprentices. The adjustments also aim at bringing about greater involvement of the social partners in vocational training and at strengthening the financial underpinning of joint training activities organized under the responsibility of the branches of industry. HFL 202 million will be available for BVJ activities in 1987.

By modifying the BVJ scheme the Minister is seeking to strengthen the practical component of vocational training as well as to extend it and reduce its

dependence on the economic situation. The social partners strongly endorse the importance of the BVJ approach. Recently the central employers' and employees' organizations meeting within the Labour Foundation confirmed that the intake in the basic apprenticeship system will be doubled. More than 100 000 apprentices have already concluded an agreement within the context of the apprenticeship system. The training is organized by trade and industry with the financial support of the Ministry of Social Affairs and Employment. Whether an apprentice is full-time or part-time makes no difference for the amount of the subsidy.

Portugal: Vocational training and integration of women

IEFP, the national employment and vocational training institute, is currently carrying out two projects, co-financed by the ESF, aimed at vocationally training and integrating young unemployed women in traditionally male jobs.

The first started in 1986 and will end in 1987. It is for 36 unqualified unemployed young women under 25 years of age from three regions: the North, Lisbon and the Tagus valley. Specializations covered are carpentry, joinery and cabinet-making, turning and house-painting, and industrial piping and electricity.

The project is characterized by:

- (i) 50 % of the training places being reserved for women;
- (ii) guaranteeing 36 women support at the end by an employment contract as soon as employers are interested in hiring them for an indefinite period;
- (iii) providing support during the whole of the training and for effective integration in the labour market;
- (iv) paying financial support for looking after the children of participants.

The second project started in 1987 and will end in 1989. It is being held in

the Alentejo area (Aljustrel) for 10 women under the same social conditions as the first project. Training is for locksmiths and civil and mechanical fitters.

To enable these young women to enter the labour market as self-employed persons, the occupational training will be completed by management training in setting up a small firm or a cooperative.

Job creation

France: Extending TUCs beyond one year (Decree Nos 87.186 & 87.187)

These decrees of 20 March, published in the Official Gazette of 21 March, open up the possibility of implementing works of benefit to the community (TUCs) of more than one year. Under the new provisions, a young person working on a TUC community job for one year can be maintained in the traineeship provided the total period of involvement does not exceed 24 months.

The prolongation beyond one year results from the commitment of the sponsor to ensure the pay of the beneficiary. During the initial period the monthly FFR 1 250 is provided by the State, with the sponsor covering an optional supplementary contribution of up to FFR 500. In cases of prolongation, the financing of the basic pay of FFR 1 250 will amount to FFR 250 for the State and FFR 1 000 by the sponsor, who must, on the other hand, also pay the young person an expense allowance at least equal to FFR 250.

The prolongation can be made within the framework of a rider to the initial agreement between the State and the sponsor. This rider specifies the number of places opened up by these prolongations. The initial agreement modified by this rider indicates thus a

number of TUCs by ordinary law, whose basic remuneration is paid by the State and a number of prolonged TUCs, with a reversal of the financing of the remuneration of the young person.

United Kingdom: New Jobshare scheme

The job-splitting scheme, which opened in January 1983, was designed to help employers create part-time jobs for unemployed people. Its aim was to encourage more flexible working patterns through a better utilization of manpower, greater efficiency and improved competitiveness and thereby help to reduce unemployment. The Department of Employment provided a grant to employers for a year to meet any administrative and training costs.

On 1 April 1987 the scheme was re-launched under the new title of Job-share. There are three ways that Job-share can be employed:

1. Dividing an existing full-time job

The following categories of people are eligible:

- (i) the holder of the full-time job that is being divided or
- (ii) someone who is claiming at an unemployment benefit office or
- (iii) is under notice of redundancy or
- (iv) is leaving particular Government schemes and has not worked since.

2. Creating new part-time jobs

People leaving particular Government schemes who have not worked since are eligible.

3. Combining regular overtime into a part-time job

The eligible categories of people are those:

- (i) who are claiming at an unemployment benefit office or

- (ii) are under notice of redundancy or
- (iii) are leaving particular Government schemes and have not worked since.

A grant of UKL 1000 is paid in three instalments: UKL 500 when the application is approved, UKL 200 at the end of 26 weeks and UKL 300 at the end of the year.

Special categories of workers

Ireland: Women in business programme

The women in business programme administered by the Department of Industry and Commerce is designed to encourage more women to set up their own businesses. The programme involves liaison with the various State agencies to promote more direct attempts to encourage women entrepreneurs. In addition, a free consultancy service is available to provide advice and information to those with business ideas. Where queries cannot be dealt with adequately by phone, an individual session can be arranged with a business consultant at any one of a number of centres throughout the country.

Italy: Foreign workers from non-Community Member States

Decree Law No 242 of 27 June 1987 provides for a further extension of the time limit set by Law No 943 of 30 December 1986 (see iM 17) and subsequently by Decree Law No 154 of 27 April 1987 for regularizing the situation of clandestine workers from non-European Community Member States. The final deadline has been set at 27 September 1987. The Decree Law enables such workers to establish a working relationship even as part-time or home workers.

The Netherlands: Legislation on equal treatment between men and women

A Bill has been introduced to the Second Chamber to reform the legislation on the equal treatment between men and women by bringing in clearer and hence more effective legislation for the workplace.

The Bill intends to combine into a single act the three existing acts on equal pay for women and men, equal treatment between men and women and equal treatment between men and women in the public administration. With a single exception, the legislation will also apply to the military, who are government personnel.

According to the proposals, the ban on unequal treatment between men and women when offering a job will be clarified. What is new is the possibility of demanding the rectification of an advertisement or a job offer which unjustly draws a distinction between men and women. The ban on inequality of treatment as regards access to vocational training and educational courses will be extended so that it also applies during and at the end of education or training, such as, for example, examinations.

Finally, the Bill proposes the possibility of preferential treatment over a period of five years in cases where one of the sexes is clearly at a disadvantage; this would be limited to women. Before the expiry of this period, an evaluation will be made to determine whether the preferential treatment for removing the backwardness can then be applied to both men and women.

The Netherlands: Evaluation of the JOB scheme

JOB stands for *Jeugd Ontplooiingsbanen*. It is a measure which aims at providing under-25, long-term unemployed with work experience in a temporary job for up to one year through START, the temporary employment agency. Employers who offer young

people a job in the context of the JOB scheme receive a subsidy of 33 % of the relevant minimum (youth) wage.

A recent evaluation concludes that, overall, the JOB experiment can be considered a success. This is because the scheme has led to the permanent strengthening of the position of long-term unemployed young people on the labour market. That use is made of the temporary employment agency system is important for the approach to tackling long-term unemployment from the policy viewpoint.

JOB was launched in 1984. At present, approximately half the employment offices cooperate in the scheme. The Minister recently decided to extend the scheme to the whole country.

The survey estimates that 30 % of the target group are covered by the scheme. The overall length of placement seems to average nearly six months. For the rest, the number of placements lasting less than one month remains rather high: 20 % to 25 %. On average, the young people work about 31 hours per week in the JOB jobs. On the whole, the participating young people and the companies come up to the scheme's requirements.

Relative to the total, many small and medium-sized companies participate in the scheme. The researchers state that the idea that the temporary employment agency system would lower the threshold for small companies has clearly proved correct. Women seem to be under-represented in JOB, probably because a relatively large number of placements are made in industry where companies seem to be most interested in the scheme.

At the moment of making the survey, at least half the young people who had participated in the scheme had found a job in the meantime. In most cases these jobs were an improvement on their previous jobs held under the scheme.

JOB jobs rarely include training but accompanying support is given. The young people participating in JOB do not seem to be in great need of more support and training.

The researchers consider that in most cases the placement of the participants entails displacement. The displacement takes place in the form of long-term unemployed young people being given preference over other young people. The researchers estimate that this occurs in 80 % of all cases. However, there would appear to be only a small chance for a young person in the scheme displacing another young person belonging to the same target group. It can thus be concluded that the scheme leads to improved employment opportunities for the target group.

The chances of competition being distorted are negligible. The financial benefits of companies participating in the scheme are limited. Moreover, in a number of cases the circumstances are such as to make the occurrence of distortion of competition less probable: in small companies where the owner works on the shop floor, the only result of placing a young person in such a company would probably be that the owner himself would work less.

The measure is designed for people who have been unemployed for at least 12 months and, in the case of young people under the age of 23, who have been unemployed for at least 9 months. Employers receive a subsidy, the amount of which depends on the unemployed person's age.

The survey examines the extent to which these unemployed people who are put to work carry out work which is not additional and consequently, threaten or actually displace paid workers. It shows that, except for those cases where possible displacement effects are strictly checked, young people are usually doing work that:

- (i) is required by law; or
- (ii) was, in the year previous to the persons being put to work, still being carried out by officially paid manpower and was then scrapped on economic grounds; or
- (iii) was, in that year, still being contracted out to companies in the market sector.

So there is a clear connection between expenses being cut down and 'making work' for unemployed people. Putting such people (through the WVM or volunteers) to work opens up the possibility to save on contracted-out work, to absorb manpower requirements as a consequence of cuts and personnel turnover, to reduce the speed of cut-backs, to launch new activities for which no money is available and to use public funds for (additional) manpower to purchase machinery for automation.

The study has also examined the extent to which the young people themselves benefited from being put to work by the municipalities, in the sense of being given training and gaining work experience which would improve their prospects on the labour market. Training and support seem still to leave much to be desired. Really vulnerable groups generally were not reached because of the high educational criteria: at least MAVO (advanced elementary education). Seen in the light of national data, participants' prospects of moving into employment did not improve.

Policy suggestions

From the viewpoint of equality before the law, special criteria should be incorporated into the Act on non-remunerated work carried out by benefit recipients (WOAU) aimed at preventing negative labour market effects and fostering positive social and societal effects.

As regards JWG (Youth Employment Guarantee Scheme) the researchers consider that the condition for the employment to be additional should be scrapped as unrealistic. If JWG really aims at improving the prospects of moving into employment, then support, re-training and further training have to be guaranteed, with the assurance that there are no minimal educational criteria.

On the basis of their findings the researchers expect JWG jobs to be created in particular in those places which have been subjected to cutbacks. Many of the unemployed young people have in fact been trained for those sectors. It is precisely in those sectors where they should not be put to work, since there is little prospect of finding a permanent job there.

The researchers believe that the JWG should also be applied in the market sector given the cuts in expenditure in the public sector, the policy aimed at strengthening the market sector and the difficulties which people having only elementary education experience in the market sector.

The Netherlands: Continued decline in school leavers' unemployment

The decline in unemployment among school leavers which started in 1984 has continued in 1986. An increasing number of school leavers are rapidly finding employment. Unemployment among the under-23s dropped by nearly 15 % in 1986 and that of school leavers by 16.4 %. The percentage of unemployed school leavers in the youth unemployment figure overall fell from some 41 % to 39 %. This decline, on the one hand, is linked to the economic re-

The Netherlands: Municipal work for unemployed young people

When young unemployed people are taken on by municipal departments and services, for instance in the context of the WVM, the measure to enlarge employment opportunities, or by working whilst in receipt of benefit, there is a great risk that the work will not be additional but rather regular work. About 80 % of the work done by the unemployed consists of doing things which would in any case have been done. Such are the findings of a recent survey.

The aim of the survey was to examine the motives for and the effects (societal and labour market) of putting young persons to work through WVM or through working whilst in receipt of benefit. WVM aims at fostering the creation of additional employment opportunities and the integration of special groups of unemployed people into working life.

covery and, on the other, is a result of the joint efforts of government and the social partners. The decline in the number of school leavers is expected to continue at an increasing rate in the coming years.

