

# SOCIAL EUROPE

JANUARY 1986

**1/86**



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 January, May and September. In addition, a number of supplements/files (10—12 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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In June 1985, the Committee for a *People's Europe* submitted its final report to the Milan European Council in which it suggested measures aimed at giving people a more factual image of the Community. The proposals range from the special rights of citizens, culture, communication and information to young people, education, exchanges, sport, voluntary development aid work in the Third World, health, social security, drugs, twinning of towns, strengthening of the image and identity of Europe.

The Commission has already been able, in the few months since then, to follow up many of the proposals. Several recent initiatives in the social field and in education have highlighted the desire to strengthen the links between the citizen and the institutions of the Member States.

In July, the Commission forwarded to the Council a proposal for a directive on a general system for the recognition of higher education diplomas<sup>(1)</sup>. The proposal constitutes a new approach in this area. Instead of defining specific criteria by which university degrees obtained in one Member State would be regarded as equivalent in another Member State, the new approach is based on the idea that a Community citizen who is qualified to pursue a profession in one Member State should be able to pursue that activity in another Member State.

On 6 August 1985, the Commission placed a proposal for a decision before the Council concerning a Community action programme in education and training for technology: '*Comett*' aimed at strengthening cooperation between universities and other higher education establishments and industry in advanced training in new technologies. The programme, staggered over seven years (1986–92) and allocated considerable Community support, has a threefold objective<sup>(2)</sup>: it encourages economies of scale through the joint development of new training programmes with a view to remedying the shortage of skilled labour resulting from the speed of technological progress. It also promotes exchanges of experience between Member States in the field of cooperation between industry and universities in training. Finally, it promotes the concept of a European identity, in particular by means of student exchanges in firms located in other Member States.

With the same end in view, i.e. to promote student mobility, the Commission recently forwarded to the Council a Community action programme: '*Erasmus*'<sup>(3)</sup>. Its aim is to increase the proportion of students from other Member States from the present 1% to 10% so that by 1992, 150 000 students would be completing at least part of their time at university in a Community country other than their country of origin. The Commission proposes to contribute to the cost of the increased mobility and will lend its support to university exchange programmes. The academic recognition of studies completed in another Member State will be facilitated by a system of course credit transfers, by the creation of a network of national centres for information on academic recognition and through the development of joint course curricula.

Lastly, the same desire to foster contacts between citizens of different Member States lies behind the proposal for a youth exchange programme to be forwarded to the Council by the Commission. The programme, which is to cover the period 1987–89, will enable the Commission to contribute heavily to visits (of at least one week) by young people aged under 29 from other Member States, aimed at improving their knowledge of economic, social and cultural life, increasing their professional and personal skills and promoting awareness of a European identity.

If the Council of Ministers approves these proposals<sup>(4)</sup>, they will form a definite step on the path to a people's Europe by giving young people an opportunity to learn about the cultures, experiences and daily life of other Community countries. By thus acquiring a European dimension, thousands of young people from all the Community countries will be the best ambassadors in their own countries for the development of the European Community.

**Jean Degimbe**  
Director-General  
Employment, Social Affairs  
and Education

<sup>(1)</sup> OJ C 217, 28. 8. 1985.

<sup>(2)</sup> OJ C 234, 13. 9. 1985; this issue, p. 19.

<sup>(3)</sup> COM (85) 56.

<sup>(4)</sup> *Comett* has been adopted by the Council of 5 December 1985.





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# **Part One**

## **Actions and guidelines**





# The social aspects of the enlargement of the European Community

Once the existing 10 Member States and the two candidates for membership, Spain and Portugal, had reached agreement at end March 1985 on the remaining open questions — in particular in the areas of agriculture and fisheries, but also in the social field — the way was open for a further extension of the European Community with the accession of these two new Member States as from 1 January 1986, assuming that the Accession Treaty is ratified by the national parliaments of the 10 Member States.

This will mark the end of years of negotiations following Portugal's formal request for entry into the common market back on 28 March 1977 and that of Spain on 28 July of the same year.

Following these requests, direct contacts were made with both countries in order to ascertain the position in various areas in both candidate countries and to see whether or not these stood in the way of entry. This took the form of reviewing and checking Community secondary legislation, i.e. all legally binding Community legislation (treaty provisions and all regulations, directives, decisions, etc. deriving from the same) with a view to its being adopted by both States. In the social area this involved in particular the Community regulations on the free movement of workers, social security for migrant workers, the European Social Fund, various directives for the approximation of the legal provisions of the individual countries relating to the equal treatment of the sexes, certain employee rights and the area of work safety and hygiene.

Every two or three years a fresh check — the last one in January 1984 — was made covering new legislation and changes in existing legislation in the social field.

During the discussions on the various Community social policy regulations, which were conducted separately, both candidates declared in nearly every case that there would be no problem in adopting Community regulations as from the date of entry. This may appear surprising in the light of the fact that, for example, the application of various EEC directives with respect to the principle of equal pay and work and employment conditions or social security for men and women or with respect to certain aspects of labour law (maintaining of workers' rights in the case of bankruptcy of enterprises, takeovers, mass redundancies etc.) had caused problems in various Member States and had in a number of cases led to the Commission starting proceedings against them before the European Court for violation of Community law. On the other hand, it is also a well-known fact that both these young democracies

have in the last few years carried out major reforms of previous labour and social legislation which take account of recent tendencies.

Only in one single case, the framework directive of 27 November 1980 relating to the protection of workers against harmful chemical, physical and biological substances, did the Portuguese Government ask to be allowed to delay adopting Community regulation. The reason given for this request was that Portugal was already in the process of totally restructuring its work safety regulations. All Member States agreed to this request and gave Portugal a transitional period of 3, or in some cases, 4 years, for the Community directive to become an integral part of Portuguese law.

On the other hand, the Community, represented during entry negotiations by the Council, i.e. the governments of the Member States, stated its reservations in three areas against the immediate application of Community legislation by the new members. The areas in question were:

- (1) the freedom of movement for workers (including members of their families),
- (2) the family benefits system to be adopted within the context of the Community social security system for migrant workers,
- (3) the granting of a higher European Social Fund participation rate for certain regions of the candidate countries.

## Free movement of labour

The Community stated its initial position in its declarations of 30 October 1981 relating to Portugal and of 1 December of the same year relating to Spain. Given the increasing difficulties on the labour markets of the Member States, the Community declared that, in order to avoid upsetting labour markets, it would be necessary to insert a transitional period for bringing into effect the freedom of movement for Spanish and Portuguese workers and members of

their families. In opposition to the Commission, which had suggested a step-by-step approach towards freedom of movement, the Council in its declarations to the candidate States offered unique transitional periods of different lengths:

- (i) a transitional period of 7 years for access to employment and movement from one Member State to another for Portuguese and Spanish workers;
- (ii) a transitional period of 5 years for access to employment for members of the families (spouses and children under 21) of Portuguese or Spanish citizens working in the Community;
- (iii) a transitional period of 3 years for access to employment for members of the families of Spanish and Portuguese workers who already have permanent employment in a Member State, insofar as they are living permanently with the worker in question. This period will be reduced to 1½ years three years after accession.

Independently of these transitional periods the following provisions will also apply:

- (i) More advantageous unilateral or bilateral regulations will take precedence over the above;
- (ii) Member States undertake that after signing the Accession Treaty they will not introduce any regulations imposing further restrictions on the employment of members of the families of Spanish or Portuguese workers currently working in the Community ('standstill clause');
- (iii) As from the date of accession Portuguese and Spanish workers employed in Community countries will be entitled to equal treatment under the provisions of the EEC freedom of movement legislation. This also applies to Portuguese and Spanish workers employed following accession on the basis of work permits.

Both candidate countries presented official positions on several occasions

with regard to these Community proposals. Whilst initially asking for the immediate application of the freedom of movement provisions, it was clear to them that certain transitional periods would have to be accepted, in particular as one of the existing Member States (Greece) does not yet enjoy full freedom of movement (entry into force on 1 January 1988).

Spain was the first of the two countries to confirm in February 1984 its readiness to recognize transitional periods. Portugal gave its consent by its acceptance of the final 'total package offer' at the end of March 1985. However, at the same time as recognizing these transitional periods, Spain also presented new demands and items, on which the Council was able at least in part to agree before the end of negotiations. These were:

- (i) After 5 years the state of affairs would be re-examined to determine whether the provisions on the freedom of movement of Spanish workers required amendment;
- (ii) whether the application of the 'standstill clause' could not be extended to include not only Spanish workers in permanent employment, but also those unemployed or temporarily unable to work owing to accident or disablement.

The Council agreed to the above points. It also decided to grant similar conditions to Portugal, which had not specifically requested them.

On the other hand it rejected the two other Spanish demands,

- (i) that the 'standstill clause' should come into effect at the end of negotiations on social affairs without waiting for the signing of the Accession Treaties,
- (ii) that freedom of movement for members of the families of Spanish workers already working in the Community should not be linked to certain residence restrictions.

None the less it was agreed at the last minute that members of the families of Spanish and Portuguese migrant

workers regularly employed in Member States (or temporarily unemployed or unfit for work) and who are living permanently with them at the date of signing of the Accession Treaties will have the same right of access to employment as the workers themselves (the 10 Member States proposed 31 March 1985 as the date in question, this being the date of the conclusion of negotiations).

The most serious problem in the area of freedom of movement was, however, the demand made by Luxembourg for a special clause to be inserted, giving this country the right to maintain its existing provisions regarding access to employment and change of employment for Portuguese and Spanish citizens for a period of 10 years. The reason given for this request was that already one in ten of the Duchy's 160 000 person workforce was Portuguese. In order not to discriminate unfairly against Spain, the same extended transitional period was also put to the Spanish (even though there are less than 2000 Spaniards working in Luxembourg).

This additional demand was at first strongly rejected by both candidate States, but in the final stage of negotiations a compromise was reached with the 10 Member States represented by the Council, which was then also accepted by Spain and Portugal. Under the terms of this compromise, Luxembourg is permitted to retain its national provisions regarding access to employment for workers from the two new Member States during a transitional period of 10 years (the same transitional period also applies to the access of Luxembourg workers to Portuguese and Spanish labour markets). As regards the right of workers from the two new Member States to change their employment, Luxembourg is permitted (as indeed is every other Member State), until the end of 1995 and if the labour market is threatened by continuing difficulties, to have recourse to a general safety clause restricting the right of change of employment.

In this context it must be pointed out that a large majority of Portuguese workers in Luxembourg are employed in the



building and hotel and restaurant industries, for which they have been explicitly recruited over the years. The safety clause allows Luxembourg to protect itself from Portuguese workers moving into other economic areas, once the treaties are signed, and upsetting the balance of the labour market.

### Social security for migrant workers

The social security scheme for migrant workers' created in 1958 and regularly updated, will in principle be applicable from the date of accession to Portuguese and Spanish workers employed in a Member State. This means that from then on they will be entitled to the same social security benefits under the same conditions as nationals, as regards sickness, work accidents, disablement, old age pensions, unemployment and other benefits. None the less there is one exception:

The system revised in 1971 knows two different schemes for the calculation of family benefits, especially family allowances:

- (i) as a general rule family allowances are granted on the basis of the regulations in force in the host country, irrespective of where family members are resident;
- (ii) in the case of Community citizens working in France, the place of residence principle is applied, i.e. the allowance is granted on the basis of the regulations of the country of residence of members of the family.

France had insisted on this exception because at the time, mainly for demographic reasons, it was paying out far higher family allowances than other Member States.

In 1971 the Council gave the Commission the task of unifying the two differing systems (by the end of 1973). However, this has not yet come about, due to differences of opinion between Member States. In the absence of a uniform system the Community was for a long time unwilling to define the family

allowances system to be applied to the new Member States. It was not until 22 and 23 October 1984, by which time it was clear that the uniformization would not be ready in the immediate future, that the Community proposed to Portugal and Spain a transitional period of 7 years, using the place of residence principle, unless and until the Council could come up with a uniform system.

Both Spain and Portugal turned down this request in strong terms and insisted on the immediate application of existing Community legislation (as also did the Commission). A last-minute compromise was reached, whereby the place of residence principle will be applied to members of the families of Spanish and Portuguese workers 'until such time as existing provisions are harmonized, and no later than the end of a three-year transitional period'. From then on Community legislation will apply. In doing this, the Community took over the same ruling as was adopted in entry negotiations with Greece.

Quite apart from this principle, any more favourable provisions in existing social security agreements between Spain and Portugal and other Community countries as well as between Spain and Portugal themselves, will continue to apply.

### European Social Fund

In principle the provisions of the European Social Fund will also apply to the two new Member States upon their accession. The only question which was not completely resolved was that of defining the regions which are entitled to a higher rate of Fund participation (55% instead of 50% under Art. 3(1) of Council Regulation No 2950/83, and which, according to Art. 7(3) of Council Decision 83/516/EEC are to be included in the list of regions, for which 40% of all Social Fund provisions for job creation policies is reserved by priority.

The Portuguese Government had already proposed at an early stage in the negotiations, that, given its particular labour market and economic situation, the

whole country should benefit from the higher rate of intervention as well as be included in the list of priority regions.

In its declaration of 29 November 1983, the Community gave a positive answer to the first question insofar as it should be fixed in the appendix to the Accession Treaty that the whole territory will be entitled to the higher participation rate. On the question of whether or not to include Portugal in the list contained in Art. 7(3) of Council Decision 83/516/EEC it was stated that the Community would make the necessary amendments of this provision in the period between the signing and the entry into force of the Accession Treaty.

At the end of October 1984, *Spain* proposed that nine regions (including regions next to the Portuguese border, industrially underdeveloped regions in Central Spain, the North African Territories and the Canary Islands), be included in the two (so far identical) lists of regions with a right both to a higher participation rate and to inclusion in the 40% priority group. The reasons given for this choice were that the gross value added per inhabitant was below the Spanish average and that social and economic structures of these regions were identical to existing 'priority' areas in the Community, i.e. Ireland, Northern Ireland, the Mezzogiorno, Greece, the French Overseas Territories and, until recently, Greenland.

Because some of the last-named countries were afraid that including large areas of Spain without increasing the 40% priority quota would have a negative effect on their share of the quota, the Community did not come to a final decision on the Spanish request.

In the final conclusions of the conference held at the end of March 1985, all that was established was that prior to Spain's entry into the common market, Community legislation relating to the European Social Fund 'would be modified in such a way as to allow in particular for the inclusion of those Spanish regions which will be entitled to the higher Fund participation rate; these regions should receive the same treatment as equivalent regions in the existing Com-



munity'. The Accession Treaty having been signed, it is now the task of the Commission to present the Council with appropriate proposals, which will then be decided on by the 'Social Council' rather than the 'General Council' of Foreign Ministers responsible for accession questions.

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This is not the only question in the social field still open with respect to the

entry of Spain and Portugal into the common market. Before final entry, the new Member States will also be obliged to adopt Community legislation issued this year and last year or which still has to be issued. The technical adaptation of certain legal instruments, as well as their implementation, has not yet been completed, for example, the nomination of Spanish and Portuguese representatives (government representatives and also representatives of employers' and workers' organizations) to the various

permanent and *ad hoc* bodies, joint committees etc., which exist at Community level to assist Community activities in the social field. The experience of the two first enlargements of the Community supposes that this should not present any problems. There are therefore good reasons to hope that both countries will be fully involved in Community social activities within a short period following entry.

**Detlef Fehrs**

# Educating the European Community — Ten years on\*

In the beginning was the word 'cooperation' — an innocent word, which helped to reassure the education authorities from the Member States of the European Community that they could come together to consider common concerns in the educational field without fear of unwelcome legal intervention or harmonizing initiatives from Community involvement that might be justified on the basis of the Treaty of Rome. The idea of cooperation was examined when Ministers for Education of the then six Member States first met in 1971. Possible areas for cooperation were then identified by Professor Henri Janne, formerly Belgian Minister for Education, in the report he produced for the Commission in 1973, the same year as the decision by the Commission to include education for the first time as one of the specific portfolio responsibilities of one of its members, Professor Ralph Dahrendorf. In 1973, too, the newly enlarged European Community was all set to develop a fresh image and a human face. Though education was not referred to directly, the Heads of State or Government had made their historic declaration about economic expansion not being an end in itself, stressing improved quality as well as improved standards of life. 'In the European spirit' they said 'special attention will be paid to non-material values.'

Despite these developments, it took almost three years of hard negotiations between the Commission and national governments before the ground rules for educational cooperation could be agreed. These were designed with careful ambiguity, offering safeguards to reluctant Europeans yet confirming a degree of Community commitment to develop educational cooperation. The resolution adopted by the Council and Ministers for Education in February 1976 set out the objectives of the first Community-wide action programme in the field of education and established an Education Committee representing the Commission as well as the Ministries of Education of the Member States. This Committee unlike other working groups of the Council of Ministers provided a new form of controlling machinery to have

oversight of the implementation of the programme and to prepare ideas on joint action for decision by Ministers for Education.

The 22 point action programme covered a range of 'soft' European topics such as the promotion of mutual understanding of educational systems in the Community, language teaching and the study of Europe, cooperation in higher education; it also included familiar 'social' topics — the education of migrant workers and their families, equality of opportunity and the transition of young people from education to working life. At that time, however, the potential for dynamic original action emerging at Community level may well have looked rather fragile especially to those already involved in educational cooperation on similar topics within the framework of the Council of Europe or the OECD. Moreover, to anyone accustomed to normal Community procedures and imbued with the traditional Community urge to harmonize the policies of Member States, the new resolution on education might have seemed an unforgivable compromise. It not only guaranteed respect for the diversity of educational systems and practices of the Member States. It also appeared to tarnish the sacred Community decision-making process by introducing with the new-fangled Education Committee an inter-governmental element, which blurred the division of responsibilities between Commission and Council and seemed to ignore the involvement of the European Parliament completely. The space of issues to be covered in the Community's education action programme was a direct reflection of the range of priorities which the constituent Member States felt at that time could benefit from shared analysis and concertation within the framework of the Community.

The education systems of the Member States, nine then, ten now, soon to be twelve with Spain and Portugal joining on 1 January 1986, are very diverse: some highly centralized, some with a strong tradition of local autonomy, others rooted in a Federal structure; some but not others having a large private (or confessional) sector of school

education; some well on the way to a fully 'comprehensive' structure of secondary education; others deeply attached to a 'multi-tier' approach based on a distinction between vocational and general education; most have a divided higher education sector in which the universities in particular cling ferociously to their autonomy. All these education systems in the Member States are engaged in the provision of vocational training, but the way they share this responsibility with manpower authorities and other government departments varies tremendously from one country to another.

There was, and still is, no objective policy reason to do away with this diversity deeply rooted in social and cultural traditions, by attempts to impose a uniform structure or policy blueprint. There was every reason, however, to identify common problems and issues, to learn from each other, to work together in developing a European dimension in education and to face up to the implications of European economic integration for national education policy.

Member States had every interest to begin cooperation but many of them were conscious that they were stepping into the unknown. Agreement was reached on a number of priority themes for cooperation, but it was recognized by all that the first task was to break down the barriers of ignorance about each others' education system. Historically, the connections between some Member States were often less significant than with the USA and with former colonies.

Even those of us who had worked so hard to negotiate agreement in 1976 could not have dreamt at that time that the unique formula which was invented to promote cooperation in the field of education at Community level would have withstood the test of time so well. We knew we had a framework for action which preserved some key dynamic features of the Community decision-

\* This article is based on one published in the journal of the Institute for Education and Social Policy of the European Cultural Foundation.



making process. As regards the Community budget, for instance, in so far as any real growth in the allocation of financial resources for education could be expected, the European Parliament retained its vital influence over budget negotiations and the Commission remained autonomous in its use of any resources allocated. This then provided the Commission with the responsibility, as well as the much needed opportunity to open a dialogue with the Parliament on the development of educational activity at Community level. As the years have gone by, a very special relationship has in fact been built up with the Parliament and especially its Committee on Youth, Culture, Education, Information and Sport. Parliament as a whole has proved a valuable ally by expressing continuing interest in educational issues and by taking firm action in the budgetary discussions. Without its sup-

port, neither the Commission nor the Education Ministers would alone have had the political influence required to build up the education budget from virtually nothing in 1976 to over 12 million ECU in 1985. This may still appear to be a derisory figure in comparison with the money spent by the Community on agriculture, or even on vocational training through the European Social Fund. The Social Fund apart, however, expenditure on education now represents a significant proportion of total expenditure in the 'social affairs' section of the budget.

Money was and still is, of course, the lifeblood of cooperation. It has enabled the Commission to go far beyond the financing of a few studies and conferences, and expressions of good intent to exchange information.

In practice it allowed the Commission to complement the contacts it has

with Ministers and their officials with a whole series of schemes providing opportunities for practitioners, working out in the field as it were, to become directly involved in the process of cooperation, meeting their opposite numbers in other Member States, comparing experience on specific issues and working out for themselves ways in which they could work together. Onto this was grafted financial support, very limited in the first instance, for stimulating innovation in Member States — carefully chosen pilot projects in specific areas of common concern which would serve to reinforce cooperation by providing reference points for specialists throughout the Community. The Member States themselves retained oversight but became more and more convinced of the need to encourage cross-national cooperation between those in universities, schools and local authorities, those who



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implement policy and who, in many Member States, also hold important decision-making powers in the area of education.

Space does not permit to provide details of all the different activities launched since 1976<sup>(1)</sup>, but the example of cooperation in the field of higher education may be given to illustrate the approach adopted. In contrast to previous unsuccessful attempts at European level to work out a multilateral solution from above to the problem of academic equivalence of diplomas and to remove the barriers to student mobility, the Community took a pragmatic stand and sought to encourage an interest in cooperation among higher education institutions themselves thereby respecting and building on their traditional sense of autonomy and freedom of action. The main instrument has been the scheme for promoting 'joint study programmes'. These are twinning arrangements which enable students to spend a recognized or integrated part of their course of study in at least one of the partner institutions in another Member State, allow staff members to teach parts of courses abroad, or provide for the joint production of teaching programmes. Some 500 institutions have been involved in this scheme to date. This activity is complemented by a programme of short study visits in higher education which enable individual lecturers, researchers and administrative staff — nearly 150 a year by now — to study particular aspects of the organization and administration of higher education within the Community. Besides the grant schemes, information dissemination has been an important form of action. This has led to national information seminars, information packages on the joint study programmes, a regular newsletter called 'Delta', a directory of higher education institutions, together with the production of the *Student Handbook* which is regularly revised and available in all seven official Community languages, and provides a complete guide on how and where to study in all Member States. It has not surprisingly become a best-seller. A network of information centres in the Member

States specialized in questions of academic recognition has also been set up.

The cumulative effect of these activities over nearly a decade has been a substantial change in attitudes towards European cooperation and now a groundswell in favour of moving further ahead. If many of the administrative and psychological barriers to cooperation and mobility have now been overcome, the questions now on the agenda concern the need for more financial incentives to encourage students to be more mobile, and the scope for transferring course credits more widely, as has been done for decades in the United States.

The slow and patient work to encourage mutual understanding and to develop incentives for joint projects, has been carried out with practically no recourse to legal measures. Only very recently, however, the European Court of Justice has declared that the Treaty is, after all, relevant to the area of higher education and directly applicable, at least as regards the elimination of barriers to student mobility. In the Gravier case on a question of access to higher education (No 293/83) the Court has held that the imposition of a fee, as a condition of access to vocational training courses, upon students who are nationals of other Member States, where a similar charge is not imposed on nationals, amounts to discrimination on the basis of Article 7 of the Treaty. The Court went on to give for the first time a legal definition of vocational training which includes any teaching courses preparing students for a specific profession, vocation or job or which provide the student with special skills for exercising such a profession, vocation or job. This definition would apply irrespective of the age or the level of achievement of the students and also in cases where the teaching course includes general education as well.

The ripples out into the educational world that have been caused by this judgment have only just started, but it is worth recalling that the Treaty of Rome has never been entirely absent from the area of education. The Community has treaty obligations for instance to issue

binding directives for the mutual recognition of diplomas for professional purposes in connection with freedom of establishment. Despite firm provisions in the Treaty, progress has been very slow and only possible in those areas where the milieux concerned, professional associations rather than universities in this case, were willing first to cooperate and achieve consensus among themselves.

Community legislation in connection with the freedom of movement of workers has also affected the education sector. Equal treatment between national and Community migrant workers with their families has been guaranteed by a Community regulation since 1968 as regards access to all forms of education. Then in 1977 binding legislation in the form of a directive on the education of migrant workers' children was adopted by a Social Affairs Council not long after Education Ministers had met and agreed to the 1976 Action Programme in Education. The far-reaching provisions of Directive 77/486/EEC require the host country to facilitate the initial reception of children who are nationals of a Member State, through language tuition and appropriate teacher training provisions. It must also ensure that teaching of the migrant children's mother tongue and culture is promoted in cooperation with the country of origin and in coordination with normal education. This directive came into force in July 1981, and in February 1984 the Commission published its report assessing the ways in which Member States have actually implemented the terms of the directive. It has since been in contact with each of the Member governments, pinpointing possible shortcomings in national practice. Should it prove necessary, the Commission will instigate legal infringement proceedings as provided for in the Treaty.

In parallel, in the completely different framework of educational cooperation,

<sup>(1)</sup> Details for the period 1983–84 are given in the Commission's report on activities to the Standing Conference of European Ministers for Education of 6–10 May 1985 COM (85) 134. Published as a *Social Europe* supplement.



the Commission became the partner of Member States, investing since 1977 in a series of 25 pilot projects and related colloquia designed to test appropriate educational methods and techniques to improve the language tuition and social integration of migrant worker's children. This has extended to teacher training, the production of new educational materials and a particular emphasis on the intercultural dimension which, as Ministers for Education agreed in 1984, should find expression in the whole of the school curriculum.

Thus, unlike the issue of student mobility in higher education, where a more legalistic approach has suddenly become relevant after nearly a decade of activity based on voluntary cooperation, a legal framework on the education of migrant worker's children existed prior to the subsequent cooperation carried out with educational specialists, in schools, in academic life and in ministries throughout the Community. Whilst the Directive 77/486/EEC provides a permanent frame of reference which no Member State can ignore or modify because of changing economic and political circumstances, the process of educational cooperation has given flesh and more meaning to the bones of legislation. It has also broadened the dialogue and helped to achieve the aims of the directive in respect of non-Community migrants in accordance with the Council's declaration made at the time of the adoption of the directive. By including Greek, Spanish and Portuguese children in the pilot projects, the Member States have been better prepared that they might otherwise have been for the implications of Community enlargement with the entry first of Greece and now of Spain and Portugal and the consequently wider application of the directive.

In the area of the transition of young people from education to working life, yet another pattern of educational cooperation developed, this time evolving in parallel with Treaty-based activity in vocational training. Rising youth unemployment in the 1970s led Ministers for Education to place the problems of 'transition' high on their agenda for

cooperation in 1976. This resulted in the launching of one of the most significant actions in the whole education programme — a fully fledged Community-wide action research programme based on 30 pilot projects and a sophisticated system of animation, exchange and comparative evaluation. If the original concerns of Education Ministers were centred on the links between general and vocational education, the quality of vocational guidance and careers education, and in the plight of less qualified youngsters leaving school with no preparation for working life, it was clear from the very beginning that any improvements in this area had to be carried out in close coordination with manpower authorities, employers and trade unions and all the other agencies concerned with vocational training, apprenticeships and placements. Coordination became all the more necessary as, during the late 1970s, the number and variety of special training measures for the young unemployed proliferated in all Member States. Both education and manpower authorities had become increasingly active in devising new forms of vocational education and training combining elements of general education, skill training and work experience; as a result new patterns of cooperation between education and manpower authorities began to emerge, particularly at local level.

Despite these trends, education and manpower seemed to remain separate worlds for a long time both a national and Community level. The weight of past traditions and perceptions and the rigidity of administrative structures, whether decentralized or centralized, have, in virtually all Member States, hampered the emergence of an integrated strategy on vocational training and the preparation of young people for working life. The first action programme on 'transition' at Community level became a huge success, involving several hundred schools and colleges, and reaching, through its Newsletter, many of the public authorities, employers, trade unions, voluntary organizations and parents associated with the projects at local level. In Brussels, however,

only the Education Ministers were aware of what was happening. In a different world, Employment Ministers were talking about similar issues inside the Council and the tripartite Standing Employment Committee. They had set up the European Centre for the Development of Vocational Training (Cedefop) in Berlin in 1975 and extended the European Social Fund to cover the training of first job seekers — provided that training was not available to young people straight out of school. They also adopted a resolution on linked work and training ('alternance'). This was based on the Treaty of Rome with direct reference to the common policy on vocational training provided for in Article 128.

The contradictions inherent in this dual approach became increasingly obvious to many. Much enthusiasm therefore greeted the far-sighted decision of the Commission in 1981 to bring together education, training and employment within a single portfolio of one of its newly appointed members, Mr Ivor Richard. At the same time it shifted the Commission's education service from the Directorate-General for Science and Research, where it had been since 1973, to the Directorate-General for Employment and Social Affairs. These decisions heralded the beginning of a new period during which the Commission has taken every opportunity to stress the interrelationships between education, training and employment and to place strong emphasis on the need for a new partnership and sharing of responsibilities for training policy, its planning and implementation. A high point during this period came with the Council meetings in June 1983. The Council, represented by Employment Ministers, first adopted a review of the rules of the European Social Fund, removing the awkward distinction between the young unemployed and school leavers, and setting the tasks of the Fund firmly in the context of Community vocational training policy. A first ever Joint Council, bringing together Ministers for Education and Employment, then agreed a new Community action programme on the development of vocational training in the 1980s — a programme based on Ar-



title 128 of the Treaty, but inspired by the experience and practices of cooperation worked out over the years with Education Ministers. Study visit schemes for training specialists, comparative analyses, information dissemination and networks of pilot projects designed to assist Member States in the evaluation and development of policy became the order of the day. The Joint Council also discussed progress in implementing the second 'transition' programme, thereby implicating Employment Ministers in this action for the first time. The barriers between education and training, in the traditional sense of these words, have been broken down consciously and progressively. It has taken time and patience, and the process is not yet complete either in the Member States or in the Commission itself. There remain whole areas of youth policy — information, participation, exchanges, youth work, voluntary work, the social and material status of young people — which are inextricably linked to the question of transition of young people to adult and working life and which have yet to be brought clearly within the ambit of Community policy. There would seem no alternative, however, to the step-by-step approach, despite impatience in certain quarters such as the European Parliament and the Youth Forum, representing youth organizations in the Community. It would be academic to suggest that the Commission could have come forward earlier in the 1970s with proposals for a comprehensive strategy and legislative tools, based squarely on the Treaty, for the preparation of young people for adult and working-life. However far-sighted the strategy the Commission might have been able to devise at the time, its proposals would have fallen on deaf ears. Truism as it is, the Member States always need time to learn from their own experience and from working together before agreeing formally to a common Community policy. Through the pattern of cooperation it has orchestrated since 1976, the Commission has been able to inject a new dynamism into that learning process, particularly in the education sector, without actually seeking to legislate. However, if cooperation was the

fruit of necessity in the field of education — since none of the traditional Community instruments could be applied — cooperation has also proved to be a most productive approach to action equally applicable and quite as relevant to other areas of Community policy, particularly in social affairs and employment.

It will take some time yet for the Community as a whole to acknowledge the importance and the practical administrative implications of a 'bottoms-up' approach to policy-making compared with the traditional 'top-down' approach which is more immediately visible, more transparent as regards the Commission's powers of initiative, but frequently less successful in the long term, given the need in any event to secure consensus among Member States.

In the meantime, the process of cooperation in education will continue, irrespective of the legal implications. The Ministries of Education have grown in confidence. Certain dossiers, such as language teaching, the European dimension in teaching and equal opportunities for girls in education, which were blocked a few years ago on account of constitutional problems for one Member State, have since been opened up again. A whole series of specialized working groups now exist at Community level to work out common approaches to issues as varied as new technology in schools, illiteracy and the integration of disabled children. These groups draw in officials from practically every department of Ministries of Education, implicating them directly in the Community experience and enriching the information network on education, called Eurydice, which serves policy-makers at all levels in the Member States. The ministers themselves have sought to place their own cooperation on a firmer footing, deciding in June 1985, to establish a regular practice of informal meetings as well as formal meetings, and to hold, at least once a year, a joint meeting with another set of ministers, such as Employment, Industry or Research.

Though it may be premature to predict trends, it would seem that a new phase of activity in the field of education

is emerging, coinciding with the appointment of a new Commission in 1985. The general political climate itself has changed rapidly in the last few months. The distinctions between education and training have begun to lose all significance in the race by the Community to develop a 'technological culture' and keep up with its main trading partners on the international scene. A highly skilled well-educated labour force has now become as important a factor to the Community's economic survival as has the breaking down of trade barriers and the completion of the internal market. Though training for new technology may become a by-word for launching a range of new activities at Community level, behind this lies an awareness that a strategy for the development of human resources cannot be based simply on increasing the supply of engineers and ensuring computer literacy for all. Action in future has also to focus on promoting a broader based education, encouraging creativity and initiative, and allowing for continuing education and training throughout working life.

A second factor which is likely to influence the Community debate on education in future is the new emphasis given by the Heads of State to the creation of a 'People's Europe'. Following the work of the *Ad Hoc* Committee chaired by Mr Adonnino, set up by the Fontainebleau Summit in 1984, a spotlight has been cast for the first time on the achievements of educational cooperation over the years, particularly in the field of higher education. There are new political pressures from above to develop work on foreign language teaching, on the European dimension in teaching, on youth exchanges — in many of the areas where Ministers for Education have until now been rather modest, if not cautious, in their approach to joint action. Gradually, the added valued of the European dimension and the commitment to the idea of a European identity, which inspired Ministers for Education to begin cooperation 10 years ago, is now permeating the highest levels of Community decision-making. Young people themselves, as pupils, students or young workers need

not only better education and training to equip them for adult life. They need also the opportunities, information and skills to participate in building their Community for the future, to become aware of the meaning of European solidarity by living, studying and working in another Member State.

A third factor of change, referred to earlier in this article, is the Court of Justice ruling on the Gravier case, which offers a firmer legal basis for future Community action in many areas in which education and training are indistinguishable. The combination of these three factors — economic, political and legal — provide a powerful incentive to the Commission to think about education in more ambitious terms than in the past.

An example of this new thinking is the Commission's proposal for Comett

(Community programme in education and training for technology), published in July 1985. This sets out a large-scale plan of action to promote collaboration between universities and industry, at local, national and Community level, to meet the challenges of technological and social change. It is designed to help Member States overcome the skills gaps which, it is widely recognized, will otherwise damage the industrial potential of the Community in the years ahead. It is also designed to ensure that industry-university cooperation is set in a European context. It builds in this way on the experience of European cooperation both in the area of higher education and in the context of Community industrial R and D programmes such as Esprit.

Following on from Comett are the proposals currently being prepared for the development of youth exchanges,

for further cooperation in higher education, for a next phase of action on the preparation of young people for adult and working life, and for the promotion of language teaching. All the new actions planned will, in different ways, build on the recognized need and potential for cross-national cooperation which in turn can further stimulate policy innovation and progressive improvements in the quality of education in Member States. In this manner, both the spirit and the experience of the original 1976 action programme in education should live on through the next decade of Community activity both inside the Education Committee and in other decision-making arenas concerned with the place of education in the Community of tomorrow.

**Karen Fogg and  
Hywel Ceri Jones**



# University/industry cooperation in training for the new technologies

## The Comett programme

**On 24 July 1985 the Commission adopted proposals for a new Community action programme<sup>(1)</sup>, to strengthen cooperation between universities (and higher education in general) and industry in the whole area of training for the new technologies.**

The importance of this field was already stressed in the Commission's memorandum of January 1984 on 'Technological change and social adjustment'<sup>(2)</sup>: the adoption of proposals for the new action programme marks a significant stage in the development by the Commission of a comprehensive human resources approach to the impact of the new technologies.

This is not the first human resources activity: indeed, as far back as 1983 the Community launched a number of education and training initiatives linked to technological change, concerning mainly the introduction of the new information technologies into the school systems and into (basic) training<sup>(3)</sup>.

Nor, on the other hand, does it stand by itself. Comett is a major contribution to the overall Community strategy on cooperation in research, development and technology. Comett takes its place alongside Esprit (European strategic programme for research in information technology), Brite (Basic research in industrial technology in Europe), and RACE (Research in advanced communication technologies in Europe); as well as the plan for transnational development of the supporting infrastructure for innovation and technology transfer and the stimulation programme for cooperation and scientific interchange. Comett forms an integral part of the efforts to create a European Technology Community.

The rationale for this initiative — as stated in the Commission's communication to the Council — is quite clear:

'Existing and anticipated human resource requirements for new technologies at advanced level (engineers, scientists, high level technicians) clearly exceed current higher education outputs, both quantitatively and qualitatively. This is true not only in absolute terms — within the Community — but also in comparison with the Community's most serious competitors, the United States and Japan. Industry in particular considers that the lack of qualified people represents a major

obstacle to full exploitation of new technologies.' Further, 'On the quantitative side, the problem can be briefly illustrated by reference to the situation in the US and Japan. The number of engineering graduates per year per million inhabitants is 260 in the European Community. In the United States it is 350, in Japan it reaches 630<sup>(4)</sup>. The graduate input of Japan and the United States is impressive by any standards. In terms of sheer numbers, the United States was producing almost 1.3 million graduates and post-graduates per year at the turn of the decade. The figure for Japan was over 400 000. The rate of graduation from universities is of course directly related to the proportion of young people entering higher education, which in turn is related to the numbers of school leavers obtaining the necessary qualifications for entry. Here again the comparisons with the United States and Japan, and also with Sweden, are particularly striking'<sup>(5)</sup>.

To make the matter worse the problem is as much qualitative as quantitative. 'Entrants into industry from the universities need, in addition to their own disciplines, a broad appreciation of the economic, social and cultural repercussions of technological change. Although universities have begun to reduce their tendency to produce overspecialized graduates, there is considerable scope to improve the broadly based education of graduates so that they may be capable of mobility and adaptation in the rapidly changing labour market. In this perspective, there is a growing

<sup>(1)</sup> Proposal for a Council Decision adopting an action programme of the Community in education and training for technology — Comett (1986—92), COM(85) 431 final of 1. 8. 1985, OJ C 234, of 13. 9. 1985.

<sup>(2)</sup> COM(84) 6 of 26. 1. 1984, published as a *Social Europe* Supplement.

<sup>(3)</sup> Resolution of the Council and Ministers for Education meeting within the Council of 19 September 1983 on measures relating to the introduction of new information technology in education (OJ C 256, 24. 9. 1983); Resolution of the Council of 2 June 1983 concerning vocational training measures relating to new information technologies (OJ C 160, 25. 6. 1983).

<sup>(4)</sup> Source: NEDO Report on competence and competition (1985).





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emphasis on the need to promote interdisciplinary teaching programmes combined with work experience, which develop an awareness of general industrial and economic realities and which prepare people capable of ensuring the social management of technological change.'

There have been recent initiatives in several Member States to encourage interaction between higher education institutions and industry on a more structured basis. These measures have taken various forms: science-industrial-technological parks, brokerage companies, etc. 'In most cases, however, the schemes have been limited to innovation and research and development initiatives. The spin-off effect, as regards training and re-training, may be observed only indirectly. Rarely is an effort made either by industry or by higher education institutions to integrate the train-

ing dimension fully within the cooperative schemes which are developed. Collaboration, for example, in the area of industrial research and development is usually carried out in isolation from the general teaching responsibilities of universities towards their existing students, from the preoccupations of management and trade unions, and from any wider perception of the need to use training materials on a larger scale.'

'The problems of university-industry cooperation, already severe at national level, are intensified when the Community dimension is involved. The remarkably low level of existing student mobility (under 1% of all undergraduates and graduates) between Member States offers little encouragement for future partnership between the managers and producers of economic growth in a Community context. The promotion of their sense of interdependence and

capacity to work together therefore requires that a strong additional European dimension be given to their education and initial work experience.'

This is the background against which the Commission is proposing the Comett programme, the objectives of which as well as its interrelated facets are presented.

<sup>(5)</sup> If one takes further education as a whole (i.e. including university) entrants as a percentage of a generation amount to 61% in the US and 37% in Japan against respectively 20% in Germany, 32% in France, 28% in Italy and 29% in the UK (but 33% in Denmark) (Source: OECD 1985).

The proportion of an age group acquiring diplomas giving access to higher education amounted to 87% in Japan (1981), 72% in the US (1980), 82% in Sweden (1982) — but only 26% in Germany (1982), 25% in Denmark (1980), 28% in France (1983), 39% in Italy (1981), 26% in the UK (1981) and 44% in the Netherlands (1981) (Source: OECD 1985).



## The Comett programme

The four main objectives of Comett may be summarized as follows:

- (i) to promote the European dimension of cooperation between university and industry in advanced level training relating to innovation and the development and application of new technologies;
- (ii) to promote the exchange of experience, the pooling of resources and the realization of economies of scale, through the joint development of advanced training programmes;
- (iii) to strengthen and diversify provisions for advanced training at local and regional level and contribute to the balanced economic development of the Community;
- (iv) to identify progressively gaps and new priorities in existing training policies and provisions which could be filled by supplementary action both within Member States and at Community level.

Comett would be coordinated by the Commission with the advice of a high level panel of experts, drawn from universities and industry, to be established by the Commission in 1986.

The programme would be carried out in two phases over a period of seven years (1986–92). The first four-year phase would provide a period for the launching in 1986 and initial development over 1987–89 of a series of actions which could then be consolidated or adjusted as appropriate in the light of experience for the second phase.

An interim report reviewing progress achieved during the first phase (1986–89), together with detailed guidelines for the implementation of the second phase of the programme (1990–92), would be submitted by the Commission to the Council and European Parliament by 31 December 1988.

An annual report regarding the implementation of Comett would be presented by the Commission to its Advisory Committee on Vocational Training,

the statutory committee which has responsibilities for advising on all training policy developments at Community level. The Commission would also see to it that there is consistency and complementarity between Comett and other Community programmes in research development and industrial innovation as well as in education and training. With this in view, the Commission would present the annual report to other Community groups and committees working in related areas.

During the first phase (1986–89), Comett would focus on the following five interrelated areas of action:

### (A) The development of a European network of university-industry training partnerships (UITPs)

Community action is required to strengthen and improve university-industry cooperation in the field of training and also to ensure that a clear European dimension is built into the process of cooperation. For this purpose it is necessary to stimulate the setting up and development of cooperative arrangements which meet a clear Community interest both within Member States, especially at local and regional level, and across national frontiers. The specific European dimension would be developed through the networking of specific cooperative arrangements to be known as university-industry training partnerships (UITPs) which would:

- (i) involve an agreement designed to meet specific needs for highly qualified human resources, drawing university and industry together, on a structured and coordinated basis, together with relevant public bodies and agencies.
- (ii) provide for some or all of the following measures to be carried out: work placements for students and academic staff in industry; secondment of industrial staff to universities; joint

development and production of teaching materials; collaboration on the delivery of specially designed retraining and updating programmes for training instructors and industrial staff, especially mid-career staff, and those in small and medium-sized firms.

- (iii) include a commitment to liaise with counterpart initiatives in other Member States, to receive students, academic and industrial personnel from other Member States to develop cross-national cooperative projects, and to take an active role in a Community-wide network providing technical assistance, monitoring and evaluation.

Community assistance would be granted to promote the development of a European network of university-industry training partnerships (UITPs), conforming to the criteria described above, with a view to complementing measures currently being pursued within Member States, fostering a climate for industry-university cooperation and contributing to a balanced pattern of activity throughout the Community in this area. Community grants will be limited to 50% of the cost of the European part of UITP activities. A UITP programme should give details of cooperative measures as referred to in point (ii) above, as well as provision for European liaison activities as referred to in point (iii) above. Institutions and agencies participating in each UITP submission would be required to demonstrate clearly their respective financial commitment to the total budget. Firms participating in the Community's research and innovation programmes should be explicitly invited to participate actively in these partnerships. Similarly links could be made with the multisectoral and multidisciplinary networks which are being initiated in cooperation with the Council of Europe and the European Science Founda-

tion, as foreseen in the Community's stimulation plan for cooperation and scientific interchange.

**(B) The launching of Community exchange schemes between university and industry, involving students as well as academic and industrial staff**

Community action is necessary to provide immediate and specific incentives to encourage transnational exchanges of students as well as of industrial and academic personnel — but not for research purposes — in order to build up a strong European dimension to industry-university cooperation. This should stimulate further activity by and within Member States to eliminate obstacles to mobility. It would also enhance and complement the various European liaison activities to be developed by the network of UITPs. Drawing on the example of the stimulation plan for cooperation and scientific interchange, and the practical experience of the joint study programme scheme in higher education, the Commission plans to set up three new specific grant schemes as follows:

**(i) Grant scheme for student placement in firms located in another Member State**

This grant scheme would offer undergraduate and graduate students the opportunity of spending a structured on-the-job training period preferably for a minimum of six months and a maximum of 12 months with a firm in another Member State. The placements should familiarize students with career prospects in high technology, and broaden their horizons and stimulate their entrepreneurial capacities. They would not be focused on research. Community grants would be made to cover the mobility costs associated with placement abroad (travel and subsistence allowance) as well as the overheads

relating to the preparation and supervision of each placement. Member States should ensure that provisions for the financial support of students are made transferable.

**(ii) Grant scheme for academic staff to extend their industrial experience in firms located in other Member States**

This grant scheme would provide fellowships to enable teaching staff in universities to spend preferably two or three terms within one academic year in appropriate positions (production, management etc.) in firms or groups of firms in another Member State. The aim would be to extend their industrial experience in a European context, enrich their teaching activities and build up possibilities for subsequent cooperation. Community grants would be made to cover the mobility costs associated with each placement and to contribute towards the cost incurred by the university in organizing the replacement of academic staff on temporary leave. In the first phase of Comett, special attention could be given to placements bringing appropriately specialized academic staff into those areas of industry at the forefront of work on the priority areas of concern for Community industrial R&D, or to those placements specifically requiring academic staff to contribute to in-firm training and retraining programmes.

**(iii) Fellowships for a European visitors programme from industry**

These fellowships would be offered to individuals working in industry — employers, management and production staff, trade unionists, representatives of chambers of commerce and so on — to spend a period of

preferably two or three terms within the academic year on detachment to universities in another Member State. Here they would share in teaching responsibilities, contribute to the diversification of teaching activities, benefit from continuing education, and assist in developing links with industry. The grant would cover the mobility costs associated with each placement and make a contribution towards the replacement costs.

For all three grant schemes, the Commission would arrange for information on the specifications of each placement and fellowship on offer to be made widely available (to universities and through European level bodies representing employers, trade unions etc.). The technical implementation of these schemes will be subconstructed to appropriate agencies already engaged in international exchange programmes in the education field.

**(C) The design, development and evaluation of specific joint training projects directly related to the needs of high technology industry in the Community**

Community action is necessary to encourage firms to work together in the field of advanced training for their own personnel, to achieve economies of scale and to derive collective benefit from the leading European experience as far as university teaching and research is concerned. The additional value of Community action would also be to underline the vital importance of investment in continuing education and training. Comett will promote multilateral training initiatives at Community level in direct response to some of the immediate needs of industry. These should be launched in close cooperation with the high technology firms in the Community which are experiencing or can foresee grave skill shortages



in specific areas whether technical or managerial. Joint training projects could, in the first phase of Comett, be focused on specific topics where major breakthroughs could be made by European industry if skill shortages can be overcome, and where these are identified by European industry itself.

Community assistance would be granted initially for examining the feasibility of individual projects, followed by support for the design and testing of joint training projects involving firms in different Member States in liaison with relevant university departments or other appropriate organizations.

A second form of joint training project is necessary so as to ensure the rapid dissemination of the results of latest research and development in new technology to the world of university teaching and industry. Comett plans therefore to give a new impetus to the training activities carried out over several years by the Commission in close cooperation with the Crest sub-committee on training in computer science. Community assistance would take the form of a contribution to the costs of a number of short intensive training courses on specific topics to be organized in cooperation with appropriate national bodies, e.g. research councils for the benefit of university staff and students together with industrial staff from all Member States.

**(D) The promotion of joint efforts between university and industry in developing open learning systems and in pooling of efforts concerning the training of trainers**

Community action is necessary to ensure a European-wide exploitation of the new technologies as instruments to improve the quality and delivery of teaching and learning at all levels of education and training. New technologies open up the means through distance or

open learning systems to improve the communication of knowledge to those seeking or requiring training. Distance learning can also offer great flexibility and efficiency, being adaptable to the specific circumstances of the individual student or of small and medium-sized firms.

Over and above the need for exchanges of experience and comparative evaluation within the Community on the packaging and delivery of distance learning systems using new technologies, there is scope for achieving economies of scale through cooperative multilateral initiatives involving industry and universities. Comett will promote joint development work and investigate the feasibility of establishing a European technological open university system. This could *inter alia* provide a flexible framework to holster the scattered and generally inadequate attempts to meet the need for high quality trainers and managers with a broad knowledge of technological innovations and an understanding of their social and industrial impact. To facilitate this work an expert working party will be set up, including representatives from UITPs working in this area. This would take account of the results of enquiries carried out by the Commission in cooperation with leading European experts to identify the key requirements and opportunity areas of the new technologies. Community assistance would be made available for preparing and carrying out specific multilateral projects validated by the working party, with particular emphasis on the training of trainers and the retraining of managerial staff.

**(E) Supporting activities and exchange of experience including the setting up of a Community level data base on university-industry cooperation in advanced training, monitoring, evaluation and dissemination of information**

Comett needs to build up a strong process for the exchange of experience and ideas throughout the Community and the transfer and dissemination of good practice and thus provide the basis for stronger cooperation in the medium and long term. The following supporting activities should be carried out at community level:

- (i) the setting up of a data base on industry-university cooperation in the training field: arrangements for dissemination of information and exchange of experience within Member States and at Community level.
- (ii) networking arrangements — interaction, technical advice, monitoring and continuous evaluation of the UITPs.
- (iii) monitoring at Community level of the supply and demand for highly skilled manpower; comparative analyses and evaluation of major trends and policy initiatives on other related issues (e.g. to increase the supply of students with relevant qualifications, to expand work experience opportunities and 'sandwich' courses for students, to adjust the fiscal environment to facilitate university-industry cooperation, to develop a transferable 'credit' system for advanced training courses).
- (iv) sponsorship of a series of Round Tables with the managers of university and industry on improving cooperation and eliminating obstacles.

**Comett — second phase**

The second phase of Comett (1990—92) would serve to consolidate and develop activities launched during the first phase. It should in particular:

- (A) strengthen the European dimension of the UITPs by increasing substantially the number of cooperative projects carried out between UITPs in

different Member States; include in the network new initiatives in other parts of the Community; encourage the transfer of experience gained into the mainstream of the different systems in each Member State.

(B) provide for the adaptation and expansion of Comett, in the light of experience during the first phase and the links developed with research activities at Community level, broadening out as appropriate to encourage the mobility of other categories of students, trainers, academic or in-

dustrial staff within the framework of university-industry cooperation.

(C) promote further joint training projects between European industry using prototypes and incentives modified, as appropriate, in the light of experience during the first phase.

(D) intensify development work on European Open Technological University systems, broadening to include all Member States and extending operations related to the training of trainers and managers.

\* \* \*

The Commission's communication to the Council is accompanied by a draft decision. Given the urgency of the issues to be tackled under Comett, the Commission has emphasized the need for a decision to be taken by the end of 1985 so as to launch Comett's preparatory work as soon as possible with effect from 1986.

**André Kirchberger**



# Equal opportunities in education

Now that the present economic and social conditions mean that work has become an urgent necessity for women, they are feeling the full force of their lack of skills or limited range of occupational choices. On the one hand, the jobs in which the female workforce is concentrated (basically the service and administration sectors or certain specific industrial sectors) are those directly threatened by the economic recession (concentration in traditional sectors such as textiles, precision engineering), by the introduction of new technology (office jobs, low-skill jobs in manufacturing), by budgetary restrictions and the ageing of the population (reduction in the number of jobs in education and the health sector). On the other hand, women's specialized skills in traditional sectors make them even more vulnerable when retraining is a prerequisite for getting a job.

## Sexist prejudice starts in childhood

Basic training and vocational guidance are decisive factors in a woman's professional life and help confine her to a narrow range of skills with little prospect of a job.

The dichotomy in society that leads to traditionally male or female training and jobs starts very early, in childhood and at school. Indeed, although among Member States there are no longer any sex related differences in access to education, in practice a difference still persists.

Thus, in the FR Germany, 92% of girls still choose the completely traditional branches. The situation is the same in the other Community countries.

Although as many girls as boys attend secondary school, continue their studies longer and go on to higher education in greater numbers than boys, they generally go in for studies of a more general nature that do not give them as good professional qualifications and offer a more limited range of job prospects. There are considerably fewer girls than boys in technical and occupational education. In general secondary education, girls tend to be concentrated in subjects such as the human sciences, languages, etc., whereas boys go more for the technical or scientific branches which match the qualifications required by today's society more closely. Finally, certain subjects are viewed with apprehension by girls.

A prime example is new technology, which arouses relatively little enthusiasm among girls. Yet the stakes are high. On the one hand, to remain competitive on the job market, it is imperative to be familiar with the opportunities offered by new technology and to be able to use them. This is just as true for the traditionally female jobs affected by new technology, e.g. office automation, use of lasers in paramedical jobs, file-keeping, particularly in medical offices, computer-assisted teaching, robotics.

Furthermore, new sectors generating jobs are emerging with the development

of new technologies: if there were as many women available with the same level of training as men, women could not fail to benefit.

Finally, at the moment, Europe is suffering from a shortage of highly specialized manpower in new technology so there are also jobs there for the taking of women.

These differences in the educational and vocational choices of girls and boys generally correspond to different expectations of adult life.

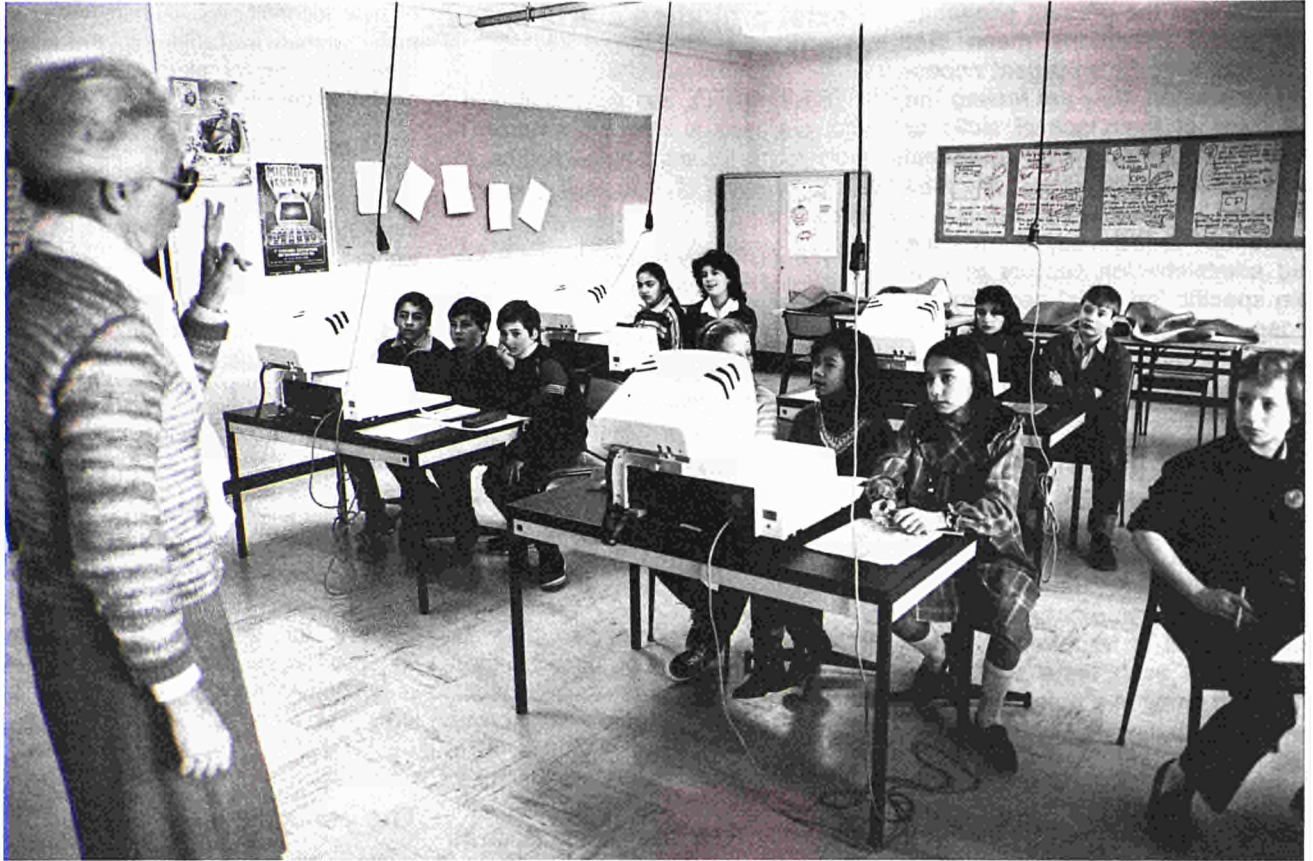
Although boys readily make future plans for their careers and professional choice, girls tend to make plans that restrict them to the traditional family roles and are incompatible with full professional careers: many young girls think that a job of limited duration or a part-time or seasonal job will be enough. The question of the allocation of household and family tasks further limits a girl's choice of adult life.

## The essential role of school

A whole group of factors are involved in the forming of choice — parents, families in their broadest sense, friends, the media, youth associations, etc. — but of all the various elements in play, school has a privileged position. As a result of its collective, and above all, obligatory nature, it is the only place where concerted action by authorities is possible. Through the resultant authority, it transmits and reinforces models that take root from the earliest age. Finally, all action at school is more readily monitored and assessed than anywhere else.

Aware of the importance of education and its potential in helping to influence attitudes, the Commission and the Irish authorities organized a conference in November 1984 on equal opportunities for boys and girls at school. This was the first conference held, on a European level, with high-ranking officials from the Education Ministries, the chairmen of national commissions for equality of opportunity, together with representatives of bodies that have already





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taken positive measures at school, in particular within the framework of Community networks.

From the outset, those taking part were informed that the aim of the conference was not to discuss whether measures to promote equality of opportunity were necessary, but to find out what measures or action should be taken in the field of education to meet the aim. The framework for discussion was defined by Professor D. Hannan, from the ERSI in Dublin: 'At school, boys and girls are treated differently, even in co-educational schools: choice of subjects, syllabuses, classes, exams, teacher/pupil relationships in mixed classes, separate PE classes, the school's social system and its general moral code all tend to reinforce the differences between sexes. The inequalities will not be eliminated by simply modifying formal rules to ensure equality of access to school subjects, structures and resources,

even if this is a first necessary step. To promote equality of treatment in the educational system, effective, strong measures are imperative'.

Conference participants, who were divided up into three working parties drew up a series of very concrete proposals on different levels and types of education. One such proposal concerned the wish to see the Council and the Ministers for Education clearly state their commitment to policies promoting equality of opportunity between boys and girls at school.

### **The resolution of 3 June 1985**

The conference took place in November 1984. Seven months later, the Council and Ministers for Education adopted a resolution comprising an ac-

tion programme on equality of opportunity between boys and girls in education(\*).

This is the first specific European resolution on this subject in education. The resolution is based mainly on the recommendations made at the November 1984 conference. It is a two-point plan: firstly, an action programme will be implemented by the Member States; secondly, the Commission was assigned the role of supporting efforts by Member States and promoting the principle of equality of opportunity in all Community activities and policies related to education, training and employment.

The action programme to be implemented by Member States within the framework of their respective education systems is centred on three main axes: the factors which influence educational

(\*) OJ C 166, 5. 7. 1985.



and vocational choices, the hidden messages propagated by schools, the positive measures to be taken at organization level.

Under the heading of factors influencing educational and vocational choices, the programme provides for action in the key area of school and career advice, which should be conceived as a service for the use of all pupils to encourage diversification in boys' and girls' vocational choices; no longer should it come at an isolated moment outside the school, but should form an integral part of the whole educational process. The Member States were asked to delay the time when the choice of branch has to be made since early vocational decisions are normally made by parents or teachers and therefore favour the choice of traditional branches. On the other hand, it is important that sufficient information on the professional world is provided as soon as possible. Schools must allow for a change in direction during schooling (in this respect, the example of the bridging classes recently set up in France was cited). Provision is made for awareness campaigns aimed at all those involved in the educational process; it could consist of information campaigns, exchanges of experiences, distribution of practical guides for the use of all people wishing to get effective measures underway in education. As regards teachers in particular, Member States are invited to take steps to include equal opportunities as part of their initial and continuing training. Finally, contacts between schools and the working world will be multiplied, especially those highlighting the worth of non-traditional female work. The Education Minister also took into consideration the importance of the hidden messages with sexist connotations propagated in schools, mainly through teachers' attitudes to pupils, the role teachers play as models in their work, and the teaching materials and stereotypes they pass on. They have committed themselves to strengthening, in

mixed educational establishments, active coeducation practices that go beyond the formal mixed system. This mainly involves encouraging the participation of all pupils in school or extra-curricular activities, particularly in technical or scientific branches and in activities considered as being traditionally male or female.

On the subject of teachers, an equal distribution between men and women both in the subjects taught (pure science, mathematics are taught more by men, human science by women) and the positions held (few women have head positions in secondary schools; there are more women teachers in nursery and primary schools; the proportion of them is smaller in lower secondary school and even more so in upper secondary school) will be promoted by the authorities with a view to reinforcing the childrens' new perceptions with new models.

Lastly, as regards teaching materials (schoolbooks, games, films, tests, careers material), the Member States will promote criteria aimed at producing non-sexist material to supersede existing material progressively.

In order to put into effect an overall programme on equal opportunities in education, specific measures will be taken: yearly assessment of measures undertaken; training of school guidance staff responsible for vigorously promoting positive action in schools. They will formulate recommendations, propose initiatives, see that they are implemented and then assess them.

The Commission is responsible for taking measures to support the Member States in implementing the action programme. Study grants will be awarded to teacher trainers, advisers and inspectors to enable them, in the course of study visits, to learn about what has been achieved in other Member States. The Commission will stimulate exchanges of information on positive mea-

sures adopted in the Community. It will support Member States' efforts to make parents and teachers aware of the issue of equal opportunities, in particular by inviting European parent and teacher organizations to collaborate in certain activities. The Commission might provide financial support for the launching of particularly interesting, innovative programmes. All Community action will be coordinated and evaluated by a group composed of national senior officials and representatives of national equal opportunity committees. The group will meet for the first time in December 1985.

So as to implement the resolution as rapidly as possible, the Commission has just produced a practical guide to equal opportunities. Its aim is to provide Member States with a general framework on which to base national guides. The European guide comprises examples of positive action taken in the Community, recommendations on ways of organizing classes and of addressing pupils; check-lists showing attitudes or vocabulary in current daily use which perpetuate sexist stereotypes; addresses of positive action promoters in the educational field and a bibliography.

## Conclusions

Positive action and measures to promote equality of opportunity go beyond a simple balancing of the number of boys and girls in school curricula; they deeply affect educational approaches, class organization, teaching materials, teaching staff (training, distribution in jobs), careers services — in short, the whole education system. By once again centring attention on the individual, by taking care to open up new horizons to everyone, a new momentum is produced that mobilizes all those involved in education and should be of benefit to us all.

**Monique Leens**



# From Berlin to Calabria

Taking a few dozen Germans to the south of Italy to take part in vocational training courses whilst at the same time giving an equivalent number of young Italians work experiences in Berlin is a little different from the way vocational training courses are normally organized in European countries. However, such examples exist and should become more widespread with the help of the European Social Fund. In any case such exchanges deserve to be followed for they have both a cultural dimension to them which enriches those taking part and an educational value for their trainer officers and accompanying adults. This was the case with the 'Berlin/Calabria' project which materialized between 1982 and 1984 with four youth exchanges thanks to co-financing by the European Social Fund.

## Young people and exchanges

Between October 1982 and November 1984, through four exchanges, 452 Italians and Germans and 138 people responsible for supervising them and assessing the exchanges were able to participate in various vocational training activities. They were therefore immersed in a cultural environment different from their own and became familiar with vocational teaching methods and practices different from those in their own country. The tables below give details of the jobs on these courses together with the actual activities the youths were able to take part in.

These exchanges were organized as part of two different training projects, of which one was the idea of the Senator in Berlin responsible for Education, Youth and Family, the other the idea of the Ente Nazionale Istruzione Professionale (ENaip) in Calabria. It is interesting to note that the target-groups in both projects had similar features although, at the time of the exchanges, the young people had not reached the same stages in their respective training. They were underprivileged youths with a series of handicaps (lack of family structure, failure at school, lack of financial resources, problems in relationships, etc.). Efforts to integrate them socially and culturally in their environment have therefore been closely linked with pre-qualification or professional qualification activities. In the Italian project, for example, the training courses were preceded by a sort of group 'therapy' designed to help the youths acquire or regain the sociability necessary for lasting socio-professional integration.

## Common objectives

These similar situations were the starting point for a bilateral project designed originally as a supportive element to give concrete form to national reintegration objectives. During the exchange attention was therefore paid to everything affecting personality development, individual communication, ways of obtaining a professional qualification,

social and professional adaptation faculties. In addition, the mixed nature of the groups both in Berlin and Calabria enabled more specific objectives to be targeted. New forms of cooperation between different training systems could be tested and progress could be made towards bringing them closer. As a result, the youths, who initially were relatively demotivated, were able to broaden their horizons. Their know-how greatly increased, ways of applying it became apparent and new aspirations were born.

On a wider level, the success of these individual experiments should help improve free labour movement from one country to another, which is nothing less than one of the aims of the Treaty of Rome... and from this point of view what the organizers learnt about course content, pedagogical aspects, the logistics of organizing training programmes and coordinating exchanges will certainly be useful in improving and spreading this type of experience.

## Assessment of results

Assessments of results and interviews with those who took part rapidly confirmed the individual benefit obtained from their experiences. None the less, this assessment also enabled the differences and difficulties that arose to be pinpointed. These were as much due to the fact that the two national groups did not have exactly the same features (the Italians were generally two years younger than the Germans, with the latter coming moreover from an exclusively urban environment) as to the internal structure of the national training and integration schemes. Another reason for them was that during the exchanges the language barrier put a brake on the interaction of experiences to a certain extent. Consequently, more intensive or longer linguistic preparation might be necessary in the future.

After these differences and difficulties had been carefully recorded during the exchanges and then examined by a binational coordination group, it was possible to outline a certain number of responses and/or solutions when a



**Table A — Work experiences in Berlin**

Exchanges Professions	First exchange	Second exchange	Third exchange	Fourth exchange
Gas & water installation mechanic	Water supply and heating system for an apartment	Workshop exercises Water supply and sanitary installations in an apartment	Installing part of the water supply system of a building Rain water drainage	Renewing heating system in a building in the Jugendhof
Interior decorator	Building stools in the workshop. Wallpapering and putting up curtains	Manufacturing small arm-chairs, cushion covers and fabric printing		
Painter	Total renovation of rooms at the TU-Berlin	Renovation of an apartment (painting walls, window frames and radiators)		
Electrician	Basic wiring on the training wall Electrical installation in an apartment	Basic wiring jobs in the workshop Completing the electrical installation	Renewing an electrical installation	Electrical installation work in Thomas Weissbecker House
Gardener	Placing of plants in gardens and parks Planning and setting up two grill sites by the Wannsee	Landscaping including table tennis area and pathways. Placing plants and bushes Soil improvement with turf and dung Green area	Constructing a pathway with concrete slabs. Soil preparation for grass area Sowing and looking after greenhouse plants	Extension of glasshouse in Haus Kieferngrund, Berlin-Lichtenrade
Locksmith & carpenter	Manufacturing handicraft objects from iron and sheet metal	Manufacturing tool box in the workshop Building a paling fence for a house	Building a decorative wrought iron garden fence and window gratings	Handicraft work, planing and sanding, restoration of door in woodwork shop

general appraisal was made at meetings that started at the end of 1984. The writing of a final report, in December 1984, and discussions in which the Cedefop<sup>(1)</sup> and the Commission of the European Communities took part have enabled an overall assessment to be made.

Two key ideas dominated this assessment. The first concerns the constant and systematic involvement of the training officers and trainees in each project, from the planning stages to its very completion. This applied equally for the content of the projects (actual work to be done) and the work methods to be followed by the trainees. The second idea concerns 'group work'. This is of

interest because of the fact the group can facilitate the emergence of a consensus and/or a motivation and thereby encourages the young people to express themselves.

### **A more widespread experience and perspectives**

The organizers of the 'Berlin/Calabria' exchanges<sup>(2)</sup>, convinced of the momentum inherent in these alternate training experiences and the integration impact they could have within the European Community, have not hidden their desire to see such exchanges repeated. Their willingness to put their recent

experience at the disposal of organizations or institutions interested shows they believe that mutual communication of similar experiences must be devised and implemented on a European level. Encouraged by the undeniable success of their venture, they want the Commu-

<sup>(1)</sup> Centre Européen pour le développement de la formation professionnelle. Bundesallee 22, D-1000 Berlin 15. Tel. (030) 88 10 61.

<sup>(2)</sup> Der Senator für Schulwesen, Jugend und Sport. Am Karlsbad 8—10, D-1000 Berlin 30. Tel. (030) 26 04.24 48.

— ENAIP CALABRIA. Viale De Filippis 326. I. 88100 CATANZARO

— ENAIP. Via Giuseppe Marcora 18—20. I. 00153 ROMA Tel. 5 86 02.

**Table B — Work experiences in Calabria**

Work locations Exchanges	Catanzaro	Lanezia Terme	Cosenza	Reggia Calabria
1)	Mixed group of <i>Gas and water installation mechanics, gardeners and locksmiths</i> Setting up garden area and playground in a new building (i) spray system (ii) lawn (iii) playground (iv) wrought iron fence	The trainees from Lanezia worked in the mixed Catanzaro party	<i>Electricians</i> Electrical installation work under plaster in rooms for a supermarket in new building block	Mixed group of <i>painters and interior decorators</i> Painting rooms and window-frames in education centre and laying PVC flooring
2)	Mixed group of <i>electricians, locksmiths and painters</i> (i) Renovation of ground floor of Rossi Institute (Orphanage) (ii) Electrical installation work (iii) Painting rooms and cloister (iv) Manufacturing a series of wrought iron windows for the courtyard	Mixed group of <i>electricians, interior decorators and carpenters</i> Preparing room in the community centre: (i) electrical installation (ii) wooden stage (iii) laying carpet	Mixed group of <i>gas and water mechanics</i> Setting up public garden (500 m <sup>2</sup> ) in a new living area: (i) fountain with outlet channels (ii) pathways, flowerbeds and lawn	<i>Gardeners</i> Laying out garden inside airport area: (i) Improving and laying soil (ii) Pathways (iii) Planting individual citrus fruit trees
3)	<i>Gas and water installation mechanics</i> Sanitary installations at the Rossi Institute	<i>Electricians</i> Worked with the Catanzaro party	Mixed group of <i>gas and water mechanics, electricians and gardeners</i> Laying out large garden area in the commune of Castrolibero: (i) fountain and water piping (ii) lighting installation (iii) pathways, benches, flowerbeds, bedding in small plants	<i>Carpenters</i> Making oak main doorway for St Nicola di Orti church (Reggiol.)
4)	<i>Interior decorators</i> Repairing sofas and arm-chairs from the archepiscopal court	<i>Electricians</i> Lighting and spray installation for tennis courts in Spezzano Albinese		<i>April 1984</i> <i>Mixed group of carpenters, electricians and gardeners</i> Planning and laying out gardens (400 m <sup>2</sup> ) Wood and electrical work in a church in Reggia Calabria

nity institutions and national authorities to help the spreading of exchanges of deprived youths and the regular exchange of results. This could possibly form part of a European youth exchange programme that would enjoy Community financial support.

Regardless of what becomes of all

this, the youths who went on the 'Berlin/ Calabria' exchange will remember it more for than just the change in scenery. As a result of it, many of them have been able to rediscover their personalities through contact with new experiences and by using their skills for a concrete vocational and social project. In

addition, following their training programmes, most of them have found jobs. Many of the young Germans have been taken on in companies. As for the Italians, three new cooperatives have been set up which will employ most of the youths from Calabria, in some cases on a permanent basis.



# Training for Community Development Workers in the Highlands and Islands of Scotland

## Background

Community Work North, an organization made up of the major employing bodies in the north of Scotland along with educational institutions in that area and concerned with the promotion of rural community development had a series of problems identified by its constituent members. These were as follows:

- (1) The need for effective rural community development workers with an intimate knowledge of the area in which they work.
- (2) The need to create training opportunities for people who would otherwise have little chance of gaining employment or qualifications and whose talents are often lost to the community.
- (3) The need to create an effective group of workers at a local level to help local communities identify and exploit their capacity to develop their own area in the social, economic and cultural fields.
- (4) Despite the heavy dependence of rural areas on service sector employment it is very difficult for people from those areas to gain higher level employment within the service sector.
- (5) Training for all but lower grades of employment is remote from rural areas.
- (6) The lack of organization, confidence and influence in the rural areas is a widely recognized problem and one to which community development is of obvious relevance.

After a series of meetings throughout the area involving the employers' representatives along with representatives from the Aberdeen College of Education community work department and the Scottish Education Department a proposed solution was hammered out in the form of a training course designed to meet the needs identified. The key elements were:

- (A) Applicability to the problems identified.

(B) Flexibility while maintaining the highest possible standards.

(C) Identification of local people who had the capacity and commitment to undergo a difficult and demanding period of work and training.

(D) Comparability in standards with current professional training in this field of work.

(E) Exploration of a new way of employing and training for this area of work so as to establish a model which could be replicated in similar areas.

(F) Partnership between educators and employers.

The next stage was to approach the European Social Fund to ask for 50% assistance under their pilot schemes budget, the major criterion being that the project was the first of its kind in Europe. This was secured initially for two years of a three year course with a promise that the final year would be funded given the availability of resources. The other 50% funding was provided by the employing bodies involved. The Scottish Education Department agreed that the scheme should go ahead and made provision for its staffing through resources given to Aberdeen College of Education. In effect the enterprise was given support across a broad spectrum of organizations from local employing bodies to the ESF. This proved a major strength throughout the project and ensured that its operation was highly visible and accountable as well as allowing the exploration of possibilities in cooperation between an education establishment and employers in ways not previously attempted.

## Structure and working of the project

The pilot scheme started on 4th January, 1981. There were 10 apprentices involved in the scheme deployed as follows:

4 employed by the Western Isles Islands Council;

1 employed by 'Suil', a community-based cinema and video project run by a voluntary group in the southern isles of the Western Isles;

2 employed by Shetland Island Council;

1 employed by Highland Regional Council;

1 employed by Borders Regional Council;

1 employed by Grampian Regional Council.

The group was comprised of six males and four females: all of them were local people. The average age of the group was 25 years.

Each apprentice was interviewed by a representative of the employing agency and a representative of the Youth and Community Work Department at Aberdeen College of Education. The college's role was to ensure that the person appointed by the employer was suitable for the training scheme. After the selection was made Community Work North were asked to approve formally their entry to the scheme.

A management committee consisting of representatives from all the employing agencies and from Aberdeen College of Education was set up by Community Work North to take overall responsibility for this scheme: a representative from the apprentices was co-opted on to this committee. This committee met regularly and looked at the overall progress of the scheme. It also looked at specific issues and attempted to resolve any problems that have arisen. The make-up of the committee was useful in that it was able to discuss many of the difficulties and possibilities of the connection between the employing authorities and the training agency.

There was also a Board of Studies set up by the College of Education to take responsibility for the content and structure of the training of the apprentices. This consisted of all those engaged in a teaching capacity on the scheme and also a co-opted representative from the apprentices.

Each apprentice was employed to work in a specific area and this was the basis on which the training scheme was built. It was through their work that problems, possibilities, issues and learning needs were identified. As described by one apprentice, the job was their text book. During the three years of the course the apprentices spent one-third of their time in study. This was broken up as follows:

- (a) 9 weeks in a contrasting work situation from their own;
- (b) 9 weeks outside their own situation but possibly in a similar area;
- (c) 12 weeks interspersed throughout the three year period in group study;
- (d) 9 hours per week were allocated for study, individual sessions and supervision.

Local tutors were appointed in consultation with the apprentices and encompassed a wide range of people as follows — a deputy director of education, a local priest, a headmaster of a comprehensive school, a fisheries development officer and the director of a Gaelic publishing company, a community worker, a teacher, a community co-op development officer, a social worker, a community work lecturer. The importance of the 'local tutor' was something which had not been anticipated when the scheme was drawn up. However it was clear that this role was crucial to most apprentices in the progress of their educational development during the scheme. The other major development in this area was the establishment of regular meetings between local tutors and college tutors. This stemmed from the overlapping nature in the tasks of both college and local tutors. There were changes in local tutors throughout the three years as in two instances the distance between where the apprentice worked and the base of the local tutor was too great for regular meetings to take place. This caused problems for the apprentices involved: in one case there was no effective tutor for a number of months although that was resolved, and in the other case there were difficulties in finding a replacement local tutor.

A work supervisor was identified by the employer for each apprentice. There were regular meetings with work supervisor, apprentice, local tutor and college tutor, as well as regular meetings between individual apprentices and local tutors and individual college tutors. There was also frequent contact by telephone between college tutors and apprentices. Regular reports were given to the general committee of Community Work North on the progress of the scheme. Two evaluators were appointed by the management committee — one was the senior lecturer in Sociology at Aberdeen University who had a special interest in Methodology and in Education, the other was an HML in the Scottish Education Department with a special interest in rural community development.

Each apprentice developed a programme of learning which should suit her/his needs. This was carried out with reference to her/his local tutor through their regular meetings and also to the college tutor. The development of these individual programmes took different forms in each case. There was built up over the three years a different learning programme for each apprentice. Initially the clarification of exactly the kinds of information needed in relation to their job and the wider knowledge of rural community development was a slow process. However as the course progressed it became much easier for individuals to clarify their educational needs and to develop a programme to meet these needs. Crucial to this process were the block periods of study where the group came together to look at issues in community work. These two week blocks were extremely important in the development of the course. They involved two members of staff from Aberdeen College along with the apprentices.

After the first block period of two weeks the apprentices established a mode of communication with each other which continued to be used as a support mechanism as well as a way in which the individual's knowledge and expertise was made readily available to others who might need it. It is interest-

ing to note that this network was used extremely profitably and had implications for the future of Community Work North's work in the north of Scotland. It has given apprentices, college staff, local tutors and work supervisors a very interesting model of communication and involvement which will be of continuing benefit to rural community development in the north of Scotland. It also suggested that on a wider basis the relationship between what was, on the one hand, an educational endeavour and on the other a work exercise, could have extremely positive consequences when links are made between people engaged in the same area. It is important to recognize the shaping of attitudes which has taken place through the course and the ability that this has given to all concerned to use resources in a more productive and open way than is normal in this field.

What follows are comments made by the evaluators of the scheme and are directly taken from the report:

## Summary of evaluators conclusions

The evaluation of the scheme is centred on three questions, which are as follows:

- (1) Has the scheme succeeded in helping each apprentice to create a job of work that could be self-sustaining beyond the end of the three-year period and which is integrated with existing community education initiatives?
- (2) Has the scheme succeeded, through each of its various pedagogical components, in transforming the necessarily limited experience of the apprentices into an awareness of further possibilities for community action beyond those being currently practised in their areas?
- (3) Has the scheme succeeded in promoting its stated policy on how community workers should be trained?



We have come to believe that the answer to all three questions is 'yes'. We believe that the scheme worked. The generally favourable conclusion can be elaborated further. We have come to see that one of the major advantages of an apprenticeship scheme in which work and training go hand in hand is that the scheme is adept at detecting and dealing with problems of work, problems of training and problems of conflict between the two as they arise. This is because 'problems' constitute much of the raw material on which the tutorial relationships operate and which the study blocks discuss. However, three qualifications seem sufficiently important to mention here:

- (1) Under question 2: The response to the needs of individual apprentices, once identified, does not seem to make the fullest possible use of other people's experience, particularly as recorded in books, articles, etc. Individual study plans seem rather imprecise, and are not necessarily followed through.
- (2) Under question 3: The scheme is seen in certain quarters as a substitute for existing courses, implemented because of the inaccessibility of existing training to some people who live in rural areas or who have domestic responsibilities that prevent them from attending a residential course far from home. There is not yet enough awareness of the special approach to theory and practice that is implicit in the scheme and which is particularly appropriate for rural community development.
- (3) Under all questions: It seems likely that when the original application to the EEC was made some of the resource implications were underestimated. This has caused some tendency to slow motion in handling problems once identified.

### Final comments of evaluators

We are witnessing the operation of a model of professionalization which is

quite distinct from that implemented in most types of training at present. The latter, for which medical training is the archetype, consists for the trainee of learning bodies of theoretical knowledge usually encapsulated within traditional academic disciplines and presented through the media of books and lectures. Concurrently, or subsequently, the trainee gets some practice in the application of this knowledge, and is also required to amass facts about the history, law and organization of the profession. This model of training has stood the test of time, but probably owes its survival as much to its ability to control entry to the profession, and to control its *modus operandi*, as it does to any guarantee of efficiency and high standards of practice. Under an apprenticeship scheme, the trainee is brought directly and immediately into the practice of the profession. This experience provides opportunities for, firstly, concentrating on learning about the handling of diagnostic situations, and, secondly, learning about modes of access to the knowledge and experience of other members of the profession whether through personal contact or through written material. It is learning how to learn. It is the creation, for the trainee, of a conceptual framework within which the theoretical disciplinary knowledge can be anchored in a way which makes it very hard to forget, and always relevant to the problems in hand. In addition, it facilitates the continuing acquisition of theoretical knowledge throughout the trainee's subsequent career. As far as the two models of training co-exist for community work, the end-point is intended to be the same — the trained community worker. We cannot stress too strongly that the apprenticeship scheme should not be thought of as some second-best alternative to conventional training, implemented because of problems of access to the latter. Indeed, we would predict that comparative research would show that an apprentice would be doing more useful work earlier than a worker trained under a conventional scheme.

### Conclusion

Conventional training in community work consists of courses based in colleges and universities with blocks of practical work undertaken throughout the period of training. Community Work North, with assistance from the European Social Fund, pioneered quite a different mode of training for rural community development workers. In this scheme work and training were linked in a unique way and the conventional pattern was reversed with the practice becoming the prime area of activity rather than lectures and tutorials etc.

- (A) Work was used as the basis of teaching material;
- (B) A system of guided self-assessment was used;
- (C) The group of trainees effectively controlled the direction of their training.

The scheme was carefully monitored and adjudged by trainees, employers, academic staff and external evaluators to be a successful way of training in this area. So much so that Community Work North, again with assistance from the European Social Fund, has embarked on a similar scheme in an urban area. The same model is being used adapted to suit the different circumstances and incorporating the lessons learnt from the rural scheme. They also intend to mount another rural scheme as early as possible.

The success of this scheme has led to a great deal of interest being shown in its wider applicability both geographically and in terms of other professions such as teaching and social work. It would, however, be important to undertake an in-depth assessment of this kind of training built on the evaluation already completed before such a step is taken.

The writer was faced with a dilemma when tackling the task of describing this pilot project so that readers would get a clear idea of how the scheme worked. Either it had to be described in a substantial and hopefully clear way which gave the reader a good grasp of why the

scheme was set up, how it worked and the critical areas within it, or it could give the flavour and excitement of the working and learning process that took

place. The decision to elect for the former seemed sensible but unfortunately has meant that there has been little said about the process involved. For that I

can only apologize and hope that there may be future opportunities to describe what was an extremely valuable and exciting process for all concerned.



# Employment and the handicapped

**No one will be surprised that the Commission has chosen Employment as the first theme to be studied and developed at policy level as part of the implementation of the programme to promote the social and economic integration of disabled people which the Council, on the basis of Parliament and Commission initiatives, established in the International Year of Disabled People (1981).**

The Commission has based its analysis in the first place on four studies which were undertaken between 1982 and 1983 and which explored the problems from different points of view — statistical, psychological, juridical, sociological and ergonomic. In addition, the Community network of rehabilitation centres formed three working parties which reported in 1983 on the employment and vocational training of disabled people, and the European associations of and for disabled people with which the Commission is in regular contact were invited to submit data or position papers on the issue. In this way the Commission has been able to draw on the knowledge and opinion of practitioners and consumers as well as researchers.

In January 1984 the Commission invited Professor Aldeba, dean of the faculty of economics in the University of Limburg, Maastricht, to prepare a synthesis report which would take into account the studies and other contributions already received and which formed the basis of a multirepresentative workshop which the Commission organized in Brussels in March 1984. Finally, the employment theme was the main item on the agenda of two meetings (April and June 1984) of the Commission's Liaison Group on Disability, consisting of representatives of the ministries concerned in all the Member States. The Liaison Group has also been an important source of documentation concerning recent developments in Member States.

## **Positive factors affecting the employment of disabled people**

No category of legislative measure in this field has provoked more discussion than the 'quota' method, whereby employers are required to employ a certain percentage of disabled people by law. In Germany, all enterprises, whether public or private, employing more than 16 persons have to employ 6% of persons with a disability assessed at 50% working capacity or worse; failure to do this entails at present the payment of a

levy of DM 100 per month for each post below the quota. The money so collected becomes the main source for the creation of employment support funds which are devoted to grants (for the adaptation of posts, for example), to employers satisfying or exceeding the quota and to provide follow-up assistance to disabled people in their working lives. No such system could be expected to work perfectly, but the German one does work to a far more than merely satisfactory degree. Although, on the most recent figures (1982), 75% of employers liable did not satisfy the quota, a significant number exceeded it; the overall result is that nearly 77% of the posts which should have been filled by disabled people under the statute were so filled, and that 5.9% of all workers in the enterprises concerned were disabled to the very considerable extent required by the criteria. The great merit of the system is that it attacks by means of one mechanism both barriers to the employment of the disabled at once — the shortage of jobs and the shortage of financial resources to underpin rehabilitation services. It is also fundamental to the system that it refers to severely disabled people and applies to both public and private employers.

Yet there is no evidence that Member States are planning to create from nothing a quota system on German lines, or to adapt and strengthen their present quota system on the German model. The opinion is often expressed that any such initiative would be counterproductive in present economic circumstances when so many non-disabled workers are unemployed. In the United Kingdom it has been decided, after considerable debate, not to abolish a quota system which is generally regarded as unsuccessful. Instead there has been created alongside it a new official but voluntary Code of Good Practice on the Employment of Disabled People, certainly intended to be the cornerstone of future policy and practice. In the Netherlands also a new approach with some similar characteristics can be seen in measures now before the Parliament. Instead of a strengthened 5% quota as once proposed, employers

and trade-unions will be required to cooperate to ensure that an equal opportunity for employment of disabled people is achieved in practice in all companies; in three years time, government may impose a quota of 3%—7% on a given enterprise if necessary.

The requirement for a steady and reliable source of funds to resource training and employment subsidies and services can be met by other means than a quota-levy-grant system. A good example is the Fonds National pour le Reclassement des Handicapés in Belgium. Resourced 'painlessly' by contributions from the general public (notably by means of a premium on motor insurance), the Fund is the means for ensuring as far as possible a reliable and even standard of rehabilitation services throughout the country.

Many disabled people, including young people, have benefited from improvements during the last two decades in training provision as well as in guidance, placement and follow-up services. Progress has been made in both the range and quality of training available; in some countries the increase in the number of mentally retarded people receiving serious vocational preparation is considerable. More flexible methods, for example modular training systems, have been introduced, and more possibilities exist for self-assessment and active participation by the trainee. Meanwhile, following on from the post-war growth of well-resourced specialized institutions, there is now an increasing range of 'integrated' training opportunities in normal courses and establishments open to all trainees, disabled and non-disabled alike. All the most significant of these developments are well represented in the Community's Network of Rehabilitation Centres which is concerned with both physically and mentally disabled trainees and which is now considerably increasing its capacity to disseminate the results of innovation and the experience of good practice.

Nor are all the trends in the job-market itself unfavourable. The growing demands for shorter working hours, the interest in shared work schemes,

increased opportunity and better conditions for part-time work, more and better offers of early retirement — these are all trends which may be particularly attractive to some of the disabled population. It is generally recognized, too, that computerization will entail a general improvement in the conditions of many working situations, from which disabled people may especially benefit. More important still, the technological revolution is offering both vastly improved aids to employment notably in the office sector (voice-synthesizers for blind secretaries, for example), and new specific job opportunities using the computers themselves (as programmers, for example, or programme operators), whether within a normal working environment or by means of 'telework'. There may well be expanding rather than diminishing opportunities also in sectors unconnected with the new technologies, the tourist, forestry and horticultural industries for example. Most important of all for disabled people may be initiatives of a different kind in which the Community is playing a leading part — schemes to bring about a social guarantee for young people, to encourage the formation of small and medium-sized enterprises and to promote local employment initiatives.

A quite different example of the same general type of initiative is afforded by the creation of cooperatives; this is of exceptional interest, since it is a good example of an approach which is recommended at Community level as part of the general campaign to promote job creation and which has been proved to be exceptionally suitable for disabled people. The great majority of these developments have been in Italy, where traditional sheltered workshops have not been widely established. There is a strong preference for cooperatives which bring disabled people together with the non-disabled. The problems of launching the endeavours and finding markets for the products are certainly severe. But, in Italy at least, there have not been serious problems in relation to trade-unions as far as wage levels are concerned, while the contribution that cooperatives, in favouring integration

and enhanced responsibility, have already made to independent living is already established and must have considerable potential for the future.

## Problems affecting the employment of disabled people

One aim of the statistical study on the employment of disabled people which the Commission's Statistical Office conducted in 1981 was to establish to what extent 'the working population which is disabled suffered more than any other social group from unemployment and the economic recession in general'. The conclusion of the study is however that 'most countries do not have statistical tools which enable this question to be answered'. Inevitably, therefore, precise numerical evidence is scrappy as well as being generally out of date, and the poor quality of the evidence is itself proof of the need for Community initiatives to promote research in this field. What such evidence there is, however, fully corroborates the universal and firm belief that disabled people, in common with other disadvantaged groups, have suffered and are still suffering the effects of recession considerably more severely than the average, a view which is in particular also held by those in ministries or governmental agencies who are specially concerned with this problem.

The causes which underlie this problem may be set out as follows:

- (a) Except in the Federal Republic of Germany, national quota legislation, introduced at a time of economic growth, has failed to protect disabled workers at a time of economic recession.
- (b) Moreover, the other principal form of direct legislative action has been the establishment by law of certain specific jobs as reserved occupations for disabled people — for example lift operators and car-park attendants in the United Kingdom. The problem here is that this approach, welcome and appropriate certainly



when it was introduced, is now out of harmony with attitudes as they have developed among disabled people and their families, the professionals themselves and even the general public. Any tendency to identify disabled people with certain occupations, above all with tasks which are somewhat lowly and undemanding of skill or training, is generally felt now to smack of discrimination in the bad sense and to be contrary to the human dignity of the individual. The strategy of reserved occupations does not appear to have a future.

- (c) In spite of the examples which exist of high-quality training in well-resourced establishments, whether specialized or not, the overall picture of the training provision for disabled people is one of basic inadequacy and often limited resources for adaptation, so that there is both an increasing mismatch between the skills disabled people have to offer and the few vacancies available, and an over-provision of low level training which does not equip disabled people for available jobs.
- (d) Whether because of a lack of training opportunities, or because of difficulties in undertaking training which are directly related to a specific disability, a considerably greater than average proportion of disabled workers are unskilled with little or no prospect of on-the-job training; they are therefore exceptionally vulnerable to redundancy in a period of both recession and technological change.
- (e) Specific technological changes may entail serious loss of employment opportunities which have been particularly helpful to people with certain disabilities. For example automation for production purposes has already reduced occupations in secondary industry suitable for a number of disabled people including those with mental impairments.
- (f) Progress in establishing the necessary physical environment — housing, access, transport — to support



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the employment of disabled people (particularly, but not only, those with physical disabilities) has been generally too slow and too sporadic; this can entail additional insuperable limitations to the employment opportunities available.

- (g) There is perhaps widespread belief that the cost of vocational rehabilitation, a desirable 'extravagance' in times of relative plenty, simply cannot be afforded in a period of economic restraint. Where the motivation of employers to resettle their own

workers who become disabled may be in decline, it is evident that disabled workers looking for a job from outside the company will have greatly reduced chances.

(h) Negative attitudes towards questions of physical appearance and speech defects affecting certain disabilities may well be still widespread among the general public — certainly, which is quite as important, they are a prominent feature of what many employers believe about the general public. This, without doubt, acts as a serious hidden barrier to the recruitment of disabled people into jobs in the tertiary sector of the economy (commerce, tourism, office-work, personal services) for which they may otherwise be particularly well-suited, and which probably constitute one of the most important areas of opportunity for the future.

(i) The complex relationship between rehabilitation measures and financial benefit systems does not always work coherently, and can even operate as a disincentive to employ-

ment. The difficulties concern above all the relationship between disability benefits and certain kinds of employment patterns which can be of special interest to disabled people — part-time work above all but also 'trial' work periods and gradual taking up of work or return to it. In some Member States a disabled person receiving benefit may simply become worse off by taking up part-time work, or during a period of gradual entry to work. There may also be powerful disincentives to otherwise useful 'trial' work schemes.

(j) While there are widespread efforts to engage the support of employers by means of financial subsidies and programmes of information and advice, the take-up by employers of adaptation allowances can be disappointing. Moreover there is little evidence of concerted efforts to engage the interest and influence of the trade-union movement in support of the employment of disabled people.

(k) With notable exceptions, the participation of disabled people them-

selves, at national, regional, local or enterprise level, in the taking or implementation of decisions which directly concern their economic integration, is not a prominent feature of the European Community scene.

## Conclusions

That the employment predicament of disabled people is grave and urgent has been shown in the last section. If there were nothing to build on, no chance of effectively fighting back, then there would be no point in trying, no justification for a Community initiative: we should do better to leave disabled people who want jobs to get them if they can, and rely on disability pensions as the only instrument of policy. The conclusion of this analysis is that the situation is not at all like that. On the evidence, there is a great deal on which to build, on the side of measures and services, even, too, on the side of the market. There is therefore not only a justification for the Community to reinforce its efforts, but no excuse for not doing so.

**Patrick E. Daunt**



# Employment in 1986: Outlook and Policies

**In its Annual Economic Report 1985—86, which was adopted in October 1985, the Commission has analysed the economic situation in 1985 and presented its economic policy guidelines for 1986. The principal theme of the report is the need to achieve a substantial and durable improvement in the employment situation.**

The report, entitled 'A cooperative growth strategy for more employment' calls for balanced contributions from the Community, Member States and the Social Partners. The report stresses that this strategy, for which a combination of different economic policy instruments will need to be deployed, will be even more effective if it is able to count on international cooperation.

Given a plausible margin of uncertainty as far as world developments are concerned, such a policy should make possible the achievement of an increase in the economic growth rate in the Community from its present level of 2.5% to an average of 3—3.5% over the next few years and at the same time make growth much more employment-creating. This would produce an average annual increase of 1—1.5% in employment, opening up the prospect of unemployment being brought down to around 7% by 1990.

Such a development is only possible, however, when all concerned — the Community, national governments, employers and unions — work fully together to implement the proposed strategy.

The forecasts currently available indicate that, on the basis of present policies and behaviour, growth in the Community will probably continue in the medium term without, however, exceeding 2.5% a year. This could bring about only a modest improvement in the employment situation, with the result that the unemployment rate will probably not fall significantly between now and the end of the 1980s.

Under the circumstances, the unemployment problem can be resolved only if there is a fundamental improvement in the relationship between growth and employment, that is to say, if more jobs are created for each percentage point of growth.

The Commission is proposing, therefore, an economic policy strategy that, without rekindling inflation, would make way for higher and, above all, more job-intensive growth in the medium term.

At *macroeconomic level*, more job-creating investments are needed, and this is first and foremost a task for business.

At *microeconomic level*, a series of market and sectoral policies are proposed, particularly with the aim of improving the adaptability of markets.

In the field of employment policies, the strategy sets out the policies which need to be pursued in three particular areas: adaptability of the labour market, specific employment programmes, and education, training and technology. These are described below.

## **Adaptability of the labour market**

Given the urgent need to improve the conditions for employment growth in the economy, increasing attention is being given currently by governments and the social partners to the task of making the labour market work more efficiently. This involves improving the adaptability of the European labour market to structural change, especially to the introduction of new technologies and to competition from the United States and Japan as well as the newly industrialized countries.

In the last Annual Economic Report, the Commission identified examples of labour market regulations which appeared to be designed inefficiently or in ways that serve to deter employment. It called for a re-examination of labour market regulations in order to ensure both greater equality of access to employment and greater efficiency in the use of labour within enterprises.

In conjunction with the Member States and the social partners, the Commission is currently carrying out a comprehensive review of the legislation and collective agreements in these fields. A group of experts is studying also the attitudes of social partners and governments to the problem of labour market flexibility. (A communication to the Council on this subject is being prepared.)

The social partners are principally responsible for the adaptability of the labour market. Where government regulations are important, any specific proposals to change them — particularly those concerning job tenure or dismissals — should be fully discussed with the social partners. Governments should also review to what extent they themselves are inhibiting the workings of the labour market by the complexity of administrative regulations they impose on employers.

Some actions have recently been taken by Member Governments with the intention of improving the adaptability of the labour market. For example, in Germany, new measures allow limited term employment contracts and promote part-time employment. In France, regulations governing fixed-term contracts have been relaxed to promote the recruitment of the long-term unemployed, and measures have been taken to promote part-time employment. In Italy rules restricting the choice of employers on whom to recruit have been relaxed.

Another important factor inhibiting adaptability of the labour market are weaknesses in employment and training services geared to current and future labour market needs. To make good these weaknesses will require the cooperation of representatives of governments, and social partners at local, regional and national levels. The Commission is currently pursuing a programme of consultations designed to promote this kind of forward-looking labour market management in the Community.

For their part, governments should continue to examine whether the structure and organization of their employment services are adequate to meet the demands of a rapidly-changing market.

Improving the adaptability of the labour market also encompasses the need to reorganize existing work patterns, and in particular working time but in ways which would be broadly neutral with respect to costs. The reorganization and reduction of working hours can be designed to maximize employment effects while maintaining competitiveness and the basic social rights of the

employees. Collectively agreed working time reductions in France, Belgium, Netherlands and the Federal Republic of Germany have often been accompanied by a rearrangement of working hours so that productive equipment, especially advanced machinery in high growth markets, is utilized more efficiently. Traditional barriers between daily full-time work, shift work in its various forms, part-time work over periods of time, overtime working, etc. have become less pronounced. The traditional fulltime work in a standard working week, which continues to apply to the majority of those in work, coexists with an increasing number of more differentiated work contracts which can meet both the aspirations of the employees and the requirements of production. Such measures in the industrial sector have helped to save jobs which would otherwise have been lost. In the service sector an increase in employment has been reinforced by these measures. In some branches, e.g. retail trade, the number of employees may rise despite a declining volume of work, due to the growing importance of part-time work.

Within the framework of the collective agreement in the German metal-working industry which reduced average weekly working hours from 40 to 38.5, about 70% of the companies have reached agreements to maintain operation time. The company agreements take various forms. In France more than 500 enterprises, usually in the context of solidarity contracts, have reorganized working and production time in agreement with the unions. These have often led to a substantial increase in the utilization of capital equipment. In Belgium and the Netherlands innovations in working-time arrangements have also been numerous. A recent survey carried out for the Commission indicated that a large proportion of the labour force would be prepared to consider the possibility of new working time arrangements.

## Specific employment programmes

The process of reducing unemployment by means of macroeconomic policy measures will take several years. Thus, in the meantime, specific unemployment measures will still be required. The high level of unemployment is particularly serious in old industrialized areas of declining employment and the under-developed areas which had never achieved self-sustaining industrialization. Its effects can also be seen in the very high rates of youth unemployment (three times the adult rate) and in the increasing number of long-term unemployed (39% of the total unemployed have been unemployed for more than one year).

The Commission proposed guidelines for temporary work measures in its communication on long-term unemployment in 1984<sup>(1)</sup>. At that time, it stressed the need for temporary work programmes to be prepared in collaboration with local and regional governments, and so be suitably adapted to local needs. Temporary work measures of this kind need to be publicly funded but often involve the voluntary sector or non-profit enterprises as well. The net financial costs to public budgets is generally small since a high proportion of the unemployed who would be engaged on temporary employment programmes are already in receipt of unemployment benefit or other forms of social support.

Many Member States have been developing such temporary work schemes specifically aimed at particular groups of unemployed. For example, in Germany, the public interest jobs ('ABM') — *Arbeitsbeschaffungsmaßnahmen*) for up to one year are aimed at 'difficult to place' unemployed who are in receipt of unemployment benefit. The government pays 60–100% of the cost. In France, young people aged 18–21 can be given jobs in the 'TUC' (*Travaux d'Utilité Collective* — Jobs of benefit to the Community) and through 'solidarity contracts' between local authorities and non-profit

<sup>(1)</sup> COM (84) 484 final, OJ C 322, 3. 12. 1984.



organizations. The jobs include vocational training and the government contributes to the cost. In the United Kingdom, the Community Programme is aimed at adult long-term unemployed. The government pays a wage subsidy. These various schemes are in 1985 reaching around 100 000 people in each of the three countries mentioned.

In general, these types of programmes have several advantages over alternative public job creation schemes (limited substitution effects, more precise demographic and geographical targeting, lower budgetary costs). Nevertheless, as a solution to the problem of unemployment, they can only play a relatively minor role. The productivity of these jobs may be relatively low, and the slight amount of associated training does little to enhance the long-term job prospects of participants.

Another specific measure adopted by a number of Member States is the provision of assistance to help the unemployed set up their own business. In general, such measures allow the unemployed, under certain conditions, to capitalize their unemployment benefit into a lump sum, or to continue receiving unemployment benefit at the same time as they are self-employed, or a combination of the two. In France, for example, the government gives a subsidy to unemployed people who set up their own business. In the UK and Ireland, a weekly allowance is granted to unemployed persons who can also put up a certain amount of their own resources. In the Netherlands, people can receive a loan and an income supplement up to the level of social assistance during the start-up period. In most cases, eligibility for the allowance is conditional upon having been unemployed for a certain period or is limited to the maximum period of qualification for unemployment benefit (usually 12 months).

The role of local government and non-government organizations in the development of small local-level enterprises is crucial. In a recent communication<sup>(1)</sup> the Commission highlights the key role of local support structures which are able to offer encouragement,

information, guidance and assistance to those involved in enterprise and employment creation.

## Education, training and technology

The speed and scale of technological change is creating new and urgent needs, particularly for considerable numbers of technical specialists, and for the retraining of adults whose jobs are affected by technological change. These pressures, combined with the demographic bulge in the numbers of young people, persistent high unemployment and the continuing restructuring of industry in the Community, are leading already to major changes in the education and training policies of the Member States.

For example, a striking development has been the rapid expansion in youth training provision in recent years. Some 700 000 apprentice places are now available annually under the German Dualsystem; the United Kingdom's Youth Training Scheme has over 300 000 participants at any one time; and in France the number of training places supported under the government's special measures is approaching 500 000. Member States are also making major efforts to ensure that young people acquire a basic understanding of the new information technologies before they leave school, and to improve the vocational relevance of the curriculum — even in non-technical subjects. Policies on the youth employment and training problems have been recently reviewed in a Commission memorandum<sup>(2)</sup>.

Through its work programme on 'new information technologies and the school systems'<sup>(3)</sup> the Commission is offering technical support in the areas of new information technologies and the school curriculum, the training of teachers, and educational software and hardware.

A parallel programme is under way in the field of vocational training<sup>(4)</sup>. Under the new guidelines for the

management of the European Social Fund issued in April, the Commission is giving priority to training programmes linked with the introduction of new technologies.

In July 1985 the Commission published proposals for a new Community programme in education and training for technology (Comett)<sup>(5)</sup>. This is designed to encourage university-industry cooperation, within a Community framework, on advanced training in the new technologies. It will help ensure that the competitiveness of the Community's industries is not inhibited by shortages of highly skilled manpower, and encourage economies of scale by facilitating joint training programmes in specialist skills. The programme, which is due to start in 1986 includes:

- (i) funding for a Community network of university-industry partnerships;
- (ii) grants to enable students, academics, managers, trade unionists and others to be seconded to universities or enterprises in other Member States;
- (iii) joint training projects involving enterprises and universities from different Member States, designed to meet specific manpower shortages;
- (iv) the feasibility of establishing a European technological open university system will also be examined. The Commission intends to submit a communication, before the end of 1985, proposing Community action in the field of education technology (especially through the use of information technology) in order to improve the access and the cost/efficiency of education and training.

<sup>(1)</sup> Community action to combat unemployment — the role of local employment initiatives (COM (83) 662 final), OJ C 70, 12. 3. 1984.

<sup>(2)</sup> 'International Youth Year' (COM (85) 247 final) July 1985.

<sup>(3)</sup> 'New information technologies and the school systems in the EC.' (COM (84) 722 final) June 1984.

<sup>(4)</sup> 'Vocational training and the new information technology' (COM (85) 431 final) April 1985.

<sup>(5)</sup> 'Community programme in education and training for technology' (COM (85) 431 final) July 1985, OJ C 234, 13. 9. 1985.

# Social protection in the coal industry in the European Community

**The Mixed Committee for the Harmonization of the Working Conditions in the Coal Industry, comprising an equal number of workers' representatives and employers' representatives was founded in 1954 by the High Authority of the ECSC following an initiative of the Consultative Committee.**

**In general its task is to assist the Commission of the European Communities in the formation and putting into effect of Community social policies, outlined in the ECSC Treaty. It serves also as a forum for dialogue, exchange of information, and for**

**the promotion of consultation between the social partners; and for examining initiatives which fall within its competence.**

**The article which follows, drawn up at the request of the Mixed Committee by Mr Dubo, a member of the committee, aims to make a wider audience aware of the reports comparing the social security schemes for Community coal miners, using a uniform method of presentation for each country concerned, which is updated annually by the Mixed Committee (').**

Since time began, man has wanted to abolish the uncertainty of tomorrow and protect himself against the risks inherent in work and the human condition.

Man is subject to dangers at his place of work. An accident or industrial disease can deprive him of his ability to earn, while unemployment also removes the possibility of procuring the necessary bread and butter. The worker is subject to the normal risks inherent in daily living: sickness, maternity, disability, old age, death: here again a family can find itself deprived of the means of providing for its existence. Even happy events, such as the birth of a child, can entail a fall in living standards, wages generally being dependent on work rather than on the number of dependents. A worker's savings may be inadequate to cater for the vicissitudes of life. Private welfare schemes cannot ensure adequate protection: particularly where measures taken by employers or family responsibilities are concerned.

For this reason, central governments have made insurance compulsory and have required both workers and employers, and if necessary, the public authorities, to contribute.

The first compulsory insurance system was introduced by Bismarck in his famous announcement to the Reichstag on 17 November 1881. The German system has served as a model for nearly all European legislation in this field since then.

The term 'social security' was first used in the United States in the Social Security Act, adopted by Congress on 14 August 1935.

The Beveridge Report containing a plan for a social insurance system was presented to the House of Commons on 20 November 1942 and has continued to exert a far-reaching influence on all social security legislation. Since then social security has been defined in terms of its objectives, which Lord Beveridge believed should abolish need by providing every citizen at all times with sufficient income to meet his obligations and, more specifically, to alleviate the consequences of sickness, accident, maternity, disability, old age, death of the family breadwinner, unemployment and family responsibilities.

At the end of the Second World War, a number of international declarations were issued, solemnly affirming the duties of the State regarding social security; in particular the Philadelphia Declaration, adopted on 10 May 1944 by the International Labour Conference, and the Universal Declaration of Human Rights, adopted on 10 December 1948 by the General Assembly of the United Nations — which in Article 22 lays down the principle that 'everyone, as a member of society, has the right to social security'. This was followed, of course, by the European Code of Social Security, which establishes minimum standard in this area: Germany, Belgium and the UK, in particular, have ratified this code.

Thus social protection has been extended and rationalized within the context of social security systems, to constitute one of the main pillars of economic and social policy.

The specific nature of mining calls for greater solidarity in the face of the

dangers of working underground and the related technical problems. This explains why the first welfare systems were developed in the mining sector; it also explains why mineworkers are attached to the special social security schemes covering their sector, their constant interest in the sound operation of these schemes and willingness to participate actively in their management.

The location of the extractive industries is determined by the presence of mineral deposits: their presence attracts considerable numbers of workers and their growth results in a dense concentration of population, all the greater as mining is a labour intensive industry. Workers were brought to these areas, in many cases far from existing towns, by the mine operators to form the large conurbations in the coalfields that we know today. This is why the trade unions and employers show great interest in social security.

Finally, the arduous nature of work at the coalface and its associated dangers has obliged governments to accord coal miners' social security schemes a privileged status, particularly as regards health care, disability, old age and unemployment insurance.

The importance attached to security by the trade unions and the employers is manifest in the Mixed Committee on the Harmonization of Working Conditions in the Coal Industry.

(') Any reader interested in these reports is invited to contact the secretariat of the Mixed Committee on Coal, CCE, V/A/3, 200, rue de la Loi, B-1049 Bruxelles.





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In the face of an institution of such significance in the coalmining world, and in view of its extremely complex nature, the Committee felt that it was essential to obtain accurate knowledge of the social security schemes protecting the mining population in four Member States: the Federal Republic of Germany, Belgium, France and the United Kingdom. Accordingly, a working party composed of experts from each of these countries was set up and given the task of preparing a compendium of the rules governing the social security schemes.

The experts in the working party<sup>(1)</sup> decided that specific reports should be drawn up to provide a source of basic information for the Commission's work.

Accordingly, they agreed to the following plan of work to ensure that their reports were of practical value:

- (i) the description is limited to the rules concerning miners since these rules generally serve as a basis for any special provisions applicable to other categories of workers in the mining sector;
- (ii) in view of the complexity of the subject, the text is readily comprehensible, excluding any ambiguity;
- (iii) the reports contain no theory concerning social security, no critical comparisons, no value judgements regarding the risks to be covered and solutions chosen by each Member State to protect workers against these risks.

The originality of the work thus accomplished resides in the adoption of a detailed common plan: comparisons can be made instantly without the need

for successive searches through each of the other three reports to locate the topic in question.

The draft reports, after translation, were examined jointly, so that after comments and discussion the final text was understood and accepted by the experts of all member countries represented. Each report therefore is the fruit of team work carried out in a spirit of mutual understanding by the German, Belgian, British and French experts and translators.

<sup>(1)</sup> For the Federal Republic of Germany: Mrs Leggewie, Mr Rösener and Mr von Bergen.  
For Belgium: Mr Soudon, Mr Boulet and Mr Van Bruystegem.  
For France: Mr Destal and Mr Dubo, who took it in turn to head the working party.  
For the United Kingdom: Mr Parkin, Mr Boydell and Mr Stafford.

Devoid of any commentary, each report is in the form of a brochure and none exceeds 80 pages.

Completed in 1978, the reports have been updated from 1 January of each year and examined by the Mixed Committee on the Harmonization of Working Conditions in the Coal Industry. The present publication dates from 1 January 1985.

Each report contains:

- (i) a one-page introduction outlining the specific features of the mine-workers' social security schemes;
- (ii) three chapters:
  - (a) one describing the administrative organization on two pages plus a table;
  - (b) one describing the financing, in the form of a table;

- (c) the last, of about 75 pages, describing the benefits.

This chapter contains 10 sections as follows:

- (1) Sickness
- (2) Maternity
- (3) Disability
- (4) Old age
- (5) Survivors
- (6) Industrial accidents and diseases
- (7) Rehabilitation
- (8) Family benefits
- (9) Unemployment
- (10) Rationalization

In view of the primordial importance accorded social security by the trade unions and mine operators, the Mixed Committee for the Harmonization of Working Conditions in the Coal Industry has prepared a document which pres-

ents a clear account of how mineworkers and their families are protected against the risks and responsibilities associated with both home and working life in the Community.

This work was carried out by a team of experts from Germany, Belgium, the United Kingdom and France, who worked together on each report: it is therefore a truly European work.

The Mixed Committee for the Harmonization of Working Conditions in the Coal Industry is pursuing its task in the spirit of the mission entrusted to it within in the framework of the European Economic Community.

In this connection, the Mixed Committee undertook research to identify the elements most suitable for harmonization in the field of ECSC readaptation.



# Adaptations in the labour market with regard to reductions in individual working time

## Recent developments

The reorganization, adaptation and reduction of working time per person as well as the operation time of enterprises are key concepts in the current discussions on employment, the flexibility of the labour market and working conditions. To a certain extent these elements have already been underlined in the Council Resolution of 18 December 1979 on the adaptation of working time<sup>(1)</sup>, resulting in a number of Commission proposals leading to the adoption of a Council Recommendation on flexible retirement<sup>(2)</sup>.

### Introduction

In September 1983, the Commission submitted its proposal for a Council Recommendation on the reduction and reorganization of working time<sup>(3)</sup>, which sets out the conditions in order to render a reduction in individual working time effective in terms of employment, while not impairing the competitiveness of enterprises, and safeguarding the basic social rights acquired by the working population as well as maintaining the quality of working conditions under changing circumstances<sup>(4)</sup>.

Although this draft was not adopted, the European Council of 25/26 June 1984 agreed that the reorganization of production (time) is a matter of Community interest<sup>(5)</sup>, and the Council agreement of 13 December 1984 on an action to combat long-term unemployment<sup>(6)</sup> explicitly recognizes the importance of the adjustment of working hours, which could help the long-term unemployed to find employment.

The importance of working time issues is furthermore underlined by two additional Community actions in 1985:

- (i) the Commission Decision of 30 April on the guidelines for the management of the European Social Fund<sup>(7)</sup> in the financial years 1986 to 1988 state as one of their priorities for eligibility for ESF assistance (without regional limitation) recruitment to additional full-time or part-time jobs linked to the reorganization or redistribution of work, as agreed between both sides of industry.
- (ii) the programme for specific employment measures, adopted by the Council on 13 June 1985<sup>(8)</sup>, calls upon the Commission to examine the possibility of promoting and developing experiments in the reorganization of working time, by a better distribution of working time, in a manner appropriate to the different economic sectors, and improving working conditions, especially at the level of firms, so that it is economically viable to preserve current levels of employment and create new jobs.

At the same time developments in this general direction are gaining momentum in the Member States and play a growing role as policy instruments in economic and social life, both at national and sectoral as well as at firm level. Whereas at the higher levels agreements on the flexible reduction of individual working hours and/or indeed a shortening of the entire working life span are laid down or negotiated, these developments are transformed at firm level into the issue of how the entire operating time of undertakings can be reconciled with shorter working time for the employees and of how a viable link can be established between the individual cut in hours, the income situation of employees, the profitability of the undertaking's production process and the saving and/or creation of employment opportunities.

The next chapter gives an overview of recent developments in the field of working time measures taken in the Member States, whilst the conclusions draw together some salient features of working time issues.

### Recent developments with regard to working times

The reduction in working time in its different forms is a long-term trend in all

<sup>(1)</sup> OJ C 2, 4. 1. 1980.

<sup>(2)</sup> OJ L 357, 18. 12. 1982.

It should also be recalled that in July 1975 the Council adopted a recommendation on the principle of the 40-hour week and the principles of four weeks' annual paid holiday (75/457/EEC) in OJ L 199/32, 30. 7. 1975. In March 1978 the representatives of agricultural employers (COPA) and of agricultural workers (EFA) agreed on a recommendation on the hours of work of permanent workers employed in the arable sector of agriculture in the EC (in 1981 extended to all permanent workers employed in the production of agricultural and horticultural plants excepting forestry) laying down a normal working week of 40 hours, guaranteed working hours, a definition of overtime, rest periods, night work, periods to be regarded as working hours and paid annual leave of four weeks (docV/902/1/81).

<sup>(3)</sup> OJ C 290, 26. 10. 1983.

<sup>(4)</sup> cf. *Social Europe* special issue 1983.

<sup>(5)</sup> Bulletin of the EC No 6, 1984 p. 11.

<sup>(6)</sup> OJ C 2, 4. 1. 1985.

<sup>(7)</sup> OJ L 133, 22. 5. 1985.

<sup>(8)</sup> OJ C 165, 4. 7. 1985.





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industrial countries with a view to improving the working and living conditions of the population. This trend, however, incorporates considerable differences as regards the country, period of time and even sectors as well as the various working time measures (weekly and/or yearly working hours, normal and/or effective hours, full-time and part-time work, total lifetime of work, etc.) with the result that published figures on working time in most cases give only a partial view of the situation and its development. Existing figures reveal the complexity of this labour market feature and show that working time changes sometimes developed rather unevenly according to which concept was used. The

general impression, however, is that after an acceleration of the trend in working time reduction — up to the middle of the 1970s — this trend slowed down till the beginning of the 1980s when it gained momentum again due to a number of collective and legal measures taken in several countries to improve the labour market situation<sup>(1)</sup>.

Although a renewed interest is currently being shown in working time policies as an instrument of employment policy, it was not the primary objective of earlier reductions in working hours to reach employment targets; estimates show, however, that this process has already contributed to saving and creating

employment in the past. In recent years and in light of the fact that traditional policies did not succeed in bringing down the persistently high unemployment rates in practically all Member States, an overall reduction in individual working time, under appropriate conditions, is considered to be a potentially

<sup>(1)</sup> Average effective working time per year:

	B	DK	F	D	I	NL	UK
1973	1872	1742	1830	1827	1612	1825	1709
1979	1726	1671	1727	1729	1566(*)	1679	1617
1982	1640(*)	1640(*)	1622	1689	1554	1532	1540
1983	—	—	1601	1690	1543	1538	1528

(\*) estimate

Source: J. VISSER: De langzame haast van de arbeidstijdverkorting, in 'Tijdschrift voor Politieke Economie', Sept. 1985 and based on OECD data 1985.



effective means to combine the fight against unemployment with a more efficient capital utilization and a wider range of options for the individual to adapt rigid work schedules more to changing needs and circumstances, a more equal sharing of family responsibilities, the reduction of the work burden for elderly people and the alleviation of hazardous work, etc. Various policies to this effect have been developed and are continuously being shaped in a number of Member States. In most cases the employment effectiveness of such approaches is the prime objective; safeguards are also built in so that the necessary flexibility of the production process is maintained and the utilization time of capital equipment is not impaired or even increased, the aim being to keep costs in line with productivity trends and inflation.

In the following part a country-by-country overview is given with respect to the developments in the recent past (roughly 1982–85)<sup>(1)</sup>. The actions and measures taken or discussed cover a wide range of activities and put the notion of worksharing in the context of other desirable policy objectives with regard to a better functioning of the labour market, the creation of favourable conditions for economic growth, more time options for employees, repercussions on public budgets, etc. On the other hand, recent developments also reveal that the concrete measures considered or taken are tailored to national and/or sectoral practices and traditions and while an exchange of ideas and thoughts on these issues is certainly mutually beneficial it is not always simple to transpose policy instruments from one country to another.

Another key feature of the policies carried out in this area is the role of the public authorities which, despite the fact that often ideologically similar parties form the national governments, leads to remarkably different attitudes *vis-à-vis* the promotion of (financial) incentives for worksharing policies. This evidence underlines the fact that governments act on pragmatic grounds and in light of the situation on the labour market and are not guided so much by doctrinal positions.

Efforts have also been made to put together available estimates of the employment effects of the working time measures taken or envisaged. These depend frequently on the views and interpretations given by various interested groups or are based on certain underlying assumptions in order to structure the material available. They should therefore be interpreted in a prudent way.

### Federal Republic of Germany

- (i) A framework law on early retirement came into effect in May 1984 stipulating that over the period 1984–88 the Federal Employment Agency subsidize employers' (excluding the Civil Service) expenditure on early retirement benefits for employees who, pursuant to collective agreements or individual contracts, take this option from the age of 58 up to the moment of being eligible for normal statutory retirement provisions. The minimum early retirement pension will reach 65% of final gross pay, a higher amount can be fixed by collective agreement; the subsidy amounts to, at the most, 35% of the pension costs incurred by law. The scheme is voluntary as far as the employee is concerned; on the other hand employers cannot be required to pay an early pension to more than 5% of their staff, thus alleviating possible burdens for small enterprises. The subsidy is linked to the replacement of the job rendered free by a registered unemployed person or a person having finished apprenticeship.

Initially it was estimated that — under certain assumptions — registered unemployment could be reduced by about 150 000 on average a year.

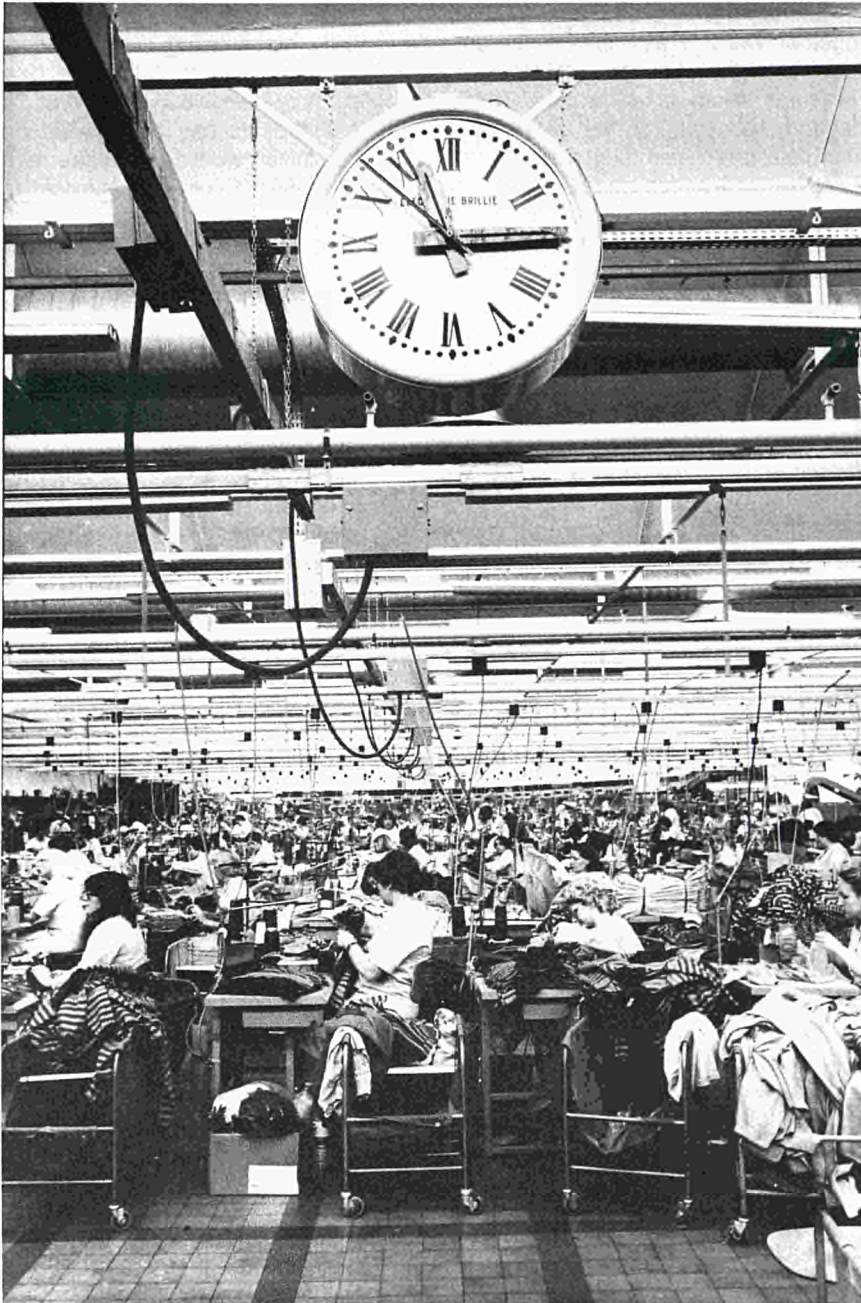
By the summer of 1985, some 275 collective agreements had been concluded on early retirement concerning about 250 000 to 300 000 employees in the relevant age group. Most of these agreements

(banking and insurance, building, textile and clothing, metal working, etc.) were signed within the new statutory framework. In general, 75 to 80% of last pay (but only 65% in the metal working industry and 70% after 20 years of service) is granted as retirement pension provided that the person in question has 10 years of employment. However, due to a rather low take-up percentage of the employees concerned (probably a consequence of the fall in income compared to the previous wage) and a lower than expected replacement ratio the initial estimates have been revised downwards quite substantially. The early retirement scheme is now being discussed with a view to its extension to the public sector. It is estimated that 150 000 would exercise their option with a potential of about 100 000 new recruitments. The age limit could be 60 or 61. About 250 000 public employees are concerned.

- (ii) A law on the promotion of employment came into effect on 1 May 1985, (applicable until 1989 inclusive) and aims to promote employment opportunities by making the labour market more flexible through the possibility of extending fixed-term contracts and temporary work over longer periods, rendering part-time work more attractive and job-sharing more protected and restricting the drawing up of social plans. The law is criticized by the unions and political oppositions on the ground of deteriorating working conditions and the marginalization of large parts of the workforce.
- (iii) A draft law on working time — still based on a statutory working week of 48 hours — provides for changes in respect of the maximum permissible working day, minimum rest periods, etc., al-

<sup>(1)</sup> i. e. following the period which was covered by the Commission's memorandum on the reduction and reorganization of working time (COM (82) 809) of 10 December 1982.





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though it is not intended as a means of combatting unemployment.

In the context of the ongoing discussion on limiting overtime, the systematic use of which should in principle and in the opinion of all social actors, be reduced to the lowest level possible — the re-

gional labour minister of NRW has announced his intention of proposing a legal instrument to limit overtime hours by the following measures<sup>(1)</sup>:

- (a) pay for overtime hours must not be tax-deductible as company expenses;

- (b) overtime pay supplement should be raised to 100%;

- (c) all overtime hours should be compensated for by time-off to be taken within three months.

These plans have been severely criticized by the employers as counterproductive and damaging to flexibility and they support their point of view with, among others, a representative survey in the machine tool industry which has shown manpower shortages for certain occupations and in certain regions which limit the growth potential of this branch so that, consequently, overtime is indispensable. The ecological party has also announced a proposal to limit overtime by law, stressing its compensation in lieu. Only for the first overtime hour above normal working time a choice should be possible as to monetary compensation or more free time; from the second hour onwards, compensation in lieu is mandatory. In addition each overtime hour supplement should be twice as high when taken as a leisure bonus than if requested in cash. The overtime debate should be seen in combination with a reform of the law on working time.

In the metal-working and printing industries as well as the much smaller wood industry new collective agreements centre on a reduction of agreed weekly working time from 40 to 38.5 hours with full wage compensation. Where this new normal working time applies uniformly to all workers in the printing industry from 1 April 1985, the arrangements for reducing weekly working time to 38.5 in the metal-working industry, introduced on the same date, may be adapted to individual circumstances and vary between 37 and 40 hours according

<sup>(1)</sup> It should be recalled that in 1984 about 1 600 million overtime hours were worked corresponding to an annual working time of about 1 million workers.



to the needs and technical capacity of the firms in question; weekly working time per worker averaged over the whole workforce may not, however, exceed 38.5 hours. Firms are left to decide on the individual details of working time arrangements (e.g. equal or unequal distribution over five working days in particular to allow for monitoring operation time). As from January 1987 a similar settlement will apply in the metal crafts trade.

According to a survey of the employers in the metal working industry 70% of the enterprises have succeeded in maintaining weekly operation hours despite the reduction in individual working time based on the collective agreement. In large enterprises this percentage goes up to 88%. This development is seen as a corroboration of

the possibility of dissociating individual working time and production time and using productive capacity in a flexible way. It is, however, also underlined that a larger number of small- and medium-sized enterprises is not capable of exploiting flexibility measures and the survey continues to show that in about two-thirds of the cases shorter hours were transformed into free days. Up to now less than 20% of the enterprises have introduced differentiated working hours (more prominent in larger than in smaller plants) for different groups of workers (another 18% have an option) with the result that 9% of the employees have working hours which differ from the average of 38.5 hours per week. Next to free days variable working hours schemes have also been increased.

In the printing industry, however, a certain degree of flexibility in the form of an unequal distribution of daily and weekly working time is possible at company level to meet the individual needs of the firm. In the iron and steel industry an average of 38 hours was agreed from 1 October 1984 without a reduction in weekly pay. The cut in hours is implemented by way of 26 free shifts per year.

According to the unions this latter reduction in weekly working hours in the steel industry (from 40 to 38 hours) has resulted in job savings and/or the creation of about 3% of the number of employed. The employment effect has been highest in those plants which work in shifts round the clock.

For the metal-working industry





some tentative estimates as to the employment effect of the working time arrangements have been made. The unions claim that about 100 000 jobs have been created after signing the agreement but, although these figures are not contested, the employers are of the opinion that the increase in employment is largely due to a higher level of production.

- (iv) As from 1 January 1986, a 38.5 hour week (with wage compensation) has been agreed on for the 2.3 million employees in the retail trade. The existing agreements stipulate that company agreements have to state how this cut in working hours will be put into practice. According to the union, however, the result must not be to shorten daily working time by 18 minutes or to lengthen work breaks. Part-time workers are also included in the package. When their working time remains the same they receive a pay increase of 3.9%, otherwise hours are reduced correspondingly with pay maintenance. Although the unions have not achieved their objective of fixing a minimum number of hours, it is agreed that no part-time employee shall work less than 20 hours a week which would result in the loss of entitlement to unemployment benefit.
- (v) In the State of Niedersachsen, the regional government has announced recruitment in the public administration of part-time employees and civil servants only at three-quarters of normal working time with a corresponding pay cut. This applies at all levels of the hierarchy. Also the Federal Government is making efforts to increase part-time jobs in its field.
- (vi) The unions estimate that the effect on employment of reductions in working time and early retirement schemes will result in all branches in 150 000–200 000 jobs saved or created in 1985. About half of this is a consequence of the weekly reductions, while some 40 000 jobs

could be attributed to longer holidays which are applicable this year and between 50 000 to 80 000 persons could be affected by agreed early retirement schemes.

- (vii) The Institute for Labour Market Research and the IFO-Institute have carried out a survey on the employment potential of dissociating individual working time and firms' operating hours. The survey covers the manufacturing industry and the wholesale and retail trade. The focus is on how large and how elastic the job potential would be without additional investment expenditure in the case of demand expansion. The survey is summarized as follows:

'The results for the manufacturing industry are as follows: given a sufficient demand for goods, underutilized establishments (presently 40% of the establishments) would, when switching to full utilization, reactivate unused resources both of labour inputs and capital inputs (reduction of short-time work, more overtime work/additional shifts, more workers by extending shift-work and activating unused jobs) without immediately changing the usual schemes of working hours and operating hours.

Most enterprises believe that a reduction in the number of weekly working hours offers possibilities for detaching working hours from operating hours: in this case more than half of the establishments could maintain their operating hours.

Finally, in the case of a continuous rise in demand, the number of employed persons could be clearly increased without any additional investment efforts.

- (a) Two-thirds of all establishments (classified by employment figures) would extend their operating hours in case of sufficient demand.

- (b) The average extension of the operating hours could be 15 hours per week, partly in terms of more working hours per day, more working days per week or by combining both possibilities.

- (c) Such arrangements could be applied to about two-thirds of the personnel employed in the production area.

- (d) For the manufacturing industry as a whole, the operating hours of production facilities could be extended by 10% from the present 61 hours to 67 hours per week.

It can be concluded that the employment elasticity of the total production potential exceeds existing estimates by far. This employment elasticity should be taken into account in the existing concepts concerned with job potential estimates.

In the wholesale and retail trades, where the operating-hours and working-hours schemes have already been relatively differentiated, enterprises believe that there is still room for further flexibility. They do not, however, expect repercussions on the number of employed. This is probably a result of the legal limitation on operating hours (in the retail trade). In this case a further decoupling of working hours and operating hours could only mean: shorter working hours with unchanged operating hours<sup>(1)</sup>.

- (viii) Recent estimates of the possible employment effects of working time reductions have been produced by means of econometric models:

<sup>(1)</sup> Source: L. Reyher, E. Spitznagel, W. R. Streck, B. Teriet, K. Vogler-Ludwig: Zu den Beschäftigungspotentialen einer Entkoppelung von Arbeits- und Betriebszeit, in 'Mitteilungen aus der Arbeitsmarkt- und Berufsforschung', No 1, 1985.



- (1) The German Institute for Economic Research (DIW)<sup>(1)</sup>, looked into the effects of a gradual reduction in weekly working hours to 35 hours over five years. The result depends, on the one hand, on the wage compensation scheme and, on the other hand, on the behaviour of the public authorities as employers, and it illustrates that the latter's role cannot be neglected.

In terms of employment these estimates tend to support earlier ones insofar as the fact of no compensation at all, compensation as high as the additional price and productivity increases resulting from the cut in hours or full compensation (so that nominal monthly income remains the same) all show considerable positive employment effects (from 700 000 for the last case to 1.1 million in five years for the first case). Taking into account other effects such as the impact on public finances, an acceptable income sacrifice, productivity, growth and private consumption, the DIW comes to the conclusion that the second case is, both economically and politically speaking, the most acceptable option. It satisfies neutrality where unit labour costs are concerned and the often forgotten fact is noted that reductions in individual working time will primarily and mainly lead to job savings which means at the same time that there will be no additional costs in order to equip jobs with capital outlay. Given the projected approximately 2 million unemployed, the reduction in weekly working hours would help significantly to bring down the unemployment rate.

- (2) The Institute of Economic Research (IFO)<sup>(2)</sup> investigated — at the request of the Federal Ministry of Economic Affairs —

the macro-economic effects of an accelerated reduction in working time. The point of departure is the reduction in weekly hours from 40 to 38, taking into account short- and medium-term (1990) developments and assuming three compensation schemes, i.e. full wage compensation, partial compensation, i.e. everything which is less, based on past experience, and zero compensation in the case of no additional hourly pay. Different models show different results but both a yearly model and the model reflecting medium-term trends give only a marginal difference in positive employment effects (between 340 000 and 370 000 persons in 1990). The impact on economic growth varies much more, all have a negative effect on growth compared with the reference scenario, from 2% to 3% less than would have been the case in 1990, whereas there is slightly more inflationary impact in the case of full compensation and varying effects on the public deficit which is smallest in the case of full compensation.

- (3) The Economic Research Institute of Rhineland (RWI)<sup>(3)</sup> considers the economic consequences of a general introduction of a one hour reduction per week. Simulations with a quarterly model show that there might be some rise in employment if a shortening without reduced pay is considered. These gains, however, are not the consequence of a rise in demand for labour but rather the economic system's inability to adapt quickly to increased wage costs. Taking as the point of departure an initial fictitious employment increase of 500 000 persons, after two years this number will have gone down to 360 000 in the case of full compensation and to 457 000 in the case of zero

compensation, this latter variant requiring comparatively large income sacrifices on the part of the employed. This model also shows a greater reduction in the public budget deficit in the case of full wage compensation than in that of no compensation at all. However, the most marked differences show up with regard to the rate of inflation, the trade balance and private consumption.

- (4) R. Schettkat of the Science Centre in Berlin<sup>(4)</sup> estimates the cost and employment effects of a general reduction of weekly working time. The effects depend on the one hand on the development of productivity, the size of the working-time reduction and the compensatory adjustment made to wages as well as on the reactions of employers.

The development of productivity is a central factor in respect of costs and possible additional employment. The first part of the paper therefore discusses and quantifies productivity effects. The paper continues with the computation and discussion of the costs of a working-time reduction to 35 and 37.5 hours per week with and without wage adjustment. Four possible employer reactions are considered. Since the reactions of employers to a working time reduction depend

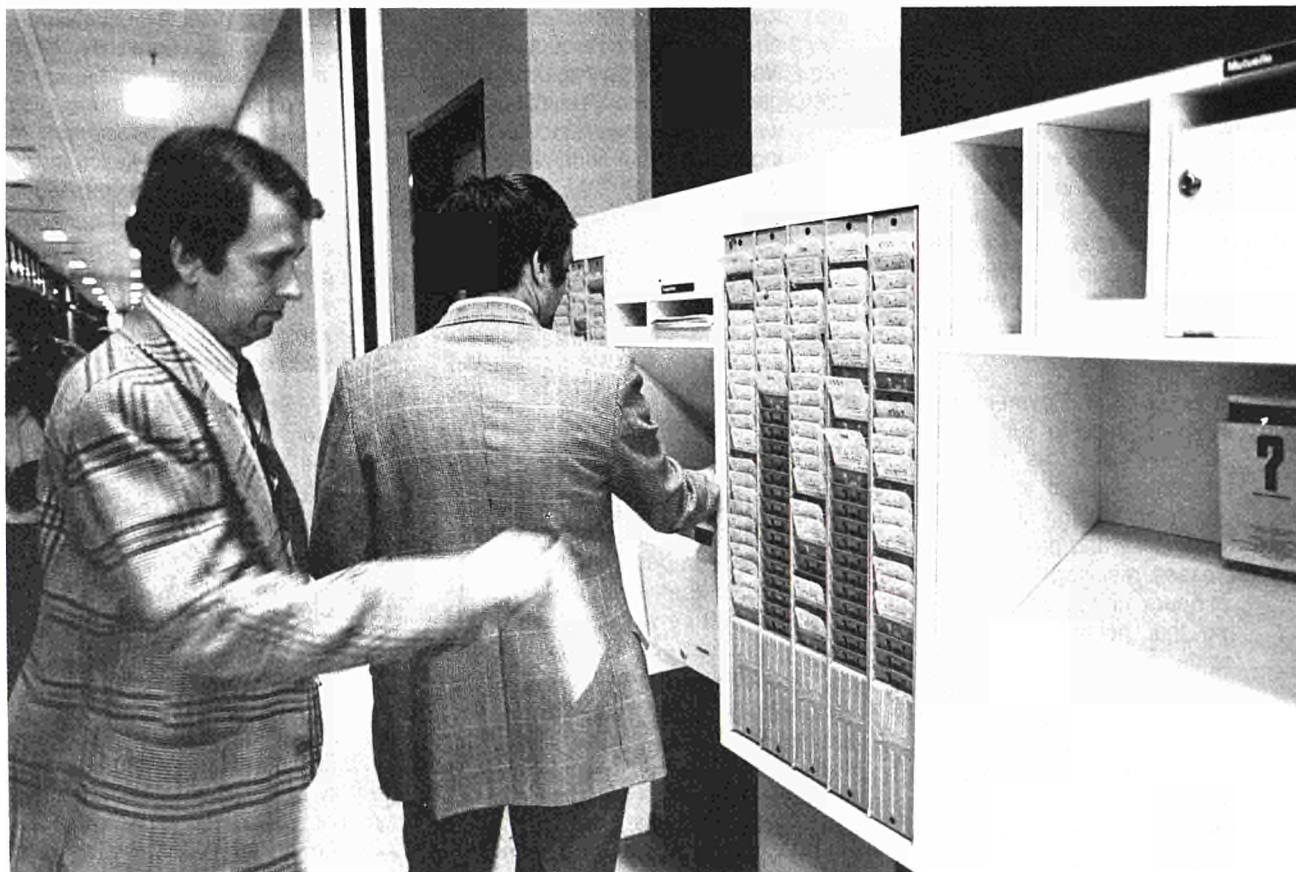
(<sup>1</sup>) DIW: 'Was bringt der Einstieg in die 35-Stundenwoche? Zu den ökonomischen Auswirkungen einer schrittweisen Verkürzung der tariflichen Arbeitszeit', in 'Wochenbericht' No 31/83, by F. Stille and R. Zweiner.

(<sup>2</sup>) IFO Studien zur Arbeitsmarktforschung 3/1: Gesamtwirtschaftliche Auswirkungen einer Verkürzung der Arbeitszeit, München 1983.

(<sup>3</sup>) U. Heilemann: Common sense made difficult — Zur Diskussion um den Einstieg in die 35-Stundenwoche in RWI — Mitteilungen Berlin 1983.

(<sup>4</sup>) R. Schettkat: Generelle Arbeitszeitverkürzung, gesamtwirtschaftliche Kosten- und Beschäftigungswirkungen, Berlin 1984.





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not only on cost effects, there is a brief analysis of other areas like the development of demand and the effects on public budgets and resulting feedback effects.

New recruitments, in order to preserve previous production levels depend, both in absolute and in relative terms, on the amount of the reduction in the working week. Taking 37.5 hours per week, about 0.5 million persons would have to be recruited, i. e. 33% of the theoretically possible replacement ratio; in the case of 35 hours, 2.14 million employees would be necessary, the replacement ratio is 67%, on the assumption that induced productivity effects play a greater role when the reduction in working hours is

lower. A substantial reduction in unemployment can only be reached when the working week is cut in comparatively large blocks as only then will there be sufficient new recruitments to have an effect on the labour market. The consequence would be either a cut in employees' earnings or in company profits. A reduction in working time with wage compensation is expected to be more positive for employment since it would guarantee aggregate demand despite some price rises, would have positive effects on the public budget and could be partly 'self-financing' when the public budget surplus would be used to ease cost increases in the company sector.

## The Netherlands

- (i) Early retirement schemes have existed at branch and enterprise level for about seven years. At present about 3 million employees (including the public sector) are covered by some 400 schemes. In 1985 about 100 000 persons are actually using these schemes in the private sector. This figure is rather low, mainly a consequence of the fact that already many older workers have left the production process for other reasons, especially disability. In the majority of the collective agreements concerned the early retirement age is, on average, 60 to 61 years, and the persons eligible need, in general, a length of service of 10 years. The employees enjoying the schemes receive in most cases 80% of final



pay, about one-third receive benefit of up to 100%.

Although theoretically the vacancies thus coming into existence could be reoccupied, the replacement ratio in the private sector is only of the order of 35%. One problem has probably been that most schemes have increased labour costs and have thus not met conditions laid down by the government in order to lead to an efficient work-sharing policy.

In a recent note on early retirement in the public sector the Minister for Internal Affairs cast some doubt on its application as an employment policy instrument and underlined its 'finite' aspect, especially since other worksharing measures have been launched and the population is ageing.

- (ii) In 95% of all collective agreements in the period 1983–84 covering more than 5 000 employees, reductions in working time have been agreed upon with a roughly corresponding pay restraint. Important agreements in this field were concluded in the metal working industry for smaller and larger enterprises, with Philips and the chemical concern AKZO. In all cases, the aim was to maintain production time, whereas individual working time was reduced in a flexible way so that on average, over a longer period, 38 hours will be worked per week as from 1985. The replacement ratio, however, is estimated by the Central Planning Office to be quite low, about 25%, and only about 17% in a survey of 583 enterprises carried out in 1983 by the Ministry of Social Affairs and Employment.

In the collective agreements concluded in the first half of 1985 a variety of results have been achieved which tend to show a larger differentiation than in previous years. This applies also to the reduction and reorganization of working time. In the private sector 29 agreements provide for the implementation of earlier agreed working time reduc-

tions of 5% and in more than half of them studies will be carried out on the effect of shorter hours on employment and the possible usefulness of further worksharing measures. In 10 agreements it is intended to introduce an (average) working week of 36 hours, in most cases in the course of 1987. Up to now they cover about 160 000 employees (approx. 8% of all employees falling under a collective agreement) but negotiations continue in this direction.

In the majority of agreements, provision is also made for the re-introduction of pay increases, in most cases around 1.5% or according to the price rise if above a certain threshold. It should be pointed out that, in addition, in at least 20 collective agreements, special measures to combat youth unemployment are laid down which include temporary work, part-time work and 'progressive' jobs (i.e. where the number of hours increases over time)<sup>(1)</sup>. The employers estimate that about 24 000 extra jobs have thus been created for young persons. These measures are partly subsidized by the State, notably for the integration of long-term unemployed youth.

- (iii) In the public sector working hours were reduced by 1.3% in 1983 and 1% in 1984. The replacement ratio was about 35% and 100% respectively leading to a total 17 000 jobs. In 1985 the average working week will be 38 hours, i.e. an additional cut of 1.7% arranged in 12 roster-free days, and the replacement ratio should be 75%, resulting in roughly 8 500 jobs. Also (in government services) youth employment opportunities at a maximum of 32 hours per week will be extended, i.e. after the creation of only 167 jobs since the middle of 1983 about 15 000 jobs are expected to be created in 1985/86.

Although 36 hours per week for the beginning of 1982 is still a main objective for the unions, the biggest

civil servants union has decided not to follow this line any longer since the 1.2 million persons concerned cannot afford it due to government regulation of public sector pay.

- (v) The Ministry of Social Affairs and Employment estimated that all measures in respect of shortening and reorganizing working time throughout the life span have resulted in about 150 000 full-time and part-time jobs saved or created since 1982. It should, however, be pointed out that the replacement ratio of collectively agreed shorter working hours per week is rather low and is estimated to have saved or created not more than about 20 000 jobs.
- (vi) The Government has submitted a new draft law on statutory working time. The proposal would open the way to working up to 10 hours per day (instead of 8.5 hours as at present), 180 hours per four-week period (at present 48 hours per week), and 1 850 hours per year, corresponding to an average of 40 hours per week. Whereas the trade unions reject the possibility of a 10-hour day as socially retrograde, the employers, while welcoming more flexibility, find it difficult to see how the annual maximum of 1 850 hours could be justified.
- (vii) In a recent study<sup>(2)</sup>, Mr. C. Teulings' estimates of the cost, income and employment effects of a reduction in the working week to 32 hours in 1988 show that unemployment can be reduced substantially (from about 1 million in the reference scenario to about 600 000 to 700 000) on certain assumptions which are similar to those of the Central Planning Office, including

<sup>(1)</sup> It should, however, be recalled that the obligation for young job seekers to accept part-time jobs in the metal-working industry, as initially laid down by collective agreement, has recently been withdrawn.

<sup>(2)</sup> C. Teulings: *Arbeidstijdverkorting met behoud van loon: 32 uur in 1988?* in: *Tijdschrift voor Politieke Economie*, June 1985.

some degree of work intensification. This process (an annual reduction in working time of about 5%) can be realized while maintaining the purchasing power of employees which includes the effect of reducing social security contributions and sharing them over more shoulders and the partial 'use' of the nearly structural balance of payments surplus in order to combat unemployment.

(viii) Similar scenarios are presented by various authors from trade unions, political parties and women's organizations. A recent version<sup>(1)</sup> of the political centre 'De Populier' estimates that, over a period of 10 years, unemployment could be virtually eliminated with an average working week of 27 hours. Such a scenario could be realized without loss of purchasing power for the individual employees and maintaining present profit levels since it is postulated that expected productivity increases in the company should be fully earmarked for financing working time measures. In order to arrive at the expected results real economic growth would have to be around 2.5% per year. The authors of the study underline that a focus on 27 hours per week is not at all contradictory; on the contrary, individual and professional differentiation will express itself in a large variety of individual working time patterns<sup>(2)</sup>.

(ix) In a longer term scenario government experts estimate — on the basis of computations by the Central Planning Office — that in the year 2000 about 1 million persons will still be unemployed, even under rather optimistic assumptions, and with an average working week of 35.5 hours. Also a further cut in hours to 32 in the year 2000 (as the Minister for Labour, the unions, and the largest opposition party have forecast for 1990) will not be sufficient considering the further growth of the working population and higher participation rates for women. It is expected that social

inequality will increase in the sense that more households will have two earners on the one hand, but also an increasing number of them will be dependent on one social security benefit.

## France

(i) The statutory reduction in weekly working time to 39 hours in February 1982 triggered a massive wave of negotiations on working hours without, however, exploiting fully the possibilities offered within the legal framework. In May 1984 about 100 agreements were signed in 88 branches providing for a weekly reduction of one to two and a half hours. Practically all of the national agreements determined that full wage compensation should be paid; but most of those providing for a larger reduction implement only a partial compensation starting with the second hour of reduction.

Most of the agreements also allow for the possibility of modulating working time arrangements while respecting the 39-hour average throughout the year, in which case they often provide for a reduction of the available ceiling of 130 hours per week as stipulated by law. It also appears that the generalization of 5 weeks paid holiday per year has largely taken place; in some agreements additional holidays are laid down for management staff.

(ii) The statutory and collective provisions of 1982 have entailed a reduction in annual working time of about 4% of which 2.5% is a result of the cut in weekly hours. Two different estimates of the employment effects of this measure have been established:

(a) according to the Ministry of Economic Affairs about 70 000 jobs were saved or created in the non-agricultural market sector (40 000 in industry,

20 000 in the tertiary sector, and 10 000 in the large national companies) plus 10 000 by local public authorities;

(b) based on a qualitative survey in industry the Statistical Office estimates an overall employment effect of between 50 000 and 100 000 jobs, this compares with about 2 million unemployed in 1982.

(iii) In 1982 and 1983, 34 298 solidarity contracts relating to early retirement and progressive retirement with reference to nearly 337 000 potential retirers were signed, of whom nearly 209 000 have taken the early retirement option and about 1 500 the progressive retirement formula. These contracts can be invoked if the employees concerned are in the age range of 55 to 60 years. The persons eligible receive 65% of the reference salary below the social security ceiling and 50% of the part above in the case of a complete dismissal, a scheme which was discontinued at the end of 1983. Progressive retirement for persons between 55 and 65 years of age is subsidized by way of the payment of 30% of the reference salary on top of the normal half time wage. Under these solidarity contracts the employer is required to recruit replacement employees (either full time or part time) from certain designated priority categories.

(iv) Separately from the early retirement scheme provided for in solidarity contracts, early retirement possibilities have also been arranged through the National Employment Fund for the age group 55–60 years (about 90 000 in the

<sup>(1)</sup> De Volkskrant, 30 August 1985.

<sup>(2)</sup> Two authors of the Central Planning Office, A. Bakhoven and M. van Schaaijk, estimate that a once-and-for-all reduction of annual working time by 5% may, after a period of four years, lead to an increase of 115 000 jobs. Source: 'Inkomenseffecten van arbeidstijdverkorting' in ESB of 24 April 1985.



private sector, 20 000 in the public sector and about 35 000 (50 to 60 years) in the steel industry).

- (v) Another form of the solidarity contract refers to the reduction and, where possible, reorganization of weekly working time with financial support from the State, initially in the form of exemption from social security contributions for employers, and currently a grant per each hour reduced and for each employee for a period of three years provided that the cut in working hours is at least two hours. The grant can reach FF 1 500 for companies reducing working time by four hours or reaching this goal within 18 months and who create jobs or keep the wage bill constant. In addition, the grant may be increased by FF 500 if the company substantially increases (within the period of the contract) its investment rate or undertakes to invest in labour saving machinery, to the extent of at least 25 % of total investment.
- (vi) The various forms of solidarity contract linked to a reduction in weekly working time have had rather limited effects on employment. In 1982 about 6 000 recruitments may have taken place in the company sector and more than 8 000 with local public authorities, whereas in 1983 and in the first five months of 1984 about 7 300 jobs may have been saved or created.
- (vii) The government grants financial aid of FF 6 000 per person recruited (from the registered unemployed) in the hour range of 18 to 32 hours before the end of 1985 provided that the company concerned does not dismiss them three months before and one year after the commitment, and also on condition that not more than 25 % of the workforce works part time. FF 3 000 are paid if the recruitment takes place in 1986 or 1987.
- (viii) In December 1984 the unions and employers' organization reached a preliminary understanding on a 'protocol' which, however, was finally rejected by the unions. As far as the reduction and reorganization of working time is concerned, the 'protocol' invites the social partner to extend the possibilities offered by legislation, especially with regard to fixing annual working time; taking into account sectoral and enterprise particularities; the spread over the year: daily and weekly ceilings, overtime regulations, etc. Such agreements will have to be linked to a reduction in annual working time which must not, however, endanger the competitiveness of the firms, i.e. wage developments have to be controlled, likewise productivity increases should take into account possible price reductions and productive investments. The 'protocol' also contains articles on part-time work, temporary work, fixed-term contracts and homework.
- (ix) In May 1985 a national agreement was signed on the relaxation of temporary work regulations between four unions and two employers' organizations involved in the temporary work field. As a ground rule it is underlined that temporary employees should not be recruited in place of permanent employees and that they should enjoy social protection equivalent to that enjoyed by permanent employees. The social partners will discuss the possibility of concluding a national agreement on temporary work.
- (x) Within the government discussions have reopened on arrangements of individual working time reductions linked to longer operation hours per day, by means of more shift work and weekend crews. For example, the transition of one shift of 39 hours per week to two shifts of 32 hours each with 75 % wage compensation of which two-thirds to be paid by the employer and one-third by the State, supported by financial assistance which could be bringing down social security contributions. Crews could be formed for three days around the weekend working 10 hours each which would open up the possibility of negotiating a 4-day week for the other employees. Preliminary simulations of a one-hour reduction per week combined with 2.3 hours longer operation time show that — in the industrial sector — about 450 000 jobs would be created over five years, of which 100 000 in the first year<sup>(1)</sup>.
- (xi) The IXth plan (1984—88) endorses the weekly reduction in working time by promoting an extension of corresponding solidarity contracts through which a general trend towards 35 hours would be stimulated. The direct employment effects of the solidarity contracts alone may amount to 160 000—180 000 during the plan period. Furthermore various forms of a time/income trade off are proposed, which could affect more than 3 million persons.
- (xii) In a document related to the work of the 'Commissariat Général du Plan' concerning the issues of reduction and reorganization of working time and operating hours at firm level, a comparative table is presented as to the effects of a weekly reduction by one hour on certain assumptions with regard to wage compensation, capacity utilization and the exchange rate. The computations are based on the DMS-model of the Statistical Office 'Insee'. The results are reproduced in the following table<sup>(2)</sup>:

<sup>(1)</sup> A draft law favouring working time adaptations and promoting collective agreements to this end is being discussed by the Government.

<sup>(2)</sup> Commissariat Général du Plan: Aménagement et réduction du temps de travail, Volume 2, 6 November 1984.

**Comparative table for five model variations**  
(average changes over a period of five years)

	Case 1	Case 2	Case 3	Case 4	Case 5
<i>relative changes in %</i>					
market GDP volume	-0.5	-1.5	0.0	-0.8	0.2
household consumption	-1.2	-1.3	0.4	-1.3	0.5
company investment	0.4	-1.0	-1.0	0.1	-0.7
labour productivity	1.1	0.4	1.2	1.0	1.3
consumer price index	-1.0	1.4	1.4	-1.9	2.1
<i>level changes</i>					
employment in '000	150	95.6	178.4	128	200
unemployment in '000	-68	-38	-73	-56	-84

Case 1: reduction without wage compensation, without loss of capacity utilization, fixed exchange rate.

Case 2: reduction without wage compensation, with loss of capacity utilization, fixed exchange rate.

Case 3: reduction with wage compensation, without loss of capacity utilization, fixed exchange rate.

Case 4: reduction without wage compensation, without loss of capacity utilization, flexible exchange rate.

Case 5: reduction with wage compensation, without loss of capacity utilization, flexible exchange rate.

## Belgium

- (i) In the framework of the government policy of wage restraint and job promotion both sides of industry have — in 1983/84 — concluded about 80 sectoral agreements and 700 company agreements based on the government-inspired formula of a reduction in working time of 5%, additional employment of 3% and a government-imposed wage restraint of 3%. A first assessment by the government has shown that more than 33 000 jobs have been created, i.e. +3.1% employment in larger enterprises which were covered by a special decree tailored to their needs. In general, this was less than expected, not only in those branches where the companies satisfied the provisions of their collective agreement but also in view of the fact that less than half of the enterprises only have made known to the authorities the results of their efforts. About BF 400 million have been paid into the Government Employment Fund which was set up for those who profit from the wage restraint without fulfilling their employment obligations. These funds are, in principle, earmarked

for employment purposes. It should also be noted that the evolution in the building industry was particularly disappointing, since the status quo sought after in terms of employment had to be confronted with a job loss of almost 20 000; i.e. 11% of the total workforce and another 12 000 in other bigger enterprises. It is, however, stressed by the government that over 1983 the loss of jobs has been stopped for the first time since 1973, as a result of the measures taken.

- (ii) Under a special decree (No 179 of 30 December 1982 plus amendments) permitting innovative working time arrangements at firm level, nearly 40 experiments have involved the introduction of weekend working (the majority), four day-working in a six-day week, or a reorganization of existing continuous or other shift systems. The decree empowered the Ministry, on the basis of an agreement between the employer, the workers' representatives and itself to authorize employers to waive certain legally enforceable standards relating to rest periods, limits on maximum working time, etc., and to grant such

employers special financial aid to cover the expenses arising from any expansion in the workforce. The number of jobs created on the basis of this scheme amounts to about 4–5% of the workforce involved.

- (iii) Companies which increase employment and production of goods/services at the same time as reducing weekly hours to 34 or less are enabled to write off from corporate profits BF 2 million over six years per additional worker hired. The agreements are to be concluded in 1985–87.
- (iv) In the framework of the 'Law on social recovery' adopted at the beginning of 1985 which covers a variety of economic and social features, the government imposes the following with regard to working time and employment:
- (a) the employment agreements of 1983–84 (5:3:3) are prolonged for the period 1985–86, thus continuing the reduction in working time and generalizing the 38-hour week with pay restraint and additional employment. This means that there will be no wage increases over and above the index mechanism. Where productivity growth renders it possible to grant higher wages, the increase of the total wage must not be higher than 1.5% p.a. and must be earmarked for more employment.
- (b) In this context sectoral and enterprise agreements have to be signed which must make reference to (with regard to working time in general):
- recruitment of employees with or without a reduction in working time;
  - possibilities of career interruptions for the workforce;
  - recruitment of part-time workers;



- introduction of half-time work for persons older than 50 with corresponding recruitment;
  - introduction of job sharing.
    - it being understood that the social partners may elaborate alternative schemes provided that the government gives its agreement.
- (v) Working time legislation is rendered more flexible in the sense that the number of working hours will be fixed on an annual basis — it being understood that daily hours must not be higher than nine and weekly hours not more than 45, and that the working week may vary by plus or minus five hours with respect to the contractual week (working day plus or minus two hours) always respecting the maxima.
- (vi) Flexibility elements are introduced in labour law *inter alia* with respect to reorganization of paid educational leave; career interruption between 6 to 12 months with a lump sum payment (fixed at BF 10 504 per month) if the person concerned is replaced; extension of the possibility to grant fixed-term employment contracts, and replacement contracts for temporary absence of normal staff.
- (vii) In the framework of the 'social recovery law' of 22 January 1985, 97 sectoral agreements were signed as of 1 July and about 1 500 agreements at plant level. Working time settlements were limited and in most cases the employers only agreed to further reductions where normal working hours were still above 38 hours. In the cases agreed it was normally in the form of additional holidays (one to three for the 85/86 period under consideration) together, where possible, with efforts to increase the flexibility of manpower utilization. The employment impact is stimulated too with the result that around 18 000 jobs are created.
- (viii) The existing scheme of early retirement (as from the age of 60) which created about 18 000 vacancies in 1984 is prolonged until the end of 1987. Collectively agreed early retirement schemes may start from the age of 50 though usually they go from 55 years of age. The pension consists of unemployment allowance plus a complementary allowance paid by the last employer. At the end of 1983 about 125 000 persons, i.e. 3% of the active population, were covered. In the summer of 1985, the legal framework for early retirement agreements was changed to the effect that the minimum new age is fixed at 55 (unless the company is in difficulty) and that pension benefits are reduced unless a corresponding recruitment is made.
- (ix) The legislation on part-time work introduced in the beginning of 1983 ensures equal treatment between full-time and part-time workers, taking into account the number of hours worked. Provided that two hours per day are worked on average, full social security protection is granted.
- (x) The public service introduced various forms of part-time work as part of the objective of cutting wage costs and the volume of work by 3.5% over a period of two years; the duration of work and the salaries of new recruits in the public administration are limited to 80% of full-time persons in the first year of the recruitment.
- (xi) In 1984 a new regulation on overtime was introduced providing for free time compensation in lieu of longer hours worked, which must not exceed — in specific cases — 65 hours over a period of three months to be recuperated in the following quarter; in other cases the average working week per quarter has to be in line with the normal working week while variations are permitted within this period. Overtime rates are increased to 50%.
- (xii) A new system of educational leave has been introduced as from September 1985. It replaces a corresponding law of 1973. The new law foresees 240 hours per year for vocational training or up to 160 for general educational programmes. The novelty is that the social partners at branch level can set up their own programmes financed by a fund fed by the employers and the State.
- (xiii) In a study on the effects of the reduction of working time the Ministry of Economic Affairs concluded that the main variable to make it a durable success is the development of productivity. Only if it increases by 10% in the first year and by 6% more than in the past in the succeeding years will employment go up on a permanent basis. With lower productivity gains, initial positive employment effects will be wiped out after three years. In all simulations (apart from the one with high productivity growth) negative effects will show up for economic growth, the balance of trade and the public budget. It is interesting to note that the question of maintaining or cutting wages proportionately to the reduction in working time is only of marginal importance for employment<sup>(1)</sup>.
- (xiv) The Planning Office's projections for the economy until 1988 indicate that, under various assumptions, a yearly cut of 3—3.3% in working time may reduce unemployment by 16—25% compared with reference scenarios.
- (xv) Professor van den Broeck and his team at the University of Antwerp<sup>(2)</sup> have developed a model of rotating holiday periods which could in his view serve a number of social and economic objectives while at the same time reduce unemployment. The scenario envisages 3 months'

<sup>(1)</sup> De Standaard, 20 July 1985.

<sup>(2)</sup> Universiteit van Antwerpen — Rijksuniversitair Centrum Antwerpen: ROVAK (rotating holidays), 1983.

holiday per year on a rotating basis so that not everybody takes leave at the same time. The year is thus divided into three periods of four months with one month's leave per period. Enterprises would continue to work a whole year avoiding capacity under-utilization caused by the present system of widespread closedowns.

On the basis of the 1982 unemployment statistics (nearly 500 000) it would thus be possible to abolish unemployment completely. By calculating a cost-benefit analysis which takes account, on the one hand, of less absenteeism, longer production time and thus a more intensive utilization of capital equipment and, on the other hand, of savings in unemployment, invalidity and sickness benefits, the operation could be financed in a cost-neutral way at the aggregate level. More leisure time and the rising number of earners increases consumption and thus stimulates economic growth. The new leave patterns also make it possible to improve the use of the social infrastructure, resulting in energy savings, an increase in tourism, the fostering of flexible working time arrangements and an easier transition into a post-industrial society.

## Denmark

- (i) A voluntary early retirement scheme financed by contributions from the social partners on top of what is saved by an overall decrease in unemployment expenditure is open to all members of an unemployment insurance fund over the age of 60 years. Under certain conditions of eligibility early retirement pay corresponds to 90% of previous earnings subject to a ceiling degressive in time reaching 70% in the final phase. The early retirees are not allowed to work more than 200 hours per year. Five years of experience with the scheme seem to indicate that the replacement ratio is about 50%

corresponding to 1.5% of the otherwise unemployed<sup>(1)</sup>.

- (ii) In January 1984 the government submitted a working time policy report to the Danish Parliament. The report gives a detailed account of the discussions which the Minister for Labour has had with the organizations on both the private and the public labour market. The employees' organizations stress the need for a reduction in working hours which they believe will lead to an improvement in the employment situation. This view is not shared by the employers who stress the need for rearranging working time in order to improve competitiveness — which may subsequently form the basis for increased investments and employment.

The Danish Government agrees with the social partners that the question of the length and arrangement of working time is a matter which should be the subject of collective bargaining and consequently the government has no wish to interfere in this matter. The government is sceptical as to any positive effects on employment and the national economy of a reduction in working hours but finds, on the other hand, that more flexible working time arrangements could have some positive effects on employment.

The report has been the subject of two debates on working time policy in the Danish Parliament. The debate resulted in adopting a resolution inviting the government to initiate tripartite negotiations with the social partners prior to the start of the collective bargaining rounds early in 1985 with a view to renewal of the collective agreements now in force.

The resolution enumerates the following elements which should be made the subject of tripartite negotiations: tight incomes policy, working time reduction on the basis of analyses of the consequences both on the private and the public

labour markets and investment and employment policy.

In response to the wish expressed by the Parliament that the parties concerned should analyse the consequences of a reduction in working time, the government initiated tripartite discussions on the subject. A technical committee set up by the government presented a report containing analyses and assessments of the economic repercussions of a reduction in working time. It agreed unanimously that a reduction in working time would be positive in that it would increase employment provided certain conditions were met. A reduction of one hour per week would be likely to produce employment for about 30 000 people on condition that firms' wage costs were not increased. This implies real wage restraint which in turn depends on how far working time is reduced and what the increase in real wages might have been if there had been no such reduction.

- (iii) In the framework of the two-year pay settlement imposed by the government and ratified by Parliament in April 1985, it is stated that in December 1986 the working week is to be reduced from 40 to 39 hours in the private sector with full wage compensation. In the public sector a corresponding cut is scheduled for January 1987.

## Italy

- (i) On 22 January 1983 an agreement was signed by the government and both sides of industry to control labour costs and improve employment.

With regard to working time it was stipulated that, in the context of a

<sup>(1)</sup> The government has submitted a proposal in order to open, in 1987, the possibility for part-time retirement for all employed aged between 60 and 66. Working hours will be reduced to between 15 to 30 hours per week.



more efficient use of labour with regard to the requirements of higher productivity, collective agreement renewals are to define a reduction in working hours of 20 hours in the second half of 1984 and of another 20 hours as from the first six months of 1985.

(ii) During negotiations at the sectoral level these intentions were rendered concrete in a number of ways:

(a) in most collective agreements contractual weekly working time was not changed and remains 40 hours (an exception is, however, the banking sector where, as from 1984, weekly hours amount to 38 for salary earners and 38.5 hours for wage earners), but the reduction agreed upon (varying between 8 and 40 hours per year) can be arranged in the form of extra free days or more generally in the framework of annual working time, used flexibly throughout the year — with ceilings, however, of 48 hours per week (the upper limit of the statutory working week);

(b) the majority of the collective agreements stipulate possibilities of a flexible utilization of working time in relation to output needs (e.g. seasonal work), working time above the contractual basis is recouped in times of less activity whereas pay is granted regularly;

(c) a large number of collective agreements fix basic principles for part-time work with reference to a consensus between employer and employee, reversibility to full-time work at the request of the employer and/or employee when compatible with work requirements, proportionality of salary etc.

(iii) In a joint statement by the three main union organizations in July 1985 it is laid down that in the coming period of three years annual working time should be reduced by

90 hours (on average 2 hours per week) compared with present normal working time. They claim furthermore that legislative and collective action should be taken in order to introduce various forms of part-time work and temporary work. Working time reductions should be implemented:

(a) where relevant labour-saving technological innovations are introduced;

(b) where restructuring implies labour surplus;

(c) where working conditions are particularly onerous.

The measures in this field should lead to a better utilization of capital equipment and longer opening hours for services, and should be fixed in accordance with plant and enterprise requirements as well as with labour market considerations. Linking the introduction of new technologies with organizational improvements, the reduction in working time should not lead to higher real unit costs of production.

(iv) The new employment legislation of 19 December 1984 contains important provisions on 'solidarity contracts' and part-time work. Some precise norms are laid down for the equal treatment of full-time and part-time employees understood in a broad sense in order to render possible a flexible use of manpower. Collective agreements at all levels may lay down the percentage of part-time workers in relation to full-time workers, the jobs which are open to part-time work, and the way in which part-time hours are distributed. Overtime working for part-time workers is only allowed in specific and agreed circumstances.

(v) Solidarity contracts are agreements at a firm level which are designed to maintain jobs which have become redundant by reducing the actual volume of work through a more or less proportional cut in individual working hours. Under such

contracts, which have been signed in about 350 firms, 50% of the wages up to 24 months are paid by the Wage Guarantee Fund (CIG). At present about 450 000 workers are in the CIG, half at zero hours of work.

Solidarity contracts (a collective agreement) are also possible if the reduction in individual working time and wage cuts is intended to render possible the recruitment of new workers. The unemployment benefit fund may grant an aid of 15% of the reference wage in the first year going down to 5% in the third year. Another scheme applies to young workers between 15 and 29 years of age under which a lump sum (the same as for apprenticeships) is granted for three years. Special allowances are given in the Mezzogiorno.

(vi) A draft law on part-time work for public sector employees has been submitted to the government. Up to a ceiling of 15% of all employees full-time jobs can be transformed into part-time functions, while new recruitment in the following three years should only be carried out on a half-time basis. Preliminary estimates foresee about 300 000 new recruitments as a consequence of such a scheme. The new law also provides for equal treatment of full-time and part-time workers in social security (but proportional to the hours worked).

(vii) A law has been passed which introduces early retirement for iron and steel workers from the age of 50 who have a social insurance contributions record of at least 15 years. Some 7 000 workers in public sector enterprises and 4 000 in the private sector have already taken advantage of this scheme. It is estimated that in total about 108 000 employees in crisis branches have retired early.

(viii) The union 'CISL' has presented model calculations, based on various hypotheses, of the effects on employment of a reduction in work-



ing time. Assuming the introduction of a 35-hour working week in 1985 with a wage cut of 2.5%, 380 000 additional jobs could be created reducing the unemployment rate from the projected 10.8% of the reference scenario to 9.4%. In the second hypothesis of maintaining wages while cutting the hours to 35, the employment growth would be about 300 000, bringing the unemployment rate down to 9.7%, whereas a reduction in working hours to 38.5 hours with pay maintained would create about 170 000 jobs and result in an unemployment rate of 10.2% for 1985.

## United Kingdom

- (i) The trend to shorter hours per week, already underway for a number of years continues, with the effect that currently about 80% of full-time manual workers work 39 hours or less. Those companies which have moved furthest forward in this area include the following: — Ilford (37½ hours), Cummins Engineering (37½ hours), Gallaher (36 hours), Imperial Tobacco (35 hours), Reed Corrugated Cases (35 hours) and Westland Helicopters (32½ hours). In the last-mentioned company the reduction was linked to the introduction of a two-shift system of working and new production technologies. On the question of annual leave, some 60 agreements were concluded which extend paid annual leave<sup>(1)</sup>.
- (ii) At the beginning of 1983 a job-splitting scheme was introduced granting the employer a financial incentive of UK£ 750 per part-time job created, by March 1984 only 836 jobs were split resulting in 1 672 part-time jobs.
- (iii) Four company agreements have been signed to counter the trend of excessive overtime working. Two of them refer to a paper manufacturing plant (Fort Sterling) and a chemicals plant (BP) which have put an end to systematic overtime

by creating a fifth shift for continuous operations. In the case of BP this measure is associated with a reduction of the working week from 40 to 37½ hours. In another example (Brinks) the fixed amount of weekly overtime to be worked was abolished and replaced by overtime working on a voluntary basis only. This measure created 50 jobs. In a fourth case (Petrofina) tanker drivers obtained a reduction from 40 to 37 hours a week as well as compensation in free time for overtime worked<sup>(2)</sup>.

- (iv) As from 1 April 1984 a revised job release scheme is in force available to women aged 59, men aged 64 and disabled men aged 60 to 63. The schemes offer a weekly allowance from the date the applicant leaves work until the State pension age, provided the employer agrees to replace the leaver by an unemployed person. The tax-free allowance (about UK£ 60 per week) depends on the income situation in the family and on other conditions. The replacement ratios of these schemes (in their original versions) are estimated at 90% concerning about 95 000 persons in March 1984. A similar part-time job release scheme, in operation since October 1983, allows people in the same age groups to change to part-time work and receive a weekly allowance provided an unemployed person is recruited by the employer as a result of the application. Up to now the result is very limited. From 29 April 1985 employers who recruit unemployed replacement workers who meet certain conditions will be able to receive a grant of up to UK£ 840.

## Greece

- (i) A national collective agreement lays down the 40-hour working week for all firms; time above this ceiling is considered to be overtime.
- (ii) Overtime limits have been reduced to 40 (was 70) per six months.

- (iii) Civil servants and assimilated staff work 37.5 hours per week, an objective which the Greek Confederation of Labour wishes to generalize: the confederation is also requesting that parental leave be introduced.

## Ireland

- (i) Only a limited number of collective settlements make reference to shorter hours or extended paid annual leave resulting in an annual reduction of 5—10%.
- (ii) Work splitting and job-sharing also take place on a very limited scale.
- (iii) An 'Hours of Work Bill' establishes the normal working week at a maximum of 40 hours. Overtime is limited to a maximum of 40 hours over four consecutive weeks or 100 hours over 12 consecutive weeks. Provision is made for averaging to ensure flexibility for industries where seasonal peaks occur. No overtime rate is specified, but existing pre-war legislation which covers industrial, shop and hotel workers and which provides for overtime payment of time-and-a-quarter, will continue to apply. Workers and employers may negotiate arrangements for time-off in lieu of payment for overtime. 'Double employment' is discouraged by restricting the hours of persons with more than one job to the maximum permitted in respect of a single employment. Finally, the Bill provides that agreements may not be made permitting the employment of young persons for more than 50 hours a week, and thereby sets a limit to the Protection of Young Persons (Employment) Act 1977, which allows agreements to be made to vary the maximum weekly hours permitted for young persons.

<sup>(1)</sup> ETUI: Collective bargaining in Western Europe 1984.

<sup>(2)</sup> Idem. Prospects for 1985, Brussels 1985.



## Luxembourg

- (i) The government's policy on working time affirms that such a policy could be the key to a gradual transformation of work organization and industrial relations, while leaving labour and management free to determine the pace and procedures for cut-backs and the reorganization of working time; the 40-hour working week should be extended to all sectors while enforcing strict observance of the rules governing overtime.
- (ii) The recruitment of a long-term unemployed through an unlimited work contract of at least 20 hours per week is supported financially by a premium which can go up to 200% of the reference minimum wage, if the newly recruited person holds the job for at least 12 months uninterrupted.
- (iii) In 1977 the government set out the terms whereby those employed in the iron and steel industry could take up early retirement and then draw on a waiting allowance. Successively this scheme was extended (as from 1980 optional) to employees reaching their pensionable age in the course of time to the effect that those employed in 1983 and 1984, who are normally pensionable in 1986 and 1987, qualify for the waiting allowance which is 85% of gross monthly pay in the first year, going down to 75% in the third year. Up to and including 1982 a total of 2 271 workers have drawn on the scheme.
- (iv) Another measure taken in the iron and steel industry is set out in the codicil of 21 December 1982 to the collective agreement and refers to a reduction in working time in the form of 12 additional rest days per year and accompanying non-linear pay reductions.

## Conclusions

- (i) Despite slack labour markets in the countries concerned the various

forms of RIWT (reductions in individual working time) have contributed to the creation of jobs, mostly in services, and at least to their saving in industry. To a certain extent this can be considered as following the US trends where the 'silent' reduction in working time in the service industries has also stimulated job growth. It should furthermore be borne in mind that the imposed or agreed RIWT have been rather small and that, consequently, in a climate of economic stagnation or low growth with productivity gains, the employment impact could not have been large, even under optimistic assumptions.

- (ii) Practically all available employment forecasts in the medium and longer term tend to show that some form of full employment in the traditional sense cannot be reached without substantial RIWT. Reductions in working time are really lagging behind and should already have been taken much earlier to attain a better equilibrium on the labour market.
- (iii) RIWT in the last year are implemented in a large variety of forms and combinations taking into account national, sectoral, and enterprise conditions as well as, sometimes, differentiations according to groups of workers concerned. Even in the case of assuming fixed input-output coefficients and a rather stable capital-labour ratio which may lead to the creation of bottlenecks when individual working time is reduced it should be underlined that management is normally remarkably able to reorganize work so that these potential bottlenecks will not materialize. In any case, these bottlenecks could emerge to the same extent when overall growth or 'supply side' policies are realized.
- (iv) As to estimating the (positive) employment effects of the RIWT, one has to bear in mind that most of these measures were taken in a period in which the main interest of

the enterprises was to 'shake out' the workforce in response to a lower or stagnant level of activity with the consequence that the intended RIWT measures were only partly transformed into new jobs due to the lack of prosperous market perspectives in terms of profits and demand. It should also be taken into account that other measures supposed to create employment, i.e. notably an active growth policy, have remarkably failed to create more jobs. Measures aiming at the RIWT are often criticized for reasons which also apply to other policies, such as increasing qualitative imbalances on the labour market and creating bottlenecks, but this would also be valid for a growth strategy designed to have a positive employment effect since such a policy would meet the same problems. It is sometimes intellectually unfair to blame economic models based on RIWT as to the validity of the results whereas other simulations based on other variables and assumptions and computations are taken at face value although the positive employment effects of the majority of econometric aggregate models in France, the Federal Republic of Germany, the Netherlands and Italy show that, under suitable conditions of the overall macroeconomic policy, reductions in working time can be quantitatively important elements in contributing to employment growth.

- (v) Since not only the question of job retention and/or creation is important but also the highly sensitive issue of wage compensation, it is important to note that all the varieties this notion can give rise to are represented among the agreed working time arrangements. The concept of wage compensation is not an isolated phenomenon, it has to be seen in the systematic concept of the utilization of capital equipment, of other pay elements such as premiums and bonuses, of the market position of the firm (expand-

ing, stagnating, decreasing), of financial contributions from public authorities, of investment planning and overall policy, as evidenced by macroeconomic models. Management tends to judge the financial 'supportability' of granting full, partial or no wage compensation in the context of productivity gains to be expected both per worker and per machine-hour and in the light of the general wage rounds. Therefore even 'full' wage compensation such as in the German metal-working industry has resulted in less overall wage rises than otherwise would have been the case. When considering the costs of worksharing one has to bear in mind the already existing costs of unemployment which, for the public budgets alone, already amount to some percentage points of GDP.

- (vi) RIWT should not be regarded as an isolated phenomenon. Its contribution to worksharing could be much larger if and when the willingness of an important section of the employees to work shorter hours, while accepting corresponding pay cuts, is exploited. Such individual trade-offs could be put in a variety of forms, in the framework of enterprise, sectoral and/or national agreements which may include the earmarking of 'frozen' funds for worksharing and investment (e.g. wage funds in France and Italy), and the formation of 'human capital' in the shorter hours paid by the firm in order to increase supply and demand balance on the labour market and to facilitate the intro-

duction and spread of new technologies.

- (vii) Even if RIWT may have an adverse impact on GDP growth, as suggested in some econometric models, one should seriously consider what an involuntary and persisting dichotomy in working time (with the extremes of full-time work and zero-time work) between large sections of the population will mean for the stability of our societies and the indirect costs of possible social disruptions. These costs are not taken into account in any modelling nor those which follow from the non-insertion of large parts of the younger generation into the labour market and the erosion of skills and lack of motivation this will entail.
- (viii) An appropriate implementation should make it possible to break through the old paradox that shorter hours can be implemented when they are not needed (as in the full employment situation in the sixties) and are not sufficiently realized when their necessity is evident for employment purposes, as up to the beginning of the 1980s. The newly accelerated reduction started in 1982 should thus be increased and extended.
- (ix) The question of reducing and reorganizing working time is at present and in the foreseeable future focusing on its employment impact. Once this phase is overcome its welfare implications as well as is-

sues relating to working life/leisure time/learning/humanization will become more prominent again. It will be more related to other features of social and incomes policy and should be considered as a possibility for personal choices and options. It may very well be imaginable — in the light of an increasing general level of education for the whole population, the gradually disappearing 'elite' character of university training, moderate growth rates with less high income increases than in the past, allocation of capital funds for investment in new technologies, 'human capital' and environmental protection, etc. — that income differentiation as the major vehicle of social stratification will fade away and be gradually replaced by stronger and much more individually determined differentiation in working time patterns linked itself to a different attitude to (paid) work and its importance as the major source of income and its differentials. In the longer term working time trends, incomes policy, and the structural change of the economy are intimately connected, with lines of influence going both ways to the effect that not only the latter has an impact on the former but also that politically shaped and implemented income and working time measures contribute to structural changes more compatible with the wishes of the majority of the population.

**Klaus Käding**



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## **Part Two**

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





# Adult education in Europe

## A Community programme for cooperation and interaction

**What is adult education? Is it a part-time leisure activity for the middle-class, middle-income, middle-brow members of society with time and money to spare to indulge their whims? Or is it an essential instrument to drag the poorly educated into the world of literacy and numeracy, brow-beat the unemployed into writing impressive letters for job applications, give all and sundry hands-on experience with their friendly neighbourhood IBM PC? With 95 million adults of working age in the EEC (so far) peoples' expectations and experiences differ widely, but the Commission has a programme running to improve the lines of communication on the subject.**

The Commission's programme of cooperation between adult education centres is there to enable adult educators and educated to meet, exchange ideas and stimulate reflections. People concerned with particular aspects of improving peoples' lives through enlightenment have an ideal opportunity to test their ideas against proven practice in other countries, and use their peers as a sounding board, a sympathetic ear and a ready mind. In the recent past many of the issues affecting adult education have been raised in these forums, which take the form of workshops or seminars. Problems such as adult education (literacy and numeracy), and the extension of this to cover skills in the new technologies (computer literacy), the contribution of education to help unemployed adults (who number nearly 9 million in the EEC), how regional and rural development can be assisted through adult education ... it can be seen that concept of providing opportunities for people to learn and expand their knowledge encompasses a broad range of interests and concerns.

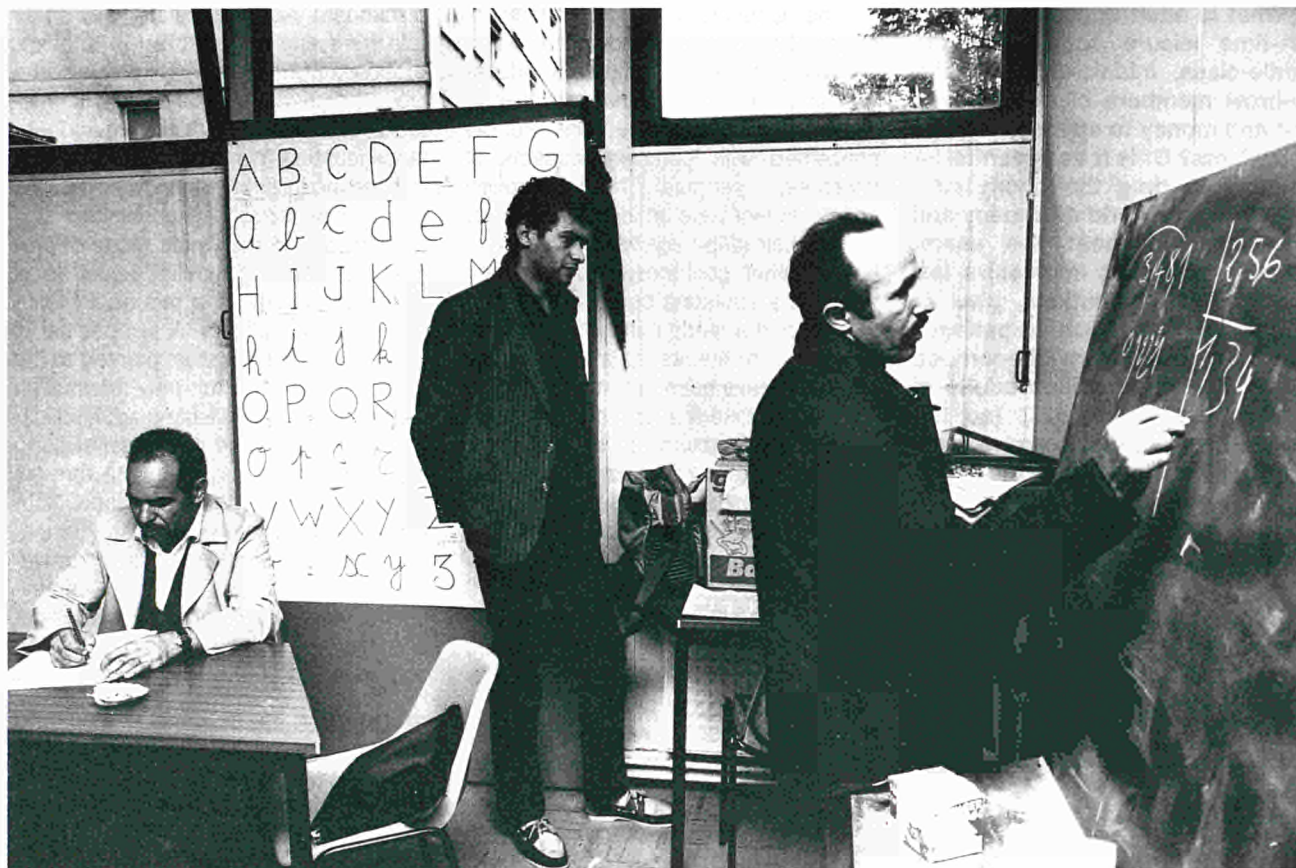
That education was only something which one could aspire to was a message coming out of a seminar organized in France by the organization set up there to combat poverty (ATD-Quart-Monde), bringing together adult educators concerned with illiteracy among low-income groups. The fact that illiteracy and innumeracy affects 30–40% of poor people as opposed to 5% of the population at large is obviously a major factor in designing education courses to suit them. Even before the process of education can begin, programmes are needed to help poor people regain self-respect, break out of their isolation, shrug off dependency and start building self-confidence.

Many adults suffer from inadequate education; lack of interest at school, poor educational provisions, family circumstances ... a number of factors may contribute to an adult lacking certain basic knowledge. Later in life it is important for them to have access to basic adult education, which of course means more than sitting grown-ups down in a class room and teaching them from a

blackboard. Adult educators have a key role here and their problems and approaches were examined in a seminar in Liège/Belgium, particularly how methods of teaching via television and distance learning can contribute to improving the acquisition of knowledge. The role of new forms of technologies and their impact on the whole range of programmes helping adults adjust to a changing society is a recurrent theme amongst practitioners. A symposium at Woburn, United Kingdom pointed to the various ways in which new information technologies were affecting adult education. These included the actual skills to be imparted to people in the form of computer literacy, the use of new technologies in delivering courses (computer-aided learning) and the improvements which can be made in the administration and organization of adult education by data bases, word processing and other forms of office technology.

However, the needs of unemployed workers and particularly the long-term unemployed (representing as they do an increasing proportion of those out of work) figure prominently among the concern of many involved in adult education. The exchange of experience and interactive learning in this area has brought interested parties together in Bremen, West Germany, Waterford, Ireland, Twente, Netherlands, Strasbourg, France and elsewhere. While the importance of resources to provide properly designed education for unemployed adults was an obvious battle-cry coming out from such encounters (provision in Member States rarely matches up to the needs), much emphasis was also put on aspects such as improved cooperation between local agencies, establishing better links between compulsory schooling and adult life and recognizing the special problems faced in unemployment by women and ethnic groups.

Another broad area dealt with under the Commission's programme has been the way in which adult education can improve local and regional development, including the development of rural areas. Seminars on these themes took place in, for example, Florence, Italy and Grenoble, France and the stress was



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clearly on local needs and how to establish good cooperation between agencies on the ground, the decentralization of decision-making and how to improve the position of adult education workers themselves. This last point about adult educators and counsellors is an important one as the quality of the education delivered is largely dependent on the ability and expertise of the professionals themselves. It is therefore sometimes useful to put educators and counsellors together to highlight their views on how adult education can be improved generally. Meetings in Denmark, the FR of Germany and the United Kingdom pointed in this respect to the importance of strengthening and extending the information, advice and counselling on adult education and training, enabling people to take part in courses without loss of unemployment benefits or other benefits, and ensuring that no one

should be prevented from following courses due to financial constraints.

One form of adult education which is fairly prevalent in most countries in Europe is that provided by trade union organizations. Traditionally needs of the education and training provided have been directed at improving the awareness and ability of trade union members. Trade unions need effective activists as negotiators, safety and health officers, work council members, etc. But more attention has been paid recently to the role of trade unions in helping unemployed workers by ensuring their continued activity within trade unions, and in exchanging information between national trade union centres on entitlement to benefit and measures to assist unemployed workers (e.g. seminars in Overijse, Belgium and Königswinter, FR of Germany).

The wide diversity of cultures in the Community and the sometimes fierce pride which surrounds certain regions and pockets of minority culture have created in their wake particular problems for some people. Cultural diversity is often manifested in the form of language and the opportunity for representatives of cultural and linguistic minorities to meet and exchange views which can be rewarding and add to the richness of European culture. The particular educational difficulties experienced by such minorities have been examined in Northern Irish and South Tyrolean seminars.

The range of issues in the field of adult education is broad; adult education can mean courses on Renaissance art to one person while for another it can represent a last-ditch attempt to come to terms with the modern world. From



basket weaving to assisting long-term unemployed workers the interpretation is varied and clearly the Commission's programme makes no attempt to organize events around all areas of activity. But it does try to identify with the help of experts those fields in which contacts between interested and concerned people show the best signs of bearing fruit,

areas where the needs of disadvantaged groups are most apparent and areas where adults generally can benefit from greater European awareness by educators, researchers and practitioners. A continually changing society can only mean that the demand for all forms of adult education will increase in future, be it for people retired early from their

jobs, part-time workers, or be it for people anxious to get a job. Better cooperation at European level between agencies who conceive and deliver adult education can only be in the long-term interest of adults themselves and of the society in which they live.

**Tim Mawson**

# Education, training and work: what young people think and do

**Action to improve the education, training and job prospects of the Community's younger citizens is one of the Commission's top priorities.**

For example, in his 12 March statement to the European Parliament on the Commission's Work Programme for 1985, President Delors said:

'The prospect of unemployment worsening, or stabilizing at its present level, is quite intolerable. It demoralizes young people excluded from the labour market and tarnishes the image of the Community which no longer seems capable of fulfilling the main function assigned it by Article 2 of the Treaty of Rome'<sup>(1)</sup>.

It is obviously essential that young people themselves contribute to the formulation of policy and the implementation of action at Community level. The participation of young people is a key theme for International Youth Year 1985, which the Commission marked by publication of a memorandum<sup>(2)</sup> in July 1985. The Commission argues in its memorandum that 'young Europeans must themselves participate fully in constructing their own futures and in the development of the European Community'.

The main focus for the participation of young people will obviously be their local community. But the Commission is also anxious to keep in touch with what young Europeans think and do. The main institutional arrangement for doing so is the Youth Forum of the European Communities, which represents the interests of young Europeans at Community level. The Commission exchanges views regularly with the Forum on matters of mutual interest. In addition, from time to time the Commission sponsors research into the attitudes and behaviour of young people. This article reports one such study.

## Objectives of the study

The study was carried out by the French office of Hay MSL, a management consultancy. Its essential purpose was qualitative, rather than quantitative:

- (i) to analyse the various mechanisms by which young people reaching the end of the period of compulsory education made the transition to adult and working life;

- (ii) to assess the various factors which influenced the decisions made at this critical moment;

- (iii) to explore how these factors could be changed in order to make the transition from school to adult and working life easier.

Essentially, therefore, the study sought to analyse the choices and decisions open to young people as they moved from school into adult and working life, *from their point of view*. Much work in this field rightly emphasizes the role of the education and training systems in preparing young people to make a constructive contribution to economic development, in particular by helping them into employment. The focus of this study, in contrast, was not the needs of the enterprise or the demands placed upon young people by society, but the ambitions, pressures and perceptions motivating them as they moved from the dependence of childhood towards the independence of adulthood.

## Methodology

The key determinant of the methodology for the study was, therefore, to avoid as far as possible imposing an 'adult' system of views and values upon the young people. A two-stage approach was therefore adopted:

- (i) a series of discussions with individuals and with groups of young people in France and the Federal Republic of Germany. These discussions were organized around the specific theme of the transition from school to adult and working life. However, the Hay France team were careful

<sup>(1)</sup> Article 2 of the Treaty of Rome defines the task of the EEC, amongst other things, as '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.'

<sup>(2)</sup> Memorandum by the Commission, International Youth Year, COM (85) 247 final of 1 July 1985.



not to direct the discussion, but to encourage the participants to speak freely and openly about their experiences and expectations. On the basis of this first phase, the multidisciplinary team (which included economists, sociologists and psychologists) drew up a detailed guide for the interviewers involved in the second phase of the project;

- (ii) phase two consisted of a more extensive series of interviews with young people, mainly individuals but sometimes in groups, in France, the Federal Republic of Germany, Italy and the United Kingdom. Each interview was in turn divided into two parts. Firstly, the interviewer (most were under 30) engaged the interviewee in a general discussion of his or her personal experience. Secondly, the interviewer posed a series of specific questions based on the picture emerging from phase one of the study.

Such a methodology was, of course, highly labour-intensive. Whereas a conventional statistical survey may involve only a few minutes' contact with the interviewee, or may be conducted using a postal questionnaire, the Hay France team had to spend several hours with the young people, winning their trust and encouraging them to talk about their hopes and fears. As a result, only 200 young people were covered by the study. However, since the interviewers worked independently of each other, the young people's responses were not prompted by a conventional questionnaire, and the interviewees were selected at random, there is reason to believe that the points of view expressed were fairly typical of young people in general.

## Main results

The young people studied were mostly aged 16–18. Some were still at school, others were undertaking vocational training or work experience programmes. Most had few or no qualifications. Most came from relatively modest family backgrounds. In other words, this

is precisely the target group for many of the special measures introduced by governments in response to rising youth unemployment and technological and economic change. The study's main conclusions were as follows.

Most young people who leave school at the minimum age do so because they are fed up with school, and not because they have some positive project in mind. The young people interviewed were both critical of the education they had just experienced, which they felt had little relevance to their needs, and sceptical about entering education or training programmes which resembled school.

The most important influence upon the decisions made by young people remains the family. At the very least, the family offers material and emotional support to young people. In most cases, parents guide young people as they choose between the various education and training options available. In many cases — though rarely in the case of migrant workers — parents are able to find a job for their children. With the current high level of youth unemployment, this informal approach to job-finding has become increasingly important.

The mass media have little influence upon young people's decisions in this area. Young people listen to the radio, watch television, and read newspapers and magazines, to inform themselves about the world and (often) to try to escape from it. But in general the mass media do not seem to help them make decisions about their education or employment. However, the advice given by parents often reflects information and perceptions gained from the mass media, so that their indirect influence on young people is considerable.

Most of the young people use the official guidance and placement services. Not surprisingly, when these assist the individual to find a good job or training place, they are valued. When they are unable to meet individual aspirations, they are heavily criticized. The report suggests that the styles of operation of these services vary considerably. Some take an active interest in each individual

client, and this is much appreciated; others leave young people largely to help themselves, but many young people lack the confidence to do so.

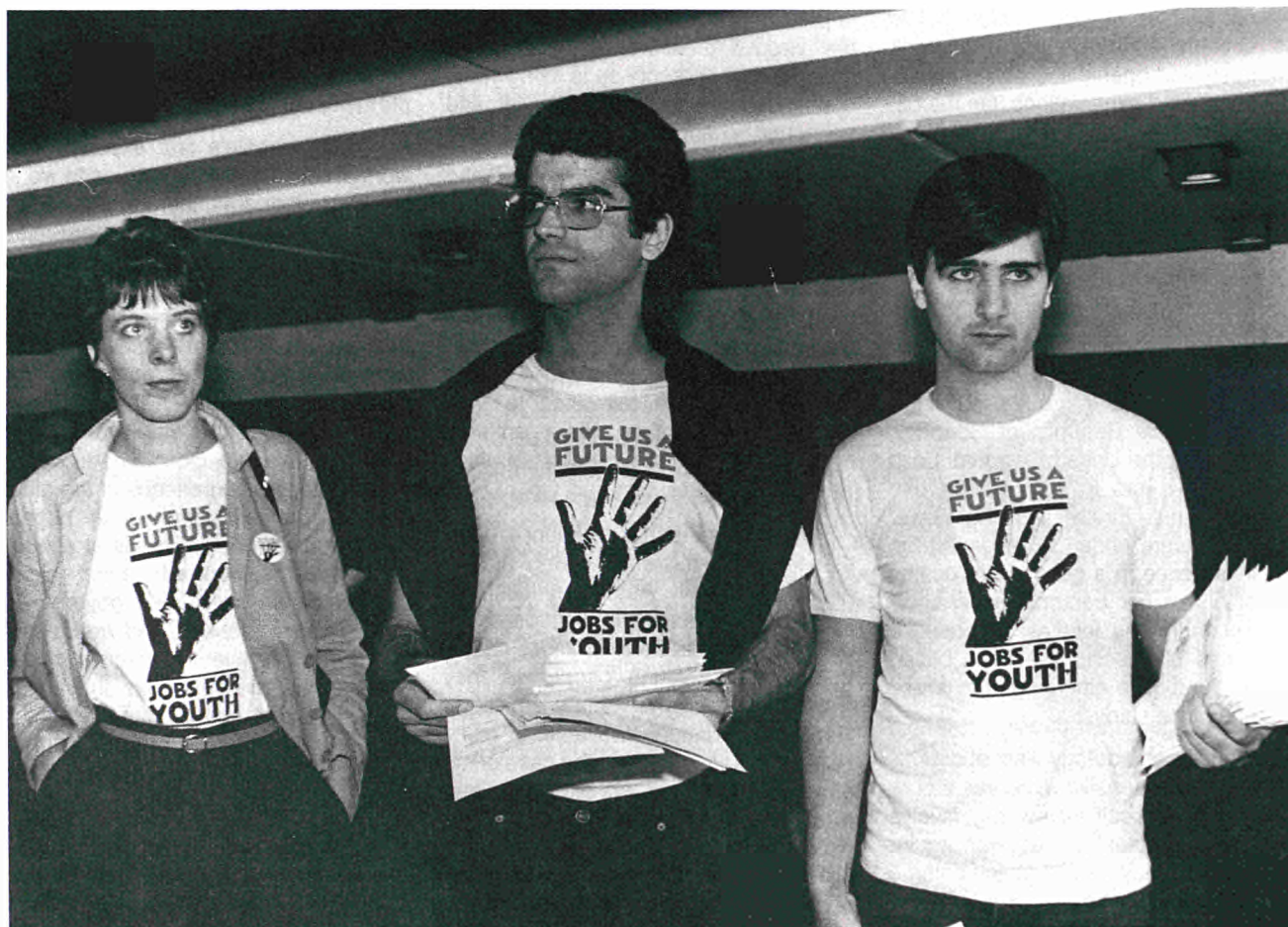
Young people's first experience of work affects their whole attitude to working life. In this area, there are important differences between the Member States covered by the study. Most young Germans had first experienced work within the framework of the highly-organized dual-system of apprenticeship, in which work is clearly seen as an educational experience and in which the rights and responsibilities of the employer and the young people are clear. There was a greater range of experience in the other Member States. Many young people had part-time jobs while still at school, and afterwards. Many others first gained experience of work through government programmes of training and work experience. But whatever the precise circumstances, the message was the same: the first contact with an employer was a critical event for most young people, which could have long-term consequences, for good or ill.

Young people's friends had little influence on their decisions. Most young people saw their friends as inhabiting a world quite distinct from the world of work: indeed, for many young people friends were those they chose to be with in order to escape from the pressures of daily life. There was, however, a major exception to this general rule. Lacking the network of family contacts available to most young people, young migrants looked above all to their friends for advice and assistance in finding jobs or training places.

Most young people want an interesting job; few think in terms of a career. Most young people are keen to work, and seek a job which is interesting and worthwhile. The pay and long-term prospects of the job seem of little concern at this age.

Most young people are highly mobile occupationally, but immobile geographically. Most young people are perfectly happy to try out several different jobs and occupations before deciding on a longer-term career. In contrast, few





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are prepared to leave their home area to further their education or job prospects.

Finally, the Hay France team noted that the differences between Member States are less significant than those within Member States. The personal histories of the young people largely reflected the education, training and employment opportunities available locally.

## Conclusion

This study is one of a series of occasional studies financed by the Commission in order to assist in its work on education, training, employment and

youth policy. Perhaps its main value lies in the questions which it prompts. Some of the main issues it raises are:

- (i) how can we make education and training opportunities, both within the period of compulsory schooling and afterwards, more attractive to young people?
- (ii) what is the best means of delivering advice, information and guidance to young people?
- (iii) should we encourage young people to first experience work through part-time employment which they find for themselves? Or should en-

try into the working world be part of a planned government programme?

- (iv) how can we help young people broaden their horizons beyond the often limited opportunities available in their locality?

These questions, of course, are not new. But this study underlines the urgent need for new responses to them.

**Clive Norris**

***A summary of the final study report is available from the Commission in English, French and German.***



# 'Young Europeans and new technologies' week

**From 7 to 13 July 1985, 150 young people aged between 15 and 18 from all Member States, chosen on the basis of their knowledge of computers and the new information technologies, assembled in Turin (Italy).**

In promoting this 'week' in close cooperation with the Piedmont regional authorities and the province and city of Turin, the Commission of the European Communities set this event in the context of the International Youth Year and sought to show these citizens, for whom the European institutions are still fairly remote from their everyday concerns, that the Citizens' Europe could be, is and will be a reality for them in the future.

The 'week' began on 8 July with a reception at the seat of the Piedmont Regional Council chaired by Mrs Susanna Agnelli, Under-Secretary of State in the Ministry of Foreign Affairs and Chairwoman of the Italian Committee for International Youth Year. Also taking part were Mr Boden, the Luxembourg Minister for Education and currently President of the Council of Education Ministers of the EEC, Mr Viglione, head of the Piedmont Regional Government, Mr Lenarduzzi, representing the Commission of the European Communities, and numerous other prominent figures.

The 150 young people listened attentively to the words of hope and vision from the different speakers, who agreed on the urgent need for Europe to make a fundamental choice and take up the challenge offered by other powers. There is no reason for 'Europessimism' if we put our trust in the young, in whose hands the future lies.

It was also said that the European economy of tomorrow must be based on 'intensive' work and capital, which will strengthen the human resource, while avoiding a science without conscience or culture. This, indeed, is the reason why the organizers (ENAIIP) chose as their symbol an image of Europe inspired by Michelangelo's David, but stylized by a computer.

The programme included a number of visits and practical sessions for these 150 young people and their tutors. They visited among others FIAT, Pirelli, the Technical University of Turin, the CSI (Consorzio per il Sistema Informativo), the ILTE, the San Paolo Banking Institute in Turin, the CSELT, the Biella textile works...

In this way the young people taking part were able to assess a number of major projects and see processes and applications of advanced technologies in action. The many practical experiences in laboratories and workshops also allowed them to operate computers themselves and to experience the applications presented.

For a week, then, Turin and its undertakings became a shop window for the use of robots, integrated computerized systems, using sophisticated instruments such as radar and satellites.

During the various visits the young people were able to view meteorological graphic images of Europe, use an electronic image processing system and create short computer assisted teaching sequences.

During a very lively debate at the end of their stay the young people taking part were unanimous that although the technological aspect of this 'week' was very interesting, the coming together of young people from all Community countries was no less so.

They had very much appreciated finding themselves suddenly in Italy confronted with someone of British, Belgian, German, French or Danish nationality. A young Greek said proudly that he had dined next to an Italian and a Luxembourger and opposite someone from Ireland and someone else from the Netherlands and concluded that this was probably the way to construct a People's Europe.

The importance of contacts between young people from different backgrounds was stressed many times during the stay. Everyone agreed that Europe could overcome its present difficulties only if research and business in Europe took on a European dimension. And this means working together, knowing each other and respecting each other.

One clear problem did emerge during the 'week': the genuine desire to communicate with others very often

foundered on the lack of a sound and practical knowledge of languages.

The young people taking part in the European Week in Turin could have communicated more easily with each other if they had had a thorough knowledge of several Community languages. They appreciated what Mr Diakhatte (Unesco) meant when he said that "the illiterates of the future would be those who could speak only one language". Young Europeans need to know several languages if they wish to communicate, and to make a useful contribution to the construction of Europe.

The young people also observed during the closing debate that if Europe wishes to meet the technological challenge of the end of the century, it must invest in the 'grey matter' of Europeans, particularly the young. If their training is to be effective, they said, the process of revitalization must include in particular teachers, since they are the principal means of transmitting knowledge, of teaching people to learn and to act. So teachers must be allowed to supplement and extend their training, to play an active role in the conquest of the 21st century, since if they act, young people react.

In conclusion, the European Week in Turin provided an opportunity for many young people to take part in a practical demonstration of today's innovative approach to training, work and leisure. It became clear that technology is an instrument and that as such it should be understood and used. Computers and the new technologies must neither ignore nor eliminate culture, on the contrary our cultural roots must remain the basis of our society.

**Domenico Lenarduzzi**



# Job Creation, Innovation and New Technologies: Experiences from the USA

**The performance of the United States labour market in recent years is often cited in the debate in Europe over the solution to the 'employment problem'. There are frequent misconceptions as to what has actually happened since 1973, in particular the role which has been played by new technology.**

From 2 to 4 September 1985, the Commission organized a seminar in Brussels which was designed to cast some light on these subjects. Entitled 'Job Creation, Innovation and New Technologies: Experiences for Europe from the USA', it aimed to provide participants with an insight into developments taking place on the US labour market either directly or indirectly as a result of developments in the high technology field. It consisted of both formal presentations by a number of guest speakers, and a workshop session where participants discussed questions arising from these presentations.

It was clear from both the presentations and the discussions that there are some key areas where the European conventional wisdom about the US labour market appears to be outdated or mistaken, but also areas where there are wide differences between the European and American experiences.

This article presents a summary of the presentations and the points arising from them.

## **The Performance of the US Labour Market 1973—84<sup>(1)</sup>**

Between 1973 and 1984 almost 20 million new jobs were created in the United States. This job creation should be seen against a backdrop of a very rapid expansion of the working age population, due largely to the coming of age of the 'baby-boom' generation. Employment has risen to meet this such that the ratio of employment to population of working age (employment — population — ratio) has risen from 65% to 68%. This ratio has declined in the Community from 65% to 57%. This growth in gross employment has not been steady over the period: it rose sharply during the Carter administration (1976—79) but because of the two closely spaced recessions showed little change in the next three years. Significant growth resumed in 1984. There has not been any sizeable change in the proportion of the labour force employed in part-time jobs.

This large-scale job creation has, however, been accompanied by a sub-

stantial rise in official unemployment, 'discouraged workers', and the working poor. The new jobs which have been created are largely in the private, service-producing sector and located in the Sun Belt States. 65% of the new jobs have been taken up by women, but the position of teenagers has deteriorated since 1979 and there is high youth unemployment, especially of black males and in inner city areas.

Although employment in high-technology industries has grown faster than average, direct job creation in high-tech, even on the broadest definition, has only accounted for 15% of the new jobs, and 13% of total employment. This is unlikely to expand further. On the other hand, the adoption of new technology in the production processes of all industries and services is crucial to competitiveness and the maintenance and expansion of both jobs and incomes.

The dynamism of the US economy in terms of birth and death rates of companies is striking. Independent, small firms (employing less than 20 people) account for about a third of all non-agricultural jobs but are contributing a larger percentage of new jobs especially in younger enterprises. The setting up and growth of small branches of larger enterprises has also been an important factor.

The 'de-industrialization' of the US economy is largely a myth. The share of manufacturing employment in total employment has fallen to 20% but the absolute level of manufacturing employment rose between 1973 and 1979. The two recessions 1980—82 witnessed an absolute decrease of over 2 million jobs in manufacturing but much of that loss has been restored. Projections by the Bureau of Labour Statistics suggest that job gains in manufacturing will account for almost 1 in 6 of new jobs between 1982 and 1995 and that manufacturing will maintain its share of employment.

Jobs are being created at all pay levels in the US economy, but employment growth has been greatest in the sectors with the lowest average wage

<sup>(1)</sup> Rodney Stares, Employment Initiatives Inc, New York.

levels (finance/insurance, other services, retailing). Aggregate employment has grown, however, at a time when real wage levels have risen against international competition.

It was concluded that there is no comprehensive explanation of US job creation performance, but three key factors which could be cited are:

- (i) fiscal stimulus,
- (ii) an entrepreneurial culture,
- (iii) a combination of more women working and an ageing population which increases demand for a whole range of services such as health, restaurants and child-care.

### **Employment and Job Creation Impacts of High Technology: What can be learned from the US example? <sup>(1)</sup>**

International competition has helped force up the speed of structural change in the United States. Cost control has led to redesign of products and the production process to cut down the labour content. Some labour intensive processes have been re-located off-shore. Job opportunities for the traditional manufacturing worker have fallen.

The number of production workers has also fallen within the high-tech industries. The proportion of production workers in the semi-conductor and computer industry has fallen from two thirds to a third in recent years with a corresponding rise in the proportion of managerial and technical staff. Since most of the unemployed are low-skilled, the high technology industry should not be seen as the answer to unemployment.

Although high tech employment has itself remained relatively low, high-tech industries and the application of high-tech in the production of other goods and services have been vital in generating economic growth.

Re-training and development of entrepreneurial skills can help solve unemployment.

### **Industrial Structure and the Changing Global Dynamics of Location in High Technology Industry <sup>(2)</sup>.**

This presentation concentrated on the development of Silicon Valley, and the neighbouring Santa Cruz county.

A high-tech industry requires finance, high quality labour and a good living environment. Silicon Valley's development was based on proximity to San Francisco, a world financial centre, and Stanford University, a top quality research institution. Military and state demand were critical for the early development of Silicon Valley. A second phase from the mid 1960s to the mid 1970s involved substantial de-militarization of the industry and the pre-dominance of 'entrepreneurial capitalism' i.e. increasing numbers of small firms oriented towards technical innovation and supported by a wide variety of independent ancillary and service organizations.

Silicon Valley is now in the third phase of development. Large capital requirements in the high-tech industry have led to vertical integration and the world headquarters of high-tech companies are now in Silicon Valley — a set-up which cannot be replicated.

Attempts to replicate high-tech centres have focused on state-aided high-tech complexes which may succeed in specializing in one particular high-tech field. Failures, however, involve massive social cost and successful firms tend to get absorbed and infiltrated by world headquarters and bring little benefit to the local economy.

The experience of Santa Cruz county is more appropriate to try and emulate. A high-tech economy has been developed there from a working class/farming base. The emphasis has been on developing products for specialized markets especially concentrating on the application of software industries. High technology is a pre-condition for growth but using it is more important than making it.

### **High Technology, Employment and the Challenges to Education <sup>(3)</sup>**

Despite growth in employment in the high-tech industry, electronics employment represents less than 3% of total US non-agricultural employment. Although high-tech employment will expand faster than total employment, it will generate only 9% of all new jobs between 1982 and 1985. The five jobs which will show the greatest employment gains are janitors, cashiers, secretaries, sales clerks and office clerks.

The different skills needed in computer-related work creates permanent unemployment for those made redundant from traditional industries. High technology creates a challenge for education. Computer literacy and mathematical skills will be requirements of the citizens of the future. Nevertheless, the educational system will cope in the long-run and temporary imbalances such as a shortage of engineers should not be mistaken for a structural problem.

Specific skills have a limited life-span in a rapidly changing high-tech environment. For example, the life-cycle of the skills of a specialized engineer is four years. Thus, it is important that the education, employment and social systems are structured to provide and accommodate periods of re-training.

### **Incorporation of High Technology and Innovation into a 'Fundamentals' Approach to Local Area Economic Development**

(a) Marc Bendick <sup>(4)</sup>

The total number of jobs created by the production of high technology

<sup>(1)</sup> John Alic, Office of Technology Assessment, US Congress.

<sup>(2)</sup> Richard Gordon, University of California, Santa Cruz.

<sup>(3)</sup> Linda Kimball, University of California, Berkeley.

<sup>(4)</sup> Bendick and Egan Economic Consultants.





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goods is limited. Without a world class research university, good living conditions and a clustering of other firms active in the industry, older industrial regions waste resources trying to attract high-tech industries.

We should aim for evolution, not revolution, and there is no reason to abandon traditional manufacturing, which uses the existing local skill base, as a viable base for future economic development.

New technology and innovations should be used to revitalize manufacturing industry. To do this, employers and employees must have more flexible attitudes. Although labour agreements in the US often incorporate more rigidities than European legal requirements, deals are negotiable in times of crisis, where-

as the law is not. Large amounts of public money used to promote local and regional development could be put to more productive use if states ceased to compete against each other. Locational decisions are not dependent on such 'gifts' but on production and marketing considerations.

Local economic development strategies should concentrate on promoting the survival and growth of firms already in the area. It is easier to retain firms than to replace them and the importance of the traditional requirements — quality of the labour force; availability of site; quality of local government services; transport infrastructure, should not be forgotten.

Small businesses are important but they are dependent on local consumer

and producer demand and should not, therefore, be expected to take the lead. Small businesses need continuous technical support, but incubator buildings are often 'oversold' and one should avoid economic development through real estate — the 'edifice complex'.

Support for small business should only be one part of a local economic development package.

(b) Robert Friedman<sup>(1)</sup>

The question of small/large business is not relevant. Entrepreneurial spirit is important. Most jobs are created in businesses which are less than five years old.

<sup>(1)</sup> Corporation for Enterprise Development, Washington.



The manufacture of high technology goods is not the key to creating jobs but the use of high technology in the production of other goods and services is vital.

It is essential to make full use of the skills the work-force has. Training and education as a way to solve structural unemployment is oversold. We need to encourage people to create jobs.

Entrepreneurs are not white/male/engineers in their mid-thirties. Women/minorities/dislocated workers can be entrepreneurs. Networks of family, friends and associates often provide capital to start up businesses. However, in poorer areas these sources of funds are not available.

'Reaganomics' is not responsible for the fast rise in entrepreneurship. It is a phenomenon which has been gaining momentum since the 1950s and which will continue. The factors encouraging entrepreneurship are often negative: loss of job, dead-end job, loss of spouse.

It is not true that states with low taxes, low wages, low levels of unionization and low regulation create the most jobs. The level and quality of public services are important determinants of the capacity of a state to attract jobs.

Job creation in the Sun Belt can be explained by four factors:

- (i) Jobs followed the movement of population.
- (ii) There is a culture of entrepreneurship.
- (iii) The South is not hampered by the existence of declining traditional industries which affect the entrepreneurial spirit adversely: people are used to being given jobs by large firms, not creating them.
- (iv) Defence spending.

Market failures need to be analysed. Private markets fail to meet their own criteria. Capital, for example, does not always go to the areas of highest return.

Tax incentives help large capital-intensive firms to pay out more in dividends. The critical point for smaller firms is access to capital, not cost of capital. One survey showed that seven out of eight firms did not even know what incentives were offered.

However, it may make sense to offer tax incentives to individuals who are setting up businesses. The increased availability of venture capital in recent years was not a response to the reduction in capital gains tax in the United States, but to the high rates of return which were being earned. The deregulation of public pension funds (which do not qualify for tax incentives) to allow them to invest in venture capital has provided a major boost.

More seed capital is needed to help companies start up, especially in declining industrial areas. Finance seems to be more readily available in the United States than Europe for expanding firms but Europe is probably better at providing seed funds.

Regulation/deregulation is overrated as a cause/cure for unemployment but barriers to entry into an industry do have significant effects.

Policy should therefore focus on fostering the entrepreneurial spirit and there is a role for governments in perfecting markets to that end.

## **Structural Unemployment and the Financing of Small Business<sup>(1)</sup>**

As the centre of the United States automobile industry, Michigan has suffered large scale, industrial decline and high unemployment.

A recently introduced strategy decided to combat unemployment by fo-

cussing on the assets of Michigan — a highly skilled labour force. The aim is to shift from making familiar products with routine, standardized processes which can easily be made in low-wage states and countries to making new products and existing products with more complex, flexible processes which are protected from such competition by their dependence on human skills. The strategy comprises three parts:

- (i) promotion of research and development;
- (ii) acceleration of the application of new technologies;
- (iii) provision of capital.

The state has provided money for industrial research at its universities and the universities have also attracted private funding for basic industrial research.

Michigan has established an Office of Innovation Services to encourage an entrepreneurial, innovative environment. The Technology Deployment Service helps firms to change to programmable automation.

Banks tend to be conservative and the amount of venture capital available has, until recently, been fairly small so the state is trying to fill the gap. A one-stop service helps small businesses with finance, planning and other technical aspects.

The Michigan Strategic Fund provides grants for product development and loans will be made to businesses in conjunction with private investors — the MSF will act as a lever for private investment.

The Venture Capital Division of the Department of the Treasury has also invested heavily in new firms. This ambitious programme is being backed by measures to aid disadvantaged and displaced workers.

**Penelope Smith**

<sup>(1)</sup> Gary Prince, Governor's Cabinet, Michigan.



# Employment and new technologies in retailing

Within the framework of its sectoral activities, the Commission has taken a close interest in retail trading, in particular the development of employment in this area. This sector is in fact a major provider of employment, with almost 10 million jobs within the Community. Contacts have been established with both sides of industry and the Commission has sanctioned the carrying out of a study which gives a picture of the situation and provides certain forecasts of the future development of employment in this sector<sup>(1)</sup>. At the same time, the European Foundation for the Improvement of Living and Working Conditions has carried out a study on the introduction of new technologies in supermarkets<sup>(2)</sup>.

At the start of 1985, therefore, we had available two reports relating to employment and new technologies in this sector. In May 1985 the Commission organized a seminar entitled 'Employment and New Technologies in Retail Trading', attended by some 50 delegates, members of employer's associations, trade unionists, university staff and researchers. This meeting opened the way to an exchange of differing points of view, a deepening of our analysis and contributed to improving dialogue between employers and workers at the Community level.

The present article aims to summarize the information gathered from these two studies and from discussions with both sides of industry.

## An employment area with its own particular characteristics

Between 6% and 11% of the total working population — it varies between the Member States — is employed in the retail trading industry.

**Table: Percentage of total working population employed in the retail trading industry in selected Community countries, 1970–82.**

	1970	1975	1980	1981
United Kingdom	11.7	9.5	9.1	8.9
France	7.6	7.4	7.3	7.3
Netherlands	9.0	8.7	8.9	8.7
Belgium	7.1	6.4	6.4	6.4
FR of Germany	8.5	8.4	8.7	8.4
Greece	7.6	8.5	8.7	—
Denmark	10.1	9.1	8.3	8.5
Italy	9.4	—	—	11.1

Development over these last few years has been varied, in particular between the North and the South, with an annual decrease in employment in the United Kingdom (–2.3%), FR of Germany (–0.6%), Denmark (–0.4%); stagnation or weak growth in Belgium (–0.02%), the Netherlands (+0.8%) and France (+0.5%) and a far from negligible annual growth in Greece (+1.8%) and Italy (+2.8%).

Typical features of retail trading include:

- (i) A strong concentration of self-employed persons. In general, there are twice as many self-employed persons in retail trading as there are in the economy as a whole. In many cases, the job is in a family concern. However we note that this kind of employment is reducing in importance in almost every Community country, despite a greater stability in southern European countries (Greece, Italy) and also in Belgium.
- (ii) A strong proportion of female workers: figures show that women make up about two thirds of the total labour force in the retail trade.
- (iii) The large amount of part-time work: in countries for which statistics exist, the proportion of part-time working is increasing rapidly. In countries where part-time working is most common, it represents almost 40% of all jobs in the sector.

This increase in part-time working, together with a reduction in the working year (shorter working week, longer holidays) means that the number of people employed in the sector has hardly changed, even though the amount of work itself has decreased.

The question of part-time working is a point of controversy between employers and trades unions, the latter arguing that the massive increase in part-time working is harmful to employees in so far as the social conditions which go with this kind of work are unfavourable (lack of social benefits, salaries, insufficient training). There are also considerable differences in the types of part-time work. We are not only talking about people working half-time over

<sup>(1)</sup> 'Employment in retail trade in EC countries'. Commission of the European Communities, 1985. Office for Official Publications of the European Communities, Luxembourg.

<sup>(2)</sup> 'Influence and effects of technological developments on supermarkets'. European Foundation for the Improvement of Living and Working Conditions, Dublin, 1985.

a longer period, but often about temporary part or full-time contracts for two or three month periods. The unions would prefer a reduction in working hours, which would go to create more jobs, and for a limit to be set up, by means of collective agreements, on the number of part-time workers.

Employers, on the other hand, reply that this offer of part-time work meets the wishes of a large number of people looking for work, in particular women.

Even though it is difficult to be accurate, productivity increases in the retail trade area can be estimated at about 3% between 1970 and 1980. However, since then, there has been a clear reduction in this rate of increase.

The main internal and external factors influencing employment in this sector are:

Marketing structures within the Community are moving towards increases in scale, which can be explained by the higher average return of larger companies. However, in those countries where there is a predominance of large distribution outlets (United Kingdom, Germany, Ireland, Denmark), the process of increasing scale is faster than in countries with marketing structures which put more emphasis on the small shop (Greece, Italy, Belgium and France).

Amongst external factors, economic growth has of course played a major role, but so too has the development of purchasing power. For a number of years now we have been able to observe a decrease in the relative portion of household expenditure used for retail purchases. Households are spending an increasing percentage of their income on housing, medical care and services in general. It is difficult to know whether this movement is due to pressure on income or to more structural factors.

Be this as it may, if this turns out to be a long-term development, it could affect employment in the retail sector, unless of course this sector regains

ground by increasing its range of services.

It is also interesting to note that population factors play an important role in so far as retail trade has developed more favourably (in terms of employment) in countries with rapid population growth (Italy, Greece).

Finally, we must also take account of technological developments.

### **New technologies: controversy over rate of introduction**

The retail trading area has for many years been on the lookout for innovations allowing for productivity increases. Over the last 10 years, the sector has benefitted from the progress in micro-electronics. The most important technical innovations in this area have been:

- (i) 'Merchandise entry' systems allowing for automatic restocking. The bar code on articles is deciphered and restocking data entered directly into the computer. Orders can be drawn up quickly and transmitted to the distributor at the right point in time.
- (ii) 'Point of sale' systems, allowing financial data and sales results to be used for marketing purposes. These systems allow companies to get a better grip on all related market information and contribute to optimizing purchasing policies and stock management as well as marketing strategies.

Right now, installation costs — and the need for at least 80% of articles sold to be coded — remain obstacles in the way of major market penetration. The conditions for introducing this system are much more favourable in the food sector (rapid introduction of the EAN<sup>(1)</sup> code). But we can expect a considerable expansion of this kind of system in the near future in northern Europe.

- (iii) Electronic funds transfer systems: allowing direct transfers from cus-

tomers' bank and post office accounts to retailers' accounts. This system has several advantages including time saving at cash desks and a reduction of risks. None the less, its introduction depends on the existence of cost-sharing agreements between retailers, consumers and financial institutions. For example, in Denmark, the Dankort card aimed at the retail market had to be abandoned because of a lack of agreement between the different interested parties. In France, a compromise still has to be found between shopkeepers and bankers on tariffs (both for the transactions as such and for payment guarantees). A solution is expected by autumn 1985.

Currently, although several electronic transfer system experiments have been carried out in several countries (Netherlands, Belgium, France, FR of Germany), the number of users remains very limited. However one can foresee that as soon as all the preconditions are met and conditions have become more favourable, we will definitely see the expansion of electronic transfers.

- (iv) Remote purchasing systems: using videotext systems. This presupposes that consumer households are equipped with terminals. Large scale application of this system is not yet just round the corner.

The rate of expansion of these new technologies will not be the same in every Member state. In the north of Europe there is a greater predominance of favourable conditions for the rapid introduction of new equipment (large numbers of supermarkets, low cost equipment, rapid introduction of bar codes, positive attitudes on the part of consumers, workers and governments) than in the south.

On the speed of introduction of new technologies into the retail area, both sides of industry are divided. Employers reckon that the change which is cur-

<sup>(1)</sup> European Article Numbering.



rently under way can only happen gradually, and for various reasons: high financial costs, the continuing existence of a very large number of small shops which are unable to purchase sophisticated equipment, differing wishes of customers who are not yet ready to accept just any conditions of sale.

On their side, trade unions reckon that computerization is coming rapidly to medium and even small shops following the rapid decrease in the cost of computer equipment. They are afraid of the negative effects of technological developments on employment, both from the quantity and the quality point of view. According to them, we can expect a reduction of work posts, a lessening of employee qualifications and a lowering of the standard of human relations.

The study on employment carried out by the Commission<sup>(1)</sup> does not, however, foresee a sudden drop in employment due to the introduction of new technology. 'Technological innovation will continue to improve work productivity; none the less for the next 10 years, we do not expect a sudden and substantial decrease in employment vol-

ume. Point of sales systems, in so far as they provide more precise information on hourly sales, will allow for better manpower planning and more flexible personnel planning in terms of peak and flat hours, enabling greater use to be made of part time working. Electronic funds transfer systems could also have an effect on the employment of cashiers.

As a general statement, we can expect an acceleration of a polarization process on the level of qualifications. Least qualified workers will be affected by the development of new technologies; the need for low-qualified personnel will continue but will tend to diminish, and there will be a larger requirement for highly qualified personnel in technical and management areas.'

By combining the various factors affecting employment, the study makes certain forecasts for this sector for the period 1985—95:

- (i) favourable growth rate in employment (around 2%): Greece and Ireland;
- (ii) Low growth rate (between 0.5% and 1%): France and the Netherlands;

- (iii) stagnation and decrease in employment (between 0% and -2%): Italy, United Kingdom, FR of Germany, Belgium, Luxembourg and Denmark.

Finally, discussion with both sides of industry shows that there is a consensus on two essential points:

- (i) The need to train or retrain employees in this sector; it is clear that new technologies will require qualified personnel; but a training and retraining effort is also necessary to avoid a polarization of qualifications, leaving certain workforce categories by the wayside (women, part-time workers, older workers).
- (ii) The need to inform and consult with workers on the introduction of new technology. Employers generally, however, believe that this information and consultation process should take place at national level, and then preferably at sectoral or company level.

<sup>(1)</sup> Op. cit.

# Trends in Women's Employment

When the Commission, in 1981, adopted its **New Community Action Programme on the Promotion of Equal Opportunities for Women (1982—85)**<sup>(1)</sup>, it considered that the analysis of trends in female employment was one of the areas to which priority should be given.

The position of women in the labour market is often still less than obvious. The Statistical Office of the European Communities (Eurostat) provides a breakdown by sex for its social and employment statistics wherever possible. Nevertheless, much valuable information about women at work remains unavailable at European level although it may exist, usually in unharmonized form, in some of the Member States. The Commission felt that a compilation of such diverse, but available and often highly interesting information would help it to develop its policy for employment equality and also to analyse the impact of economic and social developments on the position of women in the labour market.

It accordingly set up a group of national experts with the task of studying indicators and information on the position of employed women available in each Member State<sup>(2)</sup>. Following a period in which these were researched and assembled by the experts, the coordinators of the group, P. Bouillaguet-Bernard and A. Gauvin-Ayel, have just completed the first detailed analysis of the information thus obtained.

## 'Invisible Women'

The first of their conclusions is that the concerns of women in the labour market are, even now, all too often not covered by statistics. Thus, detailed figures on the concentration of women in certain sectors or types of activity are difficult to obtain. No information exists on whether the last job held by an unemployed person was a full-time or part-time post. And qualitative information, such as that on men's and women's time budgets (hours devoted to work/family and household responsibilities/leisure, etc.) or on the availability of child-care facilities to working parents, is extremely hard to find. Statistics on migrant workers in the Community usually demonstrate a dearth of information on the position of immigrant women (level of education, previous work, linguistic abilities, etc.), who are commonly considered to be mere adjuncts of their husbands.

## Rise in women's activity rates

Since the beginning of the 1970s, women's activity rates have been increasing in all Member States except Greece<sup>(3)</sup>. Women constitute the major component of the net increase in the working population, their contribution ranging from 23.1% in Greece and 58.2% in Germany to 103.8% in Belgium.

Highest female activity rates are to be found in Denmark, where women have now attained an activity pattern which, throughout their working lives, remains close to that of men. In Ireland and Greece, activity rates remain low, but the experts report that the available figures represent a significant underestimation of women's real contribution to economic activity.

Of the remaining countries, only the United Kingdom retains the 'classical' pattern of a definite drop in activity rates for 20—30 year olds, followed by a second increase and peak at 40—50 years of age. Elsewhere, these two stages have gradually fused, leading the experts to the conclusion that the younger generations of women are less inclined to give up work on starting a family, or do so for shorter periods than their elders did.

## Working women and marital status

According to the experts, those countries in which activity rates increased most during the 1970s (Ger-

(1) COM (81) 758 final.

(2) The members of this expert group have been: Th. Beaupain, D. Meulders (Belgium), R. Nielsen, R. Knudsen (Denmark), M. Langkau-Herrmann (Germany), M. Cavouriariis (Greece), A. Labourie-Racapé, P. Bouillaguet-Bernard, A. Gauvin-Ayel (France), P. Jackson (Ireland), P. Villa (Italy), M. Nati-Stoffel (Luxembourg), M. van Diepen (Netherlands) and E. Garnsey (United Kingdom).

(3) In Greece, during the past decade, self-employed occupations have shrunk faster than paid employment opportunities have expanded, thus leading to a net decline in activity rates for women.



many, France and Belgium in particular) are also those where family structures have been changing drastically and where households headed by single people or single parents, as well as those constituted by non-married couples, have been increasing most strongly. The pressures towards financial independence facing the adult members of such households are obviously much greater than those to which wives have traditionally been exposed.

In all countries, non-married women have activity rates which, for all age groups, resemble those of men.

Nevertheless, the greatest increase in women's active involvement in the labour market has come from married women whose share in the workforce has risen considerably in all Member States.

### Working women and their children

The working lives of women are, on average, still determined by the numbers and ages of their children. Yet, these patterns are changing and younger women with identical family responsibilities are now more likely to be working outside the home than their elders.

The experts analysed the effect of different stages in the family construction process and found that, one by one, these tended no longer to constitute barriers to gainful employment for women. The first of these steps, marriage, does not function as an obstacle any more, not even in Greece or Ireland. More women, throughout the Community, remain in employment after the birth of their first child and postpone their resignation to the arrival of the second. The third child does still constitute a definite barrier to the continued employment of many women.

It is interesting to note from statistics available for the United Kingdom only, that the rise in activity rates of working mothers has been strongest in the area of part-time work, while the proportion of women with dependent children en-

gaged in full-time jobs has remained remarkably stable over the past decade.

### The backgrounds of working women

Experts from those countries where relevant studies had been carried out, found that activity rates among married women were highest for the wives of self-employed men (working in agriculture, crafts, trade and small-scale industry).

Taking employees, activity rates were highest among the wives of white-collar workers and junior managers, but relatively low among wives both of top managers or of workers. The experts regretted the lack of information on women's activity rates seen in connection with their own origin and upbringing (background of parents, mother's occupation, etc.).

Looking at the effects of education, the experts found that, while it had become more common for girls to take a broader range of courses, the majority still seemed to end up in jobs predominantly held by women. Nevertheless, the improvement in young women's qualifications made them more eager to work, and to stay employed throughout their lives.

### Growth of paid employment

In analysing recent changes in production structures and their effect on women, the experts emphasized that the growth in paid employment had been greater for women than for men. With the exception of Greece (where the employed rate is 51%), 83% (Belgium) to 95% (United Kingdom) of economically active women now work in paid employment.

The extension of part-time work which took place during the past decade in all countries except Ireland, Italy and the United Kingdom, has been of particular importance to married women. More than a quarter of working women in Denmark, the United Kingdom, the

Netherlands and Germany have opted for this particular arrangement<sup>(1)</sup>.

It would seem, from the detailed studies available in Germany and Belgium, that part-time jobs have contributed significantly to the extension of employment since the first oil crisis and that they have shown greater stability during the recent recession.

Information available from the United Kingdom shows that part-time work has a number of advantages making it attractive to employers (low cost, high flexibility, extension of the pool of workers with the desired — often low — level of skill). Women themselves seem to demand part-time work because of family responsibilities, financial needs, and because they wish to safeguard their right to work even in difficult circumstances. For the women concerned, the resort to part-time work is often the attempt to resolve contradictory demands made on them in the least unsatisfactory way.

### Effects of the recession

During the recession, women's activity rates have, in the short term, held up surprisingly strongly, even where those of men have fallen. Only in the United Kingdom has the impact of the economic crisis on women been drastic: this appears to be principally due to the difficulties facing women wishing to re-enter employment after a career break.

The experts felt that more information should be available on the extent of hidden unemployment (i.e. the desire to work among women not officially registered as unemployed). Such indications exist only for the Netherlands and Italy where the inclusion of such women would have increased female unemployment rates from 14.5% to 21% (Netherlands 1982) and from 10.7% to 22.4% (Italy 1983).

<sup>(1)</sup> It must be pointed out that the definition of part-time work is not uniform throughout the European Community.

The reasons for the relative insensitivity of women's jobs to the recession were studied in some detail by the experts. For one thing, women are concentrated in the service sector which has tended to suffer less from the recession because it is less exposed to competition at home and abroad. Even in tertiary sectors where employment declined, women did relatively better than men because of their concentration in white-collar jobs which have been comparatively stable.

In industry also, the recession was more inclined to affect sectors with a predominantly male workforce (steel, construction, motor cars) than those employing significant numbers of women (exceptions: textiles, clothing).

## Women and unemployment

Although women's jobs, in the short term, appear to have stood up better to the recession than men's jobs, their vulnerability to unemployment in the long term is also greater. The Commission has found<sup>(1)</sup> that, between 1970 and 1981, men's unemployment rates grew by 3.4%, women's by 5.3%. This has been due, not only to women's increased demand for work, but also to economic factors which, during that decade, led to the disappearance of self-employed jobs held by women as well as affecting sectors where significant numbers of women were employed (trade, textiles, clothing).

The duration of women's unemployment also tends to be longer than that of men.

Young people are more exposed to unemployment than adults: but here also, girls have higher unemployment rates than boys in almost all Member States of the European Community. For them, finding their first job has become a major obstacle at a time of greatly reduced recruitment levels. The experts found that, even with identical qualifications, girls did less well than boys in this respect. It was furthermore found in France that they more often had to accept jobs for which they were over-qualified.

What information exists on the nature of the jobs lost by women, seems to indicate that unstable and occasional occupations predominate. Although no information is available on whether the last job held was a full-time or a part-time post, a growing number of unemployed women in Belgium, Germany and France indicate that their preference is to find a part-time future job.

## Unemployment and emigration

In Greece and Ireland, unemployment rates alone do not reflect the full realities of the recession. Here, movements in the economy have traditionally been accompanied by the acceleration or slowing down (sometimes even

reversals) of emigration. Women have always constituted a major share of these movements (40–45% in Greece, 50% or more in Ireland).

The latest recession, throughout the European Community, blocked the traditional outlets for emigration and has led to increased numbers of young women being registered as unemployed in Ireland.

In Greece, a major effect has been felt on emigrants' return to their home country, since activity rates of Greek women abroad are much higher than at home and do not seem to decline significantly on their return to their home country.

## Future outlook

In continuing its work, the expert group will focus in more detail on two areas calling for further study:

- (i) the links between general economic policy and the employment of women;
- (ii) indicators concerning women migrants in the European Community.

The results of the studies carried out by the group will, of course, continue to serve as a basis for the Commission's policy in the field of women's employment.

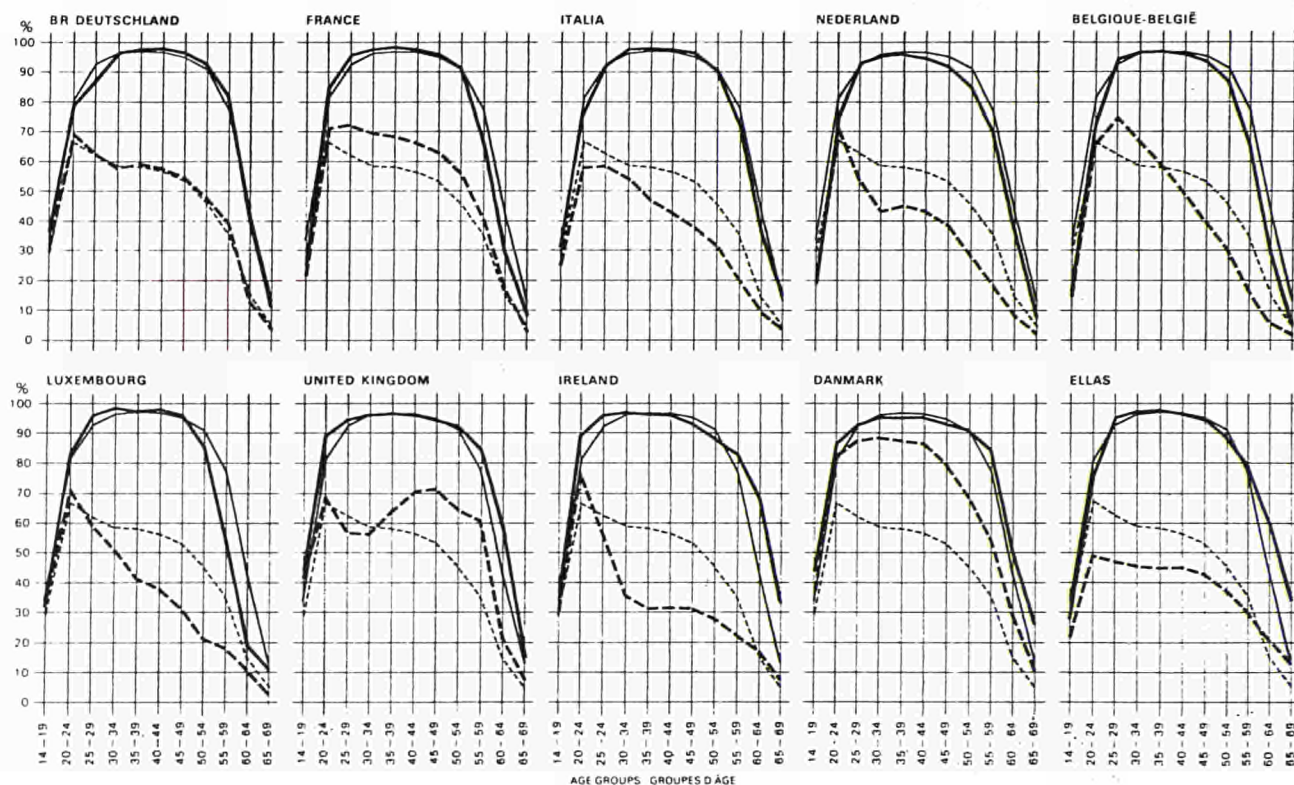
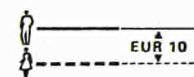
**Isabelle von Prondzynski**

<sup>(1)</sup> Women's unemployment in the Community — COM (83) 653 final.



## ACTIVITY RATES BY AGE GROUPS

1983



# Women and television

**Is there a difference between the image of women on television and the reality? What we see on television has an influence on all of us, children and adults. It seemed to the Commission that it was impossible to consider the whole question of attitudes to the changing of roles in society without investigating television's current portrayal of women and to look behind the scenes to ascertain how many women are involved in producing the images we see.**

In the world of the 1980s where 38% of married women work, where more and more young couples regard children as a joint responsibility and where it is increasingly important for girls, in particular, to make the right career choices, does television portray women in all their varying roles in society?

With the aim of discussing this issue with the television organizations, the Commission financed two studies in 1984, one on the image of women on television and one on the employment position of women in television<sup>(1)</sup>. A study was also undertaken into experiments in 'alternative broadcasting' or women's programmes, most of which were born in the spirit of the 1970s and petered out in the climate of the 1980s.

These studies have produced an extremely detailed picture of the image and employment of women in television in 1984. While much research has been concentrated on the issue of women's image on television in the past, this was the first time that an attempt had been made to compare the situation across the 10 Member States of the Community. In one sense the most interesting aspect of this research has been the reaction of the television companies, who felt that the analysis of approximately two weeks viewing could not provide a representative sample, and who were at pains to provide more positive examples of the 1984 image of women.

The Commission was indebted to the television companies for the provision of great detail on employment statistics within their organizations. Without their assistance it would have been impossible to compile so accurate a picture of where women are employed in the organizations.

It was no surprise to see that the picture reflects the general position of women in employment, concentrated in clerical and administrative posts, very few on the technical side or in senior management, but some slight improvement over recent years.

The worrying aspect of the figures now available lies in the slightness of

this improvement. Little change was observed between women's positions in the organizations over the past 10 years and this in a decade that has seen more women entering employment than ever before.

The conclusions therefore of our researchers were that although some positive aspects could be indicated, particularly in some countries, further steps needed to be taken in order to achieve a positive image of women. Possible steps were listed in a series of recommendations.

It was this research and these recommendations that were put to an audience composed largely of representatives from the television organizations in the seminar 'women and television' held in June 1985 at the Institute of Sociology at the Université Libre de Bruxelles.

The aim of the organizers was to bring together essentially those men and women who were responsible for employment and programming policy to discuss with them the research findings and the possibilities of implementing changes for the future. In a sense the focus of the seminar moved with the nature of the participants who arrived in Brussels. What was intended to be a 'consciousness-raising' exercise failed to some degree at the outset, as the organizations sent to the seminar largely women who were naturally well aware of the problems.

This did however pin-point the main issue from the start. Since most senior and decision-making posts are held by men, are they aware of the issue, but lack time to debate it, or do they feel that it is an issue to be debated by women for women? Many participants emphasized the need for partnership. In the long-term equality benefits both sexes

<sup>(1)</sup> 'Employment and positive action for women in the television organizations in the EEC Member States', Margaret Gallagher.

'How women are represented in television programmes in the EEC', Eliane Vogel-Polsky.

'Place and role of women in certain television programmes in EEC countries', Gabriel Thoveron.



and it should be of concern to both sexes also.

The seminar was officially opened by representatives of the three major actors in the field — the Commission, the University by the Rector of the Université Libre de Bruxelles, Mr Hervé Hasquin, and Mrs Delruelle, Director of the Sociology Institute — the political world, by Mr Philippe Moureaux, the Minister President of the French Community in Belgium — and television, by Lady Plowden who had been Governor and Vice-Chairman of the BBC and Chairman of the IBA.

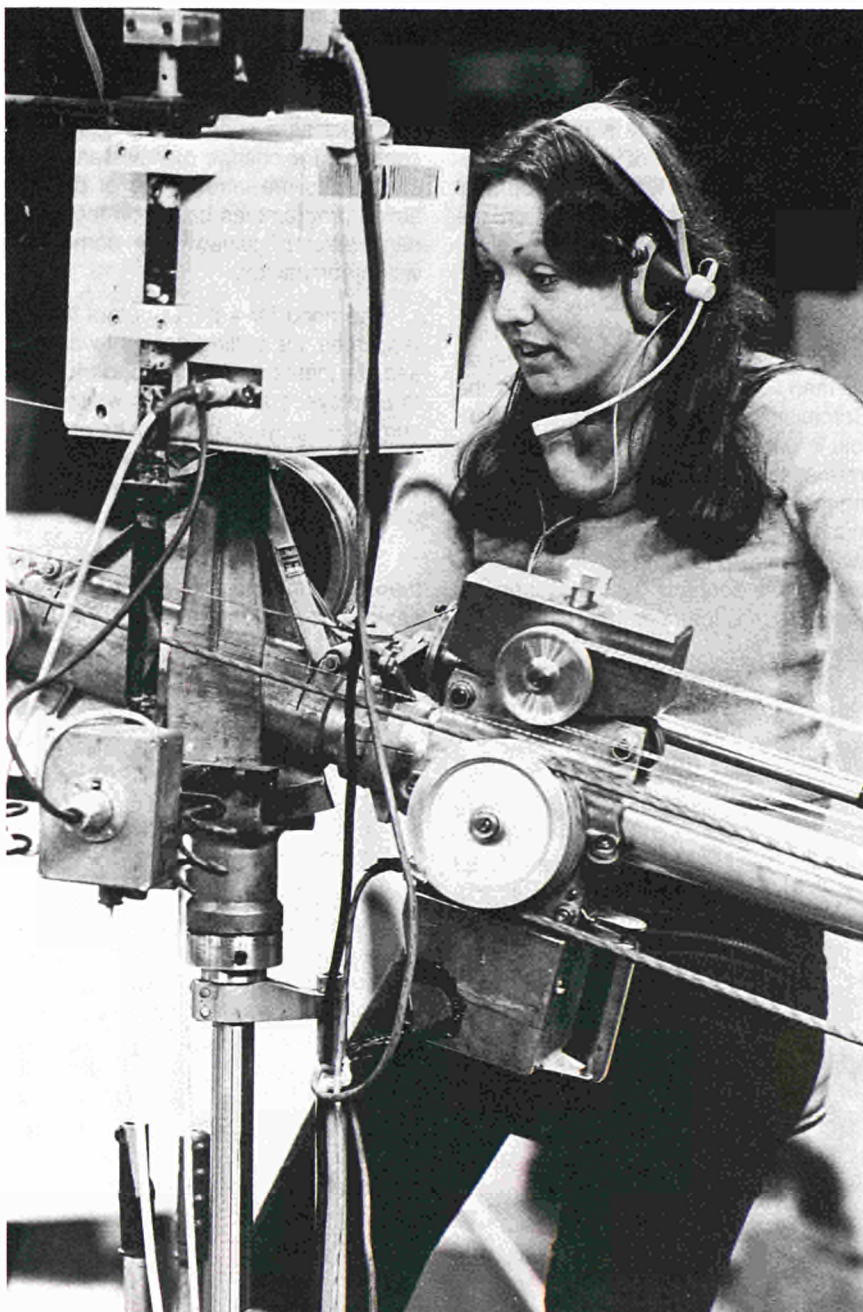
The first theme of the seminar was employment and positive action, presented by Margaret Gallagher, whose research was received with great interest and was completed by commentaries particularly from those organizations already involved in positive action programmes, the most well-known being that of Thames Television.

Mr Gabriel Thoveron's research on the image of women portrayed in news broadcasts, advertising and serials, illustrated by some negative images, pointed out the main problems, mainly a lack of visibility of women in 'serious' subjects or as experts, male voice-overs continuing to sell products to women, and a preponderance of women in traditional roles.

The organizations felt in general that the picture was not so bad, and more positive images did exist.

The third theme covering an evaluation of lessons to be learned from alternative programmes was introduced by Mrs Elaine Vogel-Polsky and it was here that the fundamental problems were aired. Should 'women's issues' be dealt with by specific programmes, as women in some organizations felt was still necessary, or should the emphasis be put on the presence of women throughout all aspects of broadcasting, the preferred solution for the majority.

The participants at the seminar who had in many cases been campaigning for years on the need to recruit more women and present less traditional images of women were encouraged by



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the similarity of views across Europe and stimulated by the positive examples of company equal opportunities policy presented at the seminar. With recent statistics available and some companies already convinced of the need to act, the European dimension was recognized as a valuable element, not to be

lost for the future. Television has fewer frontiers than ever before, particularly with the increase in cable distribution and the advent of satellite transmission.

The participants at the seminar, men and women alike, were convinced of the importance to the organizations them-

selves of considering in particular the recommendations on positive action in employment policy. If any one conclusion could be said to be reached by the seminar it was that only in improving the employment position of women in television would we see further development of positive images of women on the screen.

The impetus achieved by the seminar must not be lost and the need for action at European level was underlined by many speakers. It was felt that the Commission could play an important role in bringing together representatives from all the television organizations willing to participate, particularly as at Community level all Member States are aware of the Recommendation on Positive Action adopted by the Council of Ministers in December 1984<sup>(1)</sup>.

The Commission agreed to consider the possibility of setting up a Working Group which would be composed of representatives from television, and which could act as a coordinating body for a continuing exchange of views and as a stimulus to the introduction of positive action programmes based on the experience already gained within some television companies.

The need for a better use of human resources, the cutting down of wastage, and the offering of better opportunities to employees are all issues which concern all employers, but must be of especial concern to companies whose product is so much a part of everyone's daily life, and an influence upon it.

The Commission was impressed by the commitment of those present at the seminar to maintaining European links

and to working together for progress. For its part the Commission has already taken the first steps to fulfil its commitment to the organizations, beginning with the commissioning of studies to consider the position of women in Spanish and Portuguese television, and continuing next year with the setting up of the group most participants felt was an essential element for future action.

Progress in the future will depend on a continuing commitment within television and on the willingness of the men and women already in decision-making positions to take account of the need to ensure equal opportunities in practice in order to reflect an equal society on the screen.

**Sarah Evans**

<sup>(1)</sup> OJ L 331, 19. 12. 1984.



# Study: Protection of working women during pregnancy and motherhood in the Member States of the European Communities

**This study provides a comparative analysis of the regulations governing maternity protection in the Member States of the European Community. It describes in detail the regulations laid down in the individual legal systems which are intended to ensure protection for the health and well-being of mother and child and to avoid discrimination against women on the labour market.**

The subject is divided into three basic problem areas, although inevitably these overlap to some extent. The first, which is extremely complex, concerns the provision of exemption from work and the financial support given during periods of exemption. Firstly, this raises basic questions of the protection of health, the bringing-up of children and hence the division of roles between men and women, and the importance to society of the family unit. Secondly, this is where the major financial problems arise — for the person exempted, in the case of unpaid exemption from work; and for the person who bears the cost, in the case of paid exemption. Lastly, this set of problems is also of importance in the field of labour market policy, since the employer has to bear the organizational burdens at least.

A second chapter deals with the additional measures which are (or should be) provided to protect the health of mother and child over and above the periods of exemption from work already discussed. Here too, the financial and organizational effects of such protection on the position of women on the labour market have to be borne in mind.

The third and final chapter is concerned with job security in the widest sense, which includes not only questions of protection against dismissal for pregnant women and new mothers but also problems of access to jobs and re-entry to the labour market following lengthy exemptions or interruptions. Here financial questions play a lesser part: it is rather the fundamental attitude to the role of women in the world of employment which is in the foreground.

## **Exemption from work in connection with pregnancy, confinement and the upbringing of a child, and financial support**

The pregnant women's entitlement to exemption from work before the birth of the child is an essential element of maternity protection. Experience has shown that the possibility of exemption from work is a crucial factor in protecting

the health of mother and child, and that it reduces the risk of premature births in particular. All the legal systems examined recognize this fact in principle. In order to be consistent, all pregnant women who are under an obligation to work because of a contract of employment must then be entitled to exemption from work. For the need for protection applies equally to employees who have been employed for a long or a short time, to home workers and to freelance workers who cannot be classed as self-employed. If the various groups of employees are not entitled to exemption from work, those affected are compelled to terminate the contract of employment. Apart from the fact that in individual cases it is sometimes difficult to hand in one's notice because of agreements already in existence (above all where a particularly long period of notice is required), the employee loses the job security which is normally linked to exemption from work.

The arguments presented here are sufficient to show that if the restrictions on the entitlement of pregnant employees to exemption from work which are present in certain of the legal systems examined were to be removed, as seems necessary, this would neither place an unreasonable burden on society or employers nor necessarily have a negative effect on women's employment prospects.

The obligation to notify the employer is in practice not a problem, since as a rule the pregnant employee will already have informed her employer of her pregnancy for other reasons, in her own interest. The obligation to observe a fixed time limit in giving notification of an intention to claim maternity leave may, however, give rise to problems, since in all the legal systems experience has shown that many women wish to go on working for as long as possible (partly, though not exclusively, for financial reasons). In so far as the legislator leaves this possibility open through the optional nature of maternity leave prior to confinement, he should place no obstacles in the employee's way should it become necessary for her to commence her leave at short notice. It should of



course be borne in mind that the employer for his part will want to prepare himself for the period of exemption from work, and that prompt and precise information from the employee can be conducive to smooth organization within the company.

As regards the duration of entitlement to post-natal exemption from work, all the legal systems examined are in principle in accordance with international minimum standards, although the United Kingdom and Denmark do not impose a ban on employment, and Irish law falls short of the requirements of Convention No. 103 of the International Labour Organization, for example, both with regard to its nature (only a directive provision, if the woman takes up her entitlement to leave) and with regard to the duration of the recommended leave (four weeks).

The question of whether the extremely lengthy periods of exemption from work possible in UK law (29 weeks), German law (a total of 26 weeks) and, in certain circumstances, French law (up to 30 weeks) appear to make good sense are also considered.

In all the legal systems examined the employee is granted financial support for at least part of the period of exemption from work. At the same time it is apparent that the extremely generous period of exemption in UK law is not covered by a correspondingly long period of financial support, and also that the level of support is frequently inadequate, so that the full period of exemption from work is not taken up by those women who are entitled to it. It has also been observed in Greece that women — although the financial support is equivalent to their previous earnings —

do not make full use of the opportunity for exemption from work for financial reasons, because they are dependent on higher earnings in the light of their new family situation. On the other hand, it was found that in the Federal Republic of Germany extended maternity leave is taken up by an overwhelming majority of employees in spite of the fact that benefits are limited to maternity pay (DM 25 per day until 1983, DM 17 per day from 1 January 1984). Misgivings about the limited amount of the benefit are discussed in detail.

The qualifying conditions for entitlement to financial support remain within the realms of what is reasonable, while the exclusion of assisting family members and the self-employed from these rights in a number of legal systems give rise to misgivings. Considerations of legal policy in this connection and the ef-



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fects on the labour market of the chosen method of financing benefits are also discussed in the concluding observations.

Related questions of paternity and parental leave and leave to look after sick children are also considered.

### Other measures to protect the health of mother and child

In all the legal systems studied, special attention is paid to protecting the health of mother and child during pregnancy. One way in which this is done is by listing certain kinds of work which are prohibited for women in general and in particular for pregnant women. These lists of prohibited jobs are often scattered over various laws, regulations and decrees and are not always in line with the latest findings in the fields of medicine and occupational hygiene. In all Member States they relate primarily to the handling of substances that represent health hazards and to kinds of work which have been found to endanger the health of the expectant mother or the unborn child because of the physical strain they involve (such as carrying heavy loads, working at machines with pedals or severe vibration, and extremely tiring jobs).

Health protection following confinement, which receives only marginal attention, is in practice made largely unnecessary

by the fact that the provisions for exemption from work extend into the period following confinement. There seems no urgent need for entitlement to be extended to fathers and adoptive mothers if new families are helped by the provisions for exemption from work and reductions in working hours recommended in the study. Otherwise, there is a danger that the numerous special entitlements of new parents may have a negative effect on their position in the labour market.

### Job security

When it comes to considering whether men and women enjoy equal rights in the field of employment, job security is of decisive importance. Recruitment opportunities, protection against dismissal and retention of a job together with all acquired rights in the event of pregnancy and motherhood react both upon the motivation of young women to undergo education and further training and upon the birth statistics. If women know that there is a danger of their career opportunities being crucially impaired by a pregnancy, they will make a choice: either, if they desire to have children, they will regard gainful employment as merely a brief interval between the completion of their education and motherhood, for which a sound training that develops their talents is not worthwhile, with the result that on the labour market women will (continue to) be restricted to the lower-

status, more poorly paid and often less interesting jobs; or, women who have a career will postpone the idea of satisfying their desire to have children or give it up altogether, which leads to the demographic problems that are nowadays becoming evident in almost all Member States. All of which makes the regulations on job security — in addition to the provisions of child-care arrangements — of great significance for the future.

The provisions of the legal systems examined in this report do not yet cover this problem area as satisfactorily as they might.

On the question of the retention of a woman's job and acquired rights during her exemption from work, the legal systems examined here do satisfy the minimum requirements that need to be imposed. It would, however, perhaps be better for family life if women employees were enabled to return to the same job that they occupied before their absence on exemption from work — something which in many legal systems is not fully guaranteed.

\* \* \*

This study contains throughout a detailed examination of all relevant regulations and recommendations on the best systems to adopt to ensure the protection of working women during pregnancy and motherhood.

**Sarah Evans**

# Towards measles elimination in the European Community

In a Communication to the Council on Cooperation at Community Level on Health Related Problems (COM (84) 502 final) infectious disease control was an example of a public health problem for which joint action would be practicable and valuable.

It was commented that in the past 10 years there have been continuing problems in Member States from tuberculosis, measles, rubella and pertussis for example, an increasing incidence of gastro-intestinal and sexually transmitted infections, newly identified problems such as Legionnaires' disease and Acquired Immune Deficiency Syndrome, and potential problems arising from increased travel and tourism. There is current research interest in the possible role of transmissible agents in some neurological and neoplastic diseases and considerable research investment in the production of new vaccines.

Immunization against the common diseases of childhood is a long established policy in all Member States but there is considerable variation between what is required, recommended and available. Present policies are least well formulated and implemented for the newer programmes for rubella and measles; as a result uptake is variable and effectiveness diminished. The scientific basis for action against measles is described in this account.

## Introduction

### Measles among infectious diseases

Following the successful global eradication of smallpox, the possibility of achieving similar successes with other infections has been examined at an International Conference in Bethesda, Md, USA, in 1980. Among the human diseases considered were measles, poliomyelitis, yaws, schistosomiasis, tuberculosis and leprosy.

Measles, poliomyelitis and yaws emerged from the deliberations as the most likely candidates at least for regional eradication.

In analysing the biological features of smallpox that favoured eradication, the following ones emerged, to be taken into account also for other diseases (Fenner 1982):

- (i) severe disease,
- (ii) no subclinical cases,
- (iii) infectivity accompanies rash,
- (iv) recurrent infectivity unknown,
- (v) only one serotype,
- (vi) availability of an effective stable vaccine,
- (vii) seasonality,
- (viii) no animal reservoir.

Of the three likely candidates for eradication, measles seems the most promising for immediate immunization action (International Conference — 1980).

### Measles as a disease and its complications

Measles is an acute communicable disease due to infection with measles virus.

Measles virus has a single antigenic type and therefore one infection in all but the most unusual circumstances leads to permanent immunity.

Measles may present considerable morbidity and significant mortality; its course varies significantly with nutritional and other host factors (Meyers 1983). The fatality rate varies from one-tenth of a percent to over 20% in countries with nutritional deficiencies and

poor hygiene conditions. It has been shown recently that in developed countries the ratio of death to measles notifications can be three times for children under 1 year as compared with the overall ratio (Miller 1985). Complications occur, even under good health care conditions in about 5–10% of cases (Ball 1982). Some reports indicate that the total rate of complications is independent of age (Miller 1978) while others indicate the increased susceptibility to complications of infants and adults (Ball 1982). Bacterial bronchitis, bronchopneumonia, and otitis media are the most frequent; in addition febrile convulsions and encephalitis develop in 1–2 patients per 1000. The incidence of appendicitis also increases during measles (Ball 1982). Finally subacute sclerosing panencephalitis (SSPE) occurs several years after an attack of measles in several patients per million cases (Hinman 1983).

Measles do not usually occur during the first six to seven months of life due to the transfer of antibodies *in utero* from the mother who has been exposed to the measles virus (Christie 1980). Most measles cases occur at present during the second or third year of life in developing countries and in those aged five to nine years in developed countries (Assad 1983); however with increased immunization efforts the relative proportion of measles cases in adolescents and adults as well as in younger children increases in developed countries (Hinman 1983).

### WHO's expanded programme on immunization (EPI)

The expanded programme on immunization has been elaborated within the framework of the WHO objective of 'Health for all for the year 2000'.

Of the six diseases included within the EPI, measles, neonatal tetanus, poliomyelitis, tuberculosis, diphtheria and pertussis, the first three are perhaps those most visible to the community, most easily diagnosed by health staff, and most dramatically reduced with the introduction of effective immunization services (Henderson 1983).



While the EPI focuses on the developing countries and on the need to develop simultaneously primary health care and immunization in order to achieve control and ultimately eradication of measles (Henderson 1983), it is recognized that a first step towards the achievement of the control of measles on a global scale will be for each country to express this as a national priority by including measles in its national immunization programme, the second step being the development of an active policy of measles control by each country that uses measles vaccine.

### Regional eradication or elimination efforts

Global eradication implies the interruption of transmission of an infection throughout the world; under natural conditions, eradication is irreversible. Regional eradication, or better elimination, is achieved when an infection is so modified in a region, country or continent, that it ceases to be indigenously transmitted within that area. Finally control of an infection disease involves the continued limitation of prevalence without necessarily implying the total interruption of transmission (International Conference 1980).

The Regional Office for Europe of WHO has been active in adapting and promoting the goals of the EPI to the region. Following an informal *ad-hoc* consultation in Copenhagen in January 1983 on a possible programme for elimination of measles in Europe and the Second Conference on Immunization Policies in the European Region held in Karlovy Vary in December 1984, it was agreed that the elimination of indigenous measles should be achieved by 1990 in the countries that have already well established measles immunization programmes and by the year 1995 in the others. In order to achieve these goals all countries should include measles vaccinations in their national immunization programmes in 1985; the ones that already have well established programmes should achieve immunization coverage of at least 95% of children before the age of two by 1988, while the

others should reach this level by 1990. (Summary Report WHO/EURO 1985).

As various nations achieve measles control, the problem of importations from countries where programmes are less successful, or non-existent, will become more apparent and increasingly troublesome (Katz 1983). The Member States of the European Community with their high population density and intensive movement of people are a typical example where coordination of efforts are indispensable to achieve any degree of success.

### Measles epidemiology

Measles is a truly universal disease; it is present on all continents and among all peoples. In the absence of vaccination the attack rate for measles is higher than for any other infectious disease (Wilson 1962). In virgin populations that have not experienced a previous visitation, susceptibility appears to be almost complete. In populations such as those in Europe and in the United States that have been in contact with the disease for some centuries, the secondary attack rate on susceptible members over 1 year of age is usually between 80% and 90%.

In the populous areas of the world, measles causes epidemics every two to five years (Assas 1983). Even with very incomplete reporting the total number of cases of measles reported to WHO for 1980 was 2.9 million.

The reported average annual incidence rate for 1978–80 ranged for the 6 WHO regions from 18/100 000 in Southeast Asia, to 42 in the Americas, 140 in Europe and 300 in Africa.

In several countries with massive immunization campaigns there has been a dramatic decline in the number of measles cases, and even elimination of indigenous transmission has been achieved.

The introduction of measles vaccines in 1963 resulted in their widespread acceptance and use in the United States in both the public and the private sector. In 20 years between 1963

and 1982, 124.6 million doses were distributed (Hinman 1983). From a high of 481 000 reported measles cases in 1962, the number of cases declined to 57 000 in 1977, 14 000 in 1979 and finally 3 000 in 1981 (1.3 cases per 100 000) (Hinman 1983). It was predicted that in 1984–85 the indigenous transmission of measles should have stopped in the USA.

In 1982, 12 years after the inception of its measles immunization programme, Czechoslovakia succeeded in effectively stopping the natural transmission of the infection throughout the country (WHO 1983); in 1982 only 25 cases were notified altogether.

Concerning Member States of the European Community, only few data have been published.

According to a working document presented at the WHO/EURO Conference of Karlovy Vary of 1984 (WHO/EURO — ICP/EPI 001 M01) of the 12 Member States of the European Community, 10 have vaccinations available and perform them on a voluntary basis, while in two no vaccinations are performed. Some examples of differences in the effectiveness of the vaccination programmes are given below.

Measles vaccine has been licenced in France since 1968, and immunization has been recommended for all children during the second year of life, however no national campaign has urged people to have their children immunized (Rey 1983). In 1981 the number of doses of vaccine distributed (0.25 million) did not equal even one-third of the number of live births (0.8 million). The overall vaccine acceptance seems to be less than 20%. The actual number of measles cases in France each year is probably between 300 000 and 400 000 (an incidence rate between 560 and 750 cases per 100 000) (Rey 1983).

In the United Kingdom routine measles vaccination has also been introduced in 1968. With an overall vaccine acceptance rate of 50% the number of annual reported cases of measles has been reduced to 20% of the level prior to the introduction of the vaccine.



Nevertheless the total number of cases remains still high, exceeding 120 000 each year (200 cases per 100 000) (Miller 1983).

In the Netherlands measles immunization was introduced in 1976, with an immunization schedule at 14 months (WHO Epid. Rec. 1981). The high immunization level already achieved in 1978 (80% of municipalities have an immunization coverage of between 90 and 100%) has led to a very significant decrease in measles incidence, which is expected to continue.

In Italy measles immunization is recommended since 1978, but it is calculated that at present the vaccination rate does not exceed 5–10%. No variations in the incidence of the disease have been noted (Ballada, 1985).

In Denmark the National Board of Health proposed in 1983 to the Ministry of the Interior that the routine childhood immunization programme should be expanded to comprise vaccination against measles with two doses at 15 months and 12 years of age. Following a thorough analysis of the economic consequences the National Board of Health reintroduced the proposal to the Ministry in March 1984 (Zoffmann 1984). In the last 3–5 years the population has shown an increasing interest in measles vaccination — about 9 400 children were vaccinated in 1983 (Zoffmann 1984).

### **Vaccination stability, efficiency, availability and cost**

In general it is considered that the live, further attenuated measles virus vaccines in use around the world today are reliably safe and immunogenic (Parkman 1983).

Even though the stability of measles vaccines has been improved, they still require a cold chain during storage and delivery (Perkins 1983), not a major problem for countries in the European Community.

The immunization efficiency of measles vaccine as determined from

secondary attack rates during a severe epidemic indicates that for persons under nine years of age the efficiency exceeds 97% (Mc Cormick 1977); the lowest reported efficiency rates were over 80%.

In general it is estimated that the persistence of maternal antibodies in infants beyond 12 months will not be significant enough to prevent seroconversion if vaccination takes place at 15 months (Albrecht 1977).

Although it may initially be advisable to immunize infants younger than one year of age — at six to nine months — to reduce epidemic transmission and disease, eventual control by vaccination at or after the first birthday is a desirable goal. For those vaccinated after the first birthday second doses of vaccine should be regarded not as boosters but as 'fill-ins' for that 5–10% of recipients who may have failed to respond to the initial exposure (Katz 1983). More recently the recommendation of the WHO Expanded Immunization Programme considers that when measles no longer remains a problem in the first year of life, consideration can be given to shifting the age from 9 months to 12 or 15 months, when vaccine efficiency may be slightly better (Henderson 1984).

Concerning the availability of vaccines there are manufacturers in at least four Member States of the European Community — Belgium, France, Italy and the UK; manufacturers however believe there is little current excess capacity available to meet a sharp increase in demand (Perets 1983).

The current manufacturing cost per dose is around USD 0.1 (Hopkins 1982) which it is expected could be reduced through better planning of need, alternative methods of vaccine production (recombinant DNA) and aerosol vaccine administration (Parkman 1983, Sabin 1983).

The use of aerosolized measles vaccine may significantly and rapidly reduce the worldwide impact of measles if it is confirmed to be safe and immunogenic in infants four to six months of age: additional testing is however required (Almer 1983). At present it remains un-

clear whether it is the aerosol route which is the crucial factor or whether it is the type of vaccine virus administered or the dose of virus which is administered (Hendersen 1984).

Finally all vaccine production should continue, as at present, to benefit from a severe quality control programme to avoid the very severe negative impacts which accidents may have (Lancet 1969).

### **Cost-effectiveness of measles elimination**

In the case of acute infectious diseases the determination of the cost-benefit balance point of vaccination can be carried out relatively simply with the knowledge of the following factors (Grab 1971):

- (i) incidence of cases,
- (ii) cost of treatment per case,
- (iii) cost of immunization per individual per year,
- (iv) effectiveness of vaccine.

In 1979 a detailed analysis based on the above-mentioned model was made in Austria for measles and mumps immunization (Wiedermann 1979). Assuming a disease incidence of 1 in the case of non-immunization, and the observed hospitalization and residual cerebral damage rates, the estimated cost of measles therapy per child was of 35 ECU without nursing vacation for the mother and 70 ECU taking into account the cost of nursing vacation. The cost of measles immunization per child was calculated at approximately 15 ECU and the protection rate estimated at 0.9. The cost benefit ratio was over 2 without 'nursing vacation' and over 3 with 'nursing vacation'. Considering yearly costs the balance point is reached in 3–6 years while the cumulated cost balance point is reached in 5–10 years.

A similar analysis was carried out in Switzerland (Just 1978) and it was concluded that even by a conservative reckoning the cost of general measles immunization for all children in the second year of life is much lower than the financial effects of the disease; from an eco-



conomic viewpoint, general immunization programmes for teenagers do not pay with regard to measles.

A detailed analysis carried out in the USA (Axnick 1969) shows that after five years of intensive vaccination the following health and financial benefits have resulted:

- (i) 9.7 million acute cases of measles and 3 200 cases of mental retardation have been avoided;
- (ii) 535 000 hospital days have been saved;
- (iii) 500 million ECU have been saved.

At present it is estimated that the current annual net economic benefit from measles vaccination in the USA is of around 650 million ECU (Hinman 1983).

In France a partial analysis based on vaccination, home care and hospital care costs alone (Rey 1983) give a total treatment cost per year of 13 million ECU as compared to 3 million ECU for vaccination, a benefit/cost ratio of 4:1.

In Italy a partial analysis based only on hospitalization and vaccination costs for susceptible subjects (between 2 and 8 years) shows an overall potential cost reduction of 50% in the first year and of 90% in the successive years following the introduction of mass immunization (Ballada 1985).

In Denmark it is on the basis of a thorough analysis of the economic consequences that the National Board of Health re-introduced in 1984 the proposal to the Ministry of Interior of routine childhood measles immunization (Zoffmann 1984).

Data for other Member States have not been published.

## Conclusions

The current impact of measles may be simply summarized: it is a major world wide problem deserving the attention of all nations (Langmuir 1983).

## Elimination of indigenous measles is possible

Until recently the concept that measles was a possible candidate disease for eradication would have been considered as absurd (Stuart-Harris 1984). The ubiquity and high degree of infectiousness of measles virus by contact and through the air seemed to deny the possibility. However, the absence of any nonhuman reservoir, the antigenic homogeneity of the virus, the durable immunity and the availability of an effective life vaccine are all favourable features. The biological features of smallpox, which has been eradicated, and of measles are quite comparable (Stuart-Harris 1984). Furthermore, the cessation in the United States of the transmission of endemic virus through intensive vaccination, above the 95% level shows that progressive elimination leading to regional and then global eradication can be achieved, but that the task is a difficult one and that false hopes should not be raised (Foege 1982).

Should achievement of measles control be given priority? Some developed countries do not seem to give an affirmative answer. It seems, however, that on the basis of the central nervous system and pulmonary complications alone, not to mention the high benefit/cost ratio, control of this disease warrants priority (Robbins 1983). In England and Wales between 1970 and 1983, 270 deaths have been attributed to measles and 175 from subacute sclerosing panencephalitis (Miller 1985).

In a number of highly industrialized countries the question is still being raised by the lay public and by the medical profession as to the advisability of immunization against a 'mild disease'. It is ironic that while the effort needed to eliminate measles in the developing world is mainly managerial, in the developed countries the effort needed is in part educational (Assad 1983). There is a general consensus that changes in behavioural patterns and attitudes and strong leadership at the highest levels of government will be necessary for elimination of measles in a global sense (Western 1983).

On the basis of the survey carried out in France (Rey 1983) it is concluded that measles appears a much more serious problem in France than was ever imagined by either the general population or those in the field of medicine. The next task according to the authors is to launch a nationwide vaccination campaign but the major difficulty is to convince the French public as well as the medical profession of the necessity of this task.

It is to be noted that in some countries of the European Community and in the Netherlands in particular, a vaccination rate of more than 90% has been achieved without any compulsory requirements (WHO 1981).

The National Advisory Committee on Immunization in Canada (Davies 1982) and the National Health and Medical Research Council of Australia (Christopher 1983) have both stressed that the elimination of indigenous measles is a sound, important and attainable goal, and have made a number of recommendations among which the requirements of evidence of measles immunization before school entry.

It must be also stressed that once a programme for measles immunization has begun, it is essential that a maintenance programme be put in place for a sustained, continued effort to reach new susceptibles. Clinical surveillance is more practical than laboratory testing for assessing programme success in most such areas (Katz 1983).

With respect to the vaccine itself, although a highly immunogenic, safe and attenuated vaccine that has moderate heat stability exists, improvements in heat stability would be beneficial; continued improvement in cold-chain technology is needed as is the development of simple and inexpensive means of production and delivery of vaccine (Lundbeck 1983).

Furthermore, the developed countries by encouraging developing countries with measles elimination programmes would accelerate the global eradication of this disease and would ultimately benefit financially through the



elimination of the need for immunization (Hopkins 1982).

In conclusion, operational strategies for delivery of vaccine and for improvement of vaccination coverage through Community participation need attention. Most important to measles control in developed countries are the questions of why medical personnel and lay persons fail to recognize the importance of measles. Strategies are needed that would encourage attitudes in support of measles vaccination (Lundbeck 1983).

### Concerted actions at Community level could accelerate measles elimination

The Second Conference on Vaccination Strategies in Europe (WHO-EURO 1984) has stressed the objective to eliminate in Europe the indigenous cases of measles by 1995 through mass vaccination.

There is a need to exchange views on the present and future status of the measles immunization programmes and strategies including the education and information aspects of current immunizations schedules, cost-effectiveness of appraisal methods (Creese, 1982), counter-indications, methods of reporting measles incidence, including the development of standard case definitions, on systems for monitoring the suspected adverse effects of immunization, and finally on the most cost-effective approach for the use of the vaccine production capacities in the Community.

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# Ergonomics and health in new technology

## Early fears

The introduction of 'new technology' to the office, the beginnings of the so-called 'electronic office', in the early 1970s quickly brought in its wake reports of a whole new range of risks to the health of office personnel. There was an upsurge in the reported cases of musculo-skeletal disorders, tenosynovitis, dermatitis, visual strain, radiation risks to pregnancy; and various other ailments.

More than a decade further on there is some equilibrium in the situation and it is possible to take stock.

In general, the fears for health, in part, could be related to the trauma associated with a human activity that had undergone little change, apart from the introduction of the typewriter, since it was practised by the ancient Egyptians. In a greater part, they could be related to the fact that the new technology gave the possibilities for creating a work environment in the office akin to that created in the industrial/manufacturing sectors at the beginning of this century with the advent of the production-line and Taylorism and all its unfortunate misuse. In many cases these fears were justified.

Fortunately, the most serious fear would seem to have been proven to derive from the trauma of change rather than from the realities of the working environment: that of possible effects of ionizing and non-ionizing radiation from cathode ray tubes (the heart of the VDU) on pregnancy and, indeed, the human reproductive system. This risk received the high level attention it deserved and over the last decade there have been many studies, for example, listing only a few:

- (i) Two have been sponsored by workers' organizations:
  - (a) The Alberta Worker's Health, Safety and Compensation Association;
  - (b) The Institute of Occupational Health, the University of Milan.

- (ii) Among studies undertaken by consumers and manufacturers were those by:

- (a) Bell Telephone Laboratories;
- (b) The Electrical Research Association Ltd.

- (iii) And studies sponsored by government agencies included those by:

- (a) The US National Institute for Safety and Health;
- (b) The International Atomic Energy Agency;
- (c) The UK National Protection Board.

All the studies have concluded that VDU's intrinsically pose *no* radiation hazard. The discussion continues but the consensus on the problem is that in the general case the many studies which have been carried out show the risk to pregnancy from work on VDU's to be very low, if existent. Current studies in Sweden, the United Kingdom and the USA should elucidate the issue further, indicating special circumstances or parallel factors which could have given rise to cases which have been reported.

## The Commission response

Despite the continuing discussion over whether VDU's pose radiation hazards, it is generally agreed that ergonomics factors generated by poor work station design and installation, poor software design and inadequate work design and organization will give rise to real health risks. In summary:

- (i) poor work station design will cause musculo-skeletal and visual problems;
- (ii) poor software design will cause psychological stress;
- (iii) poor installation (illumination, noise etc.) will cause visual problems and psychological stress;
- (iv) poor work design and organization will cause musculo-skeletal problems, physiological and psychological stress.

Recognizing this real problem the Council in its conclusions on Technological Change and Social Adjustment<sup>(1)</sup> requested the Commission to initiate work in a number of areas including that:

'to encourage, starting at the stage of conception and planning of technological innovations, the systematic taking into account of the ergonomic implications with a view to improving working conditions'.

In response, within the Directorate V/E, an *ad hoc* Panel on Ergonomics/Health Issues in New Technology has been established to:

- (i) advise the Commission on; and
- (ii) promote within the Community
  - (a) the appropriate measures to assure the inclusion of ergonomics consideration in the design, installation and use of information technology and process control systems;
  - (b) information exchange and coordination in these fields;
  - (c) provision of a forward view of ergonomics requirements in these fields;
  - (d) collaborative ergonomics research among manufacturers.

The principal aim of the panel will be to concentrate on ergonomics/new technology issues which are common to Member States in the European Community and which can benefit from a concerted approach. A fundamental assumption in the work of the Panel is that there should be, among the major high technology systems manufacturers, an 'open approach' to ergonomics considerations in their products.

The Panel is such that the Commission has the views of:

- (i) Manufacturers through 'the European Computer Manufacturers Association' (ECMA) and the 'European Association of Manufacturers

<sup>(1)</sup> OJ C 184, 11. 7. 1984.



of Business Machines and Data Processing Equipment' (Eurobit):

- (ii) Consumers through 'The Conference of European Computer Users Associations';
- (iii) The end-users through three international trades unions confederations; FIET, IPTT and PSI;
- (iv) Two international consultants in the field.

## Ergonomics guidelines

The panel had its first meeting in mid-summer 1985 when its first opinion to DG V it noted a need for Community action to regulate, harmonize and make effective across Member States, ergonomics requirements in information technology with regard to:

- (i) the design of equipment,
- (ii) its installation and the consequent work-environment,
- (iii) the subsequent task and job design and organization.

Such requirements have already begun to appear, for example:

- (i) within the French banks the social partners have an agreement regulating health questions on the installation and use of VDU's;
- (ii) ECMA have produced guidelines for VDU operators;
- (iii) FIET have prepared guidelines to safeguard the health of VDU users which will be available to union negotiators within their and other associated international federations;
- (iv) national standards organizations have produced specifications for VDU's and these, used in conjunction with co-determination rights on health and safety matters, have been used by the German unions as a powerful regulatory means on at least one occasion.

There can be nothing but praise for these and similar initiatives. They are however limited in their effectiveness and range.

They are not operative over all the Member States. But more important, at grass root level, they are in the main, aimed at the manufacturers and designers, but can only become operative long after design and manufacture, one may say, when the informative system has almost become part of the establishment. Hence regulation will almost inevitably be by sanction and strife. In the end the point will be made. But at a cost to all concerned: a cost that may not even be offset against a substantial ergonomic gain. And, of course, if motivation is not strong or the equipment is well established the matter may simply be side-tracked.

But principally they do not recognize that regulation for health is necessary during two phases of such systems' life-cycle:

- (a) design and manufacture,
- (b) installation and use.

Further, they do not recognize that, while it would be foolish that their responsibilities are mutually exclusive,

- (i) designers and manufacturers are responsible for the ergonomic acceptability of the immediate VDU work station, its hardware and its software;
- (ii) the social partners are responsible for its installation and use without risk to health.

This separation of responsibilities may seem self-evident; perhaps to the point of being a triviality. Actually current discussions on responsibilities have shown that they need to be explicitly stated. Only if they are explicit will there be a probability that the regulatory measures will develop appropriate to the different needs of the two phases.

With respect to the design phase, for example, they must accommodate the fact that:

- (i) currently the major capability for research and application of ergonomic requirements lies with the major office systems manufacturers;

- (ii) ergonomics as an effective prevention of health risks must go hand-in-hand with design;
- (iii) design is a creative, reiterative activity which externally imposed standards can inhibit;
- (iv) it will be necessary to project the regulatory needs forward to consider the implication for health of the even more technically sophisticated systems which will be on offer in the future; this is important when it is said that the average life of an informatics system is only three years before obsolescence 'sets-in'.

It would be a recipe for commercial mayhem if design and manufacture were to carry the weight of regulating ergonomic and health measures more properly borne by the consumer and the end-user.

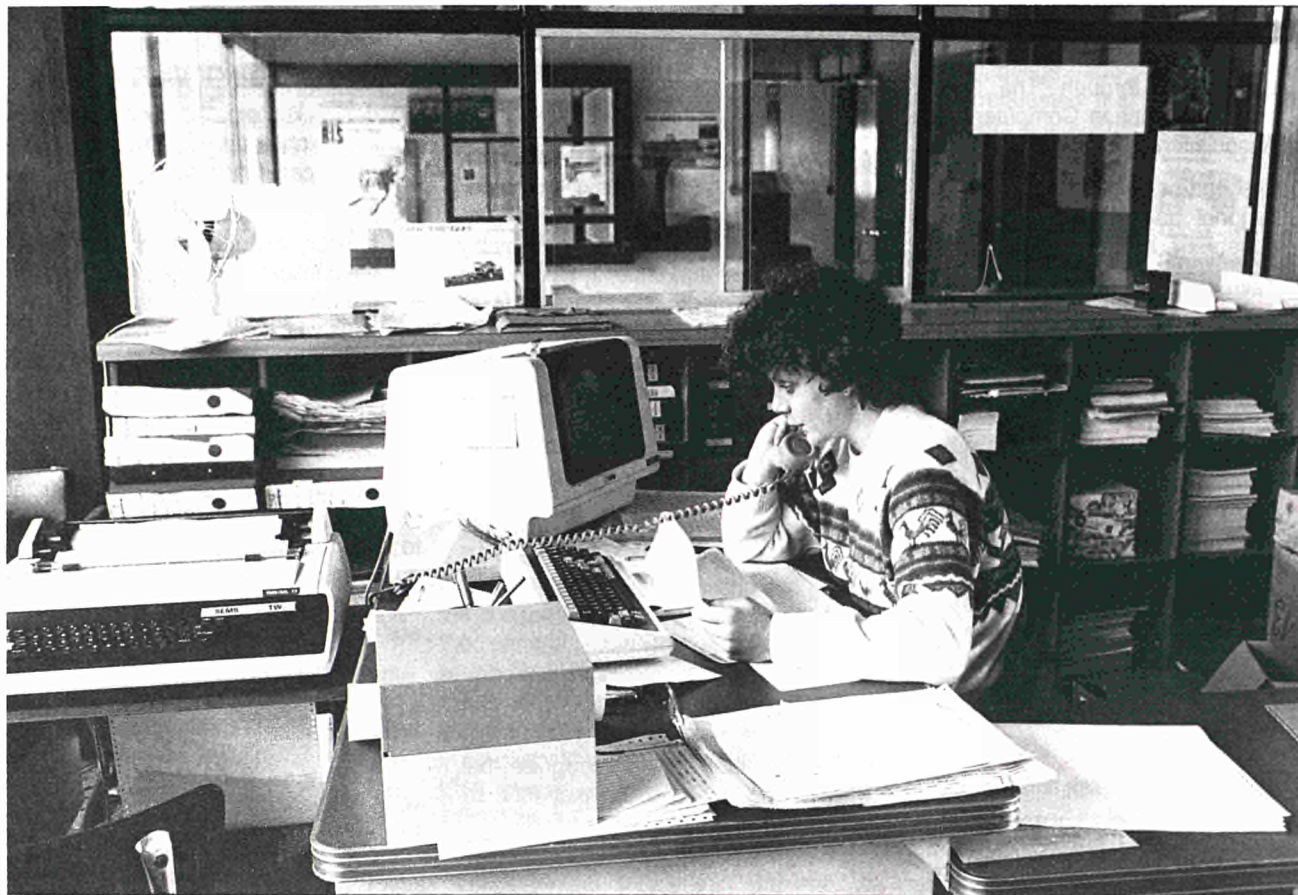
## Operator stress

A ready example in this respect is what has been termed 'human stress in the use of new technology'.

Our understanding of the response mechanisms to stress within the human organism is very limited, being a complex response based on our physiological, psychological and personality characteristics. The response certainly cannot be regarded simply as a linearly increasing strain on the organism eventually leading to a breaking point, as in the metallurgical, or even the pure physiological, sense. The response is actually U-shaped. We all need a certain level of stress for a peak performance, but too little or too much will produce an unacceptable and ultimately critical level of *strain*. The strain may manifest itself in referred symptoms, such as headaches or allergies (it will be recalled that dermatitis was often reported in the use of VDU's). These symptoms eventually may give place, in extreme cases, to chronic fatigue, emotional disturbances, or even heart conditions.

Our understanding, however, is sufficient for the social partners to avoid the more obvious pitfalls in the use of new technology in offices. To be avoided:





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- (i) operator overload which can be occasioned by time pressures, the demands for high speed repetitious work; or organizational aspects which makes communication with the system unnecessarily difficult;
- (ii) operator underload which can come from poor job content; an intelligence which is of a level to interface effectively with a computer system will not be satisfied with a Charlie Chaplin "Modern Times" task once it has mastered the operation;
- (iii) lack of operator control on work pace and working method;
- (iv) that the new informatic system does not become a human robotic system; professional and social support from colleagues, supervisors, and, indeed, clients, is an integral contribution to alleviating stress;
- (v) that the unique work monitoring facilities offered by informatic systems are not misused; either to produce readouts from which productivity can be determined to eventually bargain on rates of pay or simply to collect statistics for which there are no plans to use. This first example comes from a US Senate Health and Safety Subcommittee

hearing, the second from the proceedings of a recent FIET Seminar.

## Conclusion

In summary, the last decade has seen the emergence of a new area of industrial health. The area is complex, the various interests are numerous, the parameters are many and in the incidence of risk virtually universal. It would appear to be an area where ergonomics and effective personnel management will be the keys to the prevention of risk.

**John G. Fox**



# The radiological exposure of the population in the Meuse basin

In 1981 the group of experts associated with Article 37 of the Euratom Treaty recommended to the Commission of the European Communities that a committee be set up to examine the radiological impact of radioactive releases into the Meuse basin from all sources, bearing in mind that this river currently provides drinking water for some 5 million people in Belgium and the Netherlands and is used to a considerable extent for irrigation and fishing. The Commission implemented this recommendation in 1982.

The committee met during two years, from 1982 to 1984; its members were designated from the governments of the Member States concerned, on the basis of their expertise in the various topics covered in the study.

The work of the Committee encompassed the following:

- (i) preparation of an inventory of the radioactive discharges into the Meuse basin, covering all sources;
- (ii) measured radioactivity in the water, produce and sediments of the Meuse and its tributaries;
- (iii) utilization of the water, produce and sediments; and
- (iv) assessment of the resulting individual and collective doses.

Separate reports on each of the above topics have been prepared by working groups drawn from the commit-

tee members. For this, intensive searches in the open literature and recourse to sources of unpublished information were made. The data obtained were subjected to careful analysis and interpretation with a view to adapting them to the needs of a model especially devised to evaluate the radiological consequences of the discharges into the Meuse basin. The lack of comprehensive data covering all aspects of the study and the incomplete knowledge of physical processes and other mechanisms involved meant that certain assumptions had to be made. Despite this, a high degree of confidence can be placed on the obtained estimates of the radiological burden on critical groups and the population from discharges of radioactivity into the Meuse basin during 1980, the reference year of the study.

The results of the study confirm, in general, the previously held view, viz. that the doses in the Meuse region due to discharges of civilian origin are much lower than those due to natural activity and nuclear weapon test fallout, even in the pessimistic exposure conditions assumed. For example, the dose from discharges of civilian origin to a hypothetical person assumed to be working during the reference year on a Meuse floodplain and eating only local agricultural produce and fish from the Meuse is estimated to be only one-fifth of the component of the radioactivity which is due to river-borne radionuclides of natural origin and from weapons fallout; if all

the natural radioactivity is taken into account the dose due to discharges becomes less than 1% of the total. In the case of population exposure, the dose contribution from non-civilian sources is about nine times that due to discharges of civilian origin.

The study revealed the importance of certain pathways and parameters in the modelling, as well as the extent of uncertainty introduced by the existing gaps in our knowledge of physical processes and man-environment interaction. The results obtained serve, however to put in perspective the various components of the radiological burden on man from releases of radioactivity into a specific environment, such as that of the Meuse basin; moreover, the approach adopted may provide a useful tool in corresponding studies concerning other environments.

In a seminar organized by the Commission on 30–31 May 1985 in Luxembourg the report of the committee was presented and discussed. Recommendations made called for a better recording of discharges by laboratories, hospitals and non-nuclear installations, an intensification of research in radiosedimentology and a better coordination and harmonization of existing monitoring programmes and surveys. It was also proposed that the evolution of detriment from radioactivity discharges into the Meuse be followed through a periodic reassessment of the exposure doses involved.





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## **Part Three**

### **Recent developments**





# Employment policy in the Member States

In response to the wish expressed by Member States delegations in the Council to receive information on developments in national employment policies, the Commission set up a mutual information system called MISEP. The system operates on the basis of contributions from correspondents in public administrations or organizations and a Commission representative.

It provides the relevant authorities in each Member State with regular quarterly information on measures and trends in the employment policies conducted in the other Member States.

*Social Europe* presents a selection of the information exchanged through MISEP in each issue. The Commission accepts no responsibility for the use of this information, which comes from official national sources. It is presented as a summary, on a regular basis to enlighten the reader on the evolution of various aspects linked to national employment policies.

## Developments at a glance

### Overall developments

- |                                      |                             |
|--------------------------------------|-----------------------------|
| <input type="checkbox"/> Belgium     | Income restraint exemptions |
| <input type="checkbox"/> Germany     | Employment Promotion Act    |
| <input type="checkbox"/> Italy       | Long-term policy            |
| <input type="checkbox"/> Netherlands | Regulations reform          |

### Aid to the unemployed

- |                                         |                                                               |
|-----------------------------------------|---------------------------------------------------------------|
| <input type="checkbox"/> Germany        | Wage rates attitude                                           |
| <input type="checkbox"/> Greece         | Unemployment benefits                                         |
| <input type="checkbox"/> Ireland        | Trade union centres                                           |
| <input type="checkbox"/> United Kingdom | Geographical mobility schemes<br>Voluntary Projects Programme |

### Training

- |                                 |                        |
|---------------------------------|------------------------|
| <input type="checkbox"/> Greece | Training posts subsidy |
|---------------------------------|------------------------|

### Job creation

- |                                  |                            |
|----------------------------------|----------------------------|
| <input type="checkbox"/> Ireland | National Linkage Programme |
|----------------------------------|----------------------------|

### Special categories of workers

- |                                         |                                                                |
|-----------------------------------------|----------------------------------------------------------------|
| <input type="checkbox"/> Germany        | Resettlement assistance                                        |
| <input type="checkbox"/> Greece         | Blind telephonists' quota                                      |
| <input type="checkbox"/> France         | New LTU measure                                                |
| <input type="checkbox"/> Netherlands    | Youth registration exemptions<br>Handicapped<br>School leavers |
| <input type="checkbox"/> United Kingdom | Aiding the handicapped                                         |

### Working time

- |                                      |                                                  |
|--------------------------------------|--------------------------------------------------|
| <input type="checkbox"/> Belgium     | Flexible working time<br>Social security aspects |
| <input type="checkbox"/> Netherlands | 'JOB' scheme extension                           |

### Placement

- |                                 |                                          |
|---------------------------------|------------------------------------------|
| <input type="checkbox"/> France | Explaining success                       |
| <input type="checkbox"/> Italy  | Computerization<br>Experimental agencies |

### Miscellaneous

- |                                         |                          |
|-----------------------------------------|--------------------------|
| <input type="checkbox"/> Greece         | New Ministry             |
| <input type="checkbox"/> United Kingdom | Equal Opportunities Code |

### Short notes

# Overall developments

## Belgium: Measures accompanying income restraint for lower incomes

Royal Decree No 281 of 31 March 1984 lays down that from 1 April 1984 to 31 December 1986 the legal and regulatory provisions which link social security benefits and amounts to the consumer price index will have limits placed on them. Indexation will in fact be the same as for salary and wage-earners: in 1984, 1985 and, if necessary, in 1986 the first indexation of 2% will not be applied.

At the same time this Decree brings in a number of correctives to the income restraint system in order to guarantee the purchasing power of the least well off. For this reason the following do not fall under this system:

- (i) the minimum means of subsistence,
- (ii) guaranteed income for the elderly,
- (iii) the amounts of family allowances for orphans, the disabled and children of disabled, unemployed or pensioned heads of family.

The minimum means of subsistence, guaranteed income for the elderly and allowances for the handicapped have in fact been increased by 2% from 1 January 1985 and will be increased again on 1 January 1986.

The King can, furthermore, wholly or partly exempt specific social benefits from the application of the income restraint.

Finally, the Decree opens up the possibility for granting a *flat rate premium* to specific beneficiaries whose social allowances are subject to the income restraint, in partial compensation for the loss of purchasing power ('prime de rattrapage').

An executive order of 24 January 1985 sets out the terms and conditions for granting this premium. It is given to the *disabled* (those who were disabled on 1 January 1985) and to *pensioners* (persons who had been pensioned for at least one year on 1 January 1985) who have a preferential rate called 'VIPO': widows, disabled, pensioners and orphans.

The premium amounts to BFR 3 000 for heads of families and BFR 2 000 for those who are not. These two amounts have a ceiling of 12% of the 'AMI' benefit (AMI: sickness and disability insurance) or of the current month's pension.

This premium may not result in the disability benefit or the pension on an annual basis amounting to BFR 306 000 (BFR 300 000 indexed, with dependents) or BFR 204 000 (BFR 200 000 indexed, without dependents) being exceeded.

The premium is thus only granted to a VIPO who draws an allowance or a pension which does not exceed indexed amounts of BFR 300 000 and BFR 200 000 respectively.

The premium is also granted to heads of families who are *unemployed* and to fully unemployed individual workers who have been continuously unemployed for more than one year (periods of sickness are obviously not considered as interruptions). The premium amounts to BFR 3 000 for heads of families and BFR 2 000 for the individual worker and has a ceiling of 12% of the unemployment allowance.

## Germany: Coming into force of the Employment Promotion Act 1985

The Employment Promotion Act 1985 came into force on 1 May. The purpose of the Act is to open up additional employment opportunities through changes in labour and social legislation. It is intended in particular that overtime and special shift working should be reduced and transformed into more employment opportunities for the unemployed.

From the very beginning the bill was the subject of a lively political debate. The trade unions in particular rejected it because they saw it as intruding on well-established employee protection rights. The basic concept of the law is, on the contrary, that many of the State and autonomous regulations of labour law which are aimed at protecting the employee can nowadays have a nega-

tive impact on the willingness of the employer to take on workers. The regulations which intrude on current law most are limited in time to 1990, particularly since the employment promoting effect of the measures envisaged cannot be appraised with any precision in advance.

Details were given on the following regulations:

- (i) Modification of the 'Social Plan' regulation,
- (ii) Broadening the compensation procedure for continued payment of wages,
- (iii) Free of charge placement in training places on behalf of the Federal Employment Institute,
- (iv) Broadening the promotion of employment creation measures,
- (v) Stiffened penalties on the illegal employment of foreign workers,
- (vi) Extending the special conditions as regards contributions to the statutory pension insurance granted to single craftsmen when training apprentices,
- (vii) Relaxing the 3-year period for health cures under the health insurance system,
- (viii) Building companies — clarification in the 'Protection Against Dismissal Act'.

They are not dealt with again in this article. The most important regulations as regards labour market policy which have come into force are as follows:

## Facilitating the use of limited term employment contracts for new recruitment

The law provides that, for a transitional period until 1 January 1990, a one-off limitation of the employment contract for a duration of up to 18 months may be authorized if a new worker/employee is taken on or if an apprentice, for whom there is no permanent job, is kept in temporary employment by the firm which trained him. For



newly established firms employing up to 20 workers, the maximum duration of a limited term employment contract is two years. The law talks about 'newly taken on' workers (whereas the bill spoke of 'unemployed persons'), thus broadening the target group.

### **Labour law regulation of part-time work**

Until now there has been no specific regulation under labour law for part-time work. Indeed, the new Act is also limited to the regulations which are indispensable for enhancing part-time work in areas where there is clearly a need for special protection. According to the new law, unequal treatment of part-time workers as opposed to full-time workers will only be authorized in the following two cases:

- (i) the difference in treatment does not result from the part-time work itself but from other reasons, such as the qualifications, work experience, or differing demands of the job station;
- (ii) there are material reasons for the difference in treatment. Thus it could be possible for part-time workers to be excluded from the allocation of company-owned rented flats or additional allowances (for instance for illness).

Furthermore, two new types of part-time work which have developed over time will be integrated into social protection: flexi-time, or variable working time (Kapovaz) and job-sharing.

### **Change in the Temporary Employment Agencies Act**

The changes provided for concern:

- (i) the maximum length of time for which a temporary worker can be hired out to one and the same employer is being extended from three to six months until 31 December 1989;
- (ii) hiring-out temporary workers between employers of the same

branch of industry and between companies in the same group ('Konzern') is exempt from the regulations of the temporary Employment Agencies Act.

### **Improving the chances of women for re-entering working life (vocational reintegration)**

Until now the claims of women to benefit from measures for returning to working life after having withdrawn from it to look after and bring up children have often fallen by the way. Under the new law, irrespective of the number of children being looked after at the same time, for each child a period of five years for childcare is taken into account without the entitlement to vocational further training, re-training or adaptation being lost.

### **Italy: Employment policy for the next decade**

The Minister for Labour has produced a document setting out the main lines of a long term action strategy. It indicates both the objectives and the instruments and courses of action to be followed to attain these objectives.

Employment is recognized as being the most important issue of modern society which at the same time has to pursue full employment and accelerate and intensify the process of modernization.

There are two starting points: first, the market cannot do everything itself; nor can the State drop its active role in an active employment policy, be this its role of containing unemployment or of undertaking positive actions to develop and accelerate the development of demand for labour. The conclusion drawn is that the essential elements of the pattern of reasoning must be to see industrial policy and labour market policy as two sides of the same coin within the context of a pattern, the central theme of which must be the issue not only of growth but also of the redistribution of

income. Such a redistribution of income presupposes above all a reorganization and a redistribution of work.

Having analysed the characteristics of the transition, the essential features of a long-term strategy for the country are outlined. Thereafter the employment situation in Italy is analysed and the thrusts of intervention on the labour market in the following areas are outlined: development of human resources, reorganization and reduction of working time, job creation activities, policies of social protection and support of income, and the administration of the labour market.

### **Netherlands: Reform of unemployment and disability regulations as of 1 January 1986**

The Cabinet has proposed that, with effect from 1 January 1986, the unemployed will receive a benefit whose duration will depend on the age of the unemployed person and the duration of his/her previous work record. The rate of benefit will start at 70% of the last wage. After six months, this will be brought down in half-yearly steps to 70% of the statutory minimum wage. Then for a period of one year they will be entitled to the continued payment of this minimum level benefit, irrespective of the partner's income. A special Supplements Act ('Toeslagenwet') will make provision for persons with a dependent spouse or dependent children. Persons who at the moment of becoming unemployed are 50 years of age or older will no longer be covered by the Assistance Act ('Bijstandswet') but will receive a benefit on the basis of a new Incomes' Guarantee for the Older Unemployed ('Inkomensvoorziening voor Oudere Werkelozen').

The duration and the rate of disability benefits will remain unchanged. The Cabinet proposes doing away with the unemployment part in these benefits; this would apply exclusively to 'new cases' and to existing beneficiaries under the age of 30.



### **New Unemployment Insurance Act** (*'Werkeloosheidswet'*)

The duration of the new unemployment benefit will depend (this far, at least) on the age of the unemployed person; it varies from six months to five years. The rates of the proposed benefit are indicated above. The rate of benefit is independent of the income of the partner. The opposite is, however, the case under the Assistance Act (*'Bijstandswet'*) under which the unemployed fall once the unemployment benefit and the benefit paid in the intermediate phase have run out. The new Unemployment Insurance Act (*'Werkeloosheidswet'*) no longer differentiates between men and women and breadwinners and non-breadwinners.

### **Incomes' Guarantee for the Older Unemployed**

(*'Inkomensvoorziening voor Oudere Werkelozen'*)

The Cabinet is proposing a new law on Incomes' Guarantee for Older Unemployed to take effect on 1 January 1986. Its purpose is to improve the situation of the long-term unemployed. The law will apply to those who become unemployed at 50 years of age or older and who have exhausted the maximum duration of benefit under the new Unemployment Insurance Act. They are entitled to a benefit at the social minimum level. This corresponds to 70% of the statutory minimum wage for single persons, 90% for one-parent families and 100% for two partners together. A (topped-up) benefit is paid if the earned income of the beneficiary and his/her partner taken together is lower than this benefit. Contrary to the provisions of the Assistance Act, capital savings (for instance in the form of one's own house) and other family income are not taken into consideration.

### **Supplements Act** (*'Toeslagenwet'*)

A benefit of 70% of the last wage can mean that persons with a dependent spouse or dependent children receive a benefit below the minimum level applicable to them. In such a case, the minimum daily wage regulations under the Unemployment Insurance Act and the Sickness Benefit Act as well as the supplements under the General Disability (AW) provide for the benefit being topped up to the amount of the statutory minimum wage.

The Cabinet is proposing to do away with these regulations, replacing them by a special Supplements Act. The Supplements Act will top up the benefit being paid under the Unemployment Insurance Act, the Disability Insurance Act (WAO), the General Disability Scheme (AAW) and the Sickness Benefit Act to the minimum level according to the beneficiary and the number of dependents. For one-parent families this will mean that the benefit will no longer be topped up to the level of the statutory minimum wage but to 90% of this minimum wage; this is the rate of benefit actually being paid for single parents under the terms of the Assistance Act.

When determining whether a person is entitled to a supplement, the earned income of the partner will be taken into account. Married or unmarried persons living together are treated alike. The capital savings of the beneficiary and his/her partner are not taken into consideration.

### **Modification of the Disability (Benefits) Acts**

(*'Arbeidsongeschiktheidswetten'*)

The Cabinet is not proposing any changes to the duration and rate of disability benefits for fully disabled persons. For persons with a disability of 80% or more the rate of benefit will re-

main 70% of the last wage up to the age of 65.

### **Modification of the National Assistance Act**

(*'Algemene Bijstandswet'*)

The Cabinet is also proposing to modify the law with effect from 1 January 1986 to provide for equal treatment of married and unmarried persons living together under the terms of the National Assistance Act. This modification will mean that the social assistance benefit will be determined in the same way for married persons and unmarried people living together whose situation hardly differs from that of married people.

### **Implementation**

The Cabinet intends to entrust the industrial insurance boards with implementing the new Unemployment Insurance Act (including the benefit being paid during the intermediate phase of one year) and the Supplements Act. At present the benefit under the Unemployment Insurance Act (WW) is being administered by the industrial insurance boards whereas the municipalities implement the Unemployment Provisions Act (WWV). The Cabinet proposes that the Incomes' Guarantee for the Older Unemployed be administered by the municipalities which will also continue to be in charge of the benefits under the provisions of the National Assistance Act.

### **Financing**

According to the draft bill, the benefits under the Unemployment Insurance Act will in the beginning be financed by contributions from employers and employees. The Supplements Act and the Incomes' Guarantee for the Older Unemployed will be paid for by the State.



## Aid to the unemployed

### Germany: No wages below collectively agreed rates for unemployed workers

The Federal Minister for Labour and Social Affairs has come out against the proposals from the ranks of the liberal coalition partner to employ jobless workers at below collectively agreed rates. The top employers' and trade union organizations have also opposed these proposals.

The demand for paying the unemployed wages below the collectively agreed rates was put forward to achieve greater flexibility on the labour market. As against this, the government stresses that the principle of equal pay for equal work must be applied to all workers. Nor can there be any wavering from this rule when an unemployed person is employed under a limited term work contract. What might be discussed are demands to differentiate collective agreements more according to branches of industry and regions or to pay more attention to individual companies' ability to pay. But there is no need here for any action on the part of the legislator.

There is presently a great number of collective agreements which differ very considerably among branches of industry and regions. That rate of collectively agreed and real wages and salaries differs considerably from branch to branch. And also under the existing law there is a variety of possibilities open to the collective bargain itself to take into consideration the differing economic circumstances within its area of coverage.

### Greece: Changes in unemployment benefits

Parliament has now voted the bill proposed by the government modifying the system of unemployment benefits.

- (1) *Law 1545/85* provides for help for young unemployed persons who are entering the labour market for the first time.

*Area of application and conditions of entitlement:* the measure covers unemployed men and women who:

- (i) on claiming benefit are aged between 20 and 29 years;
- (ii) have been registered as jobseekers for three months from the moment they are 20 years of age, or have finished their military service (for men) or have finished or interrupted their studies (pupils and students);
- (iii) remain enrolled as jobseekers for 12 months.

*Duration and rate of benefit:* the maximum period of benefit is five months. The amount varies between 8 and 20 daily unemployment allowances per month. A ministerial decree fixes the amount by taking age, number of dependents and regional problems into account.

*Disqualification for benefit:* unemployed persons lose their entitlement to benefit if they have worked, even occasionally, for more than 80 days during the 12-months' period or if they refuse to accept a training proposal or a job offer in works of collective use.

- (2) The law furthermore provides for an unemployment benefit to be paid for a period of eight months to persons insured against unemployment who are *more than 49 years of age* and have contributed for 210 working days during the 14 months preceding the onset of their unemployment. Those receiving an unemployment benefit for the first time must have contributed for 350 working days during the preceding two years.
- (3) The new law also improves the conditions of entitlement to unemployment benefit for building and public works' workers as well as employees in the tourist trade.

- (4) Finally, the *discriminatory calculation* of the unemployment benefit according to whether the beneficiary draws a wage/salary or a daily wage has been abolished.

### Ireland: Centres for the unemployed

Following a request from the Irish Congress of Trade Unions (ICTU), the Youth Employment Agency (YEA) has agreed to provide finance for centres for the unemployed which are set up and managed by local Trades Councils under the auspices of the ICTU.

The centres will provide a focal point where unemployed people can make contact with each other. The centres will be staffed primarily by volunteers and officers of local Trades Councils. They will assist the unemployed by giving advice and information, facilitating education and training and encouraging people to use their leisure time constructively. Special efforts will be made to attract young unemployed people to the centres. It is planned that activities will be developed in coordination with relevant voluntary groups and will complement those of State manpower agencies.

These centres will be located in the most densely populated urban areas. Two centres have already been set up and it is expected that a further eight will be established. The YEA will provide up to IRL 11 000 in the first year of operation for each of these centres.

### United Kingdom: Job Search and Employment Transfer Scheme

The aim of the Job Search Scheme and the Employment Transfer Scheme is to encourage unemployed people who would not otherwise have done so to move home to take up jobs which cannot be filled by local people. Assistance is given, under certain circumstances, with fares to interview, under the Job Search Scheme, and with costs



involved in moving home to take up a job, under the Employment Transfer Scheme. A transfer grant is payable in four stages during the year following the move. Assistance is subject to a number of rules e.g. to people seeking jobs paying less than UKL 225 per week.

In 1984/85, expenditure on the two schemes was UKL 4.5 million. 4 346 people received assistance under the Job Search Scheme, and 3 299 under the Employment Transfer Scheme.

### **United Kingdom: Voluntary work for the unemployed**

The Voluntary Projects Programme aims to improve the ability of unemployed people to compete for employment by providing them with constructive activities through which they might develop existing skills or learn new ones. It is to continue at least until March 1988, subject to annual review, with a budget of UKL 12 million per year.

In the light of experience gained during the first year, the Manpower Services Commission reviewed the operation of the programme early in 1984 to identify the kind of projects which proved most effective in helping unemployed people prepare for work. Local authorities, the voluntary sector, and other sponsoring organizations were consulted. The emphasis of the programme has now been shifted more towards funding projects where the benefits to unemployed people are clearly evident, for example those providing opportunities for informal education and training or involvement in voluntary work in the community.

At the moment, support is being provided for just over 300 projects which attract some 13 000 unemployed volunteers each week. Many of these, however, attend for short periods of less than 6 hours, and in the course of a year around 63 000 unemployed volunteers participate in the programme. The characteristics of these volunteers differ somewhat from volunteers generally. Though fairly evenly divided between the sexes, programme volunteers tend

to be younger (nearly half are aged 25 or under) and semi-or unskilled. However, most recognize that participation in the programme has helped to improve their confidence, widen their experience, and restore their motivation. Indeed, over 40% of the 15 000 who have left the programme in the 12 months to April 1985, have gone into employment or formal occupational training.

Since November 1984 efforts have been made to develop the Programme by setting aside funds for projects which involve a substantial commitment of time and effort by volunteers and also for those projects which prepare unemployed people for self-employment and provide advice and support for their new businesses. Provision is being made for 30 to 40 of these projects. Discussions with sponsors are continuing and, at the moment, agreement in principle has been given for 13 projects and 12 have already started to operate.

Further development is planned for the future. In March 1985 the government announced its intention to focus the programme more directly on those who have been out of work for a year or more. To progress this theme, proposals are currently being considered involving structured schemes designed to meet the special needs of long-term unemployed people. These will allow for the payment of an allowance to participants.

## **Training**

### **Greece: Revising training posts**

OAED, the national employment body, is continuing its efforts to improve the system of vocational training. In this context, Law 1545/85 opens up the possibility of training places provided by public or private sector enterprises being subsidized up to the rate of 50% of the daily wage of an unskilled worker.

This measure strives to increase the number of practical training places offered by enterprises and at the same time to enhance the contents of work performed by apprentices.

These training places will be manned by young people attending vocational training programmes for apprentices within the various OAED centres.

## **Job creation**

### **Ireland: National Linkage Programme**

In the White Paper on Industrial Policy industry is clearly identified as the primary wealth creator in the economy. Wealth creation alone, however, is of little value unless complementary policies are adopted which seek to retain as much of the wealth as possible within the economy. In this regard, linkage has been identified as an area of considerable opportunity in the development of Irish industry and so the National Linkage Programme has been launched.

Ireland imports large amounts of industrial raw materials and components each year. While government agencies and industry have been active in the area of industrial linkages over a number of years, it is clear that these activities have been insufficient and a more coordinated approach is necessary. Linkage is basically about maximizing the amount of components and services sourced locally by manufacturing industry.

The National Linkage Programme is coordinated by the Industrial Development Authority (IDA) and involves other State agencies such as the Institute for Industrial Research and Standards (IIRS), Irish Goods Council (IGC), and Shannon Development (SFADCo).

The programme will initially concentrate on maximizing the sub-supply potential of the electronics industry. This



sector was selected because of its high growth potential, its scope for increased linkages and the keenness of the industry itself to develop a successful programme. The programme target is to raise the proportion of components/services sourced locally by the electronics industry from approximately 17% of total purchases at present by at least 1% each year for the next five years, with an overall target of achieving the average for Irish industry as a whole (i.e. 33%) within 10 years. The new programme will be selective and will concentrate on supplier companies who have the potential to succeed.

## Special categories of workers

### Germany: Resettlement assistance in house-building for returning foreigners

The Federal Government has passed a Bill providing for a resettlement assistance in house-building for returning foreigners. According to this Bill, returning foreigners can use a savings contract concluded with a building society in the Federal Republic of Germany for building or purchasing a dwelling also in their own country. By means of this measure the Federal Government is contributing towards improving the reintegration opportunities of the returning worker in his/her country of origin. The following specific measures are provided for:

- (1) The measure is open to foreigners who have decided to return to their country of origin which is not a member of the EC. This concerns the following nationals: Yugoslavs, Koreans, Moroccans, Turks and Tunisians.
- (2) The building society contractant can use the amount specified in his sav-

ings contract for building purposes in his country of origin without forfeiting any tax or premium concessions.

- (3) The amount available under a savings agreement for building purposes in the country of origin is limited to DM 60 000.
- (4) The law applies to savings agreements for building purposes whose settlement will have commenced by 31 December 1993.
- (5) The loan granted under the savings contract will only be paid to foreigners who return home within four years from the beginning of the settlement of the amount specified in the savings contract.

It is expected that this law will be taken up especially by Turks. At present there are some 185 000 savings agreements with building societies which have been concluded by foreign workers in the Federal Republic falling under this law (of whom 13 000 are Turks). Were only half the foreigners who have concluded a savings agreement with a building society in the past and all the foreigners who conclude a new agreement, to leave the Federal Republic in the next 10 years, there would be considerable relief of pressure on the labour market amounting to an estimated 150 000 to 200 000 workers.

### Greece: Blind telephone operators

Public services, legal persons under public law, banks, public utility bodies and local authorities will henceforth be required to fill up to 80% of their needs in telephone operators with blind persons graduating from a special centre.

### France: Long-term unemployed training and reintegration aid programme (Ministerial circular No 20, July 1985)

The Government is very concerned about both the lengthening duration of

unemployment which is affecting all categories of jobseekers and the growing selectivity of labour markets. So it has decided to bring in a specific training and reintegration aid programme for long-term unemployed jobseekers (Ministerial circular No 20 of 9 July 1985 of the Minister for Labour, Employment and Vocational Training).

The programme offers long-term unemployed jobseekers (LTUs), particularly those registered for more than a year at ANPE, the opportunity of participating in a process of training and active help to move back into working life. To this end, and given the wide range of people concerned, different instruments managed by the Ministry of Labour, Employment and Vocational Training are being mobilized: the training programme for the 18–25 years olds; ANPE upgrading programmes; and LTU employment-training contracts for the over-25s. The LTU activities of the National Employment Fund and a special programme of modular training constitute innovations. The aim is to have 100 000 persons starting on training by the end of 1985.

The major innovation in the programme is that the training periods are more in keeping with the idea of a vocational reintegration than a training approach. For the aim is to have 'volunteer' jobseekers go through an entire integration process. This integration process is made up of a coordinated set of complementary actions in the form of modules: evaluation of strengths and weaknesses ('evaluation-bilan'), encouraging reentry to employment, educational and/or vocational upgrading, modernizing skills and adapting to technological change, broadening skills enabling a vocational shift towards an adjacent trade, and employment search techniques and help. This set of actions is aimed to raise the employability of the jobseekers and should lead to employment.

The training periods as such are aimed at:

- (i) putting LTU jobseekers into a position of actively looking for reintegration;



- (ii) combatting training and employment selectivity;
- (iii) drawing up and putting into operation with the target groups concerned a realistic approach towards reintegration in line with the characteristics and experience of these groups at the same time as taking account of trends on the local labour market.

Under these circumstances, the programme is particularly geared towards all jobseekers who have both been enrolled at ANPE for more than one year and are 'motivated' to try out this path towards becoming reintegrated in employment, whatever might be the person's starting level. Special attention is focused on persons who are least favoured as regards when they last

worked, by the lack of receiving benefit and by the precariousness of their financial situation. Such persons are given priority access to training.

ANPE is entrusted with arranging the training periods, it having to:

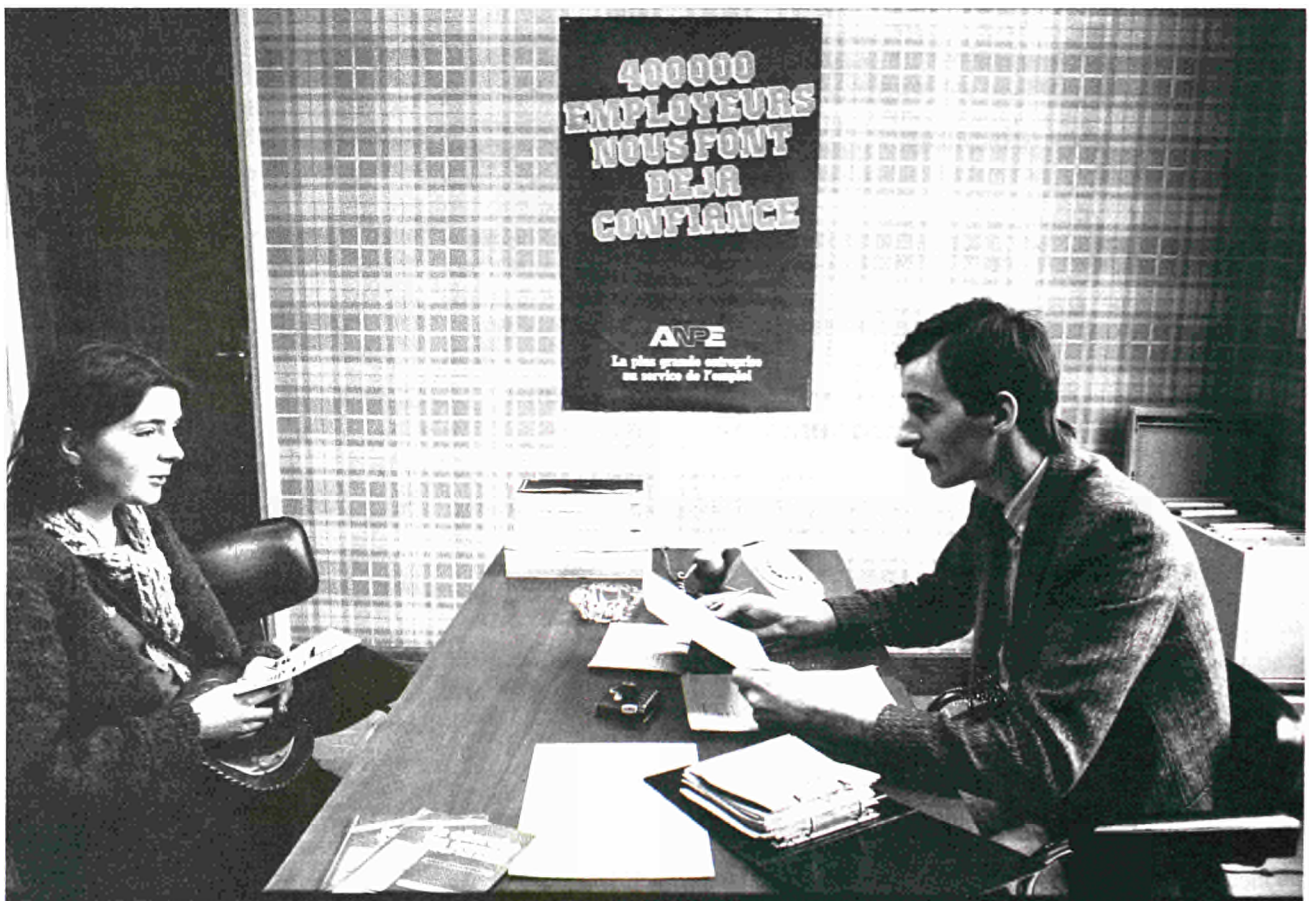
- (i) determine the major groups of trades where the LTU jobseekers are to be found. In agreement with the Delegation for Vocational Training, it puts forward outline cooperation agreements for the Minister to sign with national training bodies and for the regional 'préfets' to sign with regional bodies. In case of need, it can call on local training bodies and enterprises which have training facilities;
- (ii) identify jobseekers qualifying for this programme to inform them of

the new opportunities, particularly when interviews are being held in the 13th and 25th month of unemployment;

- (iii) become involved in certain phases of the training operation, particularly during that of the evaluation and that of helping with job search.

At the same time, ANPE must find out where job openings lie, drawing in particular on employers' federations. As regards procedure, ANPE has to negotiate, manage and sign outline agreements with the training support bodies.

Overall, trainees will have the status of a 'vocational trainee' ('stagiaire de la formation professionnelle') for the length of the training period. Hence, pay will fall under the system of common law of recurrent vocational training.



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### **Netherlands: Youth employment schemes and social benefits**

The Secretary of State for Social Affairs and Employment has issued a decree whereby unemployed youths aged 18 to 23 who are participating in so-called youth employment schemes and who, under certain conditions, can claim a (topped-up) benefit under the State Group Regulation for Unemployed Workers (RWW), can be temporarily relieved of their obligation to register as a jobseeker at the Labour Office and of looking for work and having to accept suitable work.

This decree follows from the national agreements reached by the social partners within the Foundation of Labour to combat youth unemployment. Overall these agreements aim at attempting to create additional placement opportunities for young people so as to reduce the number of long-term unemployed youths. This can be achieved by creating additional jobs (possibly part-time), by extending the apprenticeship system, by developing training in industry schools and by creating in-company training places and 'growth' jobs, i.e. jobs that gradually develop from part-time into full-time jobs.

Dispensation can be granted for the duration of the employment in question up to a maximum period of three years, provided that the unemployed youth can produce a written agreement with an employer based on a collective agreement. This may be a work agreement, a combined training-work agreement or a training agreement, according to the kind of job in question.

Youth employment schemes should in as far as possible be a combination of training and work.

### **Netherlands: Integrating the handicapped into working life**

The Cabinet has expressed the opinion that to reduce regulations for

and alleviate the burden of trade and industry several modifications have to be made to the Bill on Work for Handicapped Workers (WAWG).

In the modified Bill employers and employees are being asked to cooperate in taking measures fostering the integration of the handicapped into working life and maintaining, recovering or improving their capacity for work.

If this is not done satisfactorily, a specific sector of the economy or part thereof, or a part of the collective agreement sector can be required to employ handicapped persons to a certain percentage of the workforce, ranging from 3% to 7%.

A similar new regulation is intended for the public sector. The Cabinet assumes that the WAWG will come into effect on 1 January 1986 at the latest.

### **Netherlands: School leavers find work more quickly**

School leavers who registered with the Labour Office in 1984 moved off the register more rapidly and in greater numbers than those who had left school during the previous year. Particularly in the second half of the year there were clear signs of school leavers moving more quickly on to the labour market. 1984 would also appear to have seen the end of the tendency to stay on at school because of high unemployment.

This results from the 1985 School Leavers' Letter of which 6 500 copies were sent by the Ministry of Social Affairs and Employment to careers masters, employers and employees. The letter informs leavers on how to enter the labour market.

In addition to the School Leavers' Letter the Ministry is running an information campaign aimed at the 275 000 odd young people leaving school. Under the motto 'Get working now to get work', young persons are urged to start looking for work themselves and to register with the Labour Office in good time. Indeed, they are reminded that registration is a condition for claiming benefit or child allowance.

### **United Kingdom: Public employment and training services for the disabled**

Employment and training services for disabled people in the UK are provided through the Manpower Services Commission (MSC) in Great Britain and the Department of Economic Development in Northern Ireland. Access to services at local level is through Jobcentres and Jobmarkets respectively. The following describes services in Great Britain, but similar provisions exist in Northern Ireland.

Disabled people are able to benefit from the full range of employment and training services which are available to the general population. However, additional assistance, exclusive to disabled people, is available to help them prepare for, select, get and keep suitable jobs.

Most disabled people receive help in finding jobs through the general jobcentre service, but those whose employment problems are significantly different from those of able-bodied people can obtain special assistance from the *Disablement Resettlement Officer* (DRO). The new *Disablement Advisory Service* (DAS) is also able to help with the retention of disabled people who are already employed.

DROs and the DAS can call on expert guidance on individual cases from the Employment Medical Advisory Service, or can arrange a programme of assessment at an *Employment Rehabilitation Centre* (ERC). ERCs provide facilities for those who have been ill, or who are disabled, to receive guidance and preparation for a return to work. Each client has a programme of assessment and practical work experience in simulated industrial and commercial conditions individually designed to meet his or her needs. Practical training is also given in jobseeking activities. For those areas not served by one of the 27 ERCs in Great Britain, 3 ASSET (Assistance Towards Employment) Centres are being set up. These will provide assessment and job search training on the premises but will commission local em-





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employers and other organizations to provide work experience placements.

There are special training measures for those disabled people for whom the mainstream training provisions are inappropriate. These include training at one of 4 residential training colleges which are independent establishments receiving financial support from the MSC; individually designed training for up to a year with a particular employer, who must guarantee at least six months employment afterwards; financial assistance to train for a professional career, such as law or accountancy, for those with the necessary educational requirements but who cannot get a grant from the local education authority; financial help for employed disabled people to train or retrain, either for a newly disabled person who needs to retrain in order to stay with the same employer, or

for a disabled worker who needs further training to help his or her career development. The Royal National Institute for the Deaf and the Royal National Institute for the Blind provide certain types of training for deaf and blind people with financial help from the MSC.

There is a *quota scheme* to help registered disabled people to get and keep jobs for which they are suitable. Employers with 20 or more workers have a duty to employ a quota of registered disabled people — currently set at 3% of the employers' total workforce. When below quota an employer has a further duty to engage suitable registered disabled people if any are available when job vacancies arise. To help give effect to these duties, an employer who is below quota must obtain a permit before recruiting anyone who is not registered as disabled. Also an em-

ployer must not discharge a registered disabled person without reasonable cause if he is below quota or if he would fall below quota as a result. The Disabled Persons (Employment) Act, which established the Register of Disabled Persons and the quota scheme also enables entry into particular occupations to be designated and entry to them restricted to registered disabled people. Two occupations have been designated — passenger electric lift attendant and car park attendant.

There is a wide range of assistance on which DROs and DAS can draw to overcome the difficulties faced by individual disabled people at work. The kind of help needed will, of course, vary and may take the form of financial or material help either for the disabled person or the employer.



- (i) Registered disabled people who cannot use public transport to get to work because of the severity of the disability can be given financial assistance towards the extra cost — usually of taxi fares. MSC pays 75% of the cost up to a maximum of UKL 60 per week.
- (ii) Special tools or equipment can be issued on free indefinite loan to registered disabled people to help them do their jobs. A special aid can be any item which would not be needed by an able-bodied person doing the same job.
- (iii) Financial assistance can be given to an employer who needs to adapt his premises or equipment in order to employ a specific disabled person. The employer will not usually have to pay more than half the cost. The maximum grant is UKL 6 000 per adaptation.
- (iv) An employer who has genuine doubts about the ability of a particular disabled person to do a specific job, but who is prepared to offer a trial period of employment may be paid a grant of UKL 45 per week during the trial. Usually this lasts for six weeks but it can be extended to 13 weeks if necessary. Use of this scheme is at the discretion of MSC staff. The employer does not have to guarantee retention of the disabled person after the trial.
- (v) Blind and partially sighted people may be paid a grant towards the costs of employing a part-time personal reader where this is essential in the job.

Sheltered employment is provided for those registered disabled people who are unlikely at any time or until after a long period to be able to get and keep jobs except under sheltered conditions. About 15 500 severely disabled people are employed in over 220 sheltered workshops and factories run by Remploy Ltd, local authorities and voluntary organizations, and in sheltered placement schemes.

Remploy Ltd was formed in 1945 to provide industrial work on a national scale. The company receives a subvention grant from the MSC to cover operating losses and to provide for capital expenditure. Local authorities and voluntary organizations which run sheltered workshops also receive financial help from the MSC.

The *sheltered placement scheme* is proving a very popular means of providing sheltered employment. Under this scheme a severely disabled person works in an ordinary industrial or commercial setting alongside the rest of the able-bodied workforce. The disabled person is employed by a sponsor, who must be a local authority, a voluntary organization or Remploy. The firm providing the work pays the sponsor according to the output of the disabled person. The disabled person receives the same wage as the able-bodied people with whom they work. There are over 1 100 severely disabled people in this scheme.

There is a very limited scheme whereby grants may be made to severely disabled people to help them set up their own businesses. It is designed for those who are unable to find work either in open or sheltered employment. This help cannot be given until all other sources of resettlement have been fully explored and where resettlement in a business on own account is clearly a last resort. The proposed business must be seen to have a good chance of succeeding. Help is given in the form of a one-off grant towards the cost of materials, tools etc. which are necessary to enable business to start up.

The emphasis throughout the UK is to promote the employment of disabled people in all types of occupation according to their abilities and to provide a range of assistance which can be used as necessary to help overcome the employment problems of the individual disabled person.

## Working time

### Belgium: Flexibility in working time

The flexibility of working time is an important concern for the government which is considering simplifying regulations on the length and hours of work. The Social Recovery Law of 22 January 1985 considerably relaxes regulations in this area.

To put the changes taking place in their new legal context, the main characteristics of the general regulatory framework are set out below.

#### (1) Normal length of work

The normal length of work has been fixed by law at eight hours a day and 40 hours a week (in a six-day week). When a collective agreement (CCT) provides for a shorter working week (e.g. 36 hours), it is these limits of the CCT which constitute the normal length of work.

The labour regulations (which result from the CCT) give a clear view as to how the normal length of work is spread over the work cycle.

#### (2) Exemptions

The normal length of work can only be exceeded in a limited number of cases. These exemptions are laid down by law. There are foreseeable instances of exceeding the normal length of work: the 5-day week, preparatory and additional work, transport work, loading and unloading, shift work, continuous working, which it is impossible to carry out within normal limits, etc. Other instances are unforeseeable: extraordinary increases in work, urgent work or repairs (by the workforce or on behalf of third parties) undertaken to face up to an accident which has happened or is likely to happen or carried out on machines or materials.



*Royal Decree No 225 of  
4 December 1983*

brought in new regulations for overtime working:

- (i) Each hour worked in excess of the normal working time which has been properly authorized is overtime.
- (ii) Overtime must be recouped through time-off during the same quarter. This can take place in the following quarter, if the overtime has been caused by an extraordinary increase in work or by work for a third party aimed at preventing or facing up to an accident or, again, repairs to machines or material.
- (iii) An overtime rate of 50% above the wage is due for work exceeding nine hours a day or 40 hours a week (or exceeding the limits set out in the CCT) except when it is a matter of foreseeable instances for exceeding the normal working hours.

**(3) The Recovery Law of  
22 January 1985**

The system of overtime was fundamentally changed in one point by this Law.

A CCT can from now on extend up to a maximum of one year the time period in which compensatory rest must be given. This can be done separately for each exemption legally authorized. When the CCT in question does not provide for any extension of the compensatory rest period, the provisions of Royal Decree No 225 remain in force (compensatory time-off within the quarter).

*Flexible working time*

Over and above the regulation on overtime, the Law of 22 January 1985 introduced a new system of flexible working time. A sector or enterprise CCT can extend the normal length of work (as this was laid down by the law or the CCT) provided that the average weekly length of work is respected on an annual basis (or over a period of 12 consecutive months).

For instance, a CCT can fix a 38-hour working week. Applying flexible working time cannot lead to the basic annual average of 38 hours of work per week being exceeded.

*Limits to the extension*

- (i) The maximum daily hours of work (as they are set out by law, CCT or the work rule which results from it) can be increased or decreased by a maximum of two hours without exceeding nine hours per day.
- (ii) The maximum working week can be increased or decreased by a maximum of five hours without the working week being able to exceed 45 hours.

*NB:* A CCT could very well only authorize a one-hour increase, but accept there being a maximum decrease of two hours per day.

*Calculating the length on an annual basis*

Calculations must always be made over a 52-week period. Certain days are treated as days worked (public holidays, recognized days of absence, etc.) and are hence taken into account when calculating the average working week. But others are not taken into account such as some overtime work, additional leave in connection with a reduction in working time, etc.

*Compensatory time-off*

Hours worked over and above normal hours resulting from applying flexible working time give rise to entitlement to the same number of hours of compensatory time-off. This compensatory rest period is given in the form of a flexible schedule providing for reduced working time; for the weekly working hours must be respected when averaged out over the year. Thus, an enterprise having a 38-hour working week which has been applying a flexible schedule of 43 hours for a certain period, must compensate for these additional hours by applying another flexible schedule of less than 38 hours.

Compensatory time-off must be given within the calendar year or within 12-month periods, the beginning of which is set out in the CCT. Limits can be put on this period by a CCT.

As for the regulations concerning overtime, workers cannot be put on short-time working ('partial unemployment') for as long as they have to take compensatory time-off. The employer who nevertheless wants to bring in a system of short-time working must first of all give the hours worked in excess of the average in the framework of flexible work schedules in the form of complete compensatory rest days off.

*Pay*

The 'flexible' limits constitute the normal length of work within which there is no overtime. Flexible hours are thus only paid at normal wage rates, without 50% premiums (or 100% in cases of working Sundays and public holidays).

In all other aspects Royal Decree No 225 applies:

- (i) *Deferred payment:* Wages for flexible working time are only paid at the moment the compensatory rest period is taken. Thus, no account is taken of weekly working time for paying the wage. At the end of each pay period, the employer pays a wage calculated on the basis of the average working week provided for by the CCT.  
At the end of the period foreseen, the maximum being one year, the worker will have a wage equal to the number of hours of work worked in that period multiplied by the normal hourly wage.
- (ii) *Indexation:* The hourly wage is adapted to the index and to increases in scales. Furthermore, in cases of termination of a work contract:
  - (a) Should, on the day the work contract ends, the worker have worked less than the average working hours set out by CCT, the wage paid to the worker remains his and cannot be de-



ducted from the wage which is still owed him;

- (b) if, on the other hand, the worker has worked more hours, the wage for those hours must be paid to him.

#### (4) The internal limit of 65 hours

Royal Decree No 225 provides for a limit to the total number of overtime hours which a worker is authorized to work. This internal limit is fixed at 65 hours a year.

##### *Flexible schedules*

To see how this rule works out on flexible schedules, two cases need to be distinguished:

- (a) The enterprise makes use *only* of *flexible* schedules. Under these circumstances it does not have to take account of the internal limit of 65 hours overtime. This limit can be exceeded. Indeed, the 65 hours must be overtime; but flexible hours are not overtime.
- (b) The enterprise *combines flexible working hours with overtime* (in Royal Decree No 225). In this case the 65 hour limit has to be applied and the overtime is computed on the basis of the number of hours worked in excess of the normal working time.

To establish the limit of 65 hours:

- (i) *Overtime* is taken into account when the only hours of work are overtime (Royal Decree No 225);
- (ii) *flexible working hours* are not taken into account when the only hours of work are these flexible hours;
- (iii) and *overtime* and *flexible hours* are both taken into account when both types of hours are worked.

#### (5) The credit system

Royal Decree No 225 provides for the possibility of closing the quarter with a maximum of 65 hours of overtime which can be recouped during the following quarter. But this is only possible in the following cases:

- (i) exceptional increase in work;
- (ii) carrying out for a third party either work to face up to an accident which has happened or is likely to happen or urgent repairs to machines or material.

##### *Relaxed work schedules*

(Law of 22. 1. 1985)

When in the above cases there has been a combination of overtime and flexible hours, overtime hours do not have to be recouped within one or two quarters. Compensatory rest periods need only be given within a period of one year (the maximum) as set out in the CCT bringing in the flexibility. But carrying overtime hours over to a new period of one year is not possible.

#### (6) Procedures

Flexible working time can only be brought in if certain procedures are respected.

If there is no specific CCT, flexible working time is not possible.

Should there be such a CCT, it has to set out the framework in which flexibility as regards working time can be achieved within the enterprise.

The works council sets out different schedules of flexible working hours and must agree to those hours which are put in the work regulations.

The employer who wishes to apply one of these schedules of flexible working hours as set out in the work regulations must inform the workers by putting up a notice in line with previously determined practice.

#### **Belgium: Social security and experimental re-organization of working time**

A Royal Decree of 22 April 1985 lays down the social security status of workers who have adapted their working time by making use of arrangements for redistributing the available work and of

experiments in rearranging working time.

These experiments on working time reorganization are authorized under Royal Decree No 179 of 30 December 1982. Enterprises are thereby enabled, under specified conditions, to depart from the legal provisions and collective agreements on working time. In most cases the aim is to have the machines work around the clock. This requires additional recruitment. In a considerable number of enterprises which try out such experiments with the agreement of the workers, there is a continuous work organization of five shifts, three during the week and two at weekends. Others have brought in an additional shift which works at the weekend. They can thus be seen to bridge the gap between activities from Friday evening to Monday morning. In still other enterprises work consists on average of three days, each of 12 hours, Saturdays and Sundays being included in this rotating system. Finally, workers' activities are sometimes spread over four days in a six-day cycle: each shift works four shifts of 9 hours 15 minutes in rotation in a six-day working week, with only Sundays not being worked.

These workers work almost as many hours as in normal time schedules but for fewer days each week. Yet most social security rights are established by taking into account the number of days worked per week or per month.

The Royal Decree of 22 April 1985 guarantees the rights to social security of workers who are considered to be working full time and are paid as such but who only work for a limited number of days. But some workers work for a number of days below that required for specific social rights. In sickness insurance, where the entitlement to allowances is subject to a probationary period of 120 days or 400 working hours to be carried out during a reference period of six months, it has been laid down that workers taken on in accordance with a collective agreement concluded within the scope of the above-mentioned Decree No 179, are considered to work a number of days equal to the number of days worked within the framework of full



time work, if the wage they are being paid under the collective agreement is equal to that of similar full time work.

The insurance system for accidents at work and occupational diseases provide that the wage on which the computation of the allowances is based corresponds to the normal full pay for full time work within the framework of an experiment. This provision is aimed at avoiding that, in determining the basic wage, the remuneration corresponding to that of full time employment is completed by part of a fictitious wage per missing working day.

Finally, in line with legislation in this area, family allowances are granted for each day actually worked for at least three hours.

In a series of cases specified in the legislation, some days are classed as working days actually worked. Days for which a wage is paid which is subject to social insurance contributions have now been added to this list.

### Netherlands: The Youth 'Growth Jobs' Scheme

The 'Growth Jobs' Scheme for young people ('Jeugd Ontplooiingsbanenplan'), termed 'JOB' which was started at the end of 1984 on an experimental basis in the catchment areas of the Veendam, Enschede and Nieuwe Waterweg-Noord (Schiedam) labour offices, is being continued and extended gradually and on a limited scale in other regions. Regions with high unemployment will be given priority. 'JOB' provides long-term unemployed youth with work experience through the temporary employment agency system.

'JOB' is intended for long-term unemployed persons under the age of 25. Through START, the partly State-run temporary employment agency, young people can be placed in temporary employment in the market sector or the collective sector in jobs which range from 20 to 32 hours per week. The employers receive a subsidy amounting to 33% of the minimum (youth) wage for the person concerned.

## Placement

### France: How placement functions

Despite a high level of unemployment, some enterprises are experiencing trouble in filling their vacancies. The Board of ANPE, the national employment agency, has examined this situation and its directorate of studies and statistics has launched a set of studies focused on the ways in which ANPE collects and computes the job vacancies it registers.

A statistical analysis aimed at trying to characterize vacancies which are difficult to fill indicated the desirability of tackling the problem from different angles rather than adopting a single approach which would hardly be adapted to take the full complexity of the question into account.

Two of these studies have been monographs. They have sought to grasp the problem of dealing with job vacancies within a single, medium-sized employment basin corresponding to the area covered by a local agency. Thus the study by Bernard Fourcade of the Legal and Economic Studies Centre of Employment on job vacancies which are difficult to fill dealt with the Tarbes employment basin. The starting point was a statistical analysis which showed quite clearly that the rate of placement is independent of the characteristics of the job vacancies. Fourcade then identified the factors explaining placement failures in the ways in which job vacancies are dealt with. The analysis of the local agency of Vichy was of 3 510 matchings which had given rise to 1 000 placements. This enabled Pascal Lièvre to bring out the importance in filling job vacancies of the existence of direct personal relationships with the enterprise, the role of broker between the employer and the jobseeker played by the placement officer and the determinant character of the nature of the information available within ANPE: 'relational' ('relationnelle') or 'mediatized' ('médiatisée'). 'Relational' means information exchanged

between two or more persons at one single place whereas 'mediatized' signifies information linked to a material support such as a newspaper, an advert, a telephone or television.

Even though these two studies are monographs with the limitations thereby implied, because of the relatively small size of the Tarbes and Vichy basins the basic principles governing the functioning of labour markets have nevertheless been brought out.

The work of Sami Dassa and Manix Dressen of CNAM (the national conservatory of arts and trades) was to collect the experiences and opinions of ANPE officials on the types of vacancies which are difficult to fill and the reasons for this. In addition to the opinions of the officials, this study brought out better the informal approaches used by local agencies in facing up to problems for filling certain vacancies.

Finally, the study of Jean-Pierre Brouat and Pierre Valarie of Coop Recherche analyses the impact of one tool in employment policy — the solidarity contract — on the relationships between ANPE and enterprises. They bring to the fore the different approaches operating within the agency and the different ways in which ANPE is used by enterprises. They show just how important it is for ANPE to become a real partner for the enterprise in helping its manpower management as well as the importance of partnership in developing job matching.

All in all, these studies provide more objective knowledge of the placement and working mechanisms used by ANPE in this field. Furthermore, they put the concept of 'difficult to fill' vacancies in its proper context: the difficulties experienced in filling certain jobs are intrinsic neither to one characteristic type of vacancy nor to a specific way of dealing with it.

Summaries of these studies have been collected in a publication which will provide food for thought in ANPE's current debate on diversifying its relationships with enterprises and improving dealing with and matching job offers.



## Italy: Computerization of the public employment services

Law No 143 of 22 April 1985 has allocated for 1985 a sum of LIT 220 000 million for financing pilot experiments of work creation in Campania and Basilicata and for computerizing the employment services. This is in addition to the LIT 18 000 million allocated by Law No 430 of 4 August 1984 for the year 1984.

It is intended to improve the performance of the public employment services of the Ministry of Labour by making use of technologies suitable for setting up a computerized system for the whole of Italy. The system will handle the institutional aspects of the labour market, including the Earnings Supplement Fund (CIG).

The Ministry has planned a special project of computerization for the region of Campania, in which a special experimental labour market management measure is in force (Law No 140 of 16. 4. 1981). This project is for the complete automation of the employment services and the statistical surveys.

Another general programme of computerization is also planned to cover the whole of Italy, to be carried out from the region of Piedmont. This will provide for the computerization of the employment services and the statistical surveys.

Simultaneously experiments are going on in the regions of Piedmont and in Liguria, Toscana and Sardinia with a view to restructuring the statistical surveys.

## Italy: Experimental employment agencies

Law No 110 of 9 March 1985 has authorized the expenditure of LIT 30 000 million for 1985 for setting up experimental employment agencies in regions characterized by very high levels of unemployment and very acute restructuring processes. The agencies are being promoted by the regional employment commissions through agreements with

the Ministry of Labour, local bodies and the regions.

Agencies will be established in priority in the regions indicated in the agreement of intent of 14 February 1984 and particularly in: Piedmont, Liguria, Campania, Apulia, Basilicata, Calabria, Sardinia and Friuli-Venezia Giulia. They will be entrusted with experimenting with and evaluating ways of stimulating the process of matching labour supply and demand and of promoting initiatives aimed at increasing employment.

## Miscellaneous

### Greece: Ministerial changes

The name of the Ministry has been changed to that of 'Labour and Employment'. The new Minister is Mr. A. Tsochatzopoulos. The body for workers' housing ('Ergatiki Katikia'), previously under the Minister for Labour, has been transferred to the Ministry of Urbanism and Public Works.

### United Kingdom: The Equal Opportunities Commission's Code of Practice

The Equal Opportunities Commission's Code of Practice for the elimination of discrimination on the grounds of sex and marriage and the promotion of equality of opportunity in employment came into operation, after approval by Parliament, on 30 April 1985.

The Code is in two parts, with a legal annex briefly describing the relevant provisions of the Sex Discrimination Act 1975. The first part explains the requirements of the legislation and recommends ways in which employers can ensure that they comply, for example by formalizing selection procedures to avoid assumptions based on sex. The second part gives advice on good employment practices to promote equal opportunities, such as providing special

training for women employees in areas, such as management, where women are under-represented in the employer's business.

The Code does not extend the law, but may be taken into account by industrial tribunals.

## Short notes

### Germany

- (1) Among the most significant labour market instruments of government are job creation ('ABM'), training and re-training ('FuU') and short-time working ('KuG'). Their *employment impacts* (in thousands of persons) are estimated as follows:

	1981	1982	1983	1984	1985 <sup>(1)</sup>
ABM	63	46	67	100	116
KuG	108	202	216	138	138
FuU	111	120	117	124	134
Total	282	368	400	362	388

<sup>(1)</sup> calculations based on the budget of the Federal Employment Institute.

- (2) The Federal Employment Institute has earmarked DM 775 million for subsidizing early retirement in 1985.

### Netherlands

- (1) So far there are 310 000 workers who are currently working or will be working on the basis of various agreements on a 36-hour working week (annual average). This represents 10.5% of the 3 million workers in the private sector. Some 18 600 workers are already working a 36-hour work week whereas for some 290 000 workers such agreements have been signed or jointly agreed to by employers and workers.
- (2) By 1 July 1985 all labour offices were applying the same accelerated dismissal procedure. The procedure is based on a recommendation of

the Foundation of Labour on streamlining and accelerating dismissal procedures of the labour offices. For instance, by 'hearing' the parties concerned as much as possible in writing and by using standard letters and forms it will generally be possible to settle the dismissal procedure within four to six weeks.

tions to meet the needs of the extended Youth Training Scheme. The Group is being asked to report within a year and membership will be representative of the major interests involved, particularly the educational validating and examining bodies, as well as other interested bodies, employers and trade unions.

(3) The Council of the Advisory, Conciliation and Arbitration Service (ACAS) has assumed responsibility for the Work Research Unit (WRU) as from 1 May 1985. The WRU was established in 1974 to promote, jointly through employers and unions, improvement in job satisfaction and in the quality of working life. The decision has been taken because the knowledge, experience and expertise in the WRU can be more widely and effectively deployed within ACAS and closer association would benefit both organizations.

## United Kingdom

(1) The formation of a Review Group to look at Vocational qualifications in England and Wales was announced in the White Paper 'Education and Training For Young People', published on April 3. The review is expected to concentrate initially on improving the structure of qualifica-

(2) The White Paper 'Employment — the Challenge for the Nation' was published on 28 March 1985. It brings together in a coherent form the government long-term strategy for employment, what has so far been achieved and what remains to be done. The White Paper gives the facts about UK employment trends and presents patterns in the labour market.

(4) A UKL 1.5 million scheme was announced in April to help voluntary organizations provide an employment placement service for disabled people.



# New technology and social change:

## Overview of recent events in the Community countries

### Introduction

#### (I) Government policies

- (1) Promotion of research and development
- (2) Industrial policy
- (3) Data protection

#### (II) Experiences at sectoral level

- (1) Public administration and public services
- (2) Education
- (3) Banking
- (4) Manufacturing industry

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:

P. M. Boulanger (B);  
A. J. Hingel (DK);  
J. Reese (D);  
M. Nikolinakos (GR);  
B. Quelin (F);  
M. E. J. O'Kelly (Irl);  
P. Piacentini (I);  
T. Brady (UK);  
C. Rottländer-Meijer (NL)<sup>(1)</sup>.  
Coordinator for the Commission:  
A. S. Piergossi.

### Introduction

The main new event as regards government programmes in the period winter 1984–spring 1985 is the launching of the Danish Technological Development Programme after extensive discussion and preparation, and the new Maystadt Plan in Belgium. In the other countries, some more limited and specific projects have been set up.

However, the assessment of ongoing research initiatives often points to the insufficiency of the efforts undertaken, and to the need to increase research budgets.

Other government activities in the new technology field reported in this survey concern new and ongoing industrial policy programmes, and new legislation on data protection.

The second part of the survey describes some experiences taking place at sectoral level, concerning public administration and public services, banks and retail trade.

### Government Policies

#### Promotion of Research and Development

The Danish Technological Development Programme<sup>(2)</sup> amounting to a total of DKR 1 525 million over four years, was finally launched and its financing for 1985 was included in the State budget. In preparation for its implementation, a number of working groups set up by the Council of Technology prepared reports on various industrial branches and on the public sector<sup>(3)</sup>. The orientation which emerged from these reports was to use, as criteria to define specific needs, company size and technology level. The specific needs of small-scale companies were particularly identified in: access to knowledge of technological possibilities; understanding available information; choice and introduction of new technology; adaptation of technology to small scale; financing. As to technological level, it was found to be generally related to the size of firms, but with large differences between industrial branches.

The reports also identified a number of fields requiring specific actions. These are:

- (i) databases, collecting all information (such as norms, regulations, standards, etc.) of interest to a sector;
- (ii) the development of sensors, deemed necessary to ensure the progress of manufacturing automation;
- (iii) product development, for which cooperation between companies should be promoted;
- (iv) manufacturing automation, in all sectors;
- (v) technology adapted to the small firms which characterize Danish industry;
- (vi) computer-aided systems for transport and handling of products and materials;
- (vii) standard control systems for administration and production;
- (viii) software, which is considered decisive for the success of many products on the market;
- (ix) standardization of hardware and software;
- (x) information and awareness activities, particularly addressed to small companies;
- (xi) human aspects, covering technology assessment and testing of new social structures in companies.

A new programme to stimulate research has been launched in Belgium<sup>(4)</sup>. The plan named after its proponent, the Science Policy Minister P. Maystadt, is aimed at filling the gaps between Belgium and its European partners: it has been remarked that Belgium spends much less on research than, for

<sup>(1)</sup> The contributions reflect developments up to Summer 1985.

<sup>(2)</sup> See *Social Europe*, No 3, 1984.

<sup>(3)</sup> Teknologistyrelsen, Oversigtsnotat vedr. Forprojetet det Teknologiske Udviklingsprogram, Copenhagen, 1984.

<sup>(4)</sup> Ministère de la Politique Scientifique, *Le plan pluriannuel d'expansion du potentiel scientifique de la Belgique*.



example, the Netherlands, Switzerland and Sweden. The objective stated by the Ministry is to arrive at 2.8% of the State budget devoted to scientific research, which would put Belgium at the same level as the Netherlands.

The amount earmarked for the plan (increasing from BFR 1 800 million in 1985 to 8 600 million in 1989) will provide additional resources to universities, regions and research institutes such as the FNRS (Fonds National de la Recherche Scientifique) and IRSIA (Institut pour l'Encouragement de la Recherche dans l'Industrie et l'Agriculture). Moreover, it is planned to foster technological applications for public services: these are considered not only important in themselves, but also for the spill-over effect they have on private industry.

Government support for R&D programmes in the UK was partly blocked by a moratorium on new grants to be awarded under the 'Support for Innovation' Programme<sup>(1)</sup>. The moratorium, announced in November 1984, and lifted in spring 1985, concerned the MISPII (Microelectronics Industry Support Programme), the Fibreoptics and opto-electronics scheme, the FMS (Flexible Manufacturing Systems) schemes and the robotics scheme; it was decided because virtually all the funds up to 1985-86 had already been allocated due to an upsurge in demands for the grants.

From the report of the Department of Trade and Industry on science and technology for the financial year ending 31 March 1984 (published in January 1985), it appears in fact that expenditure in 1983-84 increased by 18% from the previous year (totalling UKL 371 million), and applications from industrial firms increased by 60% (there were 2 500 in 1983-84).

The Alvey Programme was, however, not affected by the moratorium: within it, the part on VLSI (Very Large Scale Integration) got underway. It includes 35 projects, for a total amount of UKL 65 million, and involves 15 companies and 24 academic institutions. Four large electronics firms (Plessey, GEC, Ferranti, and STC) are dominant in the pro-

jects. Eight projects (worth UKL 13 million) concern CAD (Computer-aided design) tools: some focus on longer term research into CAD techniques; others are expected to be operational in the short run as they are aimed at CAD tool enhancement for state-of-the-art CAD systems (e.g. the use of CAD systems for the design of VLSI); the latter are expected to provide usable CAD tools and systems by mid-1986.

Another part of the Alvey Programme concerns man/machine interface. Approved projects include the development of computer with human voice recognition ability; interactive computer systems; adaptive intelligent dialogue; image analysis and interpretation; speech interfacing and phonetic algorithms. All projects imply the cooperation of firms, universities and research institutes.

The 1984-89 five year plan of the British Technology Group marks a change in the focus of the group's activities. Its future efforts will be directed towards transferring technology from universities and other public sector sources into industry. BTG also announced a new initiative called 'Campus Investments' aimed at financing spin-off companies from academic institutions.

In the Federal Republic of Germany, a special programme was passed to support the development of peripheral equipment.

The programme is worth DM 400 million, of which 200 million are aimed at the so-called 'indirect specific' support, 180 million at coordinated research and 20 million at technology transfer.

The development of sensors and other peripheral units is expected to help fill the gap that the Federal Republic of Germany experiences in relation to the US and Japan with regard to the spread of new applications of information technology.

The State of North Rhine-Westphalia has launched a programme for the development and application of future technologies (Programm Zukunftstechnologien). It includes micro-electronics, information and communication techno-

logy, and a programme for 'humanization' of technology (Humanisierungs-technologien), together with technologies pertaining to other sectors (such as environment, energy and bio-technology). Total funding amounts to DM 100 million in 1985; the programme is expected to provide important incentives to the economy of the State, particularly to small and medium-sized companies. It will also deal with the utilization of new technologies to favour better working conditions, and an improved relationship between public administrations and the citizen.

A draft law was submitted in January 1985 to the Greek Parliament for the establishment of a Government Council on Information Technology. The purpose of this law is to set the guidelines of government policy in informations technology as regards research, education and training, incentives and conditions for technological development. The Council, to be made up of the Ministers concerned with the various aspects of technological development, will be responsible for:

- (i) the institutions, organizations, incentives and conditions for the development of technological infrastructure as well as the development of the Greek information technology industry;
- (ii) the setting of priorities and conditions for the introduction of information technology in the public sector;
- (iii) the distribution of funds for the development of information technology;
- (iv) the coordination of all activities concerning the development of information technology.

In the meantime, a study on the computerization of the Ministry of Research and Technology has been submitted to the Ministry. The report draws heavily on the system that is being used in the United Kingdom, implying the installation of a central computer with

<sup>(1)</sup> See *Social Europe, Supplement on New Technologies and Social Change Special Issue 1983/84*.



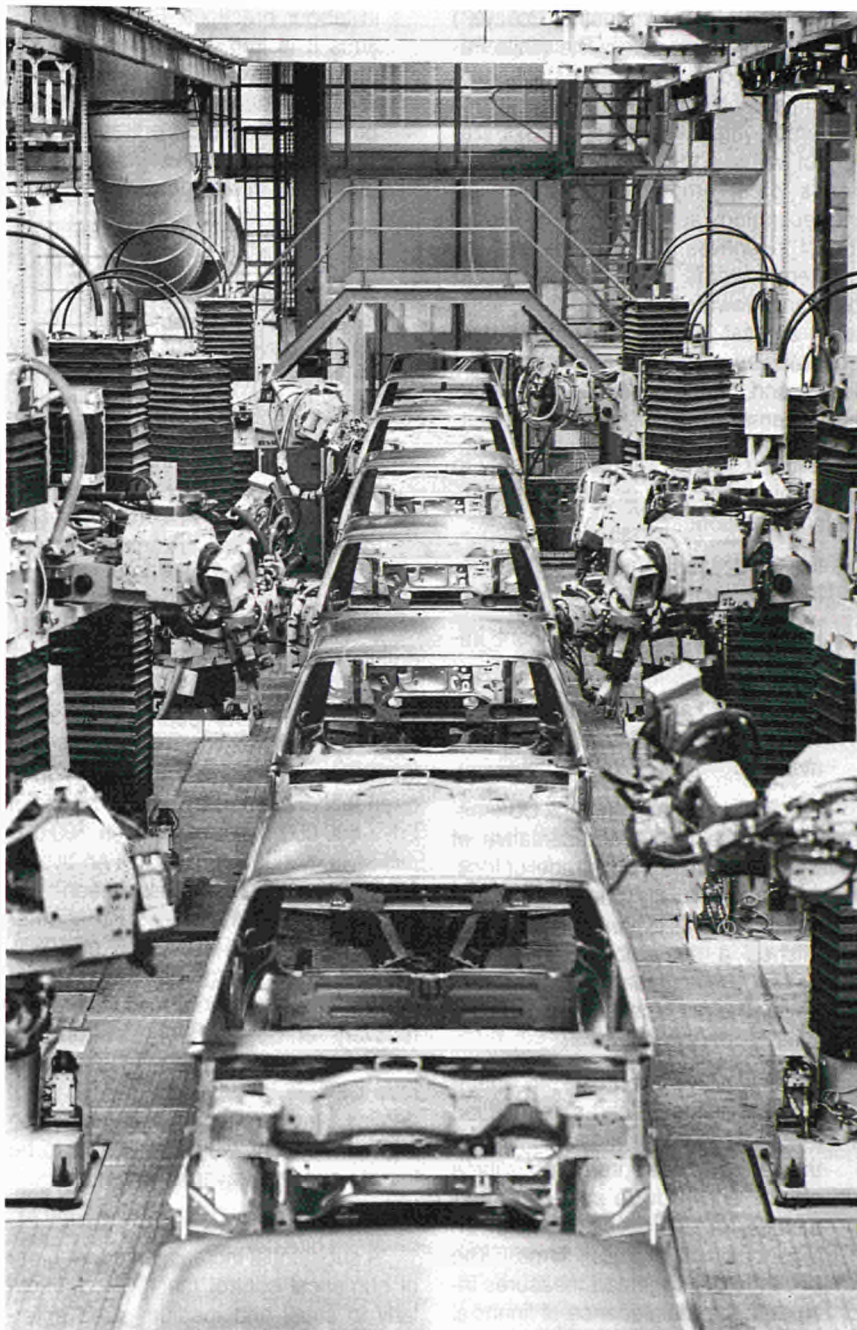
terminals in all directorates and sections. It should allow the computerization of all administrative work, incoming and outgoing mail, filing etc.

In Ireland, the programme of cooperation between universities and industry, which has gone on for a number of years under a scheme run by the Industrial Development Authority (IDA) and the National Board for Science and Technology (NBST), totalled in December 1984 31 projects worth UKL 2.5 million. On the academic side, 13 colleges are represented and electronics and biotechnologies are the disciplines to the fore.

In the field of assessment of research activities, the Italian annual report on the state of scientific and technological research<sup>(1)</sup> points to an increase of global expenditure on R&D in 1984 over the previous year of 19.6% (equivalent to LIT 1 348 000 million, of which almost two-thirds attributable to public agencies and the rest to private firms). The present ratio of R&D expenditure to GDP in Italy is about 1.3%, which is still considered too low: the target for the beginning of the 90's is 2.3% of GDP — a standard already attained in the US, Japan and the Federal Republic of Germany.

The National Research Council (CNR) has set up a centralized data bank, gathering information on the research achievements of all its agencies, to be made available to industrial operators and the general public.

In France, a first assessment of the effectiveness of the tax waiver on research expenditure, established in 1983, shows that 1 420 firms have taken advantage of this measure, for a total credit of FF 353 million. R&D expenditure increased, as a result, by a yearly rate of 12.8%. Seven branches of industry have mostly utilized this measure, and among them information technology equipment ranks third, after motor vehicles and chemicals. Small and medium-sized enterprises have largely benefited from the tax waiver (61 % of the firms in the sample on which the assessment was carried out had less than 500 employees): this is considered a positive result, re-



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flecting the expectations of the proponents of these fiscal measures<sup>(2)</sup>.

### Industrial policy

The implementation of the industrial strategy outlined in the Irish Govern-

<sup>(1)</sup> *La ricerca scientifica e tecnologica in Italia: una analisi di politica scientifica*, Roma, CNR, November 1984.

<sup>(2)</sup> Ministère de la Recherche et de la Technologie (MRT), *Lettre mensuelle d'information*, No 1, January 1985.



ment's White Paper 'Industrial Policy' <sup>(1)</sup> has started without delay. The White Paper, published in July 1984, established, as primary objectives of industrial policy, employment growth and maximization of value added. The White Paper places great emphasis on marketing and technology acquisition in the allocation of incentives. Support will also be directed towards more highly skilled jobs and towards helping Irish firms keep abreast of the most up-to-date technologies such as computer-aided design and computer-aided manufacturing systems.

In future, grants will be given only to firms which meet one or more of the following conditions:

- (i) the production of advanced technology products;
- (ii) the achievement of significant import substitution;
- (iii) the production of goods and services for sale primarily on overseas markets.

The Sectoral Development Committee, a tripartite body representative of government, industry and trade unions, has more specifically carried out sectoral analyses and evaluations, and has established a strategic framework for output and employment growth at sectoral level. The principal strategic recommendations are the following:

- (i) in electronics, continue to intensively promote Ireland as a location for overseas investment, because they are the most promising source of jobs and provide spin-off opportunities for the development of indigenous electronics firms. The package of suggested measures includes: the maintenance of financial incentives; the upgrading of the telecommunication or information exchange network; the concentration of R&D aid in research projects aimed at product development and at the upgrading of manufacturing technologies in selected segments, the development of programmes to help graduates to gain employment experience; the maintenance of good labour relations and flexibility

in labour practices. For indigenous firms it is further suggested to improve the tax environment, to identify the scope for linkages, and to promote technical/entrepreneurial expertise in third level institutions to participate in new projects.

- (ii) in industrial technology, it is recommended to focus existing support and resources on promising new technology areas, to establish technology development plans for key strategic technologies, to provide more flexible incentives to innovation, R&D and technology acquisition; to improve the information flows to small firms; and finally to improve both the level of skills in industry and the linkages between higher education and industry <sup>(2)</sup>.

In the other countries, ongoing industrial policy schemes continue: in Italy the 1982 Act (No 46) concerning incentives to firms for technological innovation ('Fondo Innovazione Tecnologica' and 'Fondo Ricerca Applicata') has been refinanced for 3 years for a total of LIT 1 800 000 million, of which 500 000 million is available for 1985 <sup>(3)</sup>. An overall positive assessment has been expressed on the effectiveness of another Industrial Policy Act (N. 696 of 1983), aimed at facilitating the purchase of electronic machinery: it has helped the recovery of demand for electronically controlled machine tools, whose sales rose by 11% in 1984 after two years of decline, and stimulated the innovation effort in industry, which appeared to be largely directed towards numerical control machines.

A substantial increase in the number of numerical control machines, particularly in small and medium-sized enterprises, is reported also in France, where a programme of financial support to the introduction of automated equipment is carried out by ADEPA (Agence pour le Développement de la Production Automatisée). The budget of this programme has doubled from 1981 to 1984 (from FF 60 million to 120 million) and financial needs for 1985 are estimated at FF 200 million <sup>(4)</sup>. The activity of ADEPA appears to be having a direct stimulating

effect on industrial investment. More broadly, the assessment at end 1984 of the action programme 'filiale électronique' launched in 1982 with a total budget of FF 140 000 million (of which 55 000 million of State financing) over 5 years, has pointed out some positive results: namely, a substantial reduction of the trade deficit, and an annual increase in real product of 8%. These results are attributable, in the opinion of the government, to the restructuring of the largest firms, which allowed a consolidation of the French position in some strategic products; however, the world market share of French firms is still a matter of concern, and employment in the sector has decreased <sup>(5)</sup>.

In the Netherlands, the INSTIR programme for stimulating innovation became operational in October 1984. It is meant to stimulate R&D activities in new, starting companies and it has a total budget of HFL 1 100 million.

## Data protection

In the United Kingdom, the long debated Data Protection Act became law in July 1984. Under the terms of the Act, a Data Protection Registrar has been named, who will be responsible for protecting individuals from the misuse of personal information held on computers. The main requirements of the Act are:

- (i) all users of personal data, the data and their uses should be registered;
- (ii) personal data should not be used, disclosed or sent abroad except in accordance with the terms under which they are registered;
- (iii) persons about whom data are held are entitled to be told what the data are;

<sup>(1)</sup> See *Social Europe*, No 1, 1985.

<sup>(2)</sup> 'Sectoral Development Committee', Government publication 1984.

<sup>(3)</sup> *Gazzetta Ufficiale, Supplemento*, 29 December 1984.

<sup>(4)</sup> *L'Usine Nouvelle*, No 2, 17 January 1985.

<sup>(5)</sup> *01 Hebdo*, No 829, 26 November 1984, *Le Monde*, 22 November 1984, *Le Monde Informatique*, No 170, 10 December 1984.



- (iv) computer bureaux handling personal data should be registered.

In Greece, a draft law on civil liberties is being prepared, which prohibits the storage of information regarding citizens' political and religious affiliation as well as their racial origin. Owners of computer equipment will be required to register with a committee made up of Supreme Court Justices, university professors, lawyers and political party representatives. The law draws from the relevant agreement of the Council of Europe and from existing legislation in countries such as France, Germany and Sweden.

The implementation of the German legislation on this issue, which is about 10 years old now, raises some problems as concerns the use of new computer and communication systems. The annual reports of the privacy protection agents (each state has one) point to some of these problems. They concern: the centralized storage of personal data of all vehicle owners as well as of all drivers with motoring offences; the registration in information systems of data about anti-missile demonstrators, data, to be erased after 12 years; and also the experiments of public utility companies in the use of telemetrics, which will enable them to control the daily consumption of electricity, gas and water of each customer. The conference of privacy protection agents put forward a number of suggestions, concerning in particular the need to regulate the exchange of data between different boards and the centralized storage of such data, and the right of citizens to be informed about which personal data are stored and where.

Finally, the French 'Commission Nationale de l'Informatique et des Libertés', which has been in existence for six years, has authorized the setting up of two data-bases: one is on fiscal data (to be used only for fiscal purposes, and not to be interlinked with the Social Security database); the other is on fingerprints. The latter is being tested by the Interior Ministry: the Commission fixed some limitations, including the condition that fingerprints should be erased after 30 years.

## Experiences at sectoral level

Recent interesting experiences in the introduction of new technology have been acquired in most countries in certain specific sectors: public administration and education, banks and the retail trade<sup>(1)</sup>. In manufacturing, some new firms have made their appearance on the European market, leading to some job creation; other firms, however, also in high technology sectors, have reduced employment. What keeps on increasing is the number of robots utilized in production.

## Public administration and public services

The spread of informatics in the public administration in France covers a large number of services, ranging from the 'Scribe' computerization project of the Ministry of Finance, the introduction of terminals in police stations and post offices, and the memory card. These projects, however, require a thorough preparation of all staff for the expected change, which is far from being achieved for the time being, as indicated by the Secretary of State for Public Administration at a press conference in December 1984. It appears necessary to train some 800 000 public officials in the new informatics equipment; some redistribution of staff is also expected to become necessary.

Among the public services concerned by the modernization programme, the post office is the subject of a 4-year computerization plan, involving 14 000 offices and 30 000 jobs. Post offices will be supplied with Minitel equipment, for direct utilization by the customers, and with terminals and micro-computers to speed up routine tasks. At present, 1 000 offices are equipped with terminals, and another 1 200 terminals will be introduced during 1985<sup>(2)</sup>.

The first electronically equipped post office was opened in Italy in March 1985. Each counter is equipped with a terminal allowing the centralized treatment of all operations. This is the first stage of a programme which should involve some 700 main offices throughout

Italy and which will automate some 30% of all post-office operations by 1988<sup>(3)</sup>.

A massive extension of the use of computers inside post offices has been recommended in the United Kingdom by the Monopoly Commission in a special report to the Department of Trade and Industry. Stand alone systems are being installed and the Commission has warned of the danger of introducing incompatible systems.

The same problem may be encountered in the introduction of electronic mail in government departments. A report prepared for the Treasury by Logica, has recommended that inter-department electronic mail should be widely introduced at a relatively small additional cost to the UKL 400 million that the government is expected to spend on office automation over the next six years. For the time being, some departments are developing their own electronic mail system, which, due to the lack of central coordination, may result in future problems of incompatibility.

The computerization of the National Health Service is, on the contrary, facing repeated delays, due to administrative and political bottlenecks. The service has long been disrupted by a strike of the data processing staff at the Newcastle computer centre. The strike, which ended in January, is estimated to have cost the government in excess of UKL 100 million — mainly covering the cost of 3 800 extra staff that had to be taken on to process pensions, child benefits and National Insurance contributions manually.

In the Netherlands, a report by the Committee for Government Expenditure on Information Technology (Commissie Overheidsbestedingen op het gebied van de Informatietechnologie) argues in favour of a centralized policy towards

<sup>(1)</sup> A *Social Europe* Supplement on the situation of the telecommunications sector at European level and in the Member States has been published recently.

<sup>(2)</sup> *Le Monde Informatique*, 168, 26 November 1984; *Le Monde*, 15 December 1984; *Les Echos*, 17 December 1984.

<sup>(3)</sup> ADN Kronos, Suppl. Scienza e Tecnologia, 4/3/1985.



government automation, raising doubts on the capability of regional centres to cope with expected developments in technology. The Committee also suggests that the planning of automation and its execution, including all technical aspects, should be rigorously separated, and that the latter should be left to the industry. The final objective is that after 1995 no communication between government agencies should take place through paperwork, but only through data processing<sup>(1)</sup>.

Some major developments are taking place in Greece: one is the establishment of a Computing Service attached to the Prime Minister's Office (announced in November 1984), with the aim of coordinating the utilization of existing computer systems and introducing new ones; planning and controlling applications and the supply of software; making studies and plans for the development of informatics in the public sector, including problems of training and recruitment of qualified personnel. At decentralized level, the introduction of informatics in local administration units is planned, in order to improve the operations of these units and upgrade the services they supply to citizens, and to support regional development and decentralization. A feasibility study is being prepared by the Greek Productivity Centre.

Still at local level, in Denmark this time, the municipal council of Solrød is considering making computer terminals available to each council member in order to decrease the workload of the municipal employees and to provide the councillors with continuously updated information concerning the commune. The project is, however, the subject of some reservations to the effect that confidential information on individual citizens may thus be disclosed. At national level a directive of the Ministry of Labour binds trade unions and other professional organizations that administer the unemployment funds to introduce computers in the administration of these funds by July 1985. The purpose is to avoid the overpayment of unemployment benefits, which is estimated at DKR 500 million every year.

## Education

The introduction of EDP equipment in schools at all levels continues in many countries, in implementation of established programmes<sup>(2)</sup>. Some new experiments are also being carried out. For example in Ireland the National Institute for Higher Education (Dublin) has completed a two-year pilot scheme on distance-education, leading to the selection of computer related courses. It is understood that at least one distance-education course will be introduced, leading to a formal qualification.

Another pilot network (Heanet) has recently been set up, linking together the country's five university campuses and the National Institutes for Higher Education. Based on VAX minicomputers, to be further connected to the different mainframes of the participating universities, the network is expected to allow interactive access to systems in different colleges, file transfers, electronic mail and teleconferencing.

The French plan for the introduction of 100 000 microcomputers in schools by 1988 is being implemented at an accelerated pace: 120 000 microcomputers are already expected to be in use by end 1985. The plan is complemented by the production of some 400 software programmes, whose need has become apparent due to limited availability of educational software. Minitels have also been introduced (starting with the new academic year in September 1984) to provide information and guidance to first-year university students. The information provided concerns the number of available posts in each university of the Paris region, the syllabus of university courses, administrative procedures, available accommodation etc.

In the UK, the government backed 'Micros in schools' scheme was discontinued in autumn 1984, following a five-month moratorium on government grants under the 'Support for Innovation' Programme. The main producers are trying to induce schools to continue buying micro-computers by cutting the price of their machines and software. In the meantime, Acorn computers, which had an 80% share of the primary

schools market under the government-supported scheme, had to be rescued from collapse by the sale of 49.3% of its shares to Olivetti. The package valued Acorn at just under UKL 21 million, while 18 months earlier the company was valued at UKL 135 million.

A similar programme in the Netherlands, the 'hundred schools project' (whereby computers were placed in 100 schools to stimulate training) has been evaluated after one year of experience. A number of problems emerged from this evaluation: the computers are used according to the personal preference of the teachers involved, and thus mainly in mathematics, rather than on a broad range of subjects; there have been problems with hardware and with the availability of software, and the special software, developed for educational purposes, has not satisfied the needs<sup>(3)</sup>.

In Italy, where at present only 500 secondary schools are known to possess some computer equipment, a four-year plan (1985–88) has been disclosed by the Ministry of Education, aimed at a gradual generalization of 'introduction to computers' programmes to the whole of the upper-secondary school system. The programme will consist of general informative classes on computer technology, their applications and social effects in the first two years, followed in the last two years by applications and use of software. It is also planned to set up 150 provincial centres with a high concentration of equipment, to which some 3 000 schools can be linked through terminals<sup>(4)</sup>.

<sup>(1)</sup> *Government Expenditure and Information Technology* ('Overheidsbestedingen en Informatietechnologie') — Report by the Committee on Government Expenditure . . . , Den Haag, January 1985.

<sup>(2)</sup> See previous issues of *Social Europe*.

<sup>(3)</sup> *The hundred schools project: an evaluation* ('Burgerinformatica, meer dan computers alleen') G. J. Carleer and H. D. Valkenburg, THT/SVO, Staatsuitgeverij, March 1985.

<sup>(4)</sup> See *Corriere della Sera*, 16/4/1985.



In the Federal Republic of Germany, a joint commission on educational planning of the Federal and State Governments has produced, in December 1984, a report on education in information technology; according to this report, all pupils should be familiarized with information technology. Discussions in the country are still going on, concerning what type of introductory training is most appropriate at school level (practical familiarization with computers or more general education in logic and systems). Meanwhile, almost all State governments have specific programmes to supply computers to schools. As an example, the State of Hessen spent DM 4.2 million for the installation of 73 school computers in 1984; the programme is accompanied by a pilot project for advanced training for teachers, and is monitored by an expert commission.

In Denmark a commission set up by the Ministry of Education is evaluating the needs for computer training in technical schools. In a preliminary report the commission puts forward a number of recommendations on the introduction in technical education of new subjects, namely computer-aided design and some general instruction in computer-aided manufacturing, datacommunication, computer-based control and regulation, administrative control systems and maintenance<sup>(1)</sup>. To provide the necessary equipment for the implementation of this programme, the Commission recommends that DKR 35–45 million should be invested in computer technology by 1987 in the 37 technical schools in Denmark. This implies that each school would have eight work-stations at its disposal.

Outside formal education, there is widespread interest in training for personal computers all over the country. Evening classes in the use of personal computers are being set up everywhere by the municipalities and they are in most cases over-subscribed. In Copenhagen, 75% of the applicants for such courses are unemployed<sup>(2)</sup>. Specific projects addressed exclusively to women have been set up in two towns, (Aarhus and Rønne), as a result of the

cooperation between the municipalities, the Directorate of Work and the Labour Exchange. They are 'data-rooms' where any visitor, including those completely unfamiliar with computer systems, have the opportunity to operate a personal computer; training courses are also organized. The initiatives have met with considerable success and it is interesting to note that, in this case, 70% of the visiting women are unemployed<sup>(3)</sup>.

A similar initiative in Belgium has been set up by the 'Femmes prévoyantes socialistes'. The motive of the initiative is to show that, if offered adequate training, women are by no means less interested in micro-electronics than men. The type of training has consequently been tailored to women's needs: it is free, with practical guidance, organized in teams, and offering creche services. The response has been immediate and sizeable, and virtually nobody has dropped out after the first stage of training. Participants are mostly young (52% are less than 30 years old), secretaries/typists (45%) or primary school teachers (13%).

Some of the participants had previous unsatisfactory experiences with microcomputers, either because they had attended 'too theoretical' courses, or because they had been using a computer in their jobs 'without any understanding of it'.

### Banking

In France, where various trials of electronic means of payment are under way, three different systems of payment by card are being tested:

The first, at St-Etienne, is a fully on-line system whereby all data are handled at the central site; the second, tested at Aix-en-Provence, is an off-line system based on a magnetic card whereby data are handled at local level; the third system is the memory card tested in Lyon, Caen and Blois.

Memory cards are expected to become widely used in the next few years, as banks and postal service have planned to order between 2.5 and 3 million cards by 1986 and are equipping their offices in selected regions with

card readers. It is further planned to extend them to the whole of the country in 1987–88. Consequently, by end 1988, some 10–12 million French users are expected to hold a memory card. The advantages of the memory card reside in its alleged inviolability, the productivity gains deriving from the informatization of banking transactions, and the possibility it offers for a wide range of utilizations (social security code, information on health, payment of public telephone and teleshopping, etc.).

The sharing of the charges involved is, however, still under discussion: this concerns in particular the amount to be paid by shops to banks for each transaction, as the traders are putting forward their claim to share the benefits of the whole operation. The DGT (General Directorate for Telecommunication) is also planning to market, starting with 50 000 items in 1985, a card reader for general utilization, to be connected to Minitel, which will allow users to pay for videotext services, homebanking and telepayment.

However, the first introduction of payment cards in Denmark has not been very successful. For the time being, the card (DAN-card) is mostly used as a conventional credit card and has been introduced only in two towns in connection with a network of POS (Point-of-Sales) terminals for a test period. It has met criticisms by the consumer organizations and mistrust on the part of the consumers themselves: these criticisms are due to the coding on the card of the owners' personal citizen number and to the possibility for banks to record individual consumers' patterns and habits. The government has issued directives in this respect, in order to protect civil liberties: the personal citizen number should not appear on the payment cards, no information on

<sup>(1)</sup> Undervisningsministeriet 'Relstedudvalgets rapport om behovet for undervisning i teknisk anvendelse af edb i de eksisterende teknikeruddannelser', Betænkning No 1011, Copenhagen, 1984.

<sup>(2)</sup> Politiken, 7 September 1984.

<sup>(3)</sup> Magisterbladet No 9, 1985; Politiken 5 November 1984.





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consumption habits of card holders should be transferred from shops, hotels etc. to banks, and the administration costs of the DAN-card should not be covered by increasing prices.

Concern about risk and fraud linked to the use of electronic means of payment is expressed also in the Netherlands by one consumer organization (het Konsumenten Kontakt). More broadly, the largest consumer organization in the country (de Consumenten Bond) expressed concern about the fact that technological development is far ahead of legislation protecting the citizens' privacy, and that individual citizens are not longer in control of how confidential information is used.

In other countries the introduction of electronic points-of-sale is being dis-

cussed and planned; additional problems are however emerging.

In Italy the issue was discussed at a conference organized in February 1985 by Enidata (a subsidiary of the State-owned oil company ENI) and Credito Valtellinese, on the occasion of a trial implementation of 'intelligent' credit cards. Enidata has concluded an agreement with the French firm LIGOS (a subsidiary of Credit Lyonnais) on the development of credit-card systems, with the prospect of installing EPOS-terminals for the payment of petrol at the ENI's network of service stations on the Italian motorways. At the conference, however, the speaker from the Bank of Italy cooled off some enthusiasm, pointing out that EPOS-terminals will have to undergo the same procedure of authorization by the Central Bank as in the case

of the opening of any local bank branch. A unified standard of software at national level is being developed, to avoid uncoordinated initiatives by single operators<sup>(1)</sup>.

In the United Kingdom ongoing and planned experiences concern both conventional banking and electronic funds transfer: Tesco (a supermarket chain) and Midland Bank have decided to link together to provide in-store banking at three branches. The first is expected in June 1985: the tills — both staffed and unmanned (ATS) — will be open for business during normal supermarket trading hours and will offer a full range of banking services.

<sup>(1)</sup> *Il Sole* — 24 ore, 24. 2. 1985.



The first electronic funds transfer point-of-sale system (EFT/POS) has been announced by the Anglia Building Society, to start with a pilot phase in September 1985. The Anglia is going to supply terminals to large local retailers who, after a free six-month trial, will have to pay a rental plus a transaction fee of approximately 1.5% of EFT/POS sales.

The Committee of London Clearing Banks, in cooperation with the Retail Consortium, has also announced its own scheme to be initiated within two years. The network will be provided by British Telecom and IBM but other suppliers will be able to link their own equipment to the system. The banks involved will operate a joint electronic clearing system. The way in which the costs will be split between banks and retailers has however not been fixed, and it is likely to raise much discussion as the retailers are not yet convinced of the advantages of EFT/POS.

Teleshopping is being introduced by Littlewoods, the largest private retail group in Britain: it concerns the sale of consumer electrical and electronic products. The service will be available to Prestel users via the 'gateway', customers order goods via the network which are delivered free through Littlewoods' mail order network; payment is made automatically using credit cards. The company claims that these goods will be at highly discounted prices. The announcement followed news that Littlewoods were laying off 800 people from their retail stores following poor trading performance. Finally, a home banking service has been launched in January by the Bank of Scotland which allows various transactions to take place via TV sets linked to a phone line. The Bank of Scotland thus becomes the first bank to offer such a service, although a Building Society is already present in home-banking.

### Manufacturing industry

ELSAG, the Italian group under IRI/STET control which coordinates a network of firms operating in the industrial electronics sector, concluded an agreement with IBM to set up a joint company, with STET as majority shareholder. The company called SEIAF (Sistemi Elettronici e Informatici per l'Automazione di Fabbrica) is due to produce electronically controlled systems for integrated management and operation of discontinuous production processes. IBM involvement is expected to strengthen the financial and research capability of ELSAG, one of the two major groups engaged in Italy in the development of flexible manufacturing systems; the agreement with IBM has been preferred to a possible joint venture at national level. The firm is expected to employ 300 highly skilled staff in Genoa<sup>(1)</sup>.

The Japanese electronics company NEC announced that it was going to invest UKL 75 million in a plant to manufacture microchips in Livingston, Scotland (United Kingdom). The investment is backed by government grants. At full capacity — in 1986 — the plant should employ some 650 people even though it will be highly automated.

Still in Livingston (UK), the American company Apollo, which manufactures engineering workstations, is going to establish its first European repair, servicing and training centre. Some UKL 2 million are being invested in the project (UKL 800 000 coming from government grants), which will employ between 150 and 180 people in the first two years. Many of these jobs will be at graduate level, such as production engineering and material management.

Inmos, the subsidiary of Thorn EMI (UK), has cut the working hours at its Newport plant in an attempt to cut costs

in the face of a weak market for semiconductor chips. Plans for a new plant to assemble and test microchips nearby may be shelved — Inmos has already halted recruitment for the plant.

STC Telecommunications announced that it was to halve its workforce in Brighton (UK) from 900 to 450. Later this cut was increased so that only about 130 employees are still left in the Brighton factory which makes teleprinters and office equipment.

In Denmark the large company Christian Røvsing A/S went bankrupt in autumn 1984. Created in 1962/63, the company has developed products in the fields of space technology, communication systems and office automation. After negotiations with various multinationals, ITT eventually took over 44% of the equity capital and the management of the company. It is expected to launch massive investments and develop links with the other ITT-owned Danish firms, namely Regnecentralen (computer manufacturer) and Standard Electric Kirk (the largest manufacturer of telecommunication equipment in the country).

The latest figures from the British Robot Association show that the UK now has 2 623 robots installed which puts Britain in sixth place behind Japan (64 600); USA (13 000); the Federal Republic of Germany (6 600); France (3 380); and Italy (2 700). Behind the UK come Sweden (2 400); Belgium (860); and Spain (516).

A new FIAT plant at Termoli (Southern Italy) has started production of the new FIRE engine (Fully Integrated Robotized Engine). The plant has a daily output capacity of 2 600 engines. It employs some 148 robots and 103 computers for operational control. Manual labour is reduced, according to the FIAT president, to a 'secondary component'.

<sup>(1)</sup> EPD-Telematica. 2 December 1984.





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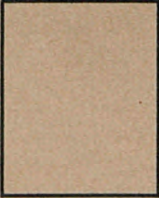
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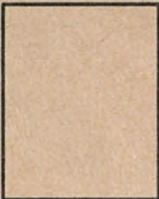
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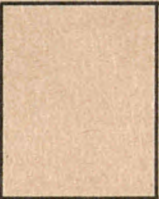
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