

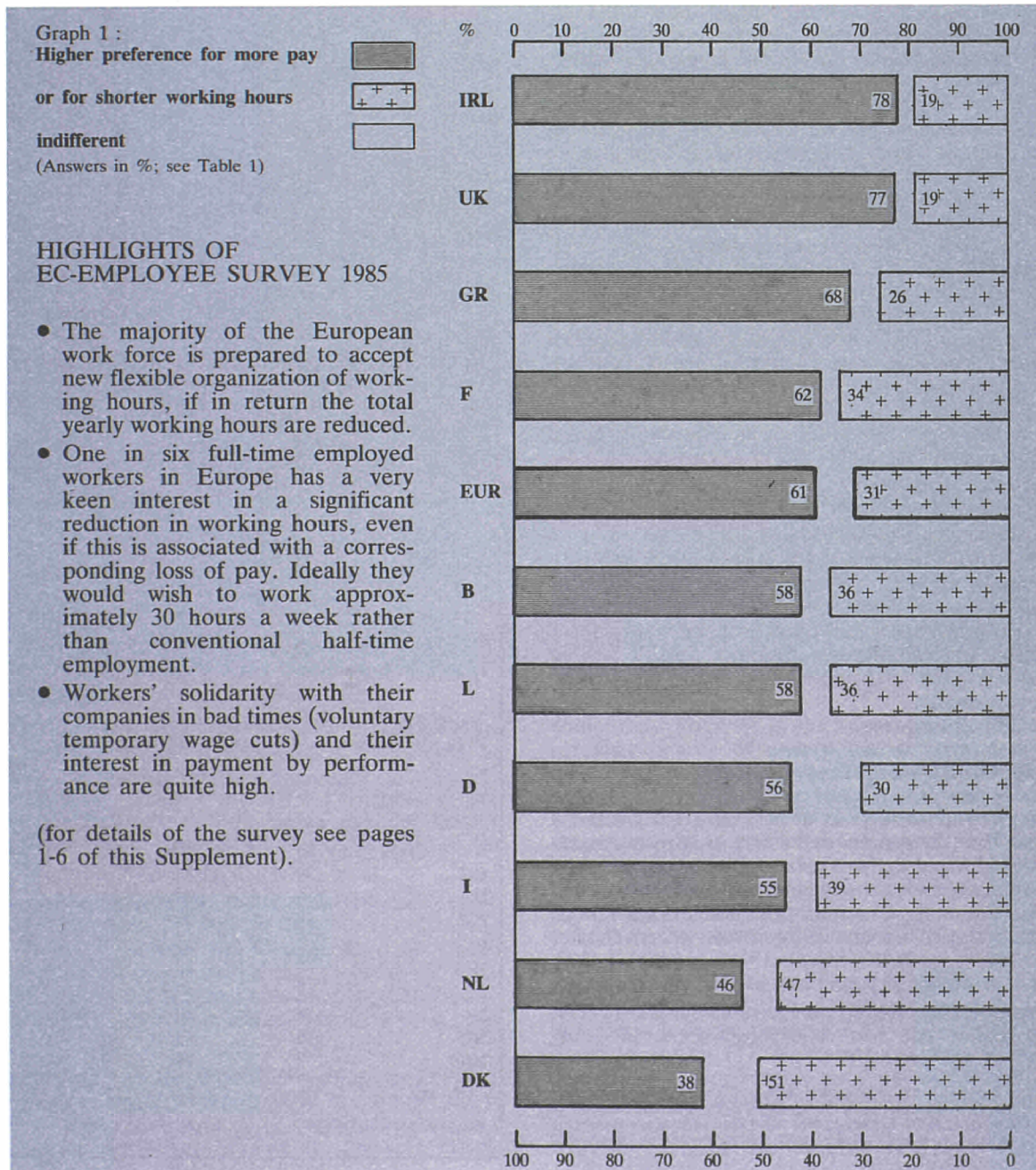
EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

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This month :
Employee survey on
“Labour Market Flexibility”

Business and consumer survey results



Widespread interest in more flexible working time arrangements among European workers (Results of an employee survey in the member countries)

The reasons for the survey. — In public discussions, labour market rigidities are said to contribute substantially to the present level of unemployment in Europe. In order to obtain empirical evidence as to the validity of this argument, and in order to assess the number of jobs which perhaps are being blocked as a result or the extra ones which could be created, the EC Commission has designed two large-scale surveys. The practical execution of the survey was put in the hands of national economic research institutes in all the Member countries. The first survey, which was directed at employees, has already been completed and is described here. The second survey is directed at employers in the Member countries (primarily industrial companies, but also the retail and wholesale trade and selected service areas). However, its results will not be available until early in 1986. The Commission hopes that these two surveys will provide a basis for the debate on labour market policy and possibly give it fresh impetus.

Conclusions from the employee survey. — If we take all the answers to the different questions together, the picture which emerges is one of a European workforce which is prepared to accept new, flexible organization of working hours (including evening and Saturday working), if in return the total yearly working hours are reduced. In addition, approximately one-sixth of European workers now in full-time employment would voluntarily forego a corresponding part of their income, if they could choose their optimum working time (approximately 30 to 34 hours). Given the constraints within a firm, these wishes can probably be realized only if the whole work process is differently organized. New rules governing working hours would have to be introduced, dissociating individual working hours from company hours to a far greater extent than that is normal today, e.g. in the form of a rolling four-day week. In this way, the capital stock could be used more efficiently which could provide some room for a cost neutral reduction of the individual yearly working time. Such arrangements would possibly allow an individual to achieve an appreciable reduction in working time without a correspondingly large cut in income. Besides the advantage for persons in employment today, who could thus come nearer to their ideal working hours, this would probably produce additional jobs. The results of the business survey, giving the answers of the entrepreneurs, which are still awaited, will help to evaluate at least the order of magnitude of these possible effects on employment.

Workers' solidarity with their companies in bad times (voluntary temporary wage cuts) and their interest in payment by performance are quite high.

This shows that European workers — or at least the majority — are much more flexible, innovative and performance-minded than is frequently alleged. Unlike the United States and Japan, too little use has however so far been made of this goodwill potential and readiness to be more flexible among European workers. This is the challenge facing employers, unions and governments.

Results of the employee survey in summary form¹

In most member countries there is at present greater interest in wage increase than in general reduction of working hours (see Table 1). — 61 % of the workers questioned would — if they had the choice — prefer a wage increase to a reduction in working hours in the next pay round. Only less than one-third of those questioned (31 %) are more interested in shorter working hours than in more money; the remaining 8 % showed no clear preference for either of the alternatives.

Compared with an earlier survey on the same subject (1977), the desire for higher pay has clearly increased, probably

¹ The survey was carried out in all ten member countries by well-known research institutes (in the framework of the Euro-Baromètre) in the Spring of 1985. A detailed account of the results (together with those of the business survey and results of employee surveys in the 2 new member countries, Spain and Portugal) is planned for the March 1986 issue of European Economy.

GRAPH 2 : Preference for more pay or for shorter working hours (European Community)

(breakdown of answers according to position in the income pyramid)



^{a)} EC-Employee Survey Spring 1985
^{b)} EURO-BAROMETRE oct./Nov. 1977

Source : EC employee survey Spring 1985.

TABLE 1: Increase in pay or shorter working time

Question: If the choice were offered at the next wage round, which of the following possibilities would you prefer?

1. Increase in pay, for the same hours of work as now.
2. No increase in pay but shorter working time.

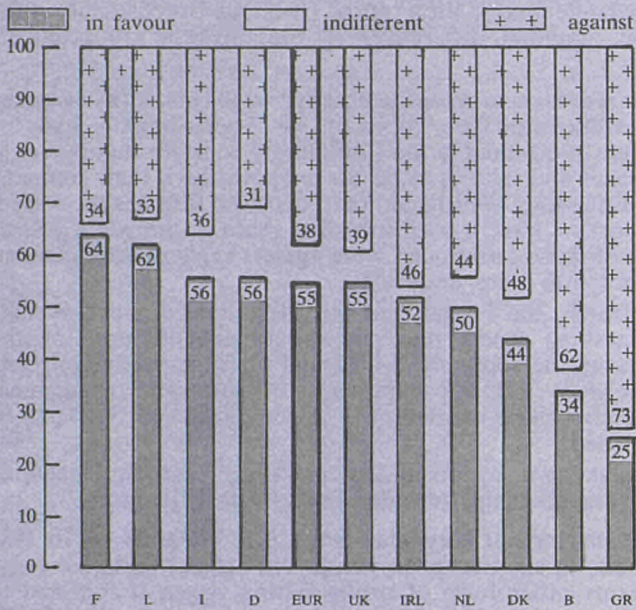
(Answers in %)

	1	2	No answer	TOTAL
B	58	36	6	100
DK	38	51	11	100
D	56	30	14	100
GR	68	26	6	100
F	62	34	4	100
IRL	78	19	3	100
I	55	39	6	100
L	58	36	6	100
NL	46	47	7	100
UK	77	19	4	100
EUR 10	61	31	8	100

