

SOCIAL EUROPE

DECEMBER 1984 - No 3/84



COMMISSION OF THE EUROPEAN COMMUNITIES

DIRECTORATE-GENERAL FOR EMPLOYMENT,
SOCIAL AFFAIRS AND EDUCATION

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Ivor Richard

Editorial

by Ivor Richard

Member of the Commission responsible for employment, social affairs, education and vocational training

Over the last four years European social policy has, I believe, moved slowly but surely from the wings of Community activity toward centre stage. This has happened both under the pressure of events and as a result of the way in which the Commission I have served in since January 1981 has reacted to those events.

The events are many, but the picture they paint carries a grimly simple message.

The past four years have seen mass unemployment in the Community break one bleak record after another. From around 8 million end-1980, the dole queue has risen to over 12.5 million by the final quarter of 1984. Recession has grudgingly given way to a faltering economic recovery, too frail to have any impact on employment growth. The Ten's social security systems have come under increasing strain, the demands made on them expanding as their resources diminish. Under the pressure of prolonged downturn, economic and social inequalities are widening rather than narrowing, thus reversing a secular trend which it has been the purpose of most post-war governments to reinforce. Social policies in all our Member States have come under attack, often being caricatured as an expendable obstacle to economic growth. The upshot is that the least protected segments of society are more and more vulnerable and being made to pay for higher levels of growth in which they do not participate. Unsurprisingly, relations between the social 'partners', and in particular between unions and business, have deteriorated from fragile consensus into trench warfare.

So much for the general picture. But what success has the Commission had in getting a Community response to it? The answer is mixed.

The fight against unemployment is now the major declared priority of policy-makers throughout the Community, and the Commission has provided member governments in the Council of Ministers with a full raft of proposals to buttress national efforts at employment recovery. The Commission after much discussion has been persuaded of the need for deliberate action to stem the unemployment tide, rather than simply waiting for spontaneous improvement at the hand of the market. Efforts to persuade the Council of Ministers, however, have been less successful.

The proposals we have tabled cover the general unemployment problem, women's unemployment, youth unemployment and, most recently, long-term unemployment. In addition, we have emphasized the role that can be played in the creation of new jobs by the reorganization of working time, by support for cooperatives and small and medium-sized enterprise, as well as by public and private investment. And I think we can claim undeniable success in calling for and gradually getting implemented a major reappraisal throughout the Community of vocational training priorities, to take account of the twin challenges of mass unemployment and the introduction of new technologies.

Moreover, the review completed by the Commission and Council last year has left the Social Fund much better adapted to meet the training requirements of the 1980s. Nor should the fact that the Fund has doubled in size since 1981, during a period of prolonged budgetary conflict, be overlooked.

Yet it would be wrong to suggest that our achievements in the field of training have been matched in the area of employment proper. Here the going with Member States has been tougher. True, in some instances, we have received general backing from the Council. But this has too often come in the form of resolutions containing vague intentions rather than any specific commitment to present action. Thus our essentially modest proposals made in April 1983 gradually to bring down the rate of youth unemployment to the general average have largely remained dead letter. Bland general statements emanating from the Council, however impressive their semantic ingenuity may seem in Brussels, have on the whole done little to improve the job prospects of the unemployed in Naples and Glasgow.

In many cases, it should be noted that Council inaction or its dilution of Commission proposals reflects not the majority view of member governments but the powers of a blocking minority. Indeed our attempts to tackle the unemployment problem through the reduction of working time and its reorganization, in the shape of a recommendation agreed by nine member governments, were blocked in June by the lone opposition of the country I know best.

The maintenance or improvement of worker rights is another area where the Commission has had to face foot-dragging by member governments and opposition in the Council. The rights of women workers is a good example of this. All Member States have over the past four years faced legal proceedings initiated by the Commission for failing to implement one or other of the directives guaranteeing equality of pay and job access.

We have also sought to strengthen workers' rights to information and consultation particularly in multinational companies. Here again progress has fallen foul of the opposition of a few governments to the so-called Vredeling proposal. Its modest aim is to establish an international flow of company information to local European workforces and their consultation rights on decisions directly affecting their livelihoods. Hardly revolutionary stuff – a point well understood by the centre right of the European Parliament which in December 1982 added its voice to the call for legislation in this area, albeit modified.

Establishing employee rights at a European level has not been easy. Yet some progress has been made over the last four years, particularly on worker health and safety. Stricter controls on lead and asbestos have been agreed in two Community directives adopted respectively in 1982 and 1983 and proposals on noise and carcinogens are now with the Council. This is the beginning of a long haul which I suspect will get no easier if economic uncertainty persists.

The check-list of achievements and failures over the last four years is thus a mixed one, as is the outlook for the future. The challenge facing my successor is considerable. He will find the Council long on words and somewhat shorter on action. He will, for instance, find the establishment of priorities for a medium-term social action programme easier than the translation of these priorities into effective policy.

More generally, he seems certain to face a squeeze on the Social Fund budget, as the Community enters a phase

of what I fear will be even harsher financial retrenchment. My successor will have to continue to argue that the Community must do more than respond to the agricultural and rural demands of the past and face up to the industrial and urban challenges of the future. Beyond the confines of the formal Community political framework, he will have to seek ways of bringing the social partners together once more in constructive dialogue at a time when, for diametrically opposed reasons, the credibility of European integration to industry and the trade unions is being gradually eroded.

Principal communications and initiatives of the Commission from 1981 to 1984

Each year, the Commission publishes a 'Report on Social Developments'¹ for the preceding year. The report consists of a series of studies reviewing the main developments in the social field which have taken place in the Member States of the European Community, accompanied by a summary of the Community's own activities in the social field during the year in question.

The present Commission, whose term of office expires at the end of 1984 was, from the very beginning of its life, faced with the challenge of the Council's 'Mandate of 30 May 1980' charging the Commission with the review of various Community policies. That task, which focused on, *inter alia*, the changing requirements of a Europe undergoing radical social change, meant that social policy could be regarded more as an instrument to provide support for and a positive accompaniment to general economic policy. Perhaps the most significant example of the urge to 'refocus' social policy is provided by the moves to use vocational training as a means of underpinning job creation schemes, most notably in the new growth areas of the European economy and using the economic potential of the local community.

Communications of a general character

Working from its conclusion that the future of European industry depends on its development and use of the new technologies, the prerequisite for which was a higher level of vocational and occupational training, the Commission transmitted to the Council or the Standing Committee on Employment, a series of milestone communications entitled 'New information technologies and social change in the areas of employment, working conditions, education and vocational training',² 'Vocational training and new information technologies: new Community initiatives during the period 1983-87'³ and 'Change and social adjustment'.⁴

Another mainstream effort by the Commission over the past four years has been directed towards achieving equality of treatment between men and women. Here again, the world recession, and particularly the worsening employment situation, which was instrumental in highlighting the true extent of the disadvantages suffered by women in a male-oriented society. In a similar vein to the initiatives already taken during the 1970s, the Commission was moved to adopt 'A new Community action programme on the promotion of equal opportunities for women, 1982-85',⁵ and, more recently still, a progress report on the implementation of this new programme.⁶

Initiatives to stimulate employment

Concern about the level of unemployment and imbalances in the labour market have been foremost among the Commission's preoccupations in this field in recent years. Generally-speaking, the Commission's initiatives have

tended to be channelled towards analysing the difficulties encountered in the job market, particularly by the more at-risk social groups such as young people and women, the problems connected with reorganizing working time, and the activity of the European Social Fund.

This led the Commission to put forward a series of documents entitled 'Problem of unemployment – Points for examination',⁷ 'Job creation: priorities for Community action'⁸ [in compliance with the Council Mandate of 30 May 1980 (see above)], and 'Coping with shortage of jobs in the 1980s',⁹ submitted to the Brussels European Council of March 1983. This battery of analyses and recommendations was further amplified by the Commission's communication to the Standing Committee on Employment concerning 'Reorganization of available work: young people and the labour market',¹⁰ by a resolution on 'The promotion of youth employment',¹¹ a report on 'Women's unemployment in the Community',¹² and a communication on 'The Contribution of local employment initiatives to combating unemployment'.¹³ Some of these themes were subsequently engrossed in a Council resolution.¹⁴

Finally, the Commission also recently forwarded to both the Council and the Standing Committee on Employment a communication on 'Long-term unemployment'.¹⁵ Also connected with the measures to stimulate vocational training, referred to above, was a draft resolution of the Council concerning 'Vocational training policies in the European Communities in the 1980s',¹⁶ together with a proposal for a Council decision on 'The comparability of vocational training qualifications between the Member States of the European Community'.¹⁷

The second group of initiatives in the employment field consist of proposals with the dual goal of seeking to improve both working and living conditions, and centering on the reorganization of working time. Among the most significant of these are the 'Memorandum on the reduction and reorganization of working time',¹⁸ and the draft

¹ All publications referred to in this article are obtainable from the Office for Official Publications of the European Communities, L-2985 Luxembourg.

² COM(81) 578, 26. 10. 1981.

³ COM(82) 296, 3. 6. 1982.

⁴ COM(84) 6, 29. 1. 1984 (see Social Europe No 1/84, p. 12).

⁵ COM(81) 758, 9. 12. 1981.

⁶ COM(83) 781, 5. 1. 1984.

⁷ COM(81) 154, 24. 4. 1981.

⁸ COM(81) 638, 23. 10. 1981.

⁹ COM(83) 148, 14. 3. 1983.

¹⁰ COM(82) 661, 14. 10. 1982.

¹¹ COM(83) 211, 22. 4. 1983.

¹² COM(83) 653, 15. 11. 1983.

¹³ COM(83) 662, 21. 11. 1983.

¹⁴ cf. page 17 of this issue.

¹⁵ COM(84) 484, 18. 9. 1984; see page 11 of this issue.

¹⁶ COM(82) 637, 21. 10. 1982.

¹⁷ COM(83) 482, 7. 9. 1983.

¹⁸ COM(82) 809, 17. 12. 1982.

Council recommendation of the same name.¹ A number of other documents were also brought out dealing with more specific issues within the broader context of working time, including a proposal for a Council directive (subsequently amended) on 'Voluntary part-time work',² a draft Council recommendation on 'The principles of a Community policy with regard to retirement age',³ and a proposal for a Council directive concerning temporary work.⁴

The third and final group of documents falling within this category are those concerned with the major reforms to the European Social Fund,⁵ which the Commission undertook in a bid to strengthen the Community's contribution towards creating employment opportunities, particularly for young people. Several articles devoted to this topic have already appeared in *Social Europe*.⁶

The improvement of living and working conditions

The part played by social policy is not defined solely in terms of the unemployment issue, however serious the problem and however pressing the need for a solution to it. It encompasses all the problems encountered by men and women in their working lives. The Commission has therefore taken positive steps, not only in the field of health and safety at work, but also in extending the social protection available to workers and their families. This brief overview is neither the time nor the place for an exhaustive recital of all the documents produced over the past four years – some of which were of a high degree of complexity indeed. I shall therefore restrict myself to mentioning only a few of the most significant milestones.