This comes out of the 10th Annual School Leavers Letter 1987 which the Ministry of Social Affairs and Employment has sent to the employment offices, careers masters, the social partners, municipalities and educational organizations. The letter contains information on the flows of school leavers on the labour market, their participation in vocational training and further training and the development of employment in the industrial sectors.

In 1985 an average of some 100 000 under-23-year-old school leavers were unemployed. Last year this number had dropped to some 84 000, a trend which continued into 1987: at the end of February unemployment among school leavers, seasonally adjusted, amounted to 76 000.

The Netherlands: Youth employment guarantee scheme (JWG)

Contrary to what had been expected, the Youth employment guarantee scheme (see iM 16 and 17) will not become operational this summer but only in the course of next year. In anticipation of the scheme, the Government is making HFL 39 million available for the municipalities as a subsidy towards the costs of schemes for creating temporary jobs for young people. It is hoped that 4 000 jobs will be created.

The Netherlands: Extension of Private Members' Act Vermeend/Moor (Scheme for the long-term unemployed — MLW)

The Vermeend/Moor Act came into force on 1 October 1986 (see iM 16). On the basis of the current legislation, employers who between 1 October 1986

and 31 December 1987 contractually hire a long-term unemployed person (LTU) either for an indefinite period or for a fixed term of at least two years' duration, can be exempt from paying social security contributions on behalf of the LTU. To be eligible, the unemployed person must have been registered as a jobseeker at the employment office for more than three years and must be over 21 years of age. In addition to the exemption from social security contributions, the employer can claim a one-off payment of HFL 4 000 for each person taken on under the scheme to cover the costs of training and accompanying support.

According to the modified Private Members' Act Vermeend/Moor, employers who offer LTUs an employment contract for less than two years but for a term of at least six months, will henceforth also be exempted from paying social security contributions for the LTU they hire.

In addition to expanding the Act to include fixed-term employment contracts of shorter duration, the Private Members' Bill also broadens the target group. Under certain conditions, people who have been unemployed for two years can also come under the scheme: persons who have been unemployed for at least two years and who then, in consultation with the employment office, participate in training, retraining or further training programmes. These programmes aim at increasing the participants' prospects on the labour market. After terminating such a programme, the participant can come under the Act. This means that an employer who offers an employment contract to such a trained, retrained or further trained jobseeker can claim exemption from social security contributions and the one-off subsidy for accompanying support. At the same time the Bill contains the provision that jobseekers under the age of 21 are also eligible for this sub-section of the modified Act. The employment office is authorized to let a young LTU come under the Act if special employment programmes in the region of the employment office have no or insufficient effects for the LTU in question.

Furthermore, the final date of the Act has been modified in the Private Members' Bill. The current Act will expire on 31 December 1987, the Minister for Social Affairs and Employment being authorized to extend the Act by one year. In the Bill of amendment, the provisional 'final date' of the Act has been fixed at 31 December 1988, the Minister being authorized — after an evaluation of the Act — to extend it.

Working time

Spain: Early retirements in crisis enterprises

Various measures have been adopted in Spain over the last few years to bring forward retirements. Particularly important in this respect are those concerning sectors being restructured and crisis enterprises which do not belong to these sectors. The 9 April 1986 decree concerns the latter; it sets out the provision of aids for early retirements for workers from these enterprises who are 60 or more years old and stop working before having reached the normal retirement age (65 years).

The amount of the early retirement aid is equal to 75 % of the average pay received during the six months prior to stopping work. This amount can under no circumstances exceed that of the retirement pension which the worker would be entitled to if he had reached normal retirement age. The amount is raised from the second year according to the forecast increases in the consumer price index for the year in which the aid will be paid. During the period of receiving the aid, the beneficiary's situation as regards the social security system is equated with that which he/she had previously and he/she continues to contribute for the most usual risks. To this end, the average of the contribution basis during the six months immediately preceding the cessation of work will be taken as contribution basis.

Finance for the aid for early retirement and the employer's social security contributions are borne by the enterprise making the request (60 %) and the State budget (40 %). The participation of enterprises can be increased following their prior agreement.

France: Working time Law No 87.423 of 19 June 1987

During its spring session Parliament passed a law concerning the duration and organization of working time, the text of which was published in the Official Gazette of 20 June 1987.

Annualization (modulation annuelle) of the working week (Labour Code Article L 212-8 to 212-8-5)

The law provides for the possibility of 'modulating' weekly working time over all or part of the year without the hours worked over and above 39 (within the annualized limit) giving rise to bonuses, compensatory time-off or being counted towards the annual overtime quota. In other words hours worked in excess of 39 per week will be compensated for by hours not worked under 39.

This *modulation* will be possible not only by 'extended' sector-level agreement (Editor's note: such Ministerial extensions make the agreement applicable to all enterprises covered by the sector, not just those affiliated to the signatory organizations), as was previously the case (the law of 28 February 1986), but also by company- or plant-level agreement. However, to come into force, this company- or plant-level agreement must not have been opposed by those non-signatory trade union(s) which have received more than half of the votes of the electors enrolled in the last 'occupational elections'.

The *modulation* of the working week will be limited, in principle, to 44 hours per week: it will be allowed to exceed this 44 hours weekly limit only provided that this eventuality is explicitly laid down in an extended sector-level agreement.

The *modulation* must be compensated for by a clause which the signatories of the agreement have to agree to ('reduction in working time or any other compensation, in particular financial or training').

In cases where the duration of working time is, on average over the year, more than 39 hours per week, the excess hours are paid for at the latest at the end of the annual period defined in the agreement. They open up the right to increased pay (+25 % for the first 8 hours and +50 % for the following) or to compensatory time-off (1 hour 15 minutes for overtime for the first 8 hours and 1 hour 30 minutes for the following hours).

The law also brings in a possible new system of counting overtime using work 'cycles' instead of calendar weeks: provided that a company's or plant's working hours are divided up within a cycle of 'several weeks in a fixed and repetitive way from one cycle to another', only hours exceeding an average of 39 during this period will be considered as overtime. However, this approach will only be possible in three cases:

- (i) in companies using continuous processes, as is already provided for in certain decrees implementing the 40-hour working week which are provisionally maintained;
- (ii) in cases authorized by decree;
- (iii) when this possibility is provided for by extended sector-level agreement which must set down the maximum length of the 'cycle'.

Women's nightwork (Labour Code Article L 213-1)

The new law allows exemptions from the ban on women's nightwork (i.e. any work carried out between 22.00 and 05.00) when, 'because of particularly serious circumstances, this is required in the national interest' (a formulation in conformity with Article 5 of ILO Convention No 89). This possibility is subject to two cumulative conditions:

- (i) an extended sector-level agreement must provide for the possibility of such an exemption for companies operating with continuous shift sys-

tems (such an agreement can 'include measures seeking to ensure the occupational equality between men and women');

- (ii) a company- or plant-level agreement (which has not been opposed by trade unions which are not signatories but have received more than half the votes of the electors enrolled in the last 'occupational elections') must authorize the use of this exemption. Where there are no trade union representatives within the company, authorization must be received from the labour inspector after the opinion of the works council or staff delegates, where they exist.

Lifting some restrictions on women's work

(Labour Code, Articles L 222-2 and 222-3)

By repealing or modifying Articles L 212-9 to L 212-12 and L 222-3 of the Labour Code, the law does away with a certain number of possible restrictions on women's work. The following are thus abolished:

- (i) the ban on employing women for a full 10-hour working day without interspersing this work with one or more breaks for a total length at least equal to one hour, these breaks having to be organized at the same time for all the women thus employed (except in continuously fired plants, mines and quarries);
- (ii) the ban on organizing work in shifts for women (except in continuously fired plants and establishments set out in a ruling by the public authorities), their work having to be — in cases where work is organized by successive shifts — continuous, except for interruption for a break or breaks;
- (iii) the ban on employing women in workshops or on sites during public holidays.

Continuous working (Labour Code, Article L 221-10)

The law authorizes the giving of weekly rest in rotation in 'industries

where a collective agreement or extended agreement provides for the possibility of organizing work continuously for economic reasons'.

Continuous working can thus be authorized for economic reasons by a collective agreement or extended agreement and not solely, as was previously the case, for technical reasons.

Intermittent work contract
(Labour Code Articles L 212-4 and 212-10)

From now on open-ended intermittent employment contracts can be brought in for permanent jobs consisting by their very nature of alternating periods of work and non-work:

- (i) not just by extended sector-level agreement (as was the case previously);
- (ii) but also by company- or plant-level agreement (which has not been opposed by non-signatory trade unions which have received more than half the votes of the electors enrolled in the last occupational elections).

This (sector-, company- or plant-level agreement) can furthermore lay down:

- (iii) specific provisions for wage-earners having an intermittent employment contract for determining their collective agreement rights recognized for full-time wage-earners;
- (iv) payment to these wage-earners of an average monthly remuneration irrespective of the number of hours actually worked and calculated on the basis of their annual working hours.

Placement

Spain: Geographical mobility aids

The ministerial decree of 28 February 1987 governs geographical mobility aids for unemployed persons registered at employment offices (and their families) in cases where, having been offered a job, they must leave their normal place of residence for another place within the country.

Two types of aid are available: on the one hand those seeking to ease travelling of the worker and his family from his home to his new place of work, and, on the other, a set of social measures which were not included in the previous regulations. Among the former there is the agreement for special tickets between the public administration and the transport companies as well as a per diem of PTA 1700 for travel. To help the family to be together when the employment contract for the new job lasts more than one year, the travel expenses for the family are reimbursed as well as all or part of the expenses for furniture removals up to PTA 135000 for removals within the peninsular and PTA 175000 for others.

The social measures cover: accommodation for the workers and their families; public or officially recognized day nurseries; health care for the worker and his family should he not be entitled to social security services; education and vocational training aimed at social reintegration; and sociological studies to enhance the understanding of the situation of specific groups. These actions can be carried out through agreements with other institutions.

Miscellaneous

Italy: Regulations for the protection of Italians working abroad in non-European Community countries

Decree Law No 211 of 1 June 1987 lays down regulations regarding the protection of Italian workers who are working abroad in non-European Community Member States. It provides for these workers to be compulsorily registered with social security and social welfare insurances for such matters as invalidity, old age and survivors, tuberculosis, involuntary unemployment, industrial accidents and occupational diseases, and maternity.

Italian workers who are available to take up a job abroad have to register on a special placement list of the regional employment office which grants the *nulla osta* (authorization) for the hiring which can take place by nominative request (i.e. employers are allowed to select their new recruits by name). Employers wishing to hire Italian workers for work abroad or for transferring them to a foreign country have to present a request for authorization to the Ministry of Labour and Social Security.

The Decree Law lays down the provisions implementing the insurance systems and the contributions to be borne by the employers. The expenditure foreseen amounts to some LIT 109 billion for the 1987-89 triennium.

New technology and social change: Overview of recent events in the Community countries¹

Introduction

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Introduction

The spring and summer of 1987 saw few new developments in the field of government technological policies: the continuation of ongoing programmes has been accompanied by a number of adjustments to modify certain trends (e.g. towards more product-oriented innovation) or to take into account specific problem areas (e.g. the need to encourage technological diffusion and advanced services to firms in the Italian South).

What may be observed behind the events and the figures is that, in spite of the declared intentions of several governments to reduce State intervention in the economy, which in principle also includes high-tech sectors, there is a widely perceived need, stressed by research and advisory reports, to devote more efforts and public funds not only to research but also to innovation. Thus, even in countries where research budgets have been cut back in recent years, research is being reassigned top priority, while policies aimed at deregulation and privatization are producing changes in the institutional framework. Telecommunications is the most obvious example: policies proposed or implemented in several countries point broadly in the same direction, though with rather different degrees of government regulation. They are accompanied by a major reshaping of the telecommunications sector in Europe (on which information is changing so fast that we cannot give an account of it here) and by rather divergent assessments by industry and the trade unions.

There is more movement to be seen in the field of industrial relations. First, the degree of interest in specific technological issues is unquestionably increasing, notably on the trade union side. This is to be seen from statements and discussions at trade union conferences and from studies and surveys carried out by or for the trade unions, but also from several experiments in training and the utilization of information technology to provide better information and a variety of services. Secondly,

some of the unions, whether national or sectoral, which in the past had shown a rather negative attitude towards technological change, are expressing more diversified views, focusing on the negotiable aspects of technological innovation and redefining priorities and 'tradeable issues' on a case-by-case basis. Moreover, some of the expected negative implications do not seem to be materializing: this is notably the case of telework, a frequently expressed fear of German and Danish trade unions. Thirdly, as far as industrial disputes are concerned, the groups involved in disputes in this period include the employees of the public administration and public services and, among them, computer staff. This is rather new, and is likely to reflect the shortages and consequent bargaining power of employees with the required skills and the increasing difficulty which the public administration has in keeping them. It is also an opportunity to measure the cost, both financial and in terms of administrative disruptions, of labour dispute conflicts in a public administration which is, by now, rather highly computerized.

The findings of research and studies confirm, broadly speaking, that innovative firms in high-tech sectors create employment, while technological change in industrial processes destroys jobs. Moreover, small-scale firms are more likely to create jobs, while large-scale firms almost inevitably decrease employment, even when they are active in high-tech sectors. Opinion surveys show that the attitude of the general public towards computers is less fearful and more open than in the past, but managers are not always satisfied with the results of the large investment they have made in computerized technology.

¹ 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), J. Reese (D), N. Bjorn-Andersen (DK), J. I. Palacio Morena (E), N. Azoulay (F); M. Nikolinakos (GR), M. E. J. O'Kelly and J. F. Dinneen (IRL), P. Piacentini and B. Ingrao (I), D. Van Der Werf (NL), L. Tadeu Almeida (P), T. Brady (UK). Coordinator for the Commission: A. S. Piergrossi.

Large shortages of professional computer skills continue to emerge from several studies; however, some pieces of research are beginning to show that unskilled workers can be retrained satisfactorily for working on computerized equipment, and that the widely held view that higher and substantially different skills will be required does not always correspond to industrial reality.

Information technology is increasingly penetrating the home and everyday life. Services such as homebanking, which nobody expected to spread very quickly, meet with a considerable degree of success wherever they are tested. Telecommunications services such as teletext and videotex are also spreading in the countries where they have not been available until now, although not all experiments are successful. However, as a warning against an excessively optimistic view of the cabled society, the first case of 'computer disease' has been reported in the press. It did not affect a worker, but a young computer enthusiast. Occupational diseases are spreading to the household, too.

I. Government policies

1. R&D and industrial policies

In May 1987 the *Italian* Committee of Ministers for Economic Policy CIPE approved 10 new national research projects to be managed by the National Research Council with the participation of private industry and other agencies. These are part of the 'finalized projects' and include some of the main fields in information technology, new materials, biotechnologies and other research areas, such as services for the internationalization of firms. It is estimated that 1250 research units and some 4700 researchers will be involved in the projects, 600 research grants will be available for young researchers and 500 'work and training' contracts will be ac-

tivated for highly qualified unemployed young people.

Meanwhile, a policy aimed at increasing research activities in southern regions is being implemented. The Special project No 35 envisages the creation of applied research centres to supply innovation services to firms in strategic field. When complete, the Special project will have created 30 research centres, having the status of consortia between public administration, universities, the National Research Council and private firms, and employing some 1000 researchers. The centres which have established so far are engaged in applied research in the fields of information technologies and industrial automation, laser technology, solar energy, biomedicine and new technologies in agriculture.

Another project concerning information technology in the south has been announced by the State holding IRI, which intends to create a consortium with the telephone company and the largest State-owned software house to implement a telematics project in Calabria, one of the least developed regions of the south. The project includes the computerization of all local branches of the national health service and the computerization of the regional council; it is expected to create about 1000 highly qualified jobs.

In *France*, research is one of the three priorities defined by the financial law for the 1988 budget (the others being employment and cooperation). Research expenditure has been increased by 7.7%; this represents a clear change in direction, research expenditure having been severely cut back since 1986. Three main sets of measures are planned for strengthening research efforts: fiscal incentives; an increase in the budget of Anvar (the National agency for the valorization of research) and of the Research and Technology Funds (FRT-Fonds de Recherche et de Technologies); measures to foster cooperation between public organizations and firms. The latter include offering a bonus, equivalent to one year's salary, to public sector researchers willing to take up work in a firm.¹

Likewise in *France*, a major restructuring is taking place in the electronics group Thomson, which is strengthening its market position in consumer electronics by acquiring the consumer electronics divisions of the British THORN-EMI and of the American General Electric. The reorganization started in 1982 when the firm, hitherto operating in several branches of the electronics and telecommunications sectors, decided to concentrate its activities in selected branches, by selling its informatics and telecommunications divisions in 1982 and 1983 respectively, and now its medical equipment division. Following these sales and acquisitions, Thomson has re-oriented its activities in three branches: consumer electronics, components and defence and professional electronics. In the latter, however, 2500 job cuts have been announced, and the trade unions estimate that job cuts could amount to 10000 units over the next four years. On the other hand, the strengthening of the consumer electronics division is accompanied by labour saving investment, which has produced a reduction in employment from 23300 in 1984 to 19000 in 1987, and by a continuing relocation of production to South-East Asia, where employment in Thomson factories has increased from 2000 in 1984 to 3500 in 1987. Most recently, the firm has announced the relocation of the production of compact hi-fi equipment from the French factory of Moulins to Malaysia. The recent acquisitions are expected to secure for the firm 15 % of the British and 22 % of the US television market.

The *Irish* Industrial Development Authority (IDA) has announced a significant change of strategy in the way it provides research and development funding for companies. The proposed changes include a greater emphasis on new product development rather than process development, and a possible share in the rewards of research for IDA, in the form of royalties or an equity stake. The risks are higher for product development, with international figures suggest-

¹ *Le Monde*, 10 July 1987; *Libération*, 10 July 1987.

ing a 20—30 % success rate compared with about 50 % for process research.¹

In February 1987 the Joint Oireachtas Committee on Small Businesses produced its seventh report entitled 'New technology and the small businesses'. In the introduction to the report, the committee states that awareness of the potential of new technology is vital for small firms in both the manufacturing and services sectors. Developments in technology will make a wider range of small Irish firms more open to international competition; on the other hand, they will offer small Irish firms a greater range of opportunities than were previously available. Among the policy recommendations, the following deserve particular mention: the appointment of a Minister of State with responsibility for science and technology; the establishment of an Oireachtas Committee for Science and Technology and of a national technology forum representing government, business organizations, trade unions and higher education; a substantial increase in State financial support for industrial R&D; some measures to insure the transfer of technology to small firms, including the placement of highly qualified staff in selected companies for a period of three years.²

In Spain, the Interministerial Committee for Science and Technology (Comision Interministerial de Ciencia Y Tecnologia) was established in September 1986, its first task being to draw up the draft of the First National Plan for Scientific Research and Technological Development. The plan should be ready for inclusion in the 1988 budget. Moreover, a General Council for Science and Technology (Consejo General de la Ciencia y la Tecnologia) has been established, whose main functions include the coordination of proposals from the Autonomous Communities with national schemes. Both constitute important steps in the implementation of the Law for the Promotion and General Coordination of Scientific and Technical Research, i.e. the general framework for technology policy.

Meanwhile, the results of the innovation support policy carried out by the

CDTI (Centre for Technological and Industrial Development) have been disclosed by a publication of the same centre. The CDTI approved 100 R&D projects, with a total investment of PTA 19334 million; 20 % of the projects and of the funds went into the electronics and computer sector, which corresponds to the investment foreseen in the National Electronics and Informatics Plan PEIN. The 20 projects have generated 370 new jobs in the sector, 219 of them in newly created companies, with a high geographical concentration in Madrid.³

The Danish Technical-Scientific Research Council published a report in June 1987 on 'Research for the future-strategy and action plan', whereby it proposes to establish Engineering-Scientific Centres. The aim is to support application-oriented research in order to strengthen the international competitiveness of Danish products. The Council believes that research in Danish universities is too theoretical and that the knowledge content of Danish products is too low. The centres would deal, among other subjects, with integrated manufacturing systems and telecommunications.⁴

In February 1987, the United Kingdom Government announced that it was going to extend the liberalization of telecommunications by the introduction of new industry licences. These licences would allow the complete liberalization of all value-added and data services. They also mean that companies with large internal data networks will be allowed to sell any spare capacity. Moreover, in April, the Department of Trade and Industry published a document proposing the gradual privatization of the radio spectrum which covers the complete range of useful radio frequencies including radio and television, mobile communications, micro-wave telecommunications and satellite services. Users and manufacturers have been asked to comment on the consultative document.⁵

The Spanish Bill on telecommunications,⁶ still under discussion in Parliament, provides, on the contrary, for a

continued higher degree of regulation of the sector. On this ground it has been criticized by employers' organizations: the Secretary General of the Circulo de Empresarios (Employers' Circle) expressed the employers' reservations about all telecommunications services being regarded as public services, and as such being subject to government regulation when provided by private firms;⁷ the Spanish Association of Computer Firms has expressed similar reservations.⁸ Moreover, employers' associations expressed doubts about how far-reaching the liberalization of the market for terminals will be; they stress the need for technical and homologation barriers to be put up against imports from Hong Kong, Taiwan and other Asian countries.⁹

Also in telecommunications, a framework agreement was finally reached by the Belgian Government in June 1987, concerning public procurement for the modernization of the sector. After one year of discussions, which covered, besides technological choices, all aspects of distribution of contracts between firms and regions, employment effects and the degree of openness of the Belgian market to international competition, the agreement eventually provides for a smaller budgetary allocation (BFR 35 billion) than that originally planned¹⁰ and a shorter time span (five years). Public procurement for telephone exchanges has been distributed to the two main competitors (the CGE-ITT group and ATEA-SIEMENS); R&D activities will

¹ Ahlstrom, D., 'IDA planning overhaul of R&D funding', *Irish Times*, 27 March 1987.

² *Seventh Report of the Joint Committee on Small Businesses 'New technology and the small business'*, Government Publication Office, P. L. 4694.

³ CDTI, *Memoria 1986*, Madrid, 1987.

⁴ 'Nye centre skal malrette forskning mod industrien', *Erhvervsbladet*, 2 June 1987.

⁵ *Deregulation of the radio spectrum in the UK*, HMSO, 1987.

⁶ See *Social Europe*, 3/1987.

⁷ Cortes Beltran, C., 'Los servicios de valor añadido en la LOT', *El País*, 27 June 1987.

⁸ Vidaurrezaga, I., 'Las empresas de informatica ante la LOT', *Cinco Días*, 5 May 1987.

⁹ Gajate A., 'La LOT, el Parlamento y la industria', *Cinco Días*, 4 May 1987.

¹⁰ See *Social Europe* 2/1987.

be the subject of separate contracts, of which the Telephone Agency RTT will finance 80 % and the firms concerned 20 %. As far as the institutional aspects are concerned, the RTT will no longer fulfil both the functions of exploitation of the network and those of regulation; the latter will be transferred to a separate regulatory body within the Postal Administration. RTT is to become a public enterprise, and no decision has been taken concerning its possible privatization. The prospective privatization of terminals has been postponed for two years. The agreement also provides for preliminary consultation on staff matters, should the RTT be privatized. Trade unions are basically opposed to privatization.

A new decentralized information system for labour exchanges is planned in the *Netherlands*: five labour exchanges will adopt the new system by the end of 1987, while full implementation nationwide will take another year and a half. The system, called PGI (Primair Gemeenschappelijk Informatiesysteem) is so designed as to combine general access to national data on regulations, subsidies etc. and data flows between labour exchanges, with decentralization and autonomy for individual labour exchanges in managing their own data. In addition to the access to data on vacancies, redundancies etc., the system is expected to enable a more flexible and efficient operation of labour exchanges.

Another computerization project, for which the Dutch government is preparing a bill, concerns citizens' registers at local authority offices. An automated network will replace the current non-automated registers; the bill will contain clauses protecting privacy and providing for information on registrations. The issue of privacy is a matter of concern, since some cases of abuse have been recently discovered, precisely concerning data held by local authorities.

2. Education and vocational training policy

The *Italian* National plan for information technologies in education is start-

ing to make progress, although trade unions have pointed out pitfalls which slow down its implementation. Data were presented by the Ministry of Education at a conference in Florence, where a computer system designed for teaching purposes, called Classnett, was presented by the firm Olivetti; the system is being tested in some technical high schools. According to the plan, 6200 teachers should be trained to use information technology in teaching by expert teachers who are meanwhile being trained in computer-aided education in research centres. So far, some 800 schools have been involved in the experiment, mostly in the area of scientific and technical upper secondary education. A serious problem is the availability of hardware: in 1984 there were 0.25 computers per 100 students, a much lower figure than the European average (2 computers per 100 students) and the USA figure (8 computers). It is planned to raise this figure to 1.5 computers per 100 students by 1990. In the ongoing experiments, the system is composed of a server and a number of personal computers for the teacher and the students, all connected in an interactive class network. Extensions are planned to connect the class networks into a larger school network or to data banks, research centres etc. The teachers' unions have criticized the Ministry because the syllabuses of mathematics and physics courses have not been changed in parallel, as planned; they believe that a more effective use of computer-aided education will be impossible within the old boundaries of scientific subjects. They also complain that the Ministry has not yet decided whether the expert teachers specially trained in computer-aided education should continue teaching their previous courses or should be fully assigned to their new training activities.

Computer networks are being installed also in *German* universities. One of the most advanced projects is that of the University of the Saarland, carried out in cooperation with Siemens AG, 300 workstations will eventually be available, all connected with the host computers of the university's computing centre,

and connected with each other through these hosts. One of the main problems encountered concerns the compatibility of the hosts' system software with the software of the PCs used as workstations. The network is by now used primarily for research, but it is planned to use it also for teaching purposes.

Another attempt to develop information technology infrastructure is the establishment of centres for information technology in different towns. The public R&D organization GMD (Gesellschaft für Mathematik und Datenverarbeitung) has already set up a number of these centres and a whole network should be in existence in a few years' time. They perform two main tasks: first, they make their EDP infrastructure available to firms which cannot afford to buy it; secondly, they offer educational and advisory programmes to these firms, mostly small-scale undertakings, which are unlikely to obtain such services from hardware and software dealers.¹

In *Denmark*, where the use of computers in primary and secondary schools is still the subject of discussions,² the independent 'Centre for Teaching Methods and Informatics' (Center for Paedagogik og Informatik) presented a three-year plan aimed at giving all pupils a basic knowledge of the use of computers. The plan would cost more than three times the amount presently granted for this purpose and the organization it envisages has been criticized by local groups active in the field for being too centralized.³ Experiments in informatics training in adult education are, on the other hand, more straightforward. The first experiment in training unskilled long-term unemployed women, initiated last year at the Technology Institute near Copenhagen with the cooperation of the employers' association DA and a number of trade unions

¹ Die Computer Zeitung, 25 February 1987.

² See Social Europe, 3/1987.

³ 'Edb i skolen tre gange sa dyrt som forudset', Weekendavisen, 5 June 1987.

(among which KAD, the Women Workers' Trade Union), has been completed with encouraging results. Of the 28 women who started the course, 22 completed it; of these latter, 5 are continuing their training and the others have found jobs. In the opinion of one of the persons who run the course, women completing the course will be able to handle the jobs created by new technology in manufacturing if problems of work organization and demarcation can be avoided.¹

Likewise, in the *Netherlands*, the special 'training and placement' project for school leavers — ISI — has met with considerable success. School leavers with secondary education were trained as assistant microcomputer programmers or application programmers. 70 to 80 % of these were immediately or almost immediately recruited, mostly in full-time jobs. The results are presented in a report by the 'Centre for Vocational Training in the Private Sector' to the Minister for Social Affairs and Employment. Trainees who had just left school and those with some work experience before their military service stood the best chance of being recruited after the course; the least successful were those who had been previously unemployed; age was not a significant factor. Sex was found to be important in influencing the choices of trainees and thus the type of work they would subsequently take up: girls went more into wordprocessing, boys into computing, programming and special applications.

Some more findings about the differences in attitudes between boys and girls are contained in a report entitled 'Without barriers to the year 2000' ('Zonder drempels naar 2000'), compiled by the Director of the Software House BSO. The report describes an experiment with children of primary school age. While girls seemed at first to be less interested in technology, their interest increased as much as that of boys as soon as they were given the opportunity actually to put their hands on suitable equipment, showing that their initial reluctance could easily be reversed by appropriate education.

II. The attitudes of the two sides of industry towards new technologies

1. Employers

In the *Federal Republic of Germany*, where the Parliament has been debating the opportunity of establishing a standing committee on technology assessment, the employers' association 'Bundesverband der Deutschen Industrie' adopted a critical attitude to the proposal to institutionalize technology assessment. An essay published by the 'Institut der Deutschen Wirtschaft'² contains the theoretical analysis on which the employers' position is based. It argues against the reliability of all forecasts of technological developments and of their social and economic impacts. Moreover, it expresses the fear that technology assessment, being a form of government intervention in the economy, would weaken the free market economy and could affect its competitiveness. Government and parliamentary interference would also limit the independence of scientific research. However, the author concedes that the analysis of the impact of new technology could be useful at the level of individual enterprises.

Dutch employers have reacted with disappointment to the modest interest shown by the Dutch Government to implement the recommendations of the Dekker Commission on Technology Policy.³ The Commission has recommended a substantial increase in the technology budget, while the Government intends to raise the budget by a much more limited figure (HFL 230 million up to 1990, as compared with a proposed annual increase of 550 million); moreover, the suggestion to create an Advisory Council for Technology Policy was not taken up by the Government. The main criticisms of the employers focus on the limitation of funds that the Government intends to make available: the two organizations VNO and NCW

estimate that an additional annual budget of HFL 700 million is necessary, if the country is not to remain behind in international competition. VNO and NCW also criticized the vagueness of Government intentions with respect to the criteria and activities of regional innovation centres and of the central policy agency. Some criticisms were made also by the trade union FNV, which found the plans for education and vocational training too vague.

A new Federation of the Advanced Service Sector (FTA-Federazione Terziario Avanzato) was created and officially presented at a conference in *Italy* in February 1987. It is a federation of national associations of firms active in the advanced services sector, gathering 700 firms with about 45 000 employees. Although the new Federation is not yet fully representative of firms in the sector, trade union representatives at the conference expressed their acceptance of this new social partner. Up to now, collective agreements for firms in the advanced services sector have been signed by a number of different associations, and employees in the sector are covered by a variety of national collective agreements, ranging from the metalworking industry to tourism. The recently created association of firms in software, robotics, telematics services and other advanced information technology services — Assintel — has joined the Federation.

2. Trade unions

The rather negative attitude of German trade unions regarding new technologies is being replaced by a more positive and differentiated view. One example of this change in attitude was the 15th Convention of the post office workers' union (Deutsche Postgewerkschaft),

¹ 'Langtidsledige kvalificeret til avancerede job'. *LO-Bladet*, 30 July 1987.

² Meier, B., 'Technikfolgen: Abschätzung und Bewertung — Ordnungspolitische Kritik an ihrer Institutionalisierung', *Beiträge zur Wirtschafts- und Sozialpolitik*, Köln, Institut der Deutschen Wirtschaft, 1987.

³ See *Social Europe*, 3/1987.

where the previous strong opposition of the union to the installation of coaxial cables for cable TV and to the development of fibre glass cables and ISDN (integrated service digital network) was replaced by a more positive approach to the new telecommunications technology. Although a strong minority in the union expressed its continuing opposition particularly to ISDN, largely on the ground of the threat it posed to privacy, the majority was in favour of a more open attitude towards technical modernization and of cooperating with the industry. This change in attitude is believed, among other things, to strengthen the union's position in its defence of the public monopoly on postal and telecommunications services.

In a more recent resolution, the same union put forward several demands regarding the control of the development, implementation and use of new technologies. Among its demands are co-determination rights and the consideration of employment and qualification problems at an early point in time. It also proposes the establishment of a public research institute for labour and technology.¹

Similarly, the 15th convention of the union IG Metall rejected both extreme optimistic views identifying, technical change with social progress, and extreme pessimistic views stressing only the dangers of technology. In a resolution on 'rationalization and technical change', it proposed that use be made of every possibility to design more human and socially-oriented applications of technology. This implies, for instance, that group work should be favoured rather than Taylorism, qualification of all workers should be given priority rather than the selection of the few, privacy protection should be enforced in enterprises, and the principle of solidarity should be adopted in personnel management.

The Deutsche Angestellten-Gewerkschaft (DAG) which, although not a member of the DGB, represents a large number of white collar workers, held a conference on the development of the banking sector. The delegates agreed on a number of statements which in-

clude the need for the prosperous development of the banking sector as a precondition for the welfare of its employees, the fact that technology is no longer avoidable, but it also implies some risks, and the need for confidence and partnership.²

Meanwhile, the central union confederation DGB is developing its awareness activities on new technology. Among these activities, we can mention the opening of an advisory office in Frankfurt, the second of its kind, to provide information on the impact of information technology in the form of advice, seminars and conferences;³ and the institutionalization of an advisory board in North Rhine-Westphalia, which had been run as a pilot project for five years. The latter, which will be decentralized by opening local agencies in four towns in the region, has the tasks of advising shop stewards in firms and in the administration as well as representatives of the trade unions, contributing to the public debate on technology policy, and promoting the qualifications of union representatives.⁴ At sectoral level, the union of public service employees ÖTV (Gewerkschaft öffentliche Dienste, Transport und Verkehr) launched a programme entitled 'New technology and rationalization' as an action frame for shop stewards in firms and in the administration; employees are expected to develop initiatives and suggestions about the future of work and life.⁵

The Danish trade unions organized within the Salaried Employees and Civil Servants Confederation FTF carried out an extensive investigation of utilization, problems and policies related to computer technology. The study shows that the use of computers for data processing in administrative offices is already so widespread that the unions hardly find it worth reporting on. They are, on the contrary, concerned about the different types of systems directly used as tools by their members. As regards the consequences of information systems, most unions are not expecting a reduction in employment due to the introduction of technology. Employment is seen as the result of economic and managerial decisions interrelated with technological de-

velopment rather than as the result of the technological development in itself. Some differences, however, exist between private and public sectors: private employers seem to use technology predominantly to increase competitiveness and improve services to customers without negative employment consequences, while public employers are more prone to see technology as a means to rationalize and several public sector unions perceive the signals of reductions in employment levels. Most unions expect work organization and job content to be affected: standardization is frequently mentioned, but most agree that greater demands will be made from the point of view of qualifications, and thus point to greater training needs. The work environment is also expected to change, for the better in many respects (less physically demanding and fewer tedious routine jobs, higher qualifications, more interesting work), but also with a number of negative implications (radiation, social and professional isolation, insecurity, lack of promotion opportunities). Most unions have technology agreements, but many are not satisfied with the amount of influence they have. In general they have influence over implementation, but little say when technology is planned, and when the opportunity of modifying the chosen system is the greatest. A more offensive strategy is called for: it includes building an independent competence in the union movement, strategic planning, experiments with new forms of organization, research programmes in cooperation with universities, better dissemination of knowledge and better contacts with suppliers of new technology.⁶

¹ 'DPG zur Entwicklung und Anwendung neuer Techniken', in *Nachrichten zur Wirtschafts- und Sozialpolitik*, No 2/1987.

² DAG, 'Unsere Arbeit — unsere Zukunft. Der Mensch im Mittelpunkt', 11 DAG-Bundesberufgruppentag Banken und Sparkassen, Kassel, 14—15 May 1987.

³ *Frankfurter Rundschau*, 10 October 1986.

⁴ *WSI-Informationsdienst Arbeit*, No 1/1987.

⁵ *WSI-Informationsdienst Arbeit*, No 4/1986.

⁶ FTF, *Teknologien pa arbejde*, April 1987.

Meanwhile, some of the projects launched by Danish trade unions to educate their members in information technology are continuing to meet with considerable success. 'Modul/Data', the project launched by the National Union of Clerical Workers HK, took the form of some 400 courses with the participation of 4800 members and many on the waiting list; it was then decided to extend the project beyond the trial period.¹

Similarly, the 'Juust' project in the metal industry, set up jointly by the Metal Workers Federation CO-Metal and the employers' association JA, is being extended to include a further 50 companies. The aim of the project is to train and retrain workers of individual companies in line with the technologies being implemented in the company.²

In the *Netherlands*, the FNV Industrial Union published in June 1987 a Memorandum which puts forward its assessment of the employment situation at Philips and its proposals for an innovative social policy. A new round of collective bargaining will take place at Philips at the end of 1987, when the 3-year collective agreement expires, Philips employment in the Netherlands has decreased by about 6000 units since 1981, from 76300 to 70300 at the end of 1986. The union fears that another 15000 low-skilled jobs will be eliminated in the next four to five years; even if 10000 young and skilled workers are recruited, the net balance will be a job loss of 5000. The management of the company denies these figures, claiming that it has recruited 20000 new employees since 1983, with a positive balance of 4500. Besides these different estimates, the union is also concerned about the fact that its members are mostly to be found among unskilled workers, i.e. precisely those who have been most severely affected. In the Memorandum, the union claims or accepts more and better re-training, greater wage differentials, an extension of production time accompanied by shiftwork and a redistribution of work. It thus aims at maintaining the workforce at the present level by accepting social and technological changes and adapting to them.³

On Philips again, a recent article in the journal of political science of Erasmus University reports on research carried out in 1983-84 on the influence of Works Councils. It arrives at the conclusion that there is considerable scepticism, not only among the workers, but also among the representatives in the Works Councils. In particular, 63 % of the Philips workforce is of the opinion that the influence of Works Councils is inadequate when it is a matter of reorganizations, where the impact of technology is the greatest.⁴

In the *United Kingdom*, two white collar unions — TASS and ASTMS — launched merger proposals in March 1987. One of the main aims of the new union will be to attempt to recruit new members from the high-tech sector which has so far proved difficult to unionize. The two unions are holding talks with five other white-collar unions which might be interested in joining the merger in future. The merger proposals have been seen as a threat by the electricians union EETPU which launched a campaign to try to prevent its members joining white-collar unions when they have been promoted to technician grades after training to use new technology.

A computerization process, aimed at developing what is called a 'citizens' trade union', has been set up in *Italy* by UIL, one of the three national union confederations. The new system will connect UIL offices, with the objective of providing easily available social assistance services to members and citizens. Services are planned to include an automatic-procedure for completing income tax returns, an automatic service for calculating regulated house rents, an employment service for unemployed young people.

Finally, it is worth mentioning the declaration adopted by the International Metal Workers Federation at its conference in Birmingham in May 1987. 125 representatives from 25 countries agreed on some common principles on the use and implications of new technology, which include the following: the debate on technology should be re-ori-

tated to address the needs of the employees; technology should be used to secure full employment and meaningful work, higher standards of living and shorter working time; trade unions should try to have more influence on government and companies' programmes; education and training should be considered a strategic investment; more attention should be paid to the working and living environment; trade unions should develop international strategies suitable to counteract the special opportunities that multinational companies have in using information technology.⁵

3. Collective agreements and labour disputes

An analysis of the 'Protection against rationalization in collective agreements' ('Tarifvertraglicher Rationalisierungsschutz') has been published in the *Federal Republic of Germany* by the Institute WSI (Wirtschafts- und Sozialwissenschaftliches Institut des Deutschen Gewerkschaftsbundes). The clauses in collective agreements aimed at ensuring protection in cases of technological rationalization are found to concern: improved co-determination and participation rights of employees and shop stewards; the obligation for the employer to provide improved and extended opportunities for qualification and advanced training; the inclusion of norms and principles for a human design of working conditions in collective agreements; employment guarantees and rights concerning the provision of information.⁶

¹ 'Modul/Data fortsætter', *HK-Bladet*, No 8/1987

² 'Juust-projected udvides med 50 firmaer', *Metal*, N. 11/12, 1987.

³ Industriebond FNV, *Veranderend vakbondswerk bij de vormgeving van vernieuwend sociaal beleid bij Philips Nederland*, June 1987.

⁴ BRAVE, I., 'De ondernemingsraad tussen parlement en poppekaast', *Namens*, vol.2/5, August 1987.

⁵ 'Internationalt samarbejde skal sikre metalarbejdere fuldt udbytte af ny teknologi', *Metal*, No 11/12, 1987.

⁶ Wirtschafts- und Sozialwissenschaftliches Institut des Deutschen Gewerkschaftsbundes, Tarifarchiv, *Elemente qualitativer Tarifpolitik*, No 6, Düsseldorf, March 1987.

A specific agreement on the introduction of technological innovations into production was signed, also in the *Federal Republic of Germany*, by the board of directors of Volkswagen AG and the union IG Metall. They agreed on four basic principles, namely that: no employee will be dismissed; displaced employees will be offered an equivalent job at the same wage in the firm; retraining of the employees concerned will take place during working time; if no alternative jobs can be found, displaced employees will get their full wage for 60 months, during which the firm is still obliged to try to find alternative jobs. Moreover, it was agreed that shop stewards will participate in the planning of production processes and training programmes.¹

On the other hand, a rather innovative agreement signed by the Hesse state government and the trade union ÖTV, which provided for the information of shop stewards in the Hesse public administration at the planning stage of technological innovations, and the participation of the shop stewards in the design of socio-technical systems, was rejected by the public employers' association, which has to approve all separate agreements signed by individual states.²

In *Italy*, a protocol statement on industrial relations was signed in January 1987 by the representatives of the Stateholding GEPI and the trade unions (CGIL, CISL, UIL). The statement is similar to the one previously signed by IRI and the trade unions.³ According to the protocol, representatives of the trade unions and management will meet once a year to assess results and discuss projects, trends and general policies to be implemented during the following year. Six months later they will meet again to supervise the implementation of the plans for industrial renewal and the employment problems, or to revise them. Meetings, which can be convened more often if specific problems arise, should result in summary statements on which both parties agree. A training committee will be established to promote strategic approaches to training and retraining and to coordinate the

schemes in-house with public training programmes.

Also in *Italy*, following the conclusion of the 1986–87 round of collective agreements for most industries, a research report by Crel, the research institute of the trade union UIL, analysed the main achievements. As far as new technologies are concerned, the enlargement of the information clauses was the aim of the trade unions in all collective agreements signed with private employers. Moreover, in almost all industries trade unions put greater emphasis on qualifications and wage-differentials for highly-skilled workers were re-established. Reductions of working time ranged from 12 to 26 hours per year in most manufacturing industries. All in all the agreements, which were reached after a remarkably low degree and intensity of disputes when compared with the previous (1982–83) round, had the effect of strengthening the role of national agreements in the general bargaining process.

After the completion of the national agreements, a dispute over work organization broke out at the car company Alfa, recently privatized and bought by the Fiat group. A few years ago when still in public hands, the company had introduced a new form of work organization, based on semi-autonomous groups in production, job enrichment, i.e. a lower degree of division of labour between workers, and job rotation. Originally devised to increase workers' interest in their work and in this way to increase productivity, this work organization was strongly defended by local branches of metalworkers unions at Alfa, while Fiat management wanted to go back to traditional forms of work organization, on the ground of lower productivity at Alfa factories when compared with other car plants. In the course of the bargaining process, divergences and conflicts arose between the three national metalworkers unions, each union giving different priority to the maintenance of job rotation, and between the unions and their rank-and-file workers in the plants concerned. In April 1987 the main obstacle to an agreement, concerning work organization,

was removed: the trade unions accepted the end of production groups, but they agreed that job rotation should be retained for the heaviest tasks and whenever uneven tasks are assigned to workers in the same production team.

In *Belgium*, a dispute broke out in May 1987 at the Kraft factory near Namur, concerning the implementation of a modernization and automation plan. In March the management of Kraft-Europe had announced new investment in process control and automation equipment, involving a workforce reduction of 125 units out of 750. The management of the local plant proposed that 75 workers should quit in 1987 and 50 in 1988, through 'voluntary' redundancy with compensation and early retirement at 55. Trade unions started negotiating in order to avoid dismissals, and proposed measures such as partial redundancies on a rota system, leave for personal reasons, and a reduction of working time. They did not want to refuse high-tech investment, but were determined to prevent negative consequences as far as possible. Lack of agreement in negotiations led to strikes, until an agreement was reached in June 1987, providing for no dismissals for economic reasons in 1988, a 50% increase in the compensation for voluntary redundancy, and alternative measures such as worksharing and working time flexibility, if the target of 75 departures in 1987 cannot be attained.

A series of strikes broke out in spring 1987 in the *British Civil Service* as part of an industrial action over pay levels. The action affected computer centres at various locations, including the value-added tax computer centre in Southend, at a cost to the Government estimated by union leaders at UK £ 300 000 a day in lost interest. On the other hand, National Health computer staff in the south-east of England have been granted extra salary premiums in the first example of a negotiated agreement to allow pay var-

¹ *Hessische Allgemeine*, 25 February 1987.

² *Frankfurter Rundschau*, 14 March and 1 April 1987.

³ See *Social Europe*, 2/1987.

iation in the public sector between different regions. The deal is the result of an acknowledgment of the problems of retaining computer staff in the whole south-east region where previously only the London area provided premiums. The agreement, negotiated by Nalgo, the public sector white-collar union, is back-dated to April 1986 and will run until March 1989. In addition to the extra premiums, the agreement revises and updates the computer staff's grading structure.

The strike which broke out at the Danish National Statistical Bureau in the spring went on throughout the summer, becoming the most important labour dispute in the computer area in Denmark so far. The strike called by Prosa (the computer workers' trade union) did not obtain the support of the other trade union representing workers in the sector — Samdata — (which is part of the National Union of Clerical Workers HK); it nevertheless escalated in May and the public-owned computer services company Datacentralen declared a lock-out. In late August Parliament was called in for an extraordinary session to outlaw the dispute; the occasion was used by the Prime Minister to call for early elections. The dispute had a number of consequences: e.g. statistical information on the Danish economy and international trade was delayed, thus hampering political decisions; VAT forms and the like were not produced, leading to problems with the verification of companies' payments; civil servants' salaries could not be processed by computers and neither could the centrally coordinated admissions to universities, so that all admissions had to be processed manually, leading to a series of problems; even students' grants had to be dealt with manually. A considerable delay is expected before the situation returns to normal.

Two disputes disrupted air traffic in France during the spring and summer of 1987. The first, by air traffic controllers, had important implications for the regulation of the right to strike, but chiefly concerned salary issues. The second, by the pilots of the company Air Inter, was caused by the reduction in man-

power requirements for the new generation of aircraft. The company wanted to employ only two pilots on the new Airbus A320, arguing that the new plane had been designed to that effect and that the other utilizers were doing the same; the unions of pilots (SNPC-Syndicat National des Pilotes de Lignes) and engineers (SNOMAC-Syndicat National des Officiers Mécaniciens de l'Aviation Civile) wanted a trial period with a three-pilot team. The announced strike was suspended by a court decision, which ruled that 'it is unreasonable to experiment in a way which runs counter to economic need and technical progress'.¹

The dispute at the Dutch port of Rotterdam between the transport workers unions and the stevedore companies² ended with an agreement in July 1987 after eight months of negotiations and eight weeks of strike. The outcome is that about 870 dockers will be offered early retirement in the next four years, with a compensation equivalent to 85 % of their wages until they reach retirement age. The number of dockers in non-bulk shipment will be reduced to 3430 in 1991 from the present level of 4300. The cost will be borne largely by unemployment benefits, supplemented by employers' and employees' contributions.³

III. Studies and research on the social effects of new technologies

1. Diffusion of information technology

Several surveys have been carried out in the Federal Republic of Germany on citizens' attitudes towards information technology. Generally, they point to growing awareness and acceptance by the public at large. A survey of the EMNID institute concludes that 8 out of 10

persons believe computers to be indispensable for German industry to face international competition. Two years earlier only 60 % had thought so. Only 10 % are afraid of unemployment as a consequence of computers, compared to 18 % one year earlier. However, respondents who are not directly concerned by computers are less afraid than experienced users and much less afraid than people expecting computers to be introduced at their workplace in the near future.⁴

Another survey by the Bundesinstitut für Berufsbildung, which focused on young people in the age group 14—29, pointed out that girls are less trained than boys in computing, have fewer chances of obtaining an education in computer science, and show less interest in computers. Consequently, while three quarters of young men have positive attitudes towards the increasing use of computers in society, only half of the young women share the same attitude. Moreover, three quarters of young women believe that new technology destroys more jobs than it creates, as compared with two thirds of young men.⁵

A more comprehensive study, commissioned by the Federal Ministry for Research and Technology and carried out by the Institut für empirische Sozialökonomie, examined all available opinion surveys of the last 20 years and came to the conclusion that there is a general trend towards a more critical and balanced view of new technology. Age and basic political opinions are less important as explanatory factors of the attitudes towards technology, than sex, knowledge of the technology, experience and interest. In international comparisons, German youth is no more sceptical about modern technology than the youth of the other industrialized countries.⁶

¹ *Le Monde*, 27 May and 1 August 1987.

² See *Social Europe*, 3/1987.

³ *NRC*, 7 July 1987.

⁴ *Frankfurter Rundschau*, 17 December 1986.

⁵ *Frankfurter Rundschau*, 30 October 1986.

⁶ *Hessische Allgemeine*, 13 February 1987.

Differences in attitude based on gender were confirmed by another study commissioned by IBM Deutschland, which also confirmed the shift towards more positive attitudes to computers.¹ Finally, a study commissioned by various trade unions, the Hans-Böckler-Stiftung and the Ministries of Labour of some *Länder*, focused on what people think of the role of trade unions in technological change. More than half of the respondents believe that trade unions play an essential and productive role, and about one third is in favour of cooperation, as opposed to confrontation, between the trade unions and firms. Twenty per cent of the employed do not want control by political institutions over technological change. Those least in favour of political control are white collar workers, while those with a lower level of education have greater trust in government capacity to control developments.²

Surveys of technological diffusion have been carried out also in firms. The RKW (Rationalisierungskuratorium der Deutschen Wirtschaft) interviewed 160 enterprises in mechanical engineering, textiles, retail trade and services. 90% of these firms were found to use information and communication systems; 68% have centralized computer systems, while 61% have personal computers. About half of the firms indicated a reduction in costs as a consequence of the use of information technology, and 37% had been able to reduce employment or increase productivity. Labour savings were greater in administration than in production and distribution.³

Another survey of enterprises, carried out by the Institut für Zukunftsstudien in Berlin, questioned firms on whether they had introduced computer-assisted homework or intended to do so in the near future. Of the 1000 firms which answered some 18% indicated that they employed such homeworkers, and another 12.5% announced that they intended to do so in the future. However, researchers believe that the most likely form of diffusion of this type of organization will not be individual homework, but rather groups of people working in a neighbourhood office or specialized

firms offering distant services to different enterprises, relying on lower rents and better environmental conditions on the periphery of industrial centres.⁴

In Denmark, Gallup carried out a survey which shows that nearly one employed Dane in four (23%) uses computers daily. Women use computers as frequently as men and there are no significant differences between age groups. However, education uses computers daily, as compared with one in ten of the least educated employees.⁵ However, Danish industry is rather disappointed with the results of investment in new technology. New manufacturing equipment had cost billions of DKK and a large part of this investment was unsuccessful: several managers believe that investment decisions had been made on a weak basis, and that the change-over has been far more time-consuming and complicated than first expected. Productivity statistics do not reflect the large sums which have been invested in new technology; on the contrary, the 'Industrirådet' (the Industrial Council) estimates that productivity decreased in the years 1984–86.⁶ Likewise, the services sector made very little in productivity gains from its large investment in new technology (at least DKK 25 billion have been invested in the sector in the 1980s). However, the situation seems to have improved in the most recent years. Productivity rose in 1985–86. This change may be attributed to the fact that firms are now getting to know how to handle computers, and are increasingly aware that employees have to be trained to make the optimum use of new technology. So far, human and social aspects have been overlooked in too many cases.⁷

A more positive assessment is expressed by Dutch managers, even if few use a personal computer themselves. A survey of managers in plants with over 50 employees showed that 72% of the managers see automation as having a positive influence on competitive performance; 70% had a positive return on investment and only 13% had a negative return. However, not all managers use a personal computer themselves and those who do are not intensive

users: they spend on average 8 hours per week on a PC. The most common utilization is for financial management.⁸

In the United Kingdom, a study of union attitudes to the introduction of new technology in the mechanical engineering industry has found little evidence to suggest that unions impede its introduction. The study concentrated on the use of computer-aided design and manufacturing equipment in 155 establishments. Managers at 61% of the establishments using CAD/CAM believed that union attitudes were predominantly in favour of the new technology. In those establishments without the new equipment, the main reason for their lack of it was the scale of production being too small whilst only 1.9% said it was because of workers' resistance.⁹

Also in the United Kingdom, the Department of Industry published the report it commissioned from Coopers & Lybrand on the UK Computing Services Industry, which includes all the main software companies in the country. The report maintains that the top 10 UK companies are growing faster than the leading companies in France and as fast as those in the USA, the two countries with the strongest software sectors. It calls for a review of public purchasing saying that the Government should be using its increased expenditure on computer systems to strengthen UK companies rather than using foreign-owned companies. The authors also note a skill shortage problem saying that this could inhibit further overseas sales. The key shortages are in project management and the Government should encourage

¹ *Blick durch die Wirtschaft*, 19 January 1987.

² *Frankfurter Rundschau*, 26 February 1987.

³ *Wirtschaft und Produktivität*, March 1987.

⁴ *Frankfurter Rundschau*, 5 December 1986.

⁵ *HK-Bladet*, No 5, 1987.

⁶ *Weekendavisen*, 22 May 1987.

⁷ *Borsens Nyhedsmagasin*, 8 May 1987.

⁸ 'AG Report', *Information Management Magazine*, September 1987.

⁹ Lintner, V. G., Pokorny, M. J., Woods, M. M., Blinkhorn, M. R., 'Trade unions and technological change in the UK mechanical engineering industry', in *British Journal of Industrial Relations*, Vol. XXV, No 1, March 1987.

business schools and the Open University to establish more courses to produce people with the necessary skills.¹

The 1986/87 survey of computer usage in *Ireland*, carried out by the National Software Centre and based on the responses of 706 companies, shows that Ireland compares reasonably well with companies of similar size in the other European countries, both in terms of degree of computerization, and in the pattern of usage of computers. Of the surveyed companies, 534 were significant users of computer services and equipment. The most common applications of computers were found in the accounting area and in office automation (word processing and spreadsheet), while in manufacturing applications were found in materials planning, works order processing, scheduling, capacity planning, and computer integrated manufacturing. However, a marginal drop in investment was expected in 1987 when compared with 1986.²

In *Spain*, a survey of business organization in large-scale firms in Madrid provides, among other things, information on the use of computers. Computers are very widely used in accounting and finance, but the degree of computerization is much lower for other applications, such as the collection of statistical data, quality control and budget control. There is a positive correlation between sales figures and the use of computers; several firms plan to modify their computer equipment, due to obsolescence or lack of capacity of present equipment and, to a lesser extent, problems of technical assistance and information from suppliers.³

Also in *Spain*, a comprehensive study was carried out by the Comunidad de Madrid on the introduction of new technologies in this Autonomous Community. The study deals with several aspects, ranging from diffusion to employment, qualifications, working conditions and worker participation in the innovation process.⁴ It covers all sectors of industry, with a sample stratified by type of activity and size of firms; the ownership of capital was also considered. Companies were defined as in-

novative if they had implemented at least one of four types of innovation: administrative, process, product and organizational. The last category includes changes in vertical integration as well as making the production process and labour relations more flexible; it is the least frequent type of innovation found in the surveyed companies. The main finding as regards technological diffusion, is that only 43 % of the companies could be considered innovative. Of these, most have innovated in administration, followed by process innovation (almost half of the 'innovators' and by product innovation (18 % of the 'innovators' and only 8 % of the total). Administrative innovation mostly finds expression in the purchase of multi-use computers, which are then mainly used for accounting and invoicing. Only a minority have large computers, telecommunications equipment and word processors, and use these for more sophisticated administrative jobs, such as after-sales service. There is a positive correlation between technological adoption for administrative purposes and firm size; there is also a significant difference between national firms and multinationals, the latter being more innovative and having introduced different types of equipment at the same time. Process innovation (mostly numerically controlled machines, but also robots, CAD, CAM and computerized quality control) are mostly to be found in medium and large-scale firms (over 50 employees), with the exception of CAD, which is also used by smaller firms. Half of the firms having introduced product innovation have developed the innovation themselves, and this applies also to small and medium-sized firms. Altogether, the most innovative sectors are the manufacture of electronics equipment, chemicals, machinery and computers. Increasing efficiency, improving quality, meeting market needs and increasing productivity are the aims more frequently mentioned as reasons for innovating. At the other extreme, the firms which did not innovate frequently state that there was no need. The authors of the study believe that subjective resistance to change stems from the fact that company owners are afraid of losing control

on what they expect to become a radical transformation of their firms' activities.

2. Employment

As far as employment effects are concerned, the abovementioned *Spanish* study⁵ found that innovative companies generate net employment, particularly in sectors such as electronics and paper and printing, and in medium-sized companies. Large-scale firms, on the contrary, experience a reduction in employment. Companies that have incorporated technologies into processes and products, and especially the latter, create more jobs than the others. Where job losses have been experienced in innovating companies, they largely affect unskilled workers. Wages have remained generally unaffected by the introduction of new technology: only 10 % of innovating companies have increased wages; in many cases, a system of productivity-related individual or team bonuses is used.

More information about employment in the Madrid region is provided by another study which focuses on large-scale firms (over 500 employees) south of Madrid, all undergoing a process of technological restructuring.⁶ With only one exception, all companies reduced employment in the period 1975-85. The exception is the only company which produces technology, i.e. the aircraft manufacturer CASA; all other firms have introduced technological innovation in production processes and in administration, replacing the workforce with ma-

¹ Computing services industry 1986-96: A decade of opportunity, Coopers & Lybrand/DTI, 1987.

² 'Software sector needs to improve', *Irish Times*, 18 March 1987.

³ *Cinco Días*, 24 June 1987.

⁴ Comunidad de Madrid, *Nuevas tecnologías y empleo en la Comunidad de Madrid*, 5 vols., Madrid, Consejo de Relaciones Laborales de la Comunidad de Madrid, 1986 (vols. I-IV) and 1987 (vol. V).

⁵ Comunidad de Madrid (1986-87), cit.

⁶ Celada, F., Lopez, F. et al., *La Gran Fábrica del Sur. Problemática laboral del sur de la aglomeración metropolitana madrileña*, Madrid, Consejería de Trabajo, Industria y Comercio de la Comunidad de Madrid, 1987.

chinery. Job losses have in fact mostly concerned direct labour. The companies surveyed include some of the largest subsidiaries of multinational corporations, so that their autonomous capacity for innovation is limited by the decisions taken at their headquarters. One of these firms, Standard Electrica, former subsidiary of the American ITT producing telephone and telecommunications equipment, set up a new company to provide vocational training and consultancy for the creation of new companies in the region; a similar initiative has been taken by an associate of the British firm 'Job Creation Ltd', which aims at promoting alternative jobs.

In the *Federal Republic of Germany* the employment outlook was rather favourable in the first months of 1987, with high-tech sectors such as the electrical industry increasing the number of jobs (it now employs more than a million people) and some firms in the computer industry still expanding. In particular, Nixdorf plans to create 2000 new jobs, and Digital Equipment Corporation will create 400 additional jobs in software production.¹ At political and academic level, the debate is continuing on whether or not computers are destroying jobs. The employment effects of robots were analysed in a three-day conference at the 'Technologie-Zentrum Dortmund'. Although robots have undergone a very rapid diffusion (a 41 % increase in the number of robots installed was recorded in 1986 over the previous year),² researchers found that they had little effect on employment. An analysis of 76 cases found that in two thirds of the cases only one or two workers had been dismissed, while overall there was an impressive increase in output of up to 60 %.³ An article in the journal *Online* based on statistical data from the 100 largest firms in the FRG gives a less optimistic picture. In these firms the number of jobs decreased with few exceptions, and this occurred not only in traditional industrial sectors, but also in the industry producing information and communication technology.⁴

Finally, the Federal Ministry of Research and Technology published its third report on microelectronics and em-

ployment, which points to an increase in employment of 250 000 in 1986. Most of the new jobs (205 000) have been created in the services sector and the report argues that this increase coincides with a rapid implementation of information technology in the sector. On the other hand, job losses are recorded in sectors which show little innovation.⁴

Miscellaneous job losses are reported from the *Netherlands*. Shipping companies are implementing reductions in crews made possible by new navigation technology. 3000 jobs are forecast to disappear in the coming years, reducing total on-board employment from the present 10 000 to 7 000. A further substitution of Dutch crew members by foreigners is also expected, due to lower wage costs.⁵ Also the firm 'Van Berkel', traditional well-known producers of weighing equipment, announced a one third reduction of its workforce, from about 3000 to 2000. The company has activities in several countries. The firm incurred losses due to its failure to change over early enough from mechanical to electronic weighing technology.⁶

3. Qualifications

In *Italy*, the scarcity of qualified personnel with university degrees in technical subjects is emerging as a major problem in some industrially advanced areas. A research report by the Agnelli Foundation on 'Labour demand and labour supply of qualified personnel in a technologically advanced area', analysed this segment of the labour market in Piedmont, and particularly in the 'Technocity', an innovation park which includes some of the national technology leaders. All firms pointed to a serious shortage of young people with the required technical degrees. The report estimates that 30 % of the demand for engineers and graduates with scientific and technical degrees remains unmet. Firms try to compensate for this shortage by recruiting from southern and central regions of Italy. However, these regions are also expected to run out of young people with these types of qualifications in the near future. It has been

estimated, for instance, that the software market in Rome could provide additional employment for about 400 software engineers per year, while no more than 100 people obtain the corresponding degree at the University of Rome each year. Moreover, the report observes that this tightening of the labour market has given a strong bargaining power to bright young technicians. In this segment of the labour market mobility is high and so are rewards. However, another research report on the same regional area arrives at more cautious results. It considered 25 major companies active in information technology (not including software houses) with total employment of 1421 in EDP. Their employment in EDP grew by only 1 % in 1986 over the previous year, the lowest increase recorded for four years.

Skill shortages in similar fields are reported also from the *United Kingdom*. A survey of 1164 companies conducted by the Confederation of British Industry and the Manpower Services Commission revealed that some 19 % were expecting output to be restricted by skill shortages in the coming year. Professional engineers, electronics engineers, computer staff and other high technology workers were named most frequently although other groups of skilled workers in short supply include traditional occupations such as welders and machinists.

However, not all research results point to the same conclusions. The widely held opinion that new technology is associated with higher skills is somewhat challenged by the results of a survey carried out in *Denmark* by the Metal Industries and the Technological Institute in a number of 'spearhead organizations', where modern technology has

¹ *Informationsdienst des Instituts der Deutschen Wirtschaft*, 9 April 1987.

² *Frankfurter Rundschau*, 23 February 1987.

³ *Online*, January 1987.

⁴ Bundesminister für Forschung und Technologie, *Informationen zum Projekt 'Arbeitsmarktwirkungen moderner Technologien'* Bonn, May 1987.

⁵ *NRC*, 22 July 1987.

⁶ *Volkskrant*, 4 September 1987.

been implemented in the production process. The survey concludes that technology is not making unskilled workers unemployed because of their lack of qualifications. On the contrary, companies have changed their recruitment pattern and are increasingly looking for unskilled workers and women to handle computer-based equipment. According to the chairman of the project group, workers do not need a background as skilled workers in order to operate CNC machines. Moreover, companies have learnt how to make the best use of their employees' qualifications, and as a result these people are able to keep their jobs even when new technology is implemented.¹

In the *Federal Republic of Germany*, the Federal Ministry for Research and Technology financed a research project on the interdependence between qualification, workers' perceptions and productivity. The study came to the conclusion that workers in offices and administrations want to be better informed on the use of new information technology in their offices, whereas what they usually receive is only the minimum necessary instruction for handling computer systems. Breakdowns and unexpected situations generate a feeling of helplessness and frustration.²

Another research project, published by the Science Centre in Berlin, compared the structure of qualifications and technological innovation in the UK and the FRG. German enterprises still have a pyramidal structure of qualifications with a hard core at the skilled workers' level, while the structure in comparable firms in the UK has the shape of an insect divided into two parts, with a large group of low-qualified and generally untrained workers, and a smaller group of relatively well-educated people. Researchers provide some evidence that the German qualifications structure is more effective from the point of view of fast and efficient adoption of new technology.³

On a more specific issue, the Bundestag Commission of Inquiry on Technology Assessment published one of its five pilot assessment studies which focused on 'Opportunities and risks of ex-

pert systems in production, administration, crafts and medicine'. As far as qualifications are concerned, the Commission concludes that users of expert systems do not need additional education. The knowledge required from engineers working in this area can be learned in advanced courses, rather than demanding changes in university syllabuses; in no cases do expert systems make present education and training obsolete. This is because expert systems can only offer knowledge for limited cognitive tasks, while all other elements of learning remain unchanged.⁴

4. Work organization and industrial relations

In France a report discussed at the Economic and Social Council (CES) analyses the 'Economic, social and cultural conditions of the modernization of the French economy'.⁵ The report focuses on the obstacles met by French firms in adapting to competitive conditions on the national and export markets and to the deep economic and social changes which are taking place, and considers cultural background and social behaviour which evolve much more slowly than technical progress. Four main issues are analysed at microeconomic level. First, company organization inherited from Fordism and characterized by a rigid and centralized hierarchical structure no longer corresponds to the new conditions of production; decentralization is necessary, as well as the development of horizontal communication within the enterprise and between the enterprise and its local environment. Secondly, the changes which occurred in the last 10 years in the system of industrial relations are, albeit important, still insufficient; trade unions and employers still have a long way to go in developing negotiation practices. Thirdly, both initial and continuous training have a role to play; in this respect, France traditionally had a good record in technical and vocational education, but has never been able to establish an effective link between school and firm. Fourthly, public intervention in the economy should also become more adapted

to the new economic and social conditions. Among the policy recommendations, the development of negotiation practices between the two sides of industry is considered a fundamental step before legal rules are established; negotiations should take place at sectoral level, but also at enterprise level on such issues as work organization, classifications and training.

The introduction of new technology has not led to a decrease in the power of supervisors in *United Kingdom* industry, according to a study by researchers at Essex University. Neither have changes in work organization or developments in industrial relations. The findings contradict other studies which have suggested that new technology might lead to more routine and regulated work with the effect of lowering the need for direct supervision.⁶

Likewise in the *United Kingdom*, the Policy Studies Institute published a study looking primarily at the impact of new technology and its effects on industrial relations. The study, which uses data from more than 2000 establishments across all economic sectors, found that 78 % of employees are in favour of technical change with 85 % in favour of conventional change, although only 44 % are in favour of non-technical changes to the way they work. It also found that the likelihood of technical change is greater where unions are stronger but that there is little worker participation in the introduction of new

¹ *Erhversbladet*, 16 June 1987.

² *WSI-Informationsdienst Arbeit*, No 4/1986.

³ 'Neue Technik im Betrieb', *WZB-Mitteilungen*, December 1986.

⁴ Enquete-Kommission 'Einschätzung und Bewertung von Technikfolgen; Gestaltung von Rahmenbedingungen der technischen Entwicklung', Materialien zu Drucksache 10/6801 des Deutschen Bundestages, Bd. III, Bonn, March 1987.

⁵ *Les conditions économiques sociales et culturelles de la modernisation de notre économie*, Report by M. Lagane to the Conseil Economique et Social.

⁶ The results are published in *Work, employment and society*, vol. 1, No 1, March 1987.

technology. Where there had been technological change job losses tended to result but there was also a tendency towards higher pay for those remaining in employment. Another finding was that only 42% of UK-owned companies used microelectronics technology affecting manual workers whereas 71% of foreign companies were in this category.¹

A working committee at the Spanish National Telephone Company CTNE has carried out a series of studies since 1983 on the effects of the introduction of new equipment or information technology systems on work and company organization. As far as work organization is concerned, the research found a growing tendency towards a greater division of labour. Other findings confirm the results of similar pieces of research: process technology implies a reduction in labour requirements, while new technology in products and services generates jobs; the demand for highly qualified staff is increasing; working conditions show some improvements and some deterioration. As far as workers are concerned, 60% believe that new technologies will enhance their work, but 65% are worried that innovations may constitute a threat to jobs; only 15% think that workers are given sufficient information, and only 9% feel that the training they receive in new technologies is appropriate.²

5. Working conditions, health and safety

In the United Kingdom, a report from Income Data Services has shown that many companies are giving special pay and benefit packages to computer development staff in an attempt to get over recruitment and retraining problems they face. Among other measures being tried are raising ceilings on salary scales; amending grading structures to allow for more flexibility; introducing merit- and performance-based payments; reviewing salaries more than once a year; accelerated promotion; improving benefit packages by including company cars etc. Private sector com-

panies have found it easier than public sector concerns to make changes in their pay and benefits packages.³

The debate about the consequences of telework continues in the *Federal Republic of Germany*, since trade unions are particularly concerned about possible risks and its organizational impact. However, a recent article by the 'Bundesanstalt für Arbeit' provides estimates that run counter to the assumption of a rapid spread of such forms of work. As a matter of fact, it estimates that there are no more than 100 contracts which can be strictly qualified as individual telework in the Federal Republic, and even enlarging the definition to include mixed forms they do not go beyond 1000 jobs.⁴ Decentralization of work was also the subject of a larger research project of the Institut für Zukunftsstudien und Technologiebewertung in Berlin. It covered 3000 firms in 22 industrial sectors. The studies conclude that different services will be decentralized from the firms' headquarters to affiliated companies and to independent services producers. However, individual forms of computer-assisted homework are expected to develop slowly.⁵

Similar findings emerged from a survey of the *Danish Union of Clerical Workers HK*. The union is opposed to distant work, arguing that it leads to social isolation, poor wages, double work etc. and wanted to find out how widespread it has become in Denmark. Questionnaires were sent to the 43 local departments of the union and they reported back that only 8 cases of distant work were known. From these findings, HK estimates that there is a maximum of 500 remote workplaces in the country. Moreover, it believes that telework will not spread in Denmark, due to the small size of companies, short distances, relatively good childminding facilities, and also because people are used to being organized in trade unions.⁶

The *Spanish* study on technological diffusion in the Madrid area⁷ also addressed the issue of working conditions and worker participation. In the workers' opinion, the introduction of new technologies has caused substantial changes

in working conditions. Many perceived negative affects on qualifications and the acquisition of skills. Health problems were reported, such as an increase in psychological tension and concentration, muscular and back problems in production work, and the usual problems with working with screens for those in administrative work. Safety is believed to have improved, however. Other negative affects are an increase in work pace and a deterioration in interpersonal relations, as working with machines leads to more individualistic attitudes. Employee participation in innovation processes seems to concern only management; workers and trade unions come to know about technological innovation only when it has already taken place, and are involved in the final stage when the negative social effects have to be dealt with. Foreign companies are those which allow greater participation from all categories of staff, but they favour direct participation rather than dealing with trade unions; companies where the State has the majority stake, on the other hand, encourage trade union participation.

Health problems when working with screens continues to be the subject of studies, especially from the trade unions' side. In the *United Kingdom*, a study commissioned by Nalgo, the white-collar public sector union, has found that workers using VDUs take more sick leave and complain of more muscular aches and pains, headaches

¹ Daniel, W. W., *Workplace industrial relations and technical change*, PSI/Frances Pinter, 1987.

² The results are published in the journal of the CTNE *Hilo Directo*, No 4, May 1987.

³ *Computer staff pay*, Income Data Services, 1987.

⁴ 'Telearbeit — Beispiele, Definitionen, Bewertungen', in *Materialen aus der Arbeitsmarkt- und Berufsforschung*, No 4/1986.

⁵ *Wirtschaft und Produktivität*, No 4/1987. See also Simon, J., Kuhne, H., 'Arbeitsrechtliche Aspekte der Temearbeit', *Betriebsberater*, 10 February 1987.

⁶ *HK-blader*, No 8, 1987.

⁷ Comunidad de Madrid (1986—87), cit.

and stress than other employees. The white-collar staff examined by the study was theoretically subject to a new technology agreement allowing a break after every 50 minutes of working on a VDU and a limit of four hours in total in a single day. The survey revealed that more than 20 % of workers using VDUs were using their machines for more than five hours a day and more than 75 % were working longer than 50 minutes at a time.¹

Similarly, a survey sponsored by the *Italian* independent trade union of the banking sector (Federazione Autonoma dei Bancari) on work at videoterminals in banks where computerization has been widely adopted, found that more than 65 % of the workers interviewed said they were suffering from various forms of diseases, ranging from loss of or damage to eyesight to headaches and backaches. However, only a minority of workers (8 % of male workers, 18 % of female) said they preferred less computerized work. The majority of workers agreed that union control of work organization and working conditions was scarcely effective.

A very large project on the link between working on VDUs and miscarriages has been launched by the *Danish* union HK. More than 200 000 women will participate in the survey, which will look not only at radiation, but also at other causes, such as stress, which may determine the miscarriage rate of VDU workers. It is probably the largest survey ever carried out on the subject.²

The first case of 'computer disease' is reported from *Denmark*. It does not concern a worker, but an 18-year-old boy who started using a computer at the age of 10 and gradually eliminated all interpersonal relationships. He eventually ended in hospital with a psychosis.³

Finally, in a rather unexplored field, a *German* doctor working in industrial medicine stated at a conference in Munich that a significant number of workers engaged in the production of microchips suffer from liver problems. No explanation has yet been found.⁴

IV. Experiences in specific sectors

1. Telecommunications

In *Italy* the electronic mail service has become operational, though for the time being only on an experimental basis. The service is activated by the usual procedure of electronic mail boxes, which may be rented by users from the post office. Messages can be delivered to the given address either on a computer or in printed form, if the receiver is not equipped with the necessary hardware. Households not connected to the service will also be able to take advantage of the service through the post offices all over the country, where messages may be sent or received. So far the services is only available to a few selected customers; it should soon be open to the general public. Electronic mail services are developing also outside the Postal Administration. A new company called Teleo was created in March 1987, to supply electronic mail services either through the telephone network, or through the telecommunications network Itapac, according to the town. The service is targeted in the first stage at professionals, firms, ministries and research centres; it will allow subscribers to keep in contact with their customers and correspondents throughout Europe and all over the world.

The *Danish* Teledata system is to become operational in October 1987, after a trial period. Users equipped with a terminal, a telephone and a modem will be able to order tickets, perform banking operations and buy products. The Copenhagen Telephone Company estimates that there will be 15 000 registered users in 1990.⁵

The *Dutch* teletext system Viditel (cabled information on TV) seems to be a success, with the number of users increasing by 27 % in 1986. On the contrary another project — Ditzitel — initiated by the country's largest publishing house VNU turned out to be a finan-

cial failure and terminated. Ditzitel was meant to be an interactive system for teleshopping and access to data banks.⁶ However, a new minitel system is planned by Telematica (a local authorities' initiative, supported by the Ministry of Economic Affairs, Philips and Siemens) and the Postal Administration. An experiment is planned in the Eindhoven-Tilburg region, where about 100 000 minitels will be placed in households, following the French example.

Belgian emergency services will be connected in a computerized network. This will allow direct access to several data banks on emergency plans, material and human resources available, dangerous products and specialized hospitals. The implementation of the plan, decided in June 1987 by the Ministerial Committee for Economic and Social Coordination CMCES, will take four years.

2. Banking and finance

Following the example of other European countries, the *Italian* Stock Exchanges are being computerized. The new system, called Borsamat-Affari, is based at Milan Stock Exchange, and is able to connect the 10 Italian stock exchanges in real time. Electronic exchange will be limited to a certain number of stocks, and will be used alongside the more traditional system. In the first stage, the service operates only when exchanges are closed, in order to train brokers and other authorized agents.

On the other hand, the automatic teller network of Italian banks, Bancoomat, is still working below full potential, although it is widely used by house-

¹ Conference Report 87: VDU workers' rights campaign, City Centre, 1987.

² Det frie Aktuell, 23 May 1987; Erhversbladet, 27 May 1987; HK-Bladet, No 6/7, 1987.

³ Berlingske Tidende, 1 September 1987; Det frie Aktuell, 2 September 1987.

⁴ Frankfurter Rundschau, 10 February 1987.

⁵ Erhversbladet, 1 June 1987.

⁶ Automatiseringsgids, 2 September 1987.

holds. A survey carried out by an economic daily newspaper found that about 25 % of cash dispensers in Milan are out of service during the night; this is due not only to telephone lines failures, but also to the fact that in some cases the banks deactivate the service for fear of crimes.

Dan-card, the *Danish* debit card which had problems when first introduced is now rapidly taking hold. 1.4 million transactions were recorded in June 1987, one million more than in the same month of the previous year. 15–20 000 new users join the system each month.¹ And this despite the fact that fraud is not uncommon: in August 1987 it was disclosed that five men using 20 Dan-cards had defrauded Copenhagen banks of between DKR 0.5 and DKR 1 million. However, according to the Dan-card managing director, fraud decreases over time, when the increase in the number of cards is taken into account.²

Even the computerized stock exchange in Copenhagen, which on previous occasions had systematically broken down,³ started working as planned in September 1987.

Homebanking via videotex is becoming popular in the *Federal Republic of Germany*. 72 000 tele-accounts with about 70 banks are in use. 15 000 of these accounts are held by the banking service of the Deutsche Bundespost.⁴

In the *Netherlands* electronic homebanking is still in the experimental phase. The experiment — Girotel — conducted by Postbank has been well received by the 1 000 or so participants, and particularly by small and medium-sized enterprises. It should subsequently be extended to households

through Minitel. Postbank is also conducting an experiment with automatic tellers. Magnetic card payment has been introduced first in Shell petrol stations, and now agreements are being reached with large department stores and other organizations, such as the Netherland Railways. Postbank plans to give a card to all its customers by 1989. On the other hand, private banks still hesitate to adopt a system compatible with Postbank's and have expressed their preference for intelligent chip-cards. An experiment to test intelligent cards is planned, although the adoption of this system would imply the duplication of all facilities. Dutch private banks have been criticized in a report prepared by the British Lafferty Group for being too conservative in the use of new technology. The report ('Electronisch Betalingsverkeer en de Consument') had been requested by the Ministry of Economic Affairs.

The opposite approach has been adopted by *Belgian* banks. The full compatibility of the hitherto competing networks Bancontact and Mister Cash was achieved in June 1987. This means that holders of either card will be able to use the terminals of both networks in banks, electronic points of sale and petrol stations. Practically all banks participate in the system and the full compatibility of cards and terminals is expected to speed up the adoption of electronic points of sale, since investment in only one piece of equipment is necessary. However, one problem still remains, i.e. the sharing of transaction costs between banks and retail trade. No agreement exists on this issue; moreover, the relative cost of electronic transactions is high or, seen the other way round, the relative cost of cheque handling in Belgium is low, since electronic clearing

has been fully in operation since 1977. Electronic money will remain free for the customers, but banks may envisage charging customers for other services, if they have to bear the full cost of POS.

Another novelty in Belgium is the telematic network linking, since May 1987, of the main insurance companies. The network — Assurnet — is primarily aimed at information exchanges between insurance companies and brokers: the latter will be able to access the network through ordinary informatics equipment and a modem, by using a communications software agreed by Assurnet. It is a value-added network, in so far as it provides its users with other services besides data transmission, such as the access to data banks and electronic mail. Assurnet is the outcome of a merger between a smaller network of the same name and another network of competing insurance companies: after one year of negotiations the two networks, neither of which had a dominant position on the insurance market, merged in a single project and the largest insurance groups joined in.

The *Spanish* State-owned oil company Campsa is to computerize its network of service stations. A pilot project is being launched, following which some 2 000 petrol stations are expected to be connected to the system.⁵

¹ *Weekendavisen*, 31 July 1987; *Det Irie Aktuelt*, 20 August 1987.

² *Fyns Amtsavis*, 12 August 1987; *Det Irie Aktuelt*, 14 and 20 August 1987.

³ See *Social Europe*, 3/1987.

⁴ *Medienspiegel*, No 14/1987.

⁵ *Cinco Dias*, 5 June 1987.

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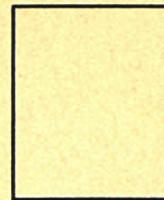
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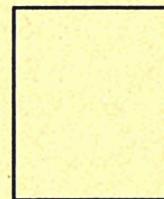
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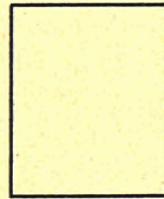
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