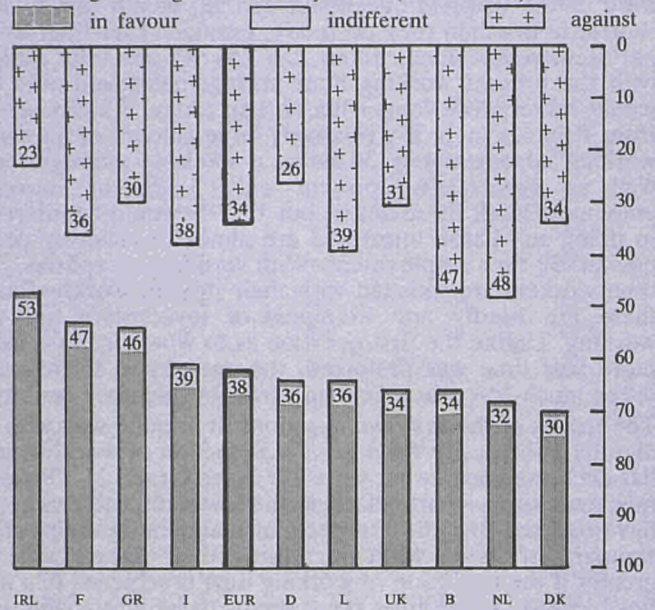
Source: EC-employee survey 1985

Graph 3 : Main results of EC employee survey by countries (Answers in %)

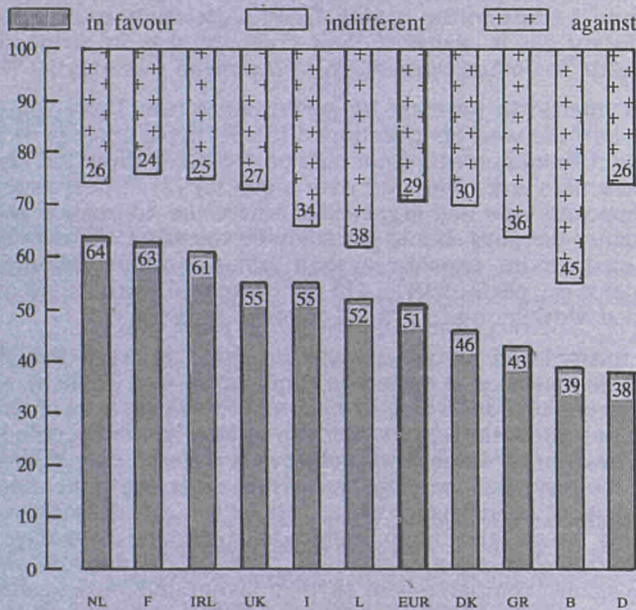
For or against more flexible working hours (see Table 3)



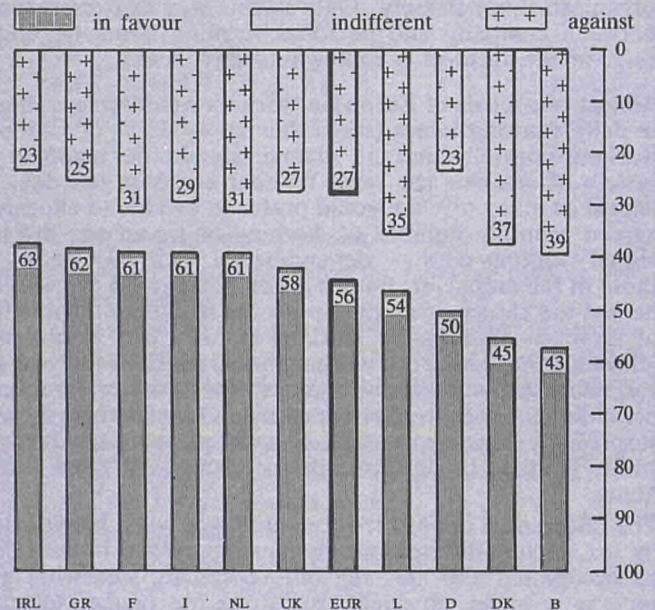
For or against a more flexible organization of working time including evening and Saturday work (see Table 4)



For or against a reduction of salary when company is in difficulty (see Table 5)



For or against different individual salaries for the same job according to personal efficiency (see Table 7)



Source : EC-employee Survey 1985

because real incomes have risen very little over the last four years (at that time 51 % of employees set more store by shorter working hours than higher wages; 42 % took the opposite view and 7 % were undecided). The lower preference for a general reduction of working hours is apparent in all income groups, particularly in the lower quartile of the income pyramid (see Graph 2).

The most recent survey indicates clear differences in preferences from one Member country to another : workers in Ireland, the United Kingdom and Greece show far higher than average interest in wage increases. On the other hand the majority of workers in Denmark and in the Netherlands are more interested in shorter working hours than in more money (see Graph. 1).

As is to be expected, the preference for more free time is greater among higher earners than those in the lower income groups : 62 % of European workers in the lower quartile of the income pyramid prefer an increase in wages or salary,

compared with 56 % in the upper quartile. There seems to be a higher degree of uncertainty amongst low earners as to which alternative they would prefer; 16 % of them had no definite preference — compared with only about 5 % in the other income brackets — and only 22 % of them preferred shorter working hours (see Graph 2). The differences in answers are also only slight when broken down by the sex, age, and occupation of those questioned. The results of the survey tally almost exactly in the private sector and in the public service. But the difference between the answers of full and part-time workers is somewhat greater. As is to be expected, interest in more free time is greater among persons in full-time employment (working about 40 hours a week) than among part-time workers — those working less than 30 hours a week (37 % compared with 24 %). Somewhat surprisingly, people who today work an average of over 41 hours a week are interested in more free time to a much smaller extent (27 % compared with 37 %) than persons working "normal" full-time hours (35 to 40 hours a week).

Actual working hours and desirable working hours do not coincide for almost half the workers in Europe — Considerable potential for new forms of part-time work among persons at present in full-time employment (see Table 2). — Over one-third of the workers questioned (35 %) would like to work shorter hours than they do today, provided that their hourly pay remain the same; about half (55 %) are fully satisfied with the present working hour arrangements and only 6 % would rather work longer hours than today. As can be seen from Table 2, there is a relatively large amount of interest in working approximately 30 hours a week — among men as well as women. At present only 3.8 % of European employees work these hours, but 17.5 % would be interested in doing so. Those interested are almost exclusively people now in full-time employment. With very few exceptions, part-time workers are satisfied with their present working hours; there are hardly any examples of involuntary part-time working. Unlike the first question as to whether more pay or more free time was preferred, the answers to this question differ much less when broken down by member country.

The results of the first two questions fit in quite well with one another: the desire for a *general* reduction of working hours has decreased somewhat since 1977 (see Graph 2). Obviously many workers — particularly in the lower income brackets — have realized that the prospects of maintaining their present standard of living while increasing their leisure time are greater if the reduction of working time is achieved in a more flexible way. In addition there seems to be a relatively large group of workers who have a very keen interest in a significant reduction in working hours, even if this is associated with a corresponding loss of pay. Ideally they would wish to work approximately 30 hours a week rather than conventional half-time employment. In practice these wishes can generally only be realized if the entire work process is organized more flexibly. Only in this way can discrepancies between company and personal working hours be bridged (e.g. in the form of a rolling four-day week).

Almost two-thirds of European workers would accept changes in daily working hours (see Table 3). — 38 % of European workers consider that no change should be made in the system of working the same number of hours per day. But almost as many (39 %) would prefer to be able to allocate an agreed monthly number of working hours among the individual working days — depending on their own needs and those of the employer. One in six employees (16 %) would, if he had the choice, even plump for the still more flexible form of a yearly number of working hours: this would mean allocating the number of working hours fixed for the year on a variable basis — in accordance with personal preferences or possibilities, within the company. Overall this shows a surprisingly high proportion of workers who are ready — within limits to be defined more precisely — to work flexible hours.

The differences in answers are only slight when broken down by sex, income and union membership. When broken down by occupation and age, the differences are somewhat greater: as is to be expected, executives are readier to accept more flexible working hours (64 %) than manual workers (51 %); the answers of salaried workers lie somewhere between these two groups (59 %). Older people (over 55 years of age) are much less interested in flexible working hours than younger workers up to 39 years of age (39 % compared with 59 %).

When broken down by Member State the differences in answers are again marked. The Greeks and Belgians in particular show a greater than average interest in working the same number of hours each day (73 % and 62 % respectively). The Germans and the French are at the other extreme, since only 31 % and 34 % respectively would prefer to work the same number of hours each day rather than a more flexible arrangement.

Evening or Saturday working popular if this reduces total yearly working hours (see Table 4). — Over one-third of workers (38 %) would welcome working one Saturday a month or five week-day evenings a month until 22.00 if in return annual working hours were reduced by 5 % (this is equivalent to some 2 hours less a week or 2 weeks more annual holiday). Only 34 % are against such an arrangement.

A relatively large proportion of those questioned (28 %) has no definite opinion as yet, but in principle has no objection to this more flexible form of arranging working hours.

Readiness to accept such arrangements seemed to be above the average among the French, Irish and Greeks. But on the whole, national differences in the answers are relatively small.

Great readiness to accept temporary wage cuts, if the company is in difficulties (see Table 5). — Approximately half the workers questioned in the Community consider that it is right for wages and salaries to be cut temporarily, if their company is in difficulties — provided that, once the firm has recovered, the workers have a corresponding share in the profits. Only 29 % of those questioned were against such an arrangement; another fifth were undecided.

The Dutch, the French and the Irish showed above-average readiness to accept that pay should depend more on the success of the company (64, 63 and 61 % respectively). Only in Belgium did the opponents of such an arrangement outnumber those in favour (45 % compared with 39 %; 16 % undecided).

A breakdown by socio-demographical features, including union membership, revealed only small differences.

Profit-sharing not very widespread (see Table 6). — In 1984 only one in six European employees (16 %) had received a bonus or other form of profit-sharing. Even if confined to workers employed in private industry, the proportion, 21 %, is relatively small. Profit sharing in private industry is above average in the Netherlands (41 % of all workers), and in Luxembourg, France and the United Kingdom (36 % of workers in each case). The fact that profit sharing can increase the ties between the worker and his company is shown by the following figures: of the workers who in 1984 received a share in the profits, 62 % were ready to accept a temporary cut in wages if their company was in economic difficulty; for other workers, this proportion was only 50 %.

Great interest in payment by performance (see Table 7). — Over half the workers questioned (56 %) took the view that payment should be based not only on the occupation, but also on personal merit. Only just over a quarter (27 %) expressed the opposite view and argued that where the occupation was the same, the pays should generally be the same. As is to be expected, more executives than other workers favoured payment by performance (75 % compared with 57 % of salaried workers and 52 % of manual workers).

The unemployed are even more prepared to work flexible hours than persons at present in employment (see Table 8). — The same questions which had been put to workers were also put to a representative cross-section of unemployed people in the Community. In general the answers differed only slightly from the results of the employee survey. It is worth mentioning that a somewhat higher proportion of unemployed persons would also be prepared to work one Saturday a month or 5 evenings a month until 22.00 (42 % in favour and 27 % against compared with 38 % in favour and 34 % against among persons now in employment). On the other hand, the unemployed are somewhat less ready than persons now in employment to accept temporary wage cuts if the company is in difficulties (42 % compared with 51 %). They are also not so interested in payment being related more closely to personal performance (50 % of the unemployed, compared with 56 % of those now in employment). The differences in the answers of workers and unemployed which in any case are not great are in fact even less pronounced because a substantially larger proportion of the unemployed was unable to give a definitive answer.

Survey among young people, who have not yet entered working life (16 to 24-year-old age group) (see Table 8). — The differences with respect to workers' answers — like those of unemployed — are relatively small. However, the greater interest of young people in flexible working hours is typical: only 25 % (compared with 38 % of workers) prefer to work the same number of hours each day, while 46 % (compared with 39 %) prefer a fixed number of working hours each month and 18 % (compared with 16 %) a fixed number of hours each year, to be allocated according to personal preferences and the possibilities within the company. But in

TABLE 2: Present and desired working time

Question: 1. What is your *present working time per week*?

2. You sometimes hear that not everyone is fully satisfied with his/her current working time. Assuming that the present hourly wage rate remained unchanged how many hours per week would you like to work?

(Answers in %)

		Hours per week							No answer	TOTAL
		less than 20 h	21-24 h	25-29 h	30-34 h	35-40 h	41-45 h	45 h or more		
B	1 (actual)	6.0	6.2	1.8	5.2	68.3	5.7	5.7	1.0	100.0
	2 (ideal)	6.2	5.5	7.3	22.6	46.5	4.7	1.8	5.5	100.0
DK	1 (actual)	4.4	5.7	5.7	5.1	60.5	5.4	9.5	3.8	100.0
	2 (ideal)	3.5	5.9	5.6	18.9	51.5	4.1	3.0	7.4	100.0
D	1 (actual)	3.8	3.5	2.2	2.3	54.0	18.4	6.8	8.9	100.0
	2 (ideal)	4.7	2.2	1.8	13.9	54.9	8.1	2.2	12.0	100.0
GR	1 (actual)	2.1	1.6	5.3	4.3	64.4	10.6	9.6	2.1	100.0
	2 (ideal)	2.1	4.3	8.5	20.7	54.3	3.7	2.1	4.3	100.0
F	1 (actual)	5.2	5.8	2.6	3.5	60.8	12.4	8.5	1.3	100.0
	2 (ideal)	3.8	5.6	3.6	17.6	53.2	7.8	3.7	4.8	100.0
IRL	1 (actual)	4.0	1.4	2.2	5.0	62.9	15.1	9.0	0.4	100.0
	2 (ideal)	4.7	3.2	3.2	20.1	56.1	5.4	4.7	2.5	100.0
I	1 (actual)	5.3	4.3	2.2	4.6	56.3	10.2	14.9	2.2	100.0
	2 (ideal)	6.8	5.6	9.0	24.5	43.0	4.3	3.1	3.7	100.0
L	1 (actual)	2.8	6.5	1.9	1.9	65.4	14.0	7.5	—	100.0
	2 (ideal)	1.9	8.4	1.9	8.4	66.4	6.5	2.8	3.7	100.0
NL	1 (actual)	11.2	5.3	2.7	4.9	53.4	6.3	12.2	4.0	100.0
	2 (ideal)	9.7	9.5	3.6	12.4	48.4	4.2	5.6	6.6	100.0
UK	1 (actual)	15.3	5.4	3.8	4.5	47.2	10.8	12.2	0.6	100.0
	2 (ideal)	15.6	5.7	5.7	16.2	40.2	5.8	6.0	4.8	100.0
EUR 10	1 (actual)	7.5	4.8	2.8	3.8	55.0	12.4	10.2	3.4	100.0
	2 (ideal)	7.7	4.9	4.8	17.5	48.3	6.3	3.7	6.6	100.0

TABLE 3: Flexible working time

Question: Let us assume that more *flexible working time arrangements* will be offered in the near future. Which one would you prefer assuming that the salary is the same?

1. Same working hours every day.
2. Fixed amount of working hours per month but the number of working days and working hours per day could be agreed on according to production and/or work-organization requirements.
3. Fixed amount of working hours per year but with periods of hard work which would involve long hours and other periods of shorter hours or holidays according to production and/or work-organization requirements.

(Answers in %)

	1	2	3	No answer	TOTAL
B	62	23	11	4	100
DK	48	31	13	8	100
D	31	43	13	13	100
GR	73	14	11	2	100
F	34	41	23	2	100
IRL	46	37	15	2	100
I	36	38	18	8	100
L	33	45	17	5	100
NL	44	38	12	6	100
UK	39	39	16	6	100
EUR 10	38	39	16	7	100

TABLE 4: New working time arrangements

Question: Supposing you were offered the *following working time arrangements*:

You work for example one Saturday a month, or else you work five times a month up to 22 h in the evening, and as a counterpart, your working time per year is reduced by 5% (that could be 2 hours less work per week in the average or else it could be two weeks more vacation a year).

What is your personal opinion on such arrangement?

Are you 1. Very much in favour.

2. Rather in favour.

3. Rather against.

4. Very much against.

5. Indifferent.

(Answers in %)

	1	2	3	4	5	No answer	TOTAL
B	15	19	29	18	12	7	100
DK	11	19	14	20	16	20	100
D	8	28	17	9	24	14	100
GR	26	20	12	18	15	9	100
F	14	33	23	13	13	4	100
IRL	25	28	11	12	13	11	100
I	14	25	20	18	11	12	100
L	10	26	20	19	16	9	100
NL	12	20	19	29	12	8	100
UK	13	21	18	13	25	10	100
EUR 10	12	26	20	14	18	10	100

TABLE 5: Solidarity with company in bad times

Question: In some countries salaried people are accepting to get lower salary when their company is in difficulty, with the understanding that when the company will do better, they will get a share of the profits.

What is your personal opinion on such arrangements?

- Are you
1. Very much in favour.
 2. Rather in favour.
 3. Rather against.
 4. Very much against.
 5. Indifferent.

(Answers in %)

	1	2	3	4	5	No answer	TOTAL
B	13	26	28	17	10	6	100
DK	18	28	14	16	12	12	100
D	7	31	18	8	25	11	100
GR	25	18	19	17	9	12	100
F	22	41	16	8	11	2	100
IRL	29	32	15	10	9	5	100
I	20	35	21	13	5	6	100
L	21	31	26	12	6	4	100
NL	20	44	9	17	4	6	100
UK	24	31	16	11	13	5	100
EUR 10	18	33	18	11	14	6	100

TABLE 6: Bonus or profit sharing

Question: In 1984, did you personally get some bonus or profit sharing because of the performance of the company you work with? IF YES, how much approximately was this bonus of profit sharing? The equivalent of one week of salary, one month of salary? How much?

(Answers in %)

	Nothing	Less than 1 month	1 month or more	Not been working in 1984 or no answer	TOTAL
B	81	11	5	3	100
DK	87	3	2	8	100
D	79	4	6	11	100
GR	76	9	4	11	100
F	71	14	10	5	100
IRL	77	10	6	7	100
I	85	8	2	5	100
L	69	10	18	3	100
NL	77	8	12	3	100
UK	73	16	8	3	100
EUR 10	77	10	6	7	100

TABLE 7: Salaries according to personal efficiency

Question: In some places, individual salaries for the same job are different according to the personal efficiency at work of the people. What is your opinion on such arrangement?

- Are you
1. Very much in favour.
 2. Rather in favour.
 3. Rather against.
 4. Very much against.
 5. Indifferent.

(Answers in %)

	1	2	3	4	5	No answer	TOTAL
B	17	26	27	12	13	5	100
DK	25	20	11	26	8	10	100
D	17	33	13	10	19	8	100
GR	36	26	13	12	5	8	100
F	24	37	20	11	6	2	100
IRL	31	32	15	8	8	6	100
I	27	34	18	11	4	6	100
L	30	24	14	21	8	3	100
NL	20	41	13	18	4	4	100
UK	32	26	16	11	11	4	100
EUR 10	24	32	16	11	11	6	100

Source: EC-employee survey 1985.

the case of solidarity with the firm (temporary reduction in wages when the company is in difficulties) and interest in payment by performance, instead of occupation, young people — like the unemployed — had somewhat greater reservations (45 % compared with 51 % in the case of pay cuts and 53 % compared with 56 % in the case of payment by performance). But to put this into perspective, here too it must be said that the proportion of young people's "don't know" answers is about double than among workers (some 12 % compared with 6 %).

Business survey results

Economic sentiment indicator improved sizeably. — The upward trend of this leading indicator for the Community as a whole continued in September for the 6th consecutive month. The increase in September (from 100,8 to 101,3; 1980=100) was the largest monthly change for more than 3 years. All four components of the overall composite indicator contributed to the increase; the improvements in the construction confidence indicator and the share price index were somewhat stronger than in industrial confidence and the consumer climate.

On a country base, the most pronounced increase in the economic sentiment indicator was recorded in Germany (from 102,1 to 103,0) which was the largest since March 1983 and — starting from a lower level — in Belgium (from 101,0 to 102,0). In the other member countries, economic sentiment improved more moderately: United Kingdom (from 102,1 to 102,4); France (from 95,9 to 96,1); Netherlands (from 106,5 to 106,6) and Ireland (from 100,4 to 100,5)².

Components of the Economic Sentiment Indicator at the Community level

a) Confidence in industry picks up in spite of weakening export orders. — Two of the three variables constituting the industrial confidence indicator improved in September, production expectations (from +6 to +9)³ and total order books (from -16 to -15)³. The third variable, measuring the adequacy of stocks of finished products, remained at a rather satisfactory level (+11)³. The improvement of total order-books is even more notable as export orders have shown a slight deterioration. This indicates that domestic demand has been strong enough in past months to more than compensate for the levelling off of foreign demand. This tendency has been particularly pronounced in the United Kingdom where export order-books deteriorated in September by 6 points (from -5 to -11)³, while total order-books nevertheless improved slightly (from -7 to -6)³. A remarkable increase in the industrial confidence indicator was recorded in Belgium (from -15 to -11)³. In the Netherlands — on the other hand — the slight negative trend which began in July has continued; the industrial confidence is there still at a relatively satisfactory level, however (-3)³.

b) Consumer climate brightens in September⁴. — In the Federal Republic of Germany the positive trend of consumer sentiment continued in September. The latest rise in the consumer confidence indicator is almost entirely due to a more favourable assessment of the general economic situation, both in the recent past and the period ahead. This is coupled with the expectation that the labour market situation will be less unfavourable than in the past months. Views on the financial positions of households did not improve in September to the same degree as those on the general economic situation, and income expectations even deteriorated slightly. Nevertheless, purchasing intentions for the period ahead showed an increase in all income brackets. In

² 1980=100; for Denmark, Greece and Luxembourg, no economic sentiment indicator is available due to lack of data.

³ All figures are balances

⁴ Monthly consumer survey results are until now only available for Germany, Italy and the United Kingdom. In the other Member countries, these data are collected only quarterly; from Spring 1986 on for all Member countries monthly data will be available.

TABLE 8: Attitudes towards more flexible working time and pay arrangement - European Community

(Answers in %)

A) Let us assume that more flexible working time arrangements will be offered in the near future, which one would you prefer (assuming that the salary is the same)?

Questions	Employed persons								Not employed persons	
	Total	Function			Age (years)				Total of unemployed	Total of students
		Manual worker	White collar/ Office worker	Executive top management	Less than 25	25 - 39	40 - 54	55 and older		
1. Same working hours every day *)	38	42	35	30	39	36	37	46	39	25
2. Fixed amount of working hours per month *)	39	37	41	43	42	41	41	23	36	46
3. Fixed amount of working hours per year *)	16	14	18	21	15	18	14	16	14	18
4. No definite preference	7	7	6	6	4	5	8	15	11	11
	100	100	100	100	100	100	100	100	100	100

B) Supposing you were offered the following working time arrangements: you work for example one Saturday a month, or else you work five times a month up to 22 h in the evening, and as a counterpart, your working time per year is reduced by 5% (that could be 2 hours less work per week in the average or else it would be two weeks more vacation a year), what is your personal opinion on such arrangement?

Questions	Employed persons								Not employed persons	
	Total	Function			Age (years)				Total of unemployed	Total of students
		Manual worker	White collar/ Office worker	Executive top management	Less than 25	25 - 39	40 - 54	55 and older		
Are you 1. Very much in favour.	12	14	12	12	13	13	10	10	13	11
2. Rather in favour.	26	24	28	27	29	28	23	19	29	34
3. Rather against.	20	20	19	16	21	20	20	14	16	16
4. Very much against.	14	14	15	13	11	14	16	15	11	9
5. Indifferent.	18	19	17	23	19	16	20	20	13	17
6. Don't know.	10	9	9	9	7	9	11	22	18	13
	100	100	100	100	100	100	100	100	100	100

C) In some countries salaried people are accepting to get lower salary when their company is in difficulty, with the understanding that when the company will do better, they will get a share of the profits. What is your personal opinion on such arrangements?

Questions	Employed persons								Not employed persons	
	Total	Function			Age (years)				Total of unemployed	Total of students
		Manual worker	White collar/ Office worker	Executive top management	Less than 25	25 - 39	40 - 54	55 and older		
1. Very much in favour.	18	19	17	18	16	19	16	19	13	11
2. Rather in favour.	33	31	35	40	32	36	34	23	29	34
3. Rather against.	18	18	19	13	19	19	18	12	16	16
4. Very much against.	11	13	10	9	13	11	9	10	11	9
5. Indifferent.	14	14	14	12	16	11	15	20	14	17
6. Don't know.	6	5	5	8	4	4	8	16	17	13
	100	100	100	100	100	100	100	100	100	100

D) In some places, individual salaries for the same job are different according to the personal efficiency at work of the people. What is your opinion on such arrangements?

Questions	Employed persons								Not employed persons	
	Total	Function			Age (years)				Total of unemployed	Total of students
		Manual worker	White collar/ Office worker	Executive top management	Less than 25	25 - 39	40 - 54	55 and older		
1. Very much in favour.	24	23	23	45	22	25	22	30	21	21
2. Rather in favour.	32	29	34	30	33	32	32	29	29	32
3. Rather against.	16	19	16	9	16	17	18	11	14	18
4. Very much against.	11	13	12	7	13	13	10	8	14	11
5. Indifferent.	11	12	10	5	12	9	12	8	9	7
6. Don't know.	6	4	5	4	4	4	6	14	13	11
	100	100	100	100	100	100	100	100	100	100

*) Full wording of replies, see Table 3.

Source: EC-employee survey 1985.

particular, the lower and middle income earners — in spite of their rather cautious outlook with respect to their financial situation — seemed to be more inclined to make major purchases. In line with this, the intentions to save weakened. The improved consumer attitudes are reflected in the August retail survey data which suggest an improvement in sales, particularly of consumer durables. (see Table 11).

The improvement in consumer sentiment in *Italy*, evident since March (apart from a slight deterioration in May), continued in September. It was mainly due to the greater current propensity of consumers to make major purchases, which was recorded in all income brackets. This phenomenon seems to result from a relatively more positive assessment of real incomes, thanks to the recent slowing-down of inflation.

There was an improvement in the consumer climate in the *United Kingdom* in September, continuing the positive trend which — with the exception of the break in trend in August — has now lasted since March. The main factors in the latest improvement was a more favourable assessment of the recent trend in the financial situation of households. This more favourable assessment was evident in all income brackets, but particularly in the higher ones. The propensity to make major purchases, however, which since 1983 has in general been considerably greater in the *United Kingdom* than in the other Community countries, declined slightly.

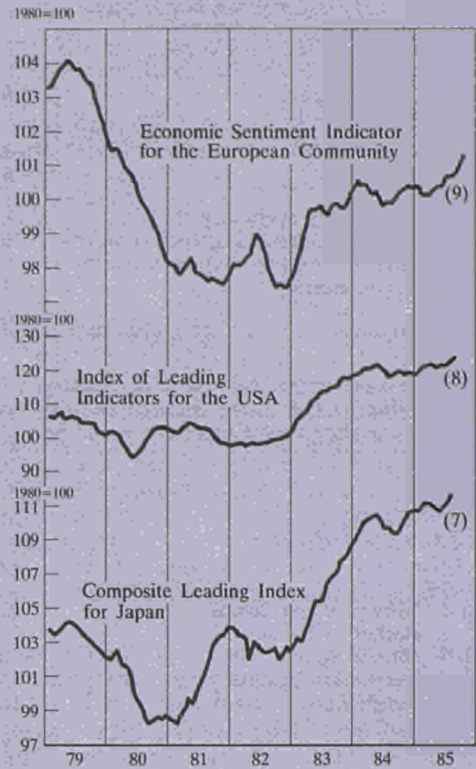
c) Construction confidence still low, but signs of improvement. — In all Member countries the negative sign still prevails for the confidence indicator. But since Spring 1985 the indicator has steadily risen (from -46 in the first quarter to -32 in September)⁵. This development reflects an improvement in all Member countries. The lowest values still prevail in Germany (-45)⁵ and in Luxembourg (-51)⁵. Compared with these two countries, confidence in the construction industry is markedly less weak in the Netherlands (-19)⁵, United Kingdom (-24)⁵ and Italy (-25)⁵. An indication that the situation in the construction sector is returning to normal is the fact that the downward pressure on prices is becoming weaker; in all Member countries, except Luxembourg, slightly positive figures prevail (Germany : +1; Italy : +8; United Kingdom : +9 and Belgium : +4; Luxembourg : -4)⁵.

d) Share prices support increase in economic sentiment indicator. — These data are included in the economic sentiment indicator as a proxy for profit expectations. In order to combine this series with the (trendless) business and consumer survey data the deviations of the share price index from the long-term trend (moving 75-month average) are taken. In September, the share-price index for the Community as a whole was about 18 % above the long-term trend (compared to 15 % in August). Of Community countries this deviation was highest in Germany (+66 %).

Leading indicators not only improved in Europe but also in the USA and Japan. — According to the latest available leading indicators, economic growth will accelerate again in the industrialized world in the months ahead. In Europe the upward trend of the “Economic Sentiment Indicator” has been the most clear-cut in the past 5 months though the level of this indicator is still significantly lower than in the previous upswing 1979/80. In the USA the “Index of Leading Indicators” has only shown recently a positive trend after running almost level for about one year. In Japan the “Composite Leading Index” has also picked up since the middle of the year and recently reached a new peak. However, the indicators have not been improving for long enough, and with sufficient strength to guarantee that economic growth is accelerating again in the USA and Japan and that in Europe a self-perpetuating continuation of the upswing is in the offing.

24 October 1985.

GRAPH 4 : Leading indicators for the European Community, the USA and Japan

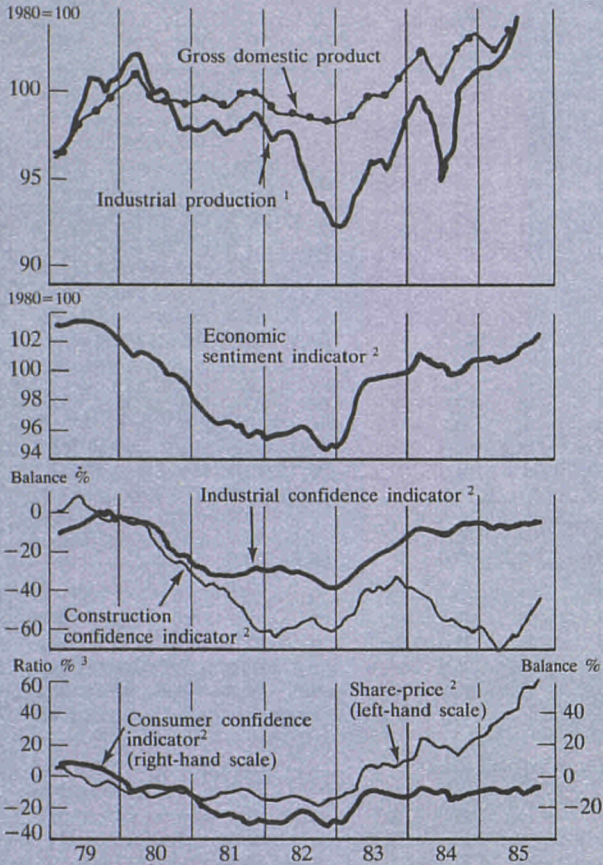


Sources : — Commission of the European Communities, Directorate-General for Economic and Financial Affairs
 — US Department of Commerce
 — Economic Planning Agency, Japanese Government

Arabic number indicates latest month for which data are available ("9" = September)

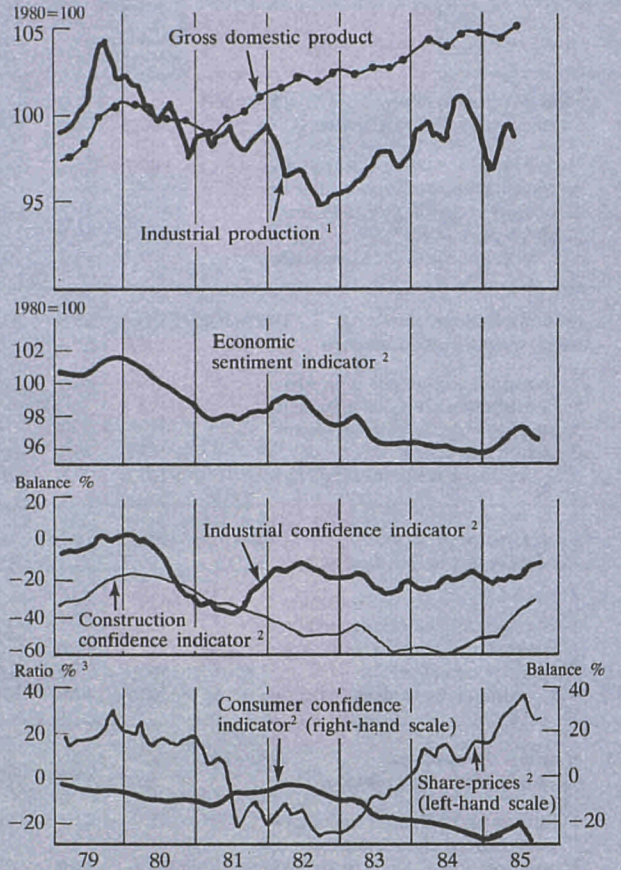
⁵ All figures are balances

**GRAPH 5 : Indicators of output and economic sentiment
Federal Republic of Germany**



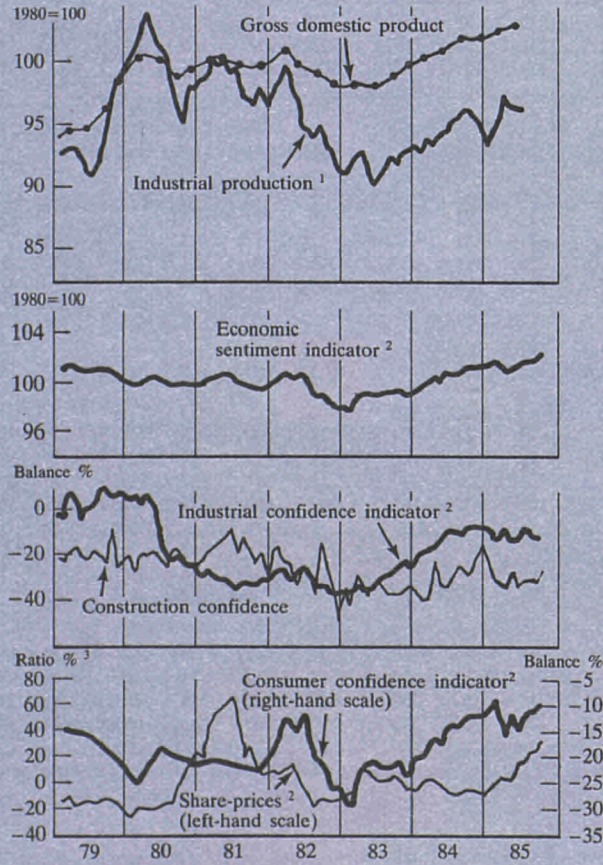
¹ Three-month moving average.
² See notes to Table 9.
³ Deviations from trend (75-month moving average) in %.

**GRAPH 6 : Indicators of output and economic sentiment
France**



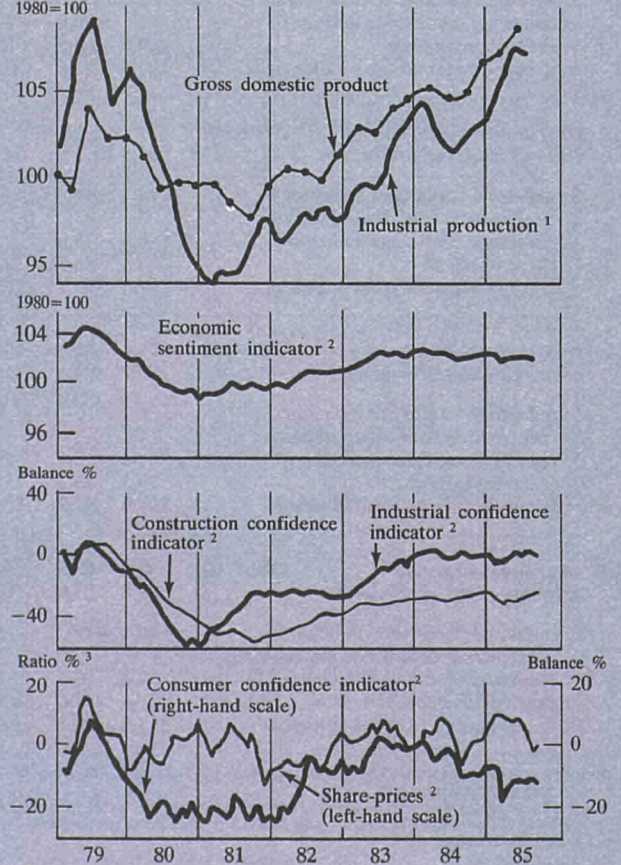
¹ Three-month moving average.
² See notes to Table 9.
³ Deviations from trend (75-month moving average) in %.

**GRAPH 7 : Indicators of output and economic sentiment
Italy**



¹ Three-month moving average.
² See notes to Table 9.
³ Deviations from trend (75-month moving average) in %.

**GRAPH 8 : Indicators of output and economic sentiment
United Kingdom**



¹ Three-month moving average.
² See notes to Table 9.
³ Deviations from trend (75-month moving average) in %.

TABLE 9: Indicators of output and economic sentiment

		Range		Range		1984	1985			1985						
		Peak 1972/73	Trough 1971/75	Peak 1979/80	Trough 1981/83		I	II	III	April	May	June	July	Aug.	Sept.	
B	<i>gross domestic product</i>	1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>		102,5	76,5	106,3	92,4	102,4	103,2	104,0	:	101,9	102,9	107,2	:	:	:
	1. industrial confidence indicator		+19	-56	-4	-35	-12	-13	-17	-13	-16	-18	-16	-14	-15	-11
	2. construction confidence indicator		+9	-36	-7	-65	-54	-47	-39	-38	-44	-37	-36	-36	-40	-37
	3. consumer confidence indicator ^{1,4}		7,0	-18,0	-7,0	-31,0	-27	-24	-22	-21	-22	(-22)	(-22)	-21	(-21)	(-21)
	4. share-price index ^{4,5}		155,1	98,0	114,3	75,0	161,9	171,1	177,8	186,4	172,3	176,1	184,9	183,3	183,0	192,8
	= 5. economic sentiment indicator		107,9	99,4	103,0	97,5	100,0	100,7	101,0	101,6	100,8	101,0	101,4	101,5	101,4	102,0
D	<i>gross domestic product</i> ³	1980=100	85,1	83,3	101,2	98,9	102,7	103,4	104,8	:	:	:	:	:	:	:
	<i>index of industrial production</i>		92,0	82,4	103,1	91,4	98,8	103,1	104,3	:	103,1	104,0	105,7	106,9	:	:
	1. industrial confidence indicator		+10	-49	+2	-40	-8	-7	-8	-6	-9	-8	-6	-7	-6	-4
	2. construction confidence indicator		-4	-72	+11	-64	-54	-68	-62	-49	-64	-63	-58	-54	-50	-45
	3. consumer confidence indicator ⁴		:	-22,2	9,0	-31,0	-9	-8	-9	-7	-10	-8	-10	-8	-7	-6
	4. share-price index ^{4,5}		109,0	75,2	115,6	97,6	153,6	175,2	192,3	214,8	182,7	189,6	204,7	208,3	209,3	226,8
	= 5. economic sentiment indicator		103,8	97,0	103,6	94,7	100,6	100,8	101,1	102,3	100,7	101,1	101,6	101,9	102,1	103,0
F	<i>gross domestic product</i>	1980=100	85,4	84,2	99,8	102,4	104,7	104,7	105,3	:	:	:	:	:	:	:
	<i>index of industrial production</i>		96,7	82,2	105,2	94,8	100,0	98,2	99,0	:	98,5	100,0	98,5	:	:	:
	1. industrial confidence indicator		+29	-49	+5	-39	-22	-21	-20	-15	-20	-21	-16	-15	-15	-13
	2. construction confidence indicator		:	:	-17	-57	-57	-50	-39	-32	-39	(-39)	(-39)	-32	(-32)	(-32)
	3. consumer confidence indicator ^{1,4}		:	-9,0	3,0	-27,0	-23	-25	-21	-30	-21	(-21)	(-21)	-30	(-30)	(-30)
	4. share-price index ^{4,5}		86,6	53,6	101,2	82,7	158,6	184,3	205,7	203,0	200,4	204,6	212,1	204,1	201,2	203,6
	= 5. economic sentiment indicator		107,8	97,6	101,8	95,1	95,3	95,6	96,8	96,1	96,5	96,9	96,9	96,4	95,9	96,1
IRL	<i>gross domestic product</i>	1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>		80,4	72,3	103,8	99,6	123,3	128,9	127,1	:	127,9	129,0	124,3	:	:	:
	1. industrial confidence indicator		:	-41	+20	-40	-10	-10	-13	-2	-11	-12	-16	-7	+1	0
	2. construction confidence indicator		:	:	:	:	-45	-35	-30	-36	-38	-26	-27	-45	-13	-51
	3. consumer confidence indicator ⁴		:	-41,0	12,0	-44,0	-33	-29	-31	-27	-31	(-31)	(-31)	-27	(-27)	(-27)
	4. share-price index ^{4,5}		85,8	29,9	112,2	79,4	139,7	134,3	136,6	161,3	132,7	134,1	143,0	142,9	161,0	180,0
	= 5. economic sentiment indicator		109,1	96,7	103,6	98,1	100,0	99,8	99,7	100,3	99,7	99,6	99,7	99,9	100,4	100,5
I	<i>gross domestic product</i>	1980=100	80,4	77,2	101,2	98,2	101,8	102,9	103,7	:	:	:	:	:	:	:
	<i>index of industrial production</i>		87,9	72,6	104,7	89,1	95,2	96,6	96,9	:	95,2	96,4	99,1	95,4	:	:
	1. industrial confidence indicator		+31	-59	+13	-41	-11	-3	-11	-10	-13	-12	-8	-9	-10	-10
	2. construction confidence indicator		-8	-56	-5	-51	-28	-31	-30	-29	-27	-34	-30	-30	-30	-30
	3. consumer confidence indicator ⁴		:	-39,0	-12,1	-29,6	-15	-12	-13	-10	-12	-14	-12	-11	-11	-9
	4. share-price index ^{4,5}		169,6	68,5	185,0	116,9	171,5	216,1	248,6	297,9	223,8	256,9	265,1	284,0	292,4	317,3
	= 5. economic sentiment indicator		103,8	97,4	101,6	97,6	100,4	101,5	101,5	102,3	101,4	101,3	101,8	102,1	102,1	102,6
NL	<i>gross domestic product</i>	1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>		94,8	87,1	117,5	90,7	101,0	107,0	107,7	:	101,0	102,0	105,0	101,0	:	:
	1. industrial confidence indicator		+12	-44	+4	-31	-4	0	-2	-2	-3	-3	0	-1	-2	-3
	2. construction confidence indicator		+3	-47	+3	-46	-23	-21	-21	:	-18	-23	(-23)	:	:	-19
	3. consumer confidence indicator ⁴		6,0	-15,0	5,0	-37,0	-22	-11	-12	-4	-12	(-12)	(-12)	-4	(-4)	(-4)
	4. share-price index ^{4,5}		:	86,3	122,8	92,8	196,8	236,5	248,6	259,3	245,2	249,5	251,0	258,9	257,8	261,1
	= 5. economic sentiment indicator		107,8	100,7	105,3	97,1	102,7	105,2	105,3	106,4	105,2	105,1	105,7	106,1	106,5	106,6
UK	<i>gross domestic product</i>	1980=100	94,6	91,0	102,5	97,7	105,3	107,6	108,8	:	:	:	:	:	:	:
	<i>index of industrial production</i>		92,7	89,6	110,0	93,8	102,9	105,7	107,7	:	107,7	107,9	107,5	106,4	:	:
	1. industrial confidence indicator		:	:	+9	-60	0	-3	+1	0	+2	-1	+3	0	-1	0
	2. construction confidence indicator		:	:	+7	-60	-27	-29	-28	-24	-28	(-28)	(-28)	-24	(-24)	(-24)
	3. consumer confidence indicator ⁴		:	-32,5	14,4	-25,5	-5	-12	-11	-10	-11	-11	-11	-10	-12	-9
	4. share-price index ^{4,5}		78,5	23,3	111,6	104,4	196,3	235,0	240,0	237,2	238,1	244,1	237,8	228,7	238,9	244,0
	= 5. economic sentiment indicator		103,8	97,7	104,9	98,8	102,5	101,7	102,2	102,2	102,2	102,2	102,2	102,1	102,1	102,4
EUR	<i>gross domestic product</i> ^{2,3}	1980=100	85,1	85,5	101,1	101,0	103,6	104,5	105,6	:	:	:	:	:	:	:
	<i>index of industrial production</i>		92,9	83,0	103,2	94,6	99,8	101,4	102,4	:	101,5	102,6	103,5	:	:	:
	1. industrial confidence indicator		+16	-49	+3	-36	-10	-9	-9	-7	-10	-10	-7	-8	-7	-6
	2. construction confidence indicator		:	:	-1	-48	-43	-46	-40	-34	-41	(-41)	(-39)	-35	(-35)	(-32)
	3. consumer confidence indicator ^{1,4}		4,6	-16,7	0,8	-22,0	-14	-14	-13	-14	-14	-14	-14	-14	-14	-13
	4. share-price index ^{4,5}		:	47,0	100,8	115,1	188,6	217,6	230,1	239,8	224,4	231,3	234,6	233,8	238,6	246,9
	= 5. economic sentiment indicator		107,5	96,6	104,1	97,4	100,2	100,3	100,5	100,9	100,4	100,4	100,7	100,7	100,8	101,3

¹ Quarterly series are constructed by attributing results of the January, May and October surveys to the first, second and fourth quarters respectively. Third quarter data are interpolated between second and fourth quarter values.

² Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK.

³ For the Federal Republic of Germany, gross national product for quarterly data.

⁴ Not seasonally adjusted.

⁵ Revised by Eurostat.

() = estimated.

Source: European Community business surveys and Eurostat. For quarterly GDP/GNP: Federal Republic of Germany (Bundesbank), France (INSEE), Italy (ISCO) and the United Kingdom (CSO). Figures for Germany do not include the adjustment for calendar irregularities.

TABLE 10: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

	Range (b)		Range (b)		1984	1984	1985				1985				
	Peak 1972/73	Trough 1974/75	Peak 1979/80	Through 1981/82		IV	I	II	III	April	May	June	July	Aug.	Sept.
B															
production expectations	+31	-56	-4	-37	-3	-1	-4	-10	-5	-11	-13	-5	-6	-8	-3
order-books	+13	-74	-14	-49	-23	-24	-25	-26	-25	-24	-27	-28	-26	-27	-23
export order-books	+15	-82	-19	-55	-25	-24	-27	-27	-27	-27	-25	-28	-27	-28	-27
stocks of finished products	-14	+37	+2	+18	+10	+8	+10	+14	+9	+13	+13	+15	+10	+11	+6
selling-price expectations	+64	-10	+39	+12	+27	+25	+24	+20	+20	+21	+22	+18	+21	+19	+21
industrial confidence indicator	+19	-56	-4	-35	-12	-11	-13	-17	-13	-16	-18	-16	-14	-15	-11
DK															
production expectations	:	:	:	+8	+27	+26	+19	+19	+17	:	:	:	:	:	:
order-books	:	:	:	-34	+31	+35	+26	+23	+29	:	:	:	:	:	:
export order-books	:	:	:	+14	+26	+30	+27	+22	+30	:	:	:	:	:	:
stocks of finished products	:	:	:	+24	0	-10	-7	0	+5	:	:	:	:	:	:
industrial confidence indicator	:	:	:	-22	+19	+24	+17	+14	+14	:	:	:	:	:	:
D															
production expectations	+17	-32	+10	-30	+5	+5	+2	+3	+2	0	+3	+5	+2	+1	+3
order-books	+5	-73	-6	-59	-21	-16	-17	-17	-12	-18	-17	-15	-13	-12	-11
export order-books	:	:	-14	-50	-23	-13	-12	-10	-8	-9	-13	-7	-10	-6	-7
stocks of finished products	-7	+43	-2	+31	+8	+6	+7	+9	+7	+9	+9	+8	+10	+8	+4
selling-price expectations	+55	+4	+38	+4	+24	+22	+18	+20	+14	+23	+18	+18	+16	+13	+2
industrial confidence indicator	+10	-49	+2	-40	-8	-6	-7	-8	-6	-9	-8	-6	-7	-6	-4
GR															
production expectations	:	:	:	:	+24	+23	+23	+21	+21	+21	+16	+26	+26	+21	+15
order-books	:	:	:	:	-28	-21	-31	-23	-22	-29	-24	-16	-17	-22	-27
export order-books	:	:	:	:	-27	-25	-41	-32	-27	-30	-32	-34	-24	-27	-31
stocks of finished products	:	:	:	:	+18	+15	+9	+15	+7	+18	+15	+13	+9	+7	+6
selling-price expectations	:	:	:	:	+33	+41	+26	+29	+29	+31	+28	+28	+27	+29	+31
industrial confidence indicator	:	:	:	:	-7	-4	-6	-6	-3	-9	-8	-1	0	-3	-6
F															
production expectations	+33	-29	+18	-20	-10	-7	-7	-4	0	-6	-6	-1	-1	0	+1
order-books	+26	-69	0	-56	-35	-33	-36	-33	-28	-35	-34	-30	-28	-28	-27
export order-books	+24	-66	+10	-52	-19	-22	-22	-19	-18	-25	-15	-18	-20	-18	-16
stocks of finished products	-14	+50	+3	+42	+20	+20	+21	+21	+16	+20	+24	+18	+17	+16	+14
selling-price expectations	+76	+15	+62	+17	+42	+33	+38	+32	+28	+39	+29	+27	+30	+28	+27
industrial confidence indicator	+29	-49	+5	-39	-22	-20	-21	-19	-15	-20	-21	-16	-15	-15	-13
IRL															
production expectations	:	-21	+40	-33	+2	0	-1	+5	+11	+6	+4	+4	+8	+10	+14
order-books	:	-68	+18	-55	-29	-27	-20	-30	-14	-30	-31	-29	-21	-8	-13
stocks of finished products	:	+35	-6	+33	+6	+9	+8	+13	+3	+9	+8	+22	+8	-1	+2
selling-price expectations	:	+64	+77	+20	+32	+30	+22	+19	+12	+33	+18	+7	+20	+5	+12
industrial confidence indicator	:	-41	+20	-40	-10	-12	-10	-13	-2	-11	-12	-16	-7	+1	0
I															
production expectations	+40	-43	+24	-26	+9	+12	+8	+5	+6	+2	+5	+8	+7	+5	+6
order-books	+30	-82	+7	-66	-26	-18	-20	-22	-20	-24	-21	-20	-20	-22	-19
export order-books	+13	-67	-6	-59	-28	-27	-30	-31	-30	-30	-31	-33	-30	-30	-29
stocks of finished products	-24	+53	-8	+32	+16	+16	+17	+17	+15	+18	+20	+13	+14	+13	+18
selling-price expectations	+76	+10	+87	+37	+47	+40	+41	+43	+36	+39	+46	+45	+32	+39	+37
industrial confidence indicator	+31	-59	+13	-41	-11	-7	-3	-11	-10	-13	-12	-8	-9	-10	-10
L															
production expectations	+84	-80	+40	-66	-7	+7	-2	0	+3	+7	-2	-5	0	+4	+4
order-books	:	:	+8	-70	+10	+13	+3	-1	+6	-2	-3	+2	0	+9	+10
export order-books	:	:	+9	-80	+11	+14	+1	-2	+9	-2	0	-3	-1	+12	+15
stocks of finished products	-14	+74	0	+58	+4	-1	-4	+10	+2	+14	+9	+8	+8	-3	+2
selling-price expectations	:	-46	+74	-38	+23	+23	0	+26	+24	+42	+15	+22	+22	+28	+21
industrial confidence indicator	:	:	+16	-65	+1	+7	+2	-4	+2	-3	-5	-4	-3	+5	+4
NL															
production expectations	+26	-26	+20	-13	+7	+6	+7	+2	+2	-1	+2	+6	+4	+2	0
order-books	+7	-48	-5	-42	-11	-7	-2	-5	-5	-3	-6	-5	-5	-3	-7
stocks of finished products	-3	+57	+3	+39	+9	+10	+4	+4	+3	+5	+6	+1	+3	+4	+3
industrial confidence indicator	+12	-44	+4	-31	-4	-4	0	-2	-2	-3	-3	0	-1	-2	-3
UK															
production expectations	:	:	+29	-52	+21	+19	+18	+21	+19	+21	+18	+23	+17	+20	+21
order-books	:	:	-2	-85	-10	-8	-12	-5	-5	-6	-5	-3	-3	-7	-6
export order-books	:	:	-11	-72	-13	-6	-6	-1	-5	+1	+2	-5	+2	-5	-11
stocks of finished products	:	:	-1	+42	+10	+11	+14	+12	+15	+10	+15	+12	+14	+15	+15
selling-price expectations	:	:	+70	+7	+32	+35	+31	+26	+20	+26	+25	+26	+24	+18	+19
industrial confidence indicator	:	:	+9	-60	0	0	-3	+1	0	+2	-1	+3	0	-1	0
EUR															
production expectations	+24	-30	+15	-20	+5	+7	+5	+5	+7	+3	+4	+8	+5	+6	+9
order-books	+15	-70	-7	-56	-22	-19	-20	-18	-16	-20	-18	-17	-16	-16	-15
export order-books	:	:	-12	-50	-21	-16	-16	-14	-15	-15	-14	-14	-14	-15	-15
stocks of finished products	-10	+48	-1	+31	+12	+12	+13	+13	+11	+13	+15	+11	+12	+11	+11
selling-price expectations	+64	+9	+53	+22	+33	+29	+29	+28	+22	+31	+27	+27	+24	+24	+23
industrial confidence indicator	+16	-49	+3	-36	-10	-8	-9	-9	-7	-10	-10	-7	-8	-7	-6

(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

(b) These are the extreme (high and low) values of the balances of the different questions, reached in the course of 1972-1975 and 1979-1982, respectively.

Note: (s.a.) = seasonally adjusted. : = not available. () = estimated. Source: European Community business surveys.

TABLE 11: Results of business surveys in the retail trade (a) (b)

	1984						1985							
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.
B Present business situation	-32	-19	-29	-12	-30	-17	-14	-23	:	-13	-10	-15	-18	-7
Volume of stocks	29	20	11	10	13	13	10	8	:	18	13	9	12	2
Intentions of placing orders	-5	-8	-2	-13	-26	-44	-17	-3	:	-19	-16	-19	1	3
Expected business situation	12	3	0	-1	-9	-33	-7	18	:	1	-18	-19	13	25
D Present business situation	-30	-33	-29	-32	-40	-27	-21	-38	-31	-25	-19	-40	-22	-22
Volume of stocks	28	25	19	27	25	25	22	28	26	26	26	27	26	23
Intentions of placing orders	:	:	:	:	:	:	-20	-15	-18	-20	-13	-26	-15	-8
Expected business situation	-11	-17	-15	-21	-16	-16	-13	-14	-10	-5	-10	-13	-7	-6
F Present business situation	:	-22	:	-32	:	-33	:	-32	:	-34	:	-27	-30	:
Volume of stocks	:	23	:	14	:	18	:	9	:	15	:	22	18	:
Intentions of placing orders	:	-38	:	-35	:	-35	:	-46	:	-29	:	-32	-35	:
Expected business situation	:	:	:	:	:	:	:	:	:	:	:	29	36	:
UK* Present business situation (c)	49	35	46	36	42	45	29	25	29	18	9	14	25	44
Volume of stocks	18	33	9	28	30	19	14	17	16	28	29	25	22	18
Intentions of placing orders	26	34	21	26	16	17	26	33	26	21	20	21	29	35
Expected business situation (d)	35	51	46	48	42	41	:	43	:	:	30	:	:	35

* From Januari 1985 : revised data.
 (a) not seasonally adjusted; (b) balances; (c) refers to volume of sales for the time of the year (1985); (d) 1984 : volume of sales; 1985 : overall business situation.
 Source: EC business survey in retail trade.

TABLE 12: Survey of the construction industry
 Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (b)

	Range (c)		Range (c)		1984	1984	1985			1985					
	Peak 72/73	Trough 74/75	Peak 79/80	Trough 81/83			IV	I	II	III	April	May	June	July	Aug.
B order-books	-13	-47	-20	-76	-68	-64	-62	-55	-51	-59	-55	-51	-49	-53	-52
employment expectations	+31	-24	+7	-53	-39	-27	-32	-23	-24	-28	-19	-21	-23	-27	-21
price expectations	+75	+25	+61	-18	-8	-3	-5	+1	+1	+2	+1	0	0	+4	+4
construction confidence indicator (a)	+9	-36	-7	-65	-54	-46	-47	-39	-38	-44	-37	-36	-36	-40	-37
D order-books	-17	-84	+2	-75	-69	-73	-77	-75	-69	-75	-76	-74	-74	-68	-65
employment expectations	+10	-60	+20	-53	-38	-47	-58	-48	-29	-52	-50	-41	-33	-31	-24
price expectations	+48	-37	+48	-49	-15	-16	-23	-29	-6	-34	-30	-22	-14	-6	+1
construction confidence indicator (a)	-4	-72	+11	-64	-54	-60	-68	-62	-49	-64	-63	-58	-54	-50	-45
F order-books	:	:	-26	-73(d)	-68	-60	-63	-52	-48	-52	(-52)	(-52)	-48	(-48)	(-48)
employment expectations	:	:	-8	-47	-45	-43	-37	-25	-15	-25	(-25)	(-25)	-15	(-15)	(-15)
construction confidence indicator (a)	:	:	-17	-57	-57	-52	-50	-39	-32	-39	(-39)	(-39)	-32	(-32)	(-32)
I order-books	-25	-68	-8	-62	-39	-30	-38	-35	-34	-33	-37	-36	-34	-33	-34
employment expectations	+10	-44	-2	-39	-17	-9	-24	-24	-23	-20	-30	-23	-25	-27	-16
price expectations	+85	+30	+79	+2	+10	+8	+8	+15	+12	+20	+7	+19	+14	+13	+8
construction confidence indicator (a)	-8	-56	-5	-51	-28	-20	-31	-30	-29	-27	-34	-30	-30	-30	-25
L order-books	+21	-50	+15	-79(d)	-67	-61	-67	-61	-63	-63	-60	-60	-69	-60	-59
employment expectations	+31	-39	+46	-75(d)	-51	-40	-58	-46	-36	-56	-47	-35	-30	-38	-42
price expectations	+82	+11	+81	-49	-24	-10	-20	-15	-2	-21	-15	-9	+2	-5	-4
construction confidence indicator (a)	+26	-45	+31	-77	-59	-51	-63	-54	-50	-60	-54	-48	-50	-49	-51
NL order-books	-8	-81	-10	-61	-40	-36	-36	-36	:	-36	-36	:	:	:	-26
employment expectations	+14	-13	+15	-31	-6	-8	-6	-6	:	0	-9	:	:	:	-11
construction confidence indicator (a)	+3	-47	+3	-46	-23	-22	-21	-21	:	-18	-23	:	:	:	-19
UK order-books	:	:	-1	-71	-43	-37	-38	-39	-37	-39	(-39)	(-39)	-37	(-37)	(-37)
employment expectations	:	:	+15	-49	-11	-9	-20	-16	-10	-16	(-16)	(-16)	-10	(-10)	(-10)
price expectations	:	:	+74	-22	+9	+7	+14	+9	+9	+9	(+9)	(+9)	+9	(+9)	(+9)
construction confidence indicator (a)	:	:	+7	-60	-27	-23	-29	-28	-24	-28	(-28)	(-28)	-24	(-24)	(-24)
EUR order-books	:	:	-9	-63	-57	-53	-56	-52	-49	-52	(-53)	(-52)	-50	(-49)	(-47)
employment expectations	:	:	+7	-33	-29	-29	-35	-28	-19	-29	(-29)	(-26)	-20	(-20)	(-16)
construction confidence indicator (a)	:	:	-1	-48	-43	-41	-46	-40	-34	-41	(-41)	(-39)	-35	(-35)	(-32)

(a) The indicator is an average of the responses (net balances) to the questions on order-books and employment expectations.
 (b) Details of the questions are given in the December 1984 issue of this supplement.
 (c) These are the extreme (high and low) values of the net balances of the different questions, reached in the course of 1972-1975 and 1979-1983, respectively.
 (d) Trough 1984

Note: The annual and quarterly figures are averages of the corresponding monthly data, except for France and the United Kingdom, where the survey is carried out on a quarterly basis. The monthly and related quarterly data are seasonally adjusted unless otherwise indicated; the seasonal adjustment applied to the most recent observations is provisional, so that such data are subject to later revision.

Source: European Community business surveys.

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