Having taken note of the opinion of the European Parliament, the Commission approved on 15 June 1983, the amended version of the proposal for a Council directive on procedures for informing and consulting employees, popularly referred to as the 'Vredeling directive'.⁷ Continuing in the same general vein of thought as the principles of the original proposal, the Commission advocated that workers' representatives should be more closely involved with the planned introduction of new technologies in companies, either through improved training facilities for those concerned or via assistance from experts in the field.⁸ It also proposed a more deep-reaching dialogue between the two sides of industry on these issues.

During the period under review, the Commission has either initiated or taken note of a score of documents dealing with the health and safety of workers. Perhaps foremost among these is that relating to 'A second programme of action of the European Communities on safety and health at work'. The Commission's proposals on this topic.⁹ were subsequently re-enacted in the Council Resolution of 27 February 1984.¹⁰ This is not, however, to ignore the other valuable communications on the setting up of

research programmes on medical, safety and hygiene issues, particularly in the mines and the iron and steel industry.

The Commission also turned its attention to problems of increasing urgency connected with, indeed overlapping, the unemployment issue. These were principally 'social security problems',¹¹ on which the Commission produced a number of points for consideration, and the problems raised by poverty,¹² in particular the perturbing question of 'the new poor'.

All these various documents dealing with issues in the fields of employment, social affairs and education, of which some 80 in all were produced in the four years from the beginning of 1981 to the end of 1984, are merely the tip of the iceberg, the 'visible one-tenth' of the Commission's role as a policy initiator. They conceal and support the increasingly difficult, but increasingly essential, daily actions which put the social flesh on the bones of the skeleton of Europe.

¹ COM(83) 543 final, 16. 9. 1983 – see *Social Europe*, 1983 Special Issue, page 20.

² COM(82) 830, 17. 12. 1982.

³ COM(81) 779, 9. 12. 1981.

⁴ COM(82) 155, 30. 4. 1982.

⁵ COM(82) 485, 9. 10. 1982.

⁶ See *Social Europe* No 0, September 1983, page 31; *Social Europe* No 1, May 1983, page 30.

⁷ COM(83) 292, 8. 7. 1983 – See *Social Europe*, No 0, September 1983, page 19.

⁸ COM(84) 6, 26. 1. 1984 – See page 17 of this issue.

⁹ COM(82) 690, 3. 11. 1982 and OJ C 308, 25. 11. 1982.

¹⁰ OJ C 67, 8. 3. 1984.

¹¹ COM(82) 716, 17. 11. 1982.

¹² COM(81) 769, 15. 12. 1981 and COM(84) 379, 18. 7. 1984; See *Social Europe*, Special Issue 1983, page 50.

Part One

Actions and trends

The fight against long-term unemployment

Long-term unemployment is a serious and growing problem in the Community. In 1983, over 4.3 million people have been continuously registered as unemployed for a year or more in the Community, of whom 2.1 million have been registered unemployed for two years or more.

As the recession has persisted and worsened, the number of long-term unemployed has grown as a proportion of total unemployment throughout the Community. Not only are more people becoming unemployed but the average periods they are likely to spend unemployed are lengthening.

Worsening long-term unemployment is largely the result of the continuing decline in the demand for labour and of structural changes but it has been exacerbated by the way the labour market tends to work, placing the burden of adjustment on those in the weakest position, particularly low-skilled workers, young people and women.

Men and women account for about 60% and 40% respectively of the long-term unemployed and of the work force as a whole. The overall registered unemployment rate for women is higher than that of men (12.5% against 10%) but the reverse is true for the percentage of the labour force who are registered as unemployed for more than one year – 3.7% women and 4.1% men. Over half the number of recorded long-term unemployed are between 25 and 55. The young and the old have always tended to be over-represented among the long-term unemployed, but now the middle-aged group is growing in relative size.

Substantial changes have taken place in the regional distribution of long-term unemployment. In certain Member States, for example France and the United Kingdom, the rate of increase in long-term unemployment has been considerably higher than the national rate of

increase in those regions or areas dependent on a declining single industry, and in certain urban areas. Regions that are predominantly agricultural, notably Italy or Ireland, have equally experienced growing long-term unemployment as it emerges out of earlier, more disguised, under-employment.

The costs to the individual and Society

For the individual and any dependents, long-term unemployment brings a series of financial and personal problems in its wake. Not all are entitled to claim unemployment benefits – notably young school leavers and some workers whose spouses or other close relatives have incomes exceeding a certain level. Even for those who are, the rate of benefit generally decreases as the period of unemployment lengthens. Within 1 to 2 years, most families (with or without savings to draw upon) can find themselves reduced to the minimum level of social assistance.

Income reductions appear to have their most immediate effects on daily consumption, especially of food, but, within a year or so, problems of replacing clothing and household capital goods emerge. Little systematic information is currently available but the limited surveys that exist show how most households experience a drastic cut-back in living standards, obliged to sell possessions etc. In many cases, this can also lead rapidly to housing debts or forced sales of homes.

The notion that the long-term unemployed commonly can turn to unrecorded and untaxed work to supplement social security income does not seem to be supported by available research. Firstly, most of the long-term unemployed are located in highly depressed local economies, where there is little demand for any kind of work. Secondly, the long-term unemployed usually lack the financial means – for example, to buy tools and personal transport – necessary to undertake casual work on a self-employed basis,

whether or not it is declared to the taxation authorities. Such work is therefore more likely to be undertaken by those already in work than by the unemployed.

Prolonged absence from regular work also has a negative effect on personal productivity as the pace of life slows in order that the day can be filled with the activities that remain. At the same time, skills deteriorate through lack of use – in the case of the young, acquired skills may be lost before they are ever put to use. What is more, being unemployed is such a demoralizing experience for many that they find it difficult to compensate for lack of work by taking up other activities.

For the individual, prolonged unemployment undermines confidence and self-worth leading to feelings of humiliation and loneliness. After the initial shock of losing a job, the newly unemployed tend to be relatively optimistic and make positive efforts to obtain new employment. If these efforts fail to produce results, however, and as the financial and other problems grow, the mood turns to pessimism and, eventually, a fatalistic acceptance of never finding a job again sometimes results.

The experience of being unemployed over a long period – a year or more – thus brings changes in attitude and motivation which further reduce the chances of finding a job and which turns long-term unemployment into a problem which is different in kind from the problem of unemployment in general. This is confirmed by evidence that the probability of unemployed people leaving the unemployment register decreases the longer they remain on it.

Poor personal health can make the difference between finding a job and remaining unemployed; at the same time, a prolonged period of unemployment may itself lead to a decline in personal health. Wider issues such as the links between unemployment and crime and political extremism are more problematical since they are difficult to assess in a 'scientific' empirical way and can probably only be judged in a much longer term perspective.



The never-ending wait in front of an unemployment office.

Copyright 'Photo News', Brussels

Apart from the social costs of long-term unemployment, there are considerable economic costs. The long-term unemployed probably account for a loss of 3–4 % of Community GDP below potential and this does not take into account the economic contribution that could be made by those unable to obtain work, and who do not even appear in the unemployment statistics.

Payments to unemployment benefit recipients now exceed 5 % of public expenditure in the Community without taking account of payments made under invalidity or early retirement schemes. These increased social transfers to the unemployed not only need to be financed but in turn place serious restraints on the ability of the social security system to meet other priority needs.

Government responses

All Member States of the Community have shown concern about the problems of long-term unemployment. Various measures have been adopted in order to:

- (i) maintain the employability of those affected in order to help them back into jobs;

- (ii) create temporary 'public utility' jobs, often under the responsibility of local authorities;
- (iii) develop vocational training programmes, financed by public authorities but organized by a range of public, private and voluntary bodies;
- (iv) give financial premiums to encourage the recruitment of the long-term unemployed by private firms;
- (v) finance early retirement schemes.

However, as the severity of the long-term unemployment problem has increased, the usefulness of traditional approaches to the training of the long-term unemployed has declined. As noted above, the unemployed rapidly lose their vocational skills and competences and – even more damagingly – lose the habits and discipline essential to learning. Most Member States have therefore made efforts to encourage and enable the long-term unemployed to regain their skills and self-confidence, for example by offering special preparatory courses leading on to further training, or by combining training with work experience.

Such approaches, while welcome in many respects, have experienced two

major difficulties. Firstly, it has not been enough simply to make provision available to the long-term unemployed. Many, in the face of prolonged high unemployment, sink into passiveness and despair. Positive efforts are needed in order to motivate them to undertake education or training. This is reflected in the fact that successful programmes for the long-term unemployed have almost invariably been firmly based in specific local communities, involving close working partnerships between the long-term unemployed themselves and the various individuals and agencies which seek to meet their needs – the local press and radio, employers and trade unions, employment, education and training institutions, public welfare agencies, churches and community groups.

Secondly, the style and content of education and training programmes for the long-term unemployed have often been ill-suited to the needs and wants of those who will often be trapped in poverty, confused and lacking in discipline and self-confidence.

Efforts to get the long-term unemployed into jobs through generalized recruitment incentives have proved relatively ineffective in the present economic climate. Once again, local involvement has been a key factor, as seen in the FR of Germany, where successful general job creation measures in the market sector usually supplement measures to support economic activities implemented by the 'Länder'. In Denmark, registered long-term unemployment has been reduced by requiring regions and communes to offer employment to all unemployed persons within 16 or 22 months (depending on their age) following the date of registration with the placement office.

Certain Member States have concentrated on the creation of temporary public service jobs. Early retirement schemes have also been widely used in the public sector, but efforts to provide incentives for private companies to combine such schemes with compensatory recruitment have proved disappointing.

European Community concern

In the context of European Community discussions, the particular needs of the long-term unemployed have already been considered in relation to vocational training,¹ youth unemployment² and local employment initiatives.³ In its various communications, the Commission has emphasized how important it is to take account of the problems faced by particularly disadvantaged groups of unemployed in the planning as well as in the implementation of labour market measures.

In relation to vocational training the Council has agreed that priority should be given to young people and the long-term unemployed and particular attention given to the problem faced by workers of any age who lack the basic knowledge and skills required to participate in training programmes.

As regards youth unemployment, the Council agreed to devote special attention to the most disadvantaged young people and to young people affected by unemployment of long duration, although it set no specific targets for job creation as suggested by the Commission.

Local employment initiatives are the subject of the most recently adopted action programme. Estimated to have provided more than a million new jobs in recent years, many of them created by, or for people who would otherwise have remained or become long-term unemployed, local employment initiatives have a particularly valuable role to play. In its Resolution⁴ the Council endorsed the Commission's proposals for encouraging the growth of local employments, including cooperatives and community business.

Within the context of social security policy, the Commission has long been concerned to improve comparative information on levels of social protection.⁵ In its memorandum on social security problems,⁶ the Commission has started a debate at Community level on various themes of relevance to long-term unemployment and in particular on the need to reassess benefits

in order to reconcile the requirements of social justice and the objectives of economic policy.

One of the conclusions, moreover, of the 'Report on the first programme of projects and pilot studies to combat poverty'⁷ was the need for action at Community level to promote the introduction of a minimum income in all Member States. In the consultations held in preparation for a second poverty programme, proposals for which have recently been transmitted to the Council,⁸ particular priority has been attached to the needs of the long-term unemployed.

The various Community initiatives proposed by the Commission in the realm of reducing and reorganizing working time⁹ follow on from the framework set by the Council in 1979 on this subject and could, if developed further by the Council and Member States, be of increasing significance in the context of long-term unemployment.

Community Funds

Many of the Community's financial instruments and lending institutions give valuable indirect support to actions to combat long-term unemployment by stimulating economic and employment growth in areas most affected by industrial change and structural unemployment.

The European Regional Development Fund in the first instance, as well as the interventions of the European Investment Bank, the new Community Instrument, and the ECSC are increasingly oriented towards the development of local employment initiatives. Specific actions however which directly concern those who are already or are in danger of becoming long-term unemployed come within the remit of the European Social Fund and the ECSC social support provisions.

European Social Fund

Before the review of the Fund at the end of 1983, long-term unemployment was only mentioned in a general

way in the legal texts governing the Fund. Over the years, however, the Commission made it possible, through the Fund Management Guidelines, to give some priority to certain specific measures to benefit the long-term unemployed. Much of the Fund's action in support of recruitment aids was, for instance, focused on those unemployed for more than six months. The Social Fund has been able in a similar way to promote the development of specific kinds of preparatory or remedial training (more commonly known as 'mise à niveau') designed particularly to enable the long-term unemployed to improve their basic skills, including literacy and numeracy.

The significance of long-term unemployment has been acknowledged more clearly in the new rules governing the Social Fund which came into operation this year under which assistance towards recruitment aids and 'public utility' job creation is limited to two target groups: job seekers under 25 and the long-term unemployed. The latter are now defined as those who have been unemployed for more than 12 months.

These Guidelines continue to give priority to actions involving recruitment aids and to preparatory training for the long-term unemployed, although, as in the past, this is limited to priority areas. There is no regional limitation however, attached to 'operations forming part of local initiatives aimed at creating additional jobs or the socio-occupational integration of categories of persons disadvantaged in relation to employment' and this gives new scope for actions designed to associate those among the unem-

¹ COM(82) 637 final.

² COM(83) 211 final.

³ COM(83) 662 final.

⁴ Council Resolution of 7. 6. 1984; OJ C 161, 21. 6. 1984.

⁵ Communication to the Council on medium-term projection of social expenditure and its financing COM(81) 661 final.

⁶ COM(82) 716 final.

⁷ COM(81) 769 final.

⁸ COM(84) 379 final.

⁹ See particularly COM (82) 809 final and COM(83) 543.

ployed who are normally beyond the reach of traditional manpower measures.

European Coal and Steel Community

Actions affecting the long-term unemployed are being progressively developed within the context of ECSC social support for workers affected by closures or reductions in activity in the coal and steel industries.

Income support has been given in both industries to encourage the withdrawal from the labour market through early retirement schemes of those aged over 55 who are made redundant and would be unlikely to benefit from re-training support or re-enter employment unaided. This policy will continue and probably be expanded.

The Commission has further proposed measures to keep up the level of skills and qualifications of the long-term unemployed, for example through temporary work experience in the public sector, by granting aid to ex-steelworkers to participate in such schemes.

Future actions and policies

The European Commission considers that the problem of long-term unemployment has now reached extremely serious proportions. The biggest disadvantage for any unemployed person in seeking to get a job is the very fact of being unemployed. This disadvantage worsens rapidly as the period of unemployment lengthens. Employers generally prefer to recruit a person who is already in a job rather than choose an unemployed person. In the Commission's view, the policy objective must be to ensure, as far as possible, that temporary unemployment does not degenerate into long-term unemployment, that those seeking to enter the labour market have a reasonable opportunity of succeeding, and that those who do become long-term unemployed are given every possible opportunity to maintain their social, personal and vocational skills, and to put them to constructive use.

The prevailing expectation is that, on present trends, the level of unemployment in the Community will remain high throughout much of this decade and that the long-term component of that unemployment will remain at least as high as it is at present. All efforts should clearly be made to ensure that this sombre forecast does not become reality, and policy actions to combat long-term unemployment need to be both strengthened and better targeted if some measure of success is to be achieved over the medium-term.

Three major weaknesses in existing employment and social policies have been identified:

- (i) the lack of positive approaches to improving the flexibility and adaptability of the labour market and to creating new job opportunities whether private, public or mixed;
- (ii) a failure to take full account of the phenomenon of long-term unemployment, particularly at the level of policy coordination and its implementation by public employment and social security services, so as to help prevent people sinking into long-term unemployment – for example, by 'triggering' alternatives such as training or guidance courses, local community jobs, etc. after a certain period of unemployment, especially after one year, so as to break up long periods of inactivity;
- (iii) a trend towards a progressive reduction in the living standards of the long-term unemployed, who having exhausted their entitlement to unemployment insurance are forced to exist under the fall-back systems of public welfare.

A role for all – governments, social partners and Commission

An effective policy response, in the Commission's view, requires a strengthening of efforts by governments, at regional and local level as well as at national level, and by the social part-

ners, in order to ensure a better forward looking management of the local labour market, to anticipate problems, prepare appropriate actions – including job creation and training – and to ensure the best use of national and Community support.

At the same time it is recognized that, while more effective labour market and social policy measures are essential ingredients of a policy response, they need to be linked to wider policies to stimulate economic growth and employment creation, and to assist the process of economic re-adaptation and regeneration in the areas particularly affected.

The Commission has proposed a series of actions to be undertaken by governments and the social partners.

As far as governments are concerned, priority must be given to obtaining improved information about long-term unemployment in the Community, in order to enable the Member States and the Community to target and 'trigger' policy responses.

In terms of actions, the Member States should, in cooperation with the social partners, ensure that where workers lose their jobs through redundancies, appropriate support is given before they enter the open labour market, in the form of:

- (i) preparation for job seeking, self-employment or early retirement;
- (ii) training, where necessary, in order to take advantage of available or future job prospects;
- (iii) counselling on how to cope with long periods of unemployment (the family budget, voluntary work, leisure opportunities etc.).

Member States should also ensure that the employment and other services concerned are structured, organized and staffed so that they can provide more personal contact and keep track of those who remain on the unemployment register and become long-term unemployed and to ensure that policy interventions are 'triggered' at the appropriate moment.

The Commission has also proposed that Member States should ensure that temporary work initiatives in areas of public value are prepared in collaboration between themselves, local and regional governments, the employment services and the social partners. The scale of such programmes should be determined by the scale of the long-term unemployment problem at the local and regional level.

In Member States where it is not the case, the rules for the payment of social security/unemployment benefit should be reviewed with a view to permitting unemployed people to undertake temporary non-paid work in public or private bodies, without loss of benefit rights.

The employability of workers who fail to get into jobs and become long-term unemployed should be preserved by actions to maintain skills, work habits, morale and confidence. This can be done in particular through the strengthening of public employment services and counselling and training services, the use of temporary work possibilities and less conventional work arrangements (community businesses, local employment initiatives) and the development of special facilities, e.g. unemployment centres.



'The employability of workers who fail to get into jobs and become long-term unemployed should be preserved by action to maintain skills, work habits, morale and confidence'.

Photo: Yves Smets - Copyright 'Photo News', Brussels

The Member States should provide funding to enable the establishment of local centres for unemployed people

with the emphasis on the provision of leisure, information, workshop and similar facilities, along the lines of successful examples in the Community. Priority should be given to the areas of highest unemployment.

More generally, the Member States should encourage greater awareness of the problem and solutions through various means including the use of the broadcasting media, and cooperate with the social partners and the Commission in the development of a more coherent policy response.

Employers clearly have the major responsibility on questions of employment, but the actions will be more effective and coherent if they are carried out with the full cooperation of the Trade Unions and making full use of the support available from public bodies. The Commission has suggested that larger employers can undertake many actions themselves but smaller employers may find it appropriate to cooperate through other bodies such as Chambers of Commerce, local roundtables or other employer organizations.

Employers should develop a positive attitude to the long-term unemployed and should in particular:

- (i) provide appropriate support and preparation in conjunction with the public employment services for employees who face redundancy;
- (ii) develop youth training and employment policies so as to provide new job opportunities at entry grades and maintain a balanced age distribution of employees over the longer term;
- (iii) cooperate with the public authorities when they offer schemes or financial inducements for employment of the long-term unemployed;
- (iv) review the practice of setting restrictive age limits or other discriminatory criteria for certain jobs;
- (v) contribute to voluntary and community employment creation. In the US 1.77 % of corporate profits

go to charity (with the encouragement of the tax laws). In the Community, such support barely exists except in the UK where it is estimated at 0.1 %;

- (vi) assist local employment creation initiatives and development agencies through secondments of staff; the giving or loaning of unused buildings or plant; or the passing on of product or service ideas which the company itself does not intend to exploit;
- (vii) develop a policy of local community involvement, including the encouragement of own employees to play an active role.

The Trade Unions can provide additional support to the long-term unemployed by:

- (i) making appropriate arrangements so as to allow their members who have become long-term unemployed to continue to participate in union activities so that their views can be represented along with the views of those still in employment;
- (ii) cooperating with employers and governments in the negotiation of more flexible terms of recruitment which could encourage employers to offer employment possibilities to the long-term unemployed;
- (iii) encouraging and participating in the creation and management of centres for the unemployed along the lines of proven examples in some Member States.

Further Community actions

Apart from following up existing policy commitments, the Commission has agreed to undertake the following:

- (i) work with the Member States so as to achieve a better understanding of the nature and extent of long-term unemployment including the collection of adequate statistics on an agreed Community basis. This will also enable the Commission to use long-term unemployment as a criterion for allocating financial support, notably from the Euro-

pean Social Fund and from integrated operations involving more than one source of Community finance;

- (ii) encourage and support at Community level the Member States' policy efforts, with particular regard to the organization of the employment and social security services and the use of employment and temporary work initiatives;
- (iii) cooperate with the social partners and relevant agencies in the development of their actions to tackle the problem, with particular emphasis on actions to assist the recruitment of the long-term unemployed and to provide centres for the long-term unemployed in areas of particularly high unemployment;
- (iv) undertake further research with the assistance of MISEP¹ into those measures or practices, whether taken by governments or social partners, which are successful in combating the problem of long-term unemployment, with a view to extending their use in other areas of the Community.

More generally, the Commission feels that a broad policy reappraisal is needed at Community level in order to develop a more coherent medium-term approach to the problem of long-term unemployment. It recognizes that a series of economic and social policy objectives need to be reconciled if the problem is to be tackled effectively and on a lasting basis.

In particular, there is a need to bear in mind two basic democratic principles:

- (i) the equal right of men and women to work and, by the same token, to acquire a personal income on equal terms and conditions, regardless of the economic situation;²
- (ii) the need to provide an equitable level of income support for those unable to obtain income through employment.

The Commission therefore proposed that a series of specific issues be considered:

Job creation

New approaches to enhance job creation need to be considered, including ways of increasing labour market flexibility in order in particular to eliminate barriers to entry.

Income support

The Commission has already drawn attention to the shortcoming of present social security systems³ and that the advantages of replacing them with one integrated and coherent system for income support should be considered.

Retirement age

Although a policy of encouraging early retirement is seen as one way of alleviating unemployment, is it consistent with the desire of many to work at least up to normal retirement age, and with other actions such as training which are, in general, designed to maintain the attachment of unemployed people to the world of work.

Young people

Financial independence is a principal means by which young people from deprived backgrounds can build themselves a better life. Further efforts must be made to find ways of helping such young people break out of their environment.

Training and education

At a time of extremely high unemployment, public expenditure constraints and technological change, there has been an increasing tendency to emphasize the vocational aspects of education and training. However, there is a need to re-examine the nature and purpose of non-vocational training designed to equip people to cope with and get some benefit from prolonged inactivity. The possibility of developing some kind of social guarantee for the long-term unemployed, in parallel to that for young people proposed by the

Commission in 1982⁴ and adopted in modified form by the Council in July 1983⁵ should be considered.

Future pattern of life and work

The present difficult circumstances could be an opportunity to break down the distinction between employment and unemployment, increasing opportunities for leave from employment and flexible working hours and ensuring that unemployed people have access to some activity such as education, training or community projects.

¹ Mutual Information System on Employment Policies.

² Extract from Council Resolution on 'actions to combat female unemployment', OJ C 161, 21. 6. 1984.

³ Social security problems – COM(82) 716 final.

⁴ COM(82) 637 final of 21 October 1982.

⁵ Council Resolution of 11 July 1983 (OJ C 193, 20. 7. 1983).

Conclusions of the meeting of the Council of Ministers for Labour and Social Affairs, held on 7 June 1984

The Council meeting on 'Social affairs' held on 7 June 1984 discussed and reached results in four important areas: local employment creation initiatives, action to combat women's unemployment, technological change and social adjustment. In addition, there is the new Community medium-term social action pro-

gramme, the content of which was formally adopted on 22 June 1984.

As the texts in question constitute the Council of Ministers' political commitments which will serve as references for future action, *Social Europe* reproduces the unabridged texts below.

Contribution of local employment initiatives to combating unemployment

Following its resolution of 12 July 1982 to combat unemployment and to the Commission communication entitled 'Community action to combat unemployment – the contribution of local employment initiatives', the Council adopted the following resolution in the official languages of the Community:

I – Aim

1. The Council notes the communication submitted by the Commission entitled 'Community action to combat unemployment – the contribution of local employment initiatives'.
2. It notes with interest the development of the phenomenon of local employment initiatives (LEIs); recognizes the contribution that these initiatives can make to the objectives of the fight against unemployment and the revival of economic activity by virtue of the possibilities they offer for the maintenance or creation of jobs, particularly in small undertakings, by encouraging the recovery of local economic and social situations.
3. It considers that the development of these initiatives should be supported and stimulated by the Member States' policies accompanied by specific measures at Community level.

II – General characteristics

1. The Council notes that local employment initiatives:

- (i) are most often the result of action by individuals or groups of individuals who are either unemployed or threatened by unemployment, and are often supported by local promoters;
- (ii) are consequently implemented by persons who are not necessarily conversant with the management or administration of an undertaking and who have no personal capital of any significance;
- (iii) are particularly important for persons whose chances of integration or reintegration into the labour market are very slight;
- (iv) differ widely in their modes of organization;
- (v) involve a wide variety of activities which are normally centred on local needs and adapted to local conditions;
- (vi) are often important in places suffering from serious unemployment or under-employment as a result of special development difficulties;
- (vii) often involve, especially at local and regional levels, cooperation by public authorities, both sides of industry and other parties, including youth organizations;
- (viii) have as their prime objective the creation of economically viable jobs;

- (ix) may rebuild confidence and produce skills, qualifications and capacity for enterprise.

2. Acknowledges that the contributions made by public authorities during the start-up period of LEIs to facilitate the creation of new jobs, while respecting the conditions of competition, are in general more than offset by the advantages which they offer in terms of job and income creation, the use of human and local resources and reductions in the cost of social benefits.
3. Considers that support provided at regional and local level, in particular to meet management and training needs, is especially important for the development and success of small, locally generated undertakings.
4. Recognizes the contribution that both sides of industry can make to facilitate the economic and social integration of LEIs.
5. Recognizes the usefulness of spreading the various current ideas, techniques and experience in the field of LEIs.

III – Action by the Member States

The Council invites Member States to adopt within the framework of their policies and practices the following policy guidelines for the promotion of local employment initiatives:

1. Take account, in their policies relating to employment creation, local and regional development and local labour market management, of the potential contribution of local employment initiatives to the fight against unemployment, the revival of local economies and the alleviation of social problems. Public recognition of LEIs with a view to promoting their development and encouraging others to follow the same path should be accompanied as necessary by appropriate legal provisions.
2. Promote the establishment of close communication between all those involved in encouraging employment creation, especially both sides of industry and public authorities, particularly at the level of the local labour market, in order to improve the level of cooperation and the transfer of useful experience.
3. Taking account of the responsibilities of, and possibilities open to, local and regional authorities, encourage the development of local support structures for LEIs by means of practical measures such as:
 - (i) making available information and guidance on the existing potential for aid;
 - (ii) developing services – where appropriate, by means of aid for the creation of development agencies – which are capable of providing support to those seeking to launch LEIs, and of facilitating access to the various forms of aid available;
 - (iii) making available suitable premises for small undertakings and workshops, for example by encouraging the conversion of vacant buildings;
 - (iv) improving conditions and extending the possibilities for tendering for public contracts.
4. Ensure that measures to improve access for small and medium-scale undertakings to finance and to pro-

vide public financial support involve criteria, conditions, decision-making procedures and delivery systems which make it possible for LEIs to benefit from them.

5. Using existing possibilities for providing public support, encourage projects for the vocational and social integration and reintegration of particularly disadvantaged categories, in particular by adapting and simplifying the procedures for providing such support.
6. Examine possibilities for resorting to new methods of providing finance for LEIs, which are likely to make it easier to launch them (e.g. aid, during the period when their projects are being started up, to hitherto unemployed persons who have set up or are setting up LEIs, creation of special funds, or support for initiatives to attract local savings into such funds).
7. Examine the extent to which national legislation facilitates the creation of undertakings, including cooperatives and undertakings of a collective nature, and offers legal and financial provisions such as will encourage the creation of such undertakings.
8. As part of the commitment already entered into by the Member States to make increased efforts to promote and develop the supply of training facilities, examine the extent to which training systems take account of the requirements of LEIs, paying particular attention to:
 - (i) cooperation between the bodies concerned in order to remedy any lack of training or qualifications on the local labour market;
 - (ii) opportunities for access to training or qualifications at local level particularly in order to facilitate the employment of the least-skilled among the unemployed and to promote training, including management training for those responsible for LEIs;

- (iii) the skills and qualifications of trainers and vocational guidance and placement officials.

IV – Action at Community level

1. The Council encourages the Commission to support action by the Member States mainly:
 - (i) through more systematic use of existing Community instruments for promoting LEIs;
 - (ii) through the promotion of LEIs by means of consultation and the exchange of information on a Community-wide basis;
 - (iii) through evaluation and research designed to provide a useful guide for future policies and action.
2. The Commission is therefore invited in particular to:
 - (a) support, with the assistance of the European Social Fund, specific innovative projects aimed at facilitating the development of LEIs, particularly those directed towards:
 - (i) the application or production of new technologies;
 - (ii) the use of under-exploited local resources;
 - (iii) the employment of particularly disadvantaged categories;
 - (iv) back-up measures for these initiatives, particularly the development of innovative training and support methods adapted to their needs,

by providing for a continuous exchange of experiences resulting from these projects in order to assess their impact on employment;
 - (b) develop its programme of consultation and information transfer in order to facilitate the direct exchange of experiences at Community level, while coordinating it with the projects of the

OECD's Cooperative Action Programme on Local Employment Initiatives;

(c) complement these actions by carrying out specific studies which help to guide and assess the action, such as:

- (i) the most apt methods of providing finance for LEIs;
- (ii) legal and fiscal encouragement for the establishment

and development of enterprises including cooperatives and other forms of collective enterprise;

- (iii) the types of product and services which LEIs provide and their impact on traditional transactions from the point of view of competition.

3. The Commission is requested to inform the Council periodically of

progress made in the implementation of these actions.

4. Community financing for the action set out in this section will be decided on within the framework of the budgetary procedure and in accordance with the legal commitments entered into by the Council.

Community financing of the projects referred to in paragraph 2(a) will be in accordance with the financing capacity and rules of the European Social Fund.

Action to combat unemployment among women

Further to the Commission communication on unemployment among women and in the light of the discussions of the Standing Committee on Employment on 22 November 1983, the Council adopted the following resolution in the official languages of the Communities:

I – General objectives

1. The Council takes note of the Commission communication on unemployment amongst women in the Community.
2. It notes that unemployment amongst women is a worrying aspect of the general employment situation in the Community and can only be resolved satisfactorily within the framework of a general policy designed to achieve economic recovery and employment growth. Given the particular characteristics of female unemployment, it is also necessary to make specific efforts to remove the handicaps affecting the employment of women and to promote equal opportunities on the labour market in order to reduce gradually and significantly the rate of unemployment among women.
3. It emphasizes the principles which must underlie the measures to be promoted, namely:
 - (i) the equal right of men and women to work and, by the same token, to acquire a per-

sonal income on equal terms and conditions, regardless of the economic situation;

- (ii) the extension of equal opportunities to men and women, in particular on the labour market, in the context of measures to stimulate economic recovery and to promote employment growth;
- (iii) the development of positive measures to correct *de facto* inequalities and thereby improve female employment prospects and promote the employment of both men and women;

II – Guidelines for action

1. The Council considers that the following guidelines for action in particular should be implemented or continued within the framework of national policies and practices:
 - (a) in respect of job creation and recruitment:
 - (i) ensure that the measures aimed at encouraging the recruitment of additional labour, especially young people, in the private sector, allow for a more balanced representation of men and women, particularly in jobs in which women

are under-represented and in skilled jobs;

- (ii) focus recruitment premiums, where they exist, on the people at the greatest disadvantage on the labour market, many of whom are women;
- (iii) adopt adequate measures to promote increased representation of women, in order to achieve a better balance in the industries of the future, especially the high technology industries;
- (iv) make efforts also in the public sector to promote equal opportunities which can serve as an example, particularly in those fields where new information technologies are being developed;
- (v) endeavour to ensure that initiatives aimed at the reduction and reorganization of working time make a positive contribution to the promotion of equal opportunities in the area of employment, by permitting, *inter alia*, greater flexibility in working hours;
- (vi) ensure that voluntary part-time work does not lead to

- increased sexual segregation on the labour market;
- (vii) enable women to have equal access to financial and other facilities available for the creation of businesses, particularly in the context of local initiatives to create employment, including those taken on a cooperative basis, which offer women worthwhile employment prospects and working conditions;
- (b) to promote, in the fields of education, vocational training and guidance, measures with a view to:
- (i) giving women a wider choice of jobs to enable them to participate more equitably in growth sectors and in the industries of the future;
 - (ii) ensuring more appropriate qualifications for female workers particularly affected by industrial restructuring and innovation, for those from less-favoured areas, for unemployed women and women seeking to return to work;
 - (iii) promoting increased representation of women in training programmes in order to achieve a better balance in those sectors where they are under-represented, especially sectors connected with the introduction of new technologies;
- (c) adopt the necessary measures to ensure that placement, guidance and counselling services are staffed with skilled personnel in adequate numbers in order to provide a service based on the necessary expertise in the special problems of unemployed women;
 - (d) improve quantitative and qualitative information on the situation of women on the labour market and the assessment of the impact of policies to combat unemployment on the employment of women in order to be able to monitor progress in the sexual desegregation of employment and identify female unemployment trends more accurately.
2. The Council stresses the importance it attaches to the positive contribution of the European Social Fund to the implementation of these guidelines for action.
 3. The Council considers that the principles and guidelines set out above should apply to action undertaken at every level, also by encouraging, where possible, both sides of industry.
 4. The Council stresses the importance of accompanying measures, especially regarding social infrastructure and means of encouraging greater sharing of responsibilities in the light of the general objective of improving female employment.
 5. The Council asks the Member States to develop, where appropriate in cooperation with the Commission, information campaigns aimed at encouraging the change in attitudes needed to improve equality of opportunity in employment. The Council emphasizes the essential role played in this respect, and also as initiators of positive action, by national committees and bodies for the promotion of equal opportunities, which must be able to act as effectively as possible.
 6. The Commission is requested to organize an annual exchange of information between Member States on measures taken under this resolution to reduce unemployment among women, and on the means of monitoring, research and assessment.
 7. The Council asks the Commission to report to it at regular intervals with a view to taking stock of progress accomplished not later than three years following the adoption of this resolution.

Technological change and social adjustment

The Council

noting the Commission communication on technological change and social adjustment;

taking into account both the discussions of the Standing Committee on Employment on this communication at its meeting on 10 May 1984 and the conclusions of the Council and of the Ministers for Education, meeting within the Council, on this communication at their meeting on 4 June 1984, and

without prejudice to the opinion of the Economic and Social Committee, arrived at the following conclusions:

'The Council considers that a common strategy on the social impact of new technologies should be based on the following principles:

1. The Council recognizes the unavoidable nature of the introduction of new technologies for the strengthening of competitiveness of European undertakings and restoring

economic growth. It affirms the need for an overall Community response to the new industrial revolution. A macro-economic policy aimed at a stronger resumption of growth will facilitate the process of adjustment between sectors, as well as the occupational and geographical mobility of the labour force.

2. It considers that it is necessary to this end to utilize the potential af-

forded by technological innovation and by the strengthening of investment in order to create the conditions for better employment and an improvement in working conditions. This means an acceptance of the necessary changes which could in due course make for the creation of new jobs. It is necessary, however, to master these changes in order to prevent the social equilibrium from being seriously undermined.

3. The conditions for the success of these changes are the training and information of workers.

4. The Council considers that education and training have a vital role to play in a Community strategy designed to reinforce the capacity for innovation and the competitive position of European undertakings. Investment, employment, labour and training policies form a whole. Although investment constitutes the primary condition for the success of this strategy, education and training have a decisive role to play here. It would serve as a reminder that a major initial step in this direction was taken with the adoption of a number of resolutions affording the basis for Community action in this area designed to supplement and support action undertaken by the Member States themselves.

A particular effort must be made for the training and retraining of the categories of workers who are most affected by the employment crisis and by technological change. Initial and ongoing training together with retraining measures will make it possible to adapt the skills of workers to the requirements of new technologies. This should go hand in hand with forward labour management.

5. The Council recognizes that technological transformations are greatly assisted if workers are fully involved; they and/or their representatives ought therefore to be informed and consulted beforehand

with a view to arriving at arrangements.

Such information and consultation should be as exact and as full as possible and regularly accompany the implementation of technological options. To this end, the parties concerned should be able to benefit from expert advice.

6. Since technological change has consequences for employment, the organization of work and production, these ought to form the subject of dialogue between labour and management. While the competitive position of undertakings should be preserved, particular attention should be paid to improved utilization of plant and equipment, to employment problems, to working conditions and safety at work, as well as to the length of working hours.

7. The magnitude and the urgency of the effort to be undertaken make it more necessary than ever to mobilize all of Europe's economic and social strengths.

'The Council requests the Commission to develop' on these bases and, where necessary, to initiate work in the following areas:

(i) to define the principles of, and detailed arrangements for, forward labour management, in particular through the reinforcement of the means of observing and analysing new skilled personnel requirements;

(ii) to identify and analyse, in conjunction with the Member States and both sides of industry, short and medium-term sectoral trends with a view to pinpointing in particular the prospects for the development of employment which may result from the introduction of new technologies;

(iii) to extend action to familiarize people with new technologies, particularly within the educational system;

(iv) to initiate or strengthen cooperation between industry and training institutions, in particular advanced training institutions, with a view to improving the provision of initial training and the imparting of new skills to those whose employment is affected by technological innovations;

(v) to encourage, starting at the stage of conception and planning of technological innovations, the systematic taking into account of their ergonomic implications with a view to improving working conditions. It is also necessary to ensure the occupational and social integration of vulnerable categories of workers, in particular the handicapped;

(vi) to examine the full implications of the impact of technological advance on the decentralization of production, including work performed at home and distance working;

(vii) to elicit at Community level the principles common to the particular legislative and contractual instruments of the Member States concerning information, consultation and negotiation on the introduction of new technologies; to promote to this end the training of experts in technological innovation from workers' and employers' organizations;

(viii) to implement measures for the promotion and dissemination

¹ In the context of the implementation in particular of the Council resolution on vocational training and new information technologies, the resolution of the Council and of the Ministers for Education on the introduction of new information technologies in education, and the second programme on safety and health at work, and also in the utilization of the various Community financial instruments, and in particular in the application of the guidelines for the management of the European Social Fund, 1984-86.

of experience and to improve the utilization of the Community financial instruments – European Social Fund, European

Regional Development Fund and European Innovation Loan – in such a way as to assist the implementation of an innovat-

ory Community strategy calculated to respond to the social consequences of technological change.'

Community medium-term social action programme

Following its discussions at the 935th meeting – Labour and Social Affairs – on 7 June 1984, the Council adopted the conclusions concerning a Community medium-term social action programme:

'The Community will not be able to strengthen its economic cohesion in the face of international competition if it does not strengthen its social cohesion at the same time. Social policy must therefore be developed at Community level on the same basis as economic, monetary and industrial policy.

The institutional differences which result from the traditions peculiar to each country and to which the latter are attached are often referred to. These differences are major, but social institutions and the relationships woven between the social partners over recent decades also reveal many similarities. In all countries they have been an

important factor in economic growth, raising the standard of living and achieving full employment.

These differences between the institutions and social policies do not preclude the implementation of joint measures aimed at gradually promoting a European social area.

On the social front the Community must pursue the objectives it set itself at the outset: to seek full employment and better employment and to improve living and working conditions and to realize to the full the free circulation of workers. That means strengthening social solidarity and achieving a consensus between the social partners.

These objectives are inseparable from the search for stronger economic growth based on more competitive undertakings and development of the internal market and an economic policy

aimed at maintaining as low a rate of inflation as possible.

The Community must help to strengthen the links between economic and social policies so as to boost its competitiveness and its solidarity *vis-à-vis* the outside world. The success of a proper economic policy is an essential requirement for the implementation of an adequate social policy. An effective social policy is a necessary support for economic policy. The changes necessitated by technological change should be backed up by a policy of education and vocational training, a labour-market policy and a social policy, with a view to allowing and encouraging rapid and successful adjustment.

In adapting measures to present circumstances, it is therefore necessary to continue and strengthen those already introduced, particularly in the fields of free movement of workers, employment, new technologies, guidance and vocational training, education, equal treatment of men and women, action to help less-favoured groups, health and safety at the place of work, but also to explore the possibilities of new initiatives in the areas of social protection, demographic change and family policy. Finally, the European social dialogue must be strengthened and its procedures adapted in order to involve the social partners more effectively in the economic and social decisions of the Community.

Within the framework of its powers and having regard to the limited financial means, the Community, without wishing to take the place of action by the Member States and both sides of industry, wishes to assert its political determination to make progress in the construction of a European social area. In this context, it is necessary to give a boost to certain initiatives necessary in



In Belgium, like in other Community countries, the social dialogue at the highest level is intended to strengthen social solidarity and to facilitate the required changes in economic policy.

Photo: Yves Smets - Copyright 'Photo News', Brussels

order to give a new dynamism, continue along the road towards growth and social progress and consolidate democracy in Europe.

With this in mind, the Council takes the view that, apart from continuing and stepping up the measures introduced over the last few years and which have been the subject of Council resolutions, a series of measures and initiatives could be considered in future years in the following areas:

1. Employment, the social aspects of new technologies and training

Unemployment has proved to be the most intractable economic and social problem in the Community. Priority will be given in future years to the strengthening of measures to resolve the problem. These measures will have to be implemented in the constant knowledge that production machinery will have to be adapted to technological development in order to foster a high level of competitiveness in the face of international competition.

1.1. Young people of both sexes are experiencing in the Community a very considerably higher rate of unemployment than other age categories. This situation is very worrying for their social and professional future and the social balance of the Community countries. The situation, which reflects the insufficiency of offers of employment, is often associated with a low level of training or unsuitability of the qualifications obtained. Improved employment possibilities for young people and first and foremost for young unemployed people are a priority objective. The measures taken by the Community will have to be strengthened for this purpose, in particular as regards training and reconversion to new technologies and the social integration, in particular, of young people and women. The Commission has been requested to draw

up a regular report on the means used and the results obtained in the different Community countries.

1.2. The Commission is requested, in accordance with the Council's conclusions on technological developments and social change to promote initiatives likely to favour development of forward-looking labour market management, initial and on-going training and the retraining of people whose jobs are affected by the new developments as well as information, consultation and negotiation at the appropriate level.

1.3. As technological change has consequences for employment, work organization and production, the economic aspects connected with the raising of competitiveness should not be examined in isolation from the social aspects concerning the conditions of use of the labour force. Both sides of industry should be encouraged to enter into a dialogue on the conditions of use of equipment, adjustment of the organization of work and working hours, employment problems and the length of working time.

1.4. Special attention must be given to working conditions and particularly to aspects concerning the health and safety of workers, the more so since important factors in labour productivity are involved here. Priority should go to intensification of the Community measures initiated in this area. Arrangements should, in particular, be sought for taking systematic account of the ergonomic implications of technological innovations as from the stage of the study and design of the equipment. The Commission is requested to submit proposals to the Council, in particular as part of the second action programme of the European Communities on health and safety at the place of work.

2. Social protection and population trends

Social-protection systems are an important feature of the social cohesion of the Community countries. Furthermore, the security thus obtained is the counterpart of the necessary mobility of jobs in the face of technological change and competition.

Without this implying any harmonization objective, adjustments should, however, be envisaged in order to consolidate achievements and increase the efficiency of national systems. They would also contribute to strengthening the competitiveness of European economies in the face of international competition. The Commission will have to continue to ensure that these adjustments do not become a stake in the competition between European economies.

2.1. While taking institutional differences into account, the Commission is requested to endeavour to identify better the impact of social security payments on the competitiveness of undertakings, employment and the standard of living of households in the economic context as a whole. At the end of this task, it will report back to the Council.

2.2. The ministers responsible are invited to examine the means employed to control trends in health expenditure on the basis of a periodical report from the Commission. The latter will examine with the Member States the possibilities for cooperation in the field of health.

2.3. The Council will hold a regular exchange of information on the development of family policy and the effects of population trends as well as the consequences of ageing. The Commission is requested to conduct studies to this end.

2.4. In the present social and economic context, the importance of migration problems cannot be overlooked.

The Council takes note that the Commission will be submitting proposals to the Council for:

- (i) intensifying Community policies encouraging the cultural and social integration of migrant workers;
- (ii) developing cooperation between Member States on the control of migratory flows from third countries;
- (iii) comparing retraining policies for migrant workers volunteering to return to their third

countries of origin and examining the links between these policies and the Community policy on cooperation with those countries.

3. The European social dialogue

The Council considers, finally, that carrying out a Community social policy and Community industrial strategies implies the continuation and development of the dialogue between the two sides of industry at Community level.

The Commission is requested, firstly, to examine the conditions which would conduce within the framework of existing mechanisms to improving the dialogue with the two sides of industry in order to associate them better with the Community's economic and social decisions.

Secondly, it is requested to work out appropriate methods for encouraging, while scrupulously respecting the autonomy of, and responsibilities peculiar to, the two sides of industry, the development of relations of parity at Community level.'

Adjustment assistance granted by the European Coal and Steel Community

under Article 56 2(b) of the ECSC Treaty (re-adaptation aid)

Adjustment assistance policy as a component of the European Community's industrial sector policy

From the very inception of the European Coal and Steel Community in 1952, the 'founding fathers' were aware of the social problems which the setting up of a common market would bring. They foresaw the danger that the greater investment opportunities afforded by the common market would lead to undertakings grouping together, which, although it would help to rationalize production and distribution, would also force the weaker undertakings to curtail or change their business or even completely discontinue their activities, with consequent loss of jobs. None the less, a deliberate decision was made to allow for this risk, and Article 56 of the ECSC Treaty provided for adjustment measures to cushion the resulting cases of social hardship.

Since that time, this adjustment assistance has taken on considerable importance, particularly during the recent years of crisis in the steel industry, and it now forms a vital element of the Community's industrial sector policy. To put it in simple terms, whenever EEC quotas or restrictions on subsidies lead to increased redundancies, adjustment assistance is granted to cushion the social consequences for those affected.

Article 56 2(b) of the ECSC Treaty lays down the following conditions for adjustment assistance being granted:

- (i) fundamental changes in market conditions for the coal and steel industries;
- (ii) undertakings being forced as a result to discontinue, curtail or change their activities.

The first qualification for entitlement to adjustment assistance is therefore that the workers who benefit should have been made redundant as a result of structural economic pressures. As a basis for deciding whether 'fundamental changes in market conditions' have occurred, the Commission regularly publishes 'general objectives' and



In the coal and steel industries, adjustment measures were introduced in order to cushion severe social hardship. Photo: Paul Versele - Copyright 'Photo News', Brussels

other basic criteria to guide the Commission in formulating its sectoral economic policies and providing industry with guidelines for investment and production. Conversion policy is therefore an integral part of the Community's industrial sector policy.

Aids

If these conditions are met, the following benefits may be granted under Article 56 (2) (b) of the ECSC Treaty:

- (i) the payment of tideover allowances to workers;
- (ii) the payment of allowances to undertakings to enable them to continue paying those of their workers who may have to be temporarily laid off as a result of the undertaking's change of activity;
- (iii) the payment of resettlement allowances to workers;
- (iv) the financing of vocational retraining for workers having to change their employment.

The procedure for implementing these aid measures is to be found in the various agreements or conventions which were made between the Member States and the High Authority or its successor, the Commission. These agreements stipulate the purposes and periods of time for which aid can be made available, together with the other procedural machinery, as well as laying down the respective national contributions. Over the years, these agreements have been extended in various ways or modified to meet changing circumstances.

The Commission has laid down the following guidelines for determining the form of aid granted under Article 56 (2) (b) of the ECSC Treaty:

- (i) Although in principle all Member States are offered the same range of types of assistance, the actual form of aid granted should be chosen to fit each country's own particular system of social security and employment policies as closely as possible, so as to best meet the special needs of the workers af-

ected. This goal is approached through bilateral agreements negotiated with individual Member States, adapted to national peculiarities. Since a pre-condition for aid being granted is that the Member State should pay at least 50% of the special contributions for workers in the coal or steel industries, Member States have an equal say in determining the form of aid. This has led to a whole range of different forms of aid, all of which have evolved from a common basis;

- (ii) The aid should preferably be additional in nature, i.e. it should be specifically for employees in the coal and steel industries and should be in addition to government aid for workers in other sectors of industry;
- (iii) The system of aid should take account of developments in social policies and contribute towards them. For example, in the days of full employment the Community's aim was to enable older workers to stay in the same jobs and make it easier for younger ones to move into new employment. With the worsening employment situation, the Commission now encourages older workers to opt for early retirement so as to enable the young ones to keep their jobs, since re-employment is now much more difficult, particularly in those regions worst affected;
- (iv) Finally, the Community aid is intended to have a harmonizing effect:
 - (a) the aim is to bring all recipients in individual Member States up to a similar level of income;
 - (b) however, the total *per capita* EEC contributions should not vary too widely between Member States.

The benefits paid with the help of the Commission are therefore based on a common policy and so are essentially similar in type and form in the

various Member States, although the level of contributions may vary considerably.

Types of aid

The benefits covered by the bilateral agreements fall into three main categories:

- (i) income guarantees for workers who, because of works closure, find themselves temporarily without employment, re-employed at lower salaries, given early retirement or put on short time;
- (ii) vocational retraining grants;
- (iii) benefits to encourage geographical mobility.

1. Income guarantees

Tideover allowances

Strictly speaking, these consist of grants to redundant workers to tide them over until they find a new job. During the first few months of redundancy, the tideover allowance enables the workers's income to be maintained at up to 100% of the former wage, after which it may be reduced in order not to discourage the beneficiary from re-entering employment. Tideover allowances are one of the less costly forms of aid, since as a rule they are only paid for a period of 12 months.

Bridging allowances to tide workers over until retirement (early retirement)

Workers who are made redundant and who are approaching pensionable age may qualify for an early-retirement bridging allowance in the form of an allowance on top of unemployment benefit or a subsidy to enable them to begin drawing their pension early.

The development of early retirement measures first took on significant proportions during the 1970s in the coal industry, where because of health conditions it is often difficult for workers to find alternative employment. It is



During the 1970's, early retirement schemes took on significant proportions in the coal industry, where workers can take early retirement at 50, as it is often difficult to find alternative employment because of health conditions.

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already the case that underground workers can take early retirement at 50 and surface workers at 55. The payment of such allowances in the form of early pensions to persons who can no longer be re-employed has been approved by the Commission in accordance with Art. 56(2)(b) of the ECSC Treaty, although strictly speaking these workers do not meet the criterion of 'awaiting re-employment' as laid down in the Treaty. The reason for this exception is that from the point of view of loss of income, these people find themselves in a similar position to workers who are re-employable, and the Commission wanted to avoid unequal treatment.

With the coming of the crisis in the steel industry, early pension allowances were also introduced for steelworkers at the beginning of the 1980s.

In the last few years, this form of aid has come to play a dominant role in all Member States. Because of the very bad situation on the employment market, with younger workers experiencing increasing difficulty in finding new jobs,

preference is given to making older workers redundant and paying them a bridging allowance until pensionable age. The Commission lent its support to this aid policy since it attained the employment policy objective of keeping young workers in jobs, while from the standpoint of social policy it seemed reasonable to offer early retirement to older workers. The cost of this aid is particularly high, firstly because the recipients are at their peak income level at the end of their working lives, and secondly because the Commission contributes over a fairly lengthy period (up to three years).

Income supplement

This subsidy is paid to workers who are redundant and then re-employed at a lower wage, in order to compensate for their loss of income during a transitional period of 12 to 18 months. In some countries, such as France and the United Kingdom, the subsidy may also be paid to redundant workers who set up their own business, with the aim of encouraging individual private initiative.

Income supplement is therefore designed to help redundant workers look for new employment and help them overcome the 'handicap' of having worked in a high-wage industry. This subsidy is a particularly effective form of aid which does not cost very much, since it is only necessary to make up the difference in wages. However, the worsening employment situation means that this subsidy is being claimed by fewer and fewer people.

Short-time working subsidy

This subsidy is only available to workers in the steel industry, and then only for a limited period. It is generally used to enable the wages of workers on short time to be made up to 100% of their normal income. The aim is to prevent workers being laid off during this period, and thus to cushion the effects of massive restructuring in the industry.

Severance payments

Severance payments, which were initially granted to coal workers and later extended to include steel workers, form part of the income guarantees. They take the form of a lump sum paid either to make up for the loss of advantages which are hard to quantify or to provide workers with a cumulative prepayment of several months' tideover allowance.

This form of aid is also meant to encourage recipients to find a new job as soon as possible, since the amount paid remains the same, however long the period of unemployment.

2. Vocational retraining

ECSC support for retraining measures varies greatly between Member States. In the coal industry, retraining has hardly played any role, except in France. In the steel industry on the other hand, retraining is becoming more and more important, particularly in the United Kingdom and now to an increasing extent in France as well.

The general situation is that as the employment situation becomes bleaker and the number of older workers eligible for early retirement diminishes, this

form of aid becomes increasingly important. The cost of this type of aid is particularly high in most cases, since the Commission makes up the beneficiaries' wages in addition to paying for retraining.

3. Mobility allowances

Mobility allowances include subsidies towards the cost of travelling longer distances to a new job, as well as removal and rehousing costs and, where two households have to be kept, separation allowances. The purpose of this aid is to ensure that travelling or removal costs do not present an obstacle to the person concerned finding a new job.

Costs of adjustment assistance

To give an idea of the importance of adjustment assistance, expenditure on these various subsidies over the last eight years (1975–83) amounted to 821 million ECU. If to this is added the amount spent prior to this period, then total expenditure on conversion for the period 1952 to the end of 1983 comes to 1 085 million ECU paid out to some 900 000 workers, as can be seen from Tables 1 and 2. Table 1 shows the total



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cost of aid, broken down by country and industry, and Table 2 shows how expenditure on aid has grown from year to year. Since 1981, adjustment measures have accounted on average for more than 60 % of the declared ECSC budget.

Where the volume of expenditure is concerned, the Commission finds itself in a similar position to a Member State which has to manage its expenditure on unemployment benefit: the expenditure is determined by demand, and if the number of claimants continues to rise, the only way to control expenditure in the medium term is to cut the amount of benefit. However, to do this the Commission would have to seek changes in the bilateral agreements.

From Tables 1 and 2 it can be seen that whereas prior to 1976 annual expenditure on the steel industry lay at under 5 million ECU, since then it has risen dramatically. In 1981, the Council agreed on a Commission proposal that a special funding programme amounting to 212 million ECU for social measures for the steel industry should be set up, since the ECSC's own resources were insufficient to cover the new subsidies for short-time working and early retirement. This special programme, initially limited to a period up to end-1982 will have to be extended to cover the next few years in order to finance expenditure on aids (the 1984 special funding amounts to 62.5 million ECU). When this special funding is taken into account, expenditure on adjustment measures for the steel industry has risen well above the level of 100 million ECU per year since 1981.

Expenditure in the coal industry has also grown steadily since 1981, and looks set to expand even further over the next few years. The Council has therefore also approved a special 60 million ECU funding programme for the coal industry for 1984. This special funding for social measures in the coal and steel industries should be distinguished from normal ECSC funding; whereas special funding comes out of the EEC budget or *ad hoc* contributions by Member States, normal ECSC fund-

ing comes out of the levy on ECSC undertakings, assessed according to volume of production.

How funding is allocated between Member States

The lion's share of the funds made available in the last few years has gone to British steelworkers, who have been hit very hard by closures. The greatest proportion of funding for the coal industry has also gone to the United Kingdom. The Federal Republic of Germany and France follow some way behind, both as regards the number of beneficiaries and the amount of funding received.

Although the system of benefits is based on uniform social policy guidelines, expenditure in individual Member States varies greatly. Calculated over a period of time, *per capita* expenditure in the United Kingdom is significantly higher than in France or the Federal Republic of Germany.

Paradoxically, although as part of its harmonization policy the Commission strives to prevent costs in different countries getting too far out of line with each other, the attempts at harmonization are themselves responsible for the great differences in costs. Harmonizing the benefit rates for individual workers (e.g. making up the wage to 90 % of the previous net wage) necessarily leads to large differences in absolute expenditure, since it is necessary to make up the difference between previous wage and present income from a new job or from social security. This means that the cost is lower in countries with a well-developed system of social security than in countries where workers receive less unemployment benefit. If the Commission were to change its policy (for instance, if it decided to pay an identical lump sum to each person entitled to receive benefit) it would fail in its aim of ensuring a similar income for individual workers in the coal and steel industries in the same situation, whatever their nationality.

The differences in *per capita* costs are also due to the differing costs of the

various types of aid and their varying take-up rates.

Aid take-up rates

In the last eight years, about two thirds of workers whose jobs were lost actually took up the benefits offered under Art. 56 (2) (b) of the ECSC Treaty (see Table 3).

However, the proportion of beneficiaries varies widely between Member States. This is mainly due to the fact that Community aid is meant to supplement national aid, and the limitations on persons entitled to claim benefit vary greatly from country to country. Also, the employment situation in the various regions affected has differed greatly in the reference period of eight years, and it is the employment situation which dictates whether and for how long the workers affected can claim conversion aid.

Nevertheless, it may be concluded that the very fact that such a large percentage of ECSC workers have claimed the conversion aid to which they were entitled shows how efficient the measures are and demonstrates their importance for the Community's conversion policy.

Herbert Von Bose

Table 1 – Amounts made available for ECSC workers, under Art. 56(2)(b) of the ECSC Treaty
Period 1976–83

Member State	Coal industry		Steel industry		Total	
	Amount made available	Workers	Amount made available	Workers	Amount made available	Workers
Belgium	11 952 142	6 231	15 377 124.94 + 22 786 000 ¹	12 107 (6 849) ¹	27 329 266.94 + 22 786 000 ¹	18 338 (6 849) ¹
Denmark	–	–	1 638 000 ¹	(238) ¹	1 638 000 ¹	(238) ¹
Germany	46 551 510.97	43 892	50 622 626.81 + 29 997 000 ¹	49 351 (20 400) ¹	97 174 137.78 + 29 997 000 ¹	93 243 (20 400) ¹
France	24 138 750	5 038	50 939 965.54 + 68 517 000 ¹	26 744 (22 010) ¹	75 078 715.54 + 68 517 000 ¹	31 782 (22 010) ¹
Italy	–	–	2 237 000 + 17 916 000 ¹	3 515 (3 486) ¹	2 237 000 + 17 916 000 ¹	3 515 (3 486) ¹
Ireland	–	–	412 500	229	412 500	229
Luxembourg	–	–	5 600 500 + 1 358 000 ¹	2 078 (3 100) ¹	5 600 500 + 1 358 000 ¹	2 078 (3 100) ¹
Netherlands	–	–	1 750 000 + 2 418 000 ¹	700 (295) ¹	1 750 000 + 2 418 000 ¹	700 (295) ¹
United Kingdom	104 157 500	31 266	295 690 379.66 + 67 370 000 ¹	101 670 (54 500) ¹	399 847 879.66 + 67 370 000 ¹	132 936 (54 500) ¹
EC 9	186 799 902.97	86 427	422 630 096.95 +212 000 000 ¹	196 394 (110 878) ¹	609 429 999.92 +212 000 000 ¹	282 821 (110 878) ¹

¹ These amounts represent funds set aside under the 'Steel Social Volet' 1981. Under this programme, 110 878 workers who received benefits from Social Volet funds may also have received benefits under normal payment schemes related to Article 56(2)(b), and therefore it is not possible to add these figures together to find a grand total.

Table 2

Year	Amount made available ECU	Special social measures (Social Volet)
1954–75	264 965 750	
1976	25 124 000	
1977	25 755 250	
1978	60 520 750	
1979	67 020 750	
1980	67 022 500	
1981	123 986 750	+ 48 631 450
1982	115 000 000	+ 113 368 550
1983	125 000 000	+ 50 000 000
1954–83	874 395 750	212 000 000

Table 3

Job losses and beneficiaries
(Period 1976–83: EC 9)

1 000

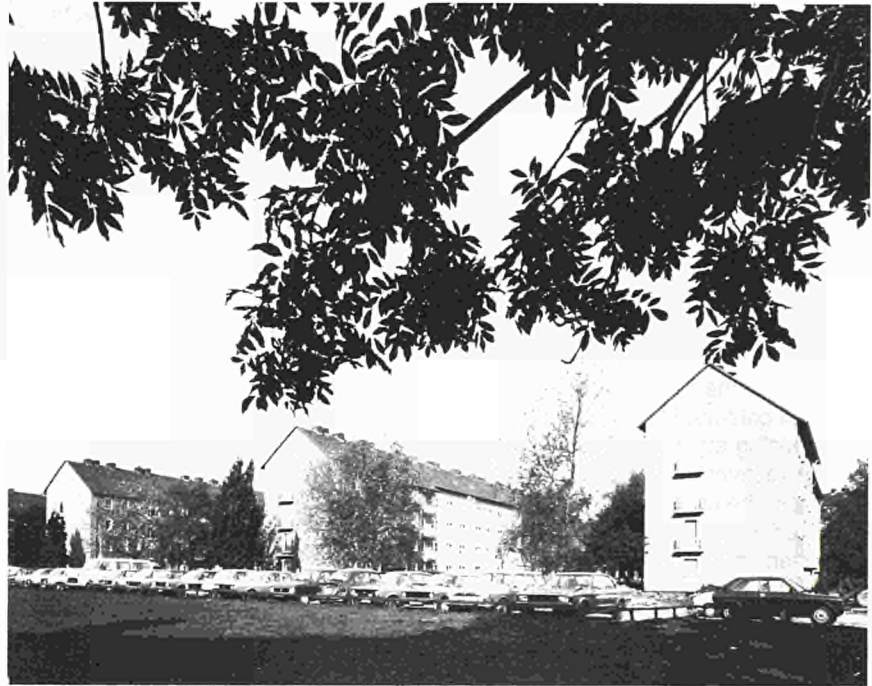
Coal industry			Steel industry			Total		
Job losses	Beneficiaries according to applications	%	Job losses	Beneficiaries according to applications	%	Job losses	Beneficiaries according to applications	%
145	86.5	60	288	196.5 ¹	68	433	283	65

¹ Beneficiaries having received *only* 'special steel social measures' (Social Volet) 1981 benefits are *not* included in this figure.



30th anniversary of the ECSC housing scheme

The European Coal and Steel Community (ECSC) has been subsidizing the building of accommodation for workers in the coal mining and steel industries of the Member States since 1954. The Community's activities on behalf of the aforementioned persons in the housing field arise out of the basic social obligations set out in the ECSC Treaty, particularly Articles 2 and 3 (d), but also Article 54, which provides for a Community contribution to specific investments.



Over 185 000 housing units have been built or modernized since 1954 with ECSC housing loans.

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Quite apart from Community law, an important part is played by the continuation of a tradition found in many Member States whereby housing is provided for miners and steelworkers by their employers. Thus, for example, mining undertakings in France, the United Kingdom and the Federal Republic of Germany own a considerable amount of housing and miners have certain privileges or protected rights in respect of housing. Under the nine ECSC housing schemes which have been implemented since 1954 or are still under way, more than 184 000 housing units have been built or modernized with Community funds for workers in the coal and steel industry (see table).

At the beginning of the schemes, i.e. from the middle of the 1950s to the middle of the 1960s, the emphasis was on the building of new housing for workers in what were then key industries. The building or rebuilding of housing went hand in hand with the reconstruction of industrial plant hard hit by enemy action during the war or by dismantling (in Germany). The key role of the coal mining industry in energy

supply and the dominant position of the steel industry as the basis for large sections of the reviving capital and consumer goods industries made the provision of housing for workers in these branches of the economy a priority task.

The quantitative aspect, i.e. the building of as much accommodation as possible within a short period of time, was to the fore. The first six schemes between 1954 and 1968 contributed to the financing of well over 100 000 housing units in the six Member States which then made up the Community.

The second phase of the scheme, which extended from the end of the 1960s to the end of the 1970s, is characterized by two features: the decline of employment in the coal mining industry, which had been noted since the 1960s, was followed in the early 1970s by a parallel trend in the steel industry, which, after a period of temporary stagnation, also saw a considerable reduction in its workforce. This meant that the number of those with a claim to the provision of housing became distinctly smaller.

On the other hand, after housing destroyed in the war had been replaced and the additional demand of the post-war boom years largely satisfied, the problem of modernizing accommodation, which was in part extremely old, came to the fore. As European industry developed, millions of housing units were built in the 19th and early 20th centuries, mainly in the heavy industry centres of the United Kingdom, France, Belgium, Luxembourg and Germany which could now no longer be said to come up to the living standards of the late 20th century. Modernization of this vast housing stock became one of the main objectives of the ECSC housing schemes, the term 'modernization' being used in a comprehensive sense and meaning more than the installation of sanitary and/or heating facilities.

Between 1971 and 1978 Community funds were made available for the financing of some 60 000 housing units in the Community, which had increased its size to nine Member States in 1973.

The latest trend, the beginning of which dates from the ninth scheme in 1979, is characterized by efforts to use the ECSC housing scheme as an adjunct to the restructuring of the coal and steel industries in addition to its social role. This means, for example, that priority is given to housing projects related to the transfer of workers to other plant locations.

Alongside modernization of rented housing, ownership of housing – whether newly built to the worker's specifications or already existing – has become a major component of the scheme. This means that workers are enabled to acquire the kind of accommodation they want.

In comparison with the preceding period, the number of dwellings for which Community financial aid has been made available has declined since 1979: between 1979 and 1984, ECSC funds were used to contribute to the financing of some 13 000 dwellings in the 10 Member States. One reason for this decline is that, while building costs rose sharply in that period, Com-

munity allocations for the housing scheme remained substantially the same.

It would perhaps be appropriate, in this context, to provide an explanation of the financing and procedures of the schemes. The main sources of financing for the nine schemes so far launched are the ECSC's own resources, which derive from 'special reserve' and the former 'ECSC pension fund'. These resources are loaned for a term of 20 to 25 years at the symbolic interest rate of 1 %. Since the Commission is unable to manage so many individual mortgages, ECSC funds are loaned to banks or similar financial institutions, which on-lend them on the same conditions to individual borrowers, who normally pay a small fee for this service. Of the total of 400 million ECU made available for the ECSC housing schemes so far, 245 million, i.e. more than 60 %, have been allocated from these low-interest loans.

The rest of the money needed for the ECSC housing schemes is borrowed by the ECSC on the capital market and on-lent on the terms for medium and long-term loans obtaining on that market. Although interest rates on such loans are distinctly higher than those on ECSC own resources, monies borrowed on the capital market are attractive in particular for projects in those Member States where the interest rate is higher than the terms offered by the Commission. Since in some cases exchange risk is borne by the Member State, such loans based on ECSC borrowings are attractive for the debtors. There are even cases where ECSC own resources and ECSC borrowings together provide the major source of financing for a project. Both ECSC own resources and ECSC borrowings are used to provide long-term loans. Repayments from earlier loans are available for new loans and it is intended to use them as the main source of financing for the 10th ECSC housing scheme which is now being drawn up. The ECSC housing financing system can thus definitely be described as a revolving credit system.

The point of departure for any thinking about the aims and scope of a housing scheme is the determination of demand. Information about the type and number of the housing units to be built or modernized and where they are located is sent to the Commission by the regional committees. These committees, made up on an equal basis of representatives of employers and employees, and often including representatives of the authorities responsible for the building trade and/or town and country planning, collate and discuss project proposals at regional or national level and submit them to the Commission.

On the basis of this established demand – taking account of the financial resources available – the Commission decides on the aims, duration and financial scope of the scheme and on how available funds are to be divided up between the coal and steel industries and between the Member States. The Commission's decisions must be approved by the Council. Within the limits of the funds provided by such decisions the Directorate-General for Employment, Social Affairs and Education, in collaboration with the relevant regional committees, selects the projects to be subsidized in the light of the guidelines for the scheme. At the same time the Directorate-General for Credit and Investments draws up the necessary contracts with the banks which are to handle the loans. The projects are submitted to the Director-General for Social Affairs for approval. The loaned monies are paid out through the banks.

Applicants for such loans are either individual employees wishing to purchase their own dwellings or undertakings in the ECSC sector or housing undertakings these have set up; in some cases applications are also made by regional bodies wishing to carry out housing projects for miners or steelworkers.

All applications must be examined and endorsed by the relevant regional committee (individual applications by employees must also be examined and endorsed by their employers), before



Increased emphasis is laid on the housing environment, as demonstrated by reconstruction and modernization efforts.
Photo: Yves Smets - Copyright 'Photo News', Brussels

they are forwarded to the Commission for approval.

Close working relations between the regional committees and the Commission has been and continues to be a major factor in the success of the ECSC housing schemes from 1954 to the present day.

Dieter Thiel

Financing of the nine ECSC housing schemes as at 30 June 1984

Country	Commission funds in million ECU		Total of dwellings financed
	Own resources ¹	Borrowings	
Belgium	14.4	22.5	8 443
Denmark	1.8	—	667
Germany	99.7	13.2	102 498
France	57.0	—	42 251
Greece	0.9	—	203
Ireland	1.3	—	290
Italy	30.9	109.4	9 569
Luxembourg	5.2	1.7	1 439
Netherlands	10.3	2.2	6 348
United Kingdom	24.0	—	12 879
Total	245.5	149.0	184 587

¹ Including only Special Reserve and former ECSC pension fund.

Community aid for the reform of the mental health care system in Greece

By virtue of Council Regulation No 815/84, the Community decided to accord Greece exceptional financial assistance in the social field.¹ Aid amounting to 120 million ECU will be granted over a five-year period to help co-finance expenditure on the vocational training infrastructure in Athens, together with the construction, adaptation and equipment of a national network of rehabilitation centres to enable the mentally ill and mentally handicapped to re-integrate into working life. The Greek authorities were required to submit a five-year programme to the Commission to serve as the basis on which to submit the annual applications for the funding of individual projects.

The background leading up to the adoption of the regulation has already been outlined in a previous issue of this Journal.² All that is necessary at this point, therefore, is to recall that one of the stated objectives of the regulation was to improve Greece's access to assistance from the European Social Fund through the development of its training and rehabilitation infrastructures. This article will attempt to describe the joint efforts undertaken by Greece and the Community to remedy a situation described by the Greek Government as 'frequently bordering on a total denial of the most fundamental concepts of human dignity'.³

At the request of the Greek authorities, and in order to help Athens draw up the five-year plan prescribed in the regulation, the Commission set up a group of experts to produce concrete suggestions for reforming the Greek psychiatric system on the basis of small decentralized units based on the family and local community. The experts were appointed in December 1983 with a remit to conclude their work at the earliest possible date to enable the Greek authorities to speed up the process of reform. The project was completed in March 1984, and the group's report was submitted to the Greek Government on 29 March 1984, and accepted. The experts expressed their agreement with the broad lines of the five-year preliminary programme sub-

mitted by Greece in October 1983, on the new health legislation which the Government in Athens sees as one of its priority targets for reform. At the same time, the experts' report must also be read in relation to the more general objective of Regulation No 815/84, namely, to help disabled people integrate into working life as part of a Community policy objective in line with general trends in other Member States.⁴

On 29 May 1984, the Ministry of Health submitted the 'Five-year programme for the reform of public mental health care in Greece' to the Commission, together with applications for grants for the first year's implementation of the programme. This programme closely followed the proposals contained in the report of 29 March.

In order to get a fuller picture of the full scope of the reform, it might be useful at this point to briefly describe the existing state of the psychiatric services in Greece.⁵ With a few exceptions, the standard of health care provided by the public sector psychiatric hospitals is unacceptably low. But while the reform is concerned only with public services, that is not to say that the standards of treatment in the private sector are any better. In Greece, as elsewhere, the emphasis is placed on the institutional treatment of mental illness, while community health care services remain relatively underdeveloped. This has resulted in overcrowding in hospitals which are, by and large, old, poorly-maintained and lacking in adequate facilities. The lack of proper treatment, a pervasive atmosphere of passivity and despair among the patients, and the generally demoralizing effects on the staff of intolerable working conditions, make effective treatment extremely difficult to achieve. Services are understaffed, some more so than others, and nursing staff in many cases have no formal training. Psychiatric hospitals are unequally distributed throughout the country – most are in Athens and Salonika – and the types of care they offer are fragmentary and ill-organized. While no powerful and organized pressure groups exist to

lobby in favour of community care, any developments tending to move away from institutionalized mental health care run up against strong opposition. Little research has been carried out and few precise data exist on the present state of the mental health care service. Finally, there is also the problem that the general public remains largely ignorant of what mental health problems really are. The government is the first to share this diagnosis and has repeatedly condemned the conditions prevailing in the country's psychiatric facilities, and in one in particular, the worst of all, and condemned as a 'Bastille' by Health Minister Mr Gennimatas – the horrific asylum on the island of Leros.

The specific goal of the Greek programme is to analyse objectively the structural causes of the current situation, and from there to create the conditions for a radical reorganization of the system. The programme is based on the development of community care units designed to block new admissions into the psychiatric hospitals, whilst simultaneously bringing into operation rehabilitation programmes designed to effect radical changes in the living conditions and methods of treatment of hospitalized patients.

The projects submitted for 1984 are linked together to form a coherent, systematic overall approach to the problem:

- (i) Group 1 consists of a number of experimental projects aimed at designing new methods of social and occupational rehabilitation for those suffering from mental illness as well as experiments to test the effectiveness of new forms of

¹ OJ L 88, 31. 3. 1984, available from the Office for Official Publications of the European Community, L-2985 Luxembourg.

² *Social Europe*, Special Issue 1983, page 44.

³ Preamble to the new health legislation 'Ethiko systima igeias', Art. 21, Athens, 10. 8. 1983.

⁴ 'Reform of public mental health care in Greece' Brussels, 29.3.1984, V/1047/846E, to be published in English, French and Greek.

⁵ Based on the information contained in the experts' report, particularly Chapter A describing the current situation.

treatment with the emphasis on local community care. In some cases, Community aid will be used to consolidate experiments already under way. Unquestionably the most important project is that concerning the island of Leros, where an experimental care and rehabilitation unit is to be set up to try and develop the most effective ways of assisting the re-entry of the asylum's patients into normal social life and to make a start on de-institutionalizing the asylum itself. Other projects deal with mobile psychiatric care units – a method of care particularly adapted to remote rural areas. A number of pilot mental health centres are also to be set up and brought into operation. These centres will help build up non-hospital care services for the mentally ill, covering all aspects of prevention, treatment and rehabilitation. Their close ties with the local community and with the other services in the psychiatric care system should enable them to play a significant part in stemming the process of institutionalization of those in need of psychiatric care.

- (ii) Group II comprises projects for building and equipping the first three mental health centres. The five-year plan provides for 20 such centres to be set up across the country.
- (iii) Groups III and IV include projects whose aim is to establish psychiatric units in general medical hospitals for children, adolescents and adults. These units will be limited in size and cater for short-stay patients only. They will offer clinical treatment, but as part of a range of other services. They will play a preventive role in the treatment of mental illness and handicap through a network of non-hospital services, help develop community care of psychiatric disorders, design and implement training programmes in psycho-social problems as a vital

pre-condition to access to vocational training. The psychiatric unit will be an integral part of the general hospital, a pioneering step in a system which has always regarded the psychiatrically ill as radically different from the ordinary medical patient.

- (iv) Group V contains projects for setting up acute treatment units in psychiatric hospitals. The aim of these will be to provide speedy treatment for patients with acute psychiatric disorders, but keeping in-patient treatment to a minimum in order to avoid the risks of institutionalizing the patient. They will constitute the final line of defence in a process designed to forestall the more or less final act of admitting the mentally ill to a psychiatric hospital.
- (v) Finally, projects in Groups VI and VII aim to establish vocational preparation centres and residential homes and hostels for the mentally ill. The vocational preparation centres will be the penultimate stage in the process of vocational and social rehabilitation, and will follow up the work of occupational therapists in psychiatric hospitals and other care facilities. This will represent a new departure in psychiatric services in Greece and is intended for considerable future expansion. It is for this reason that professional training of qualified staff is particularly crucial. Hospital training will also become a requirement, to be carried out in Greece and in other Member States.

Looking ahead to future years, most of the projects the Greek Government will be proposing to the Commission will fall within one of the above-mentioned groups. The Commission has approved, in October 1984, all of the applications for assistance for 1984 submitted by the Ministry of Health.

While one of the principal goals of the regulation is to help the mentally ill and handicapped to take up an independent working life, it is equally clear

that not every individual project funded by the Community can lead directly to the occupational rehabilitation of the psychiatric patient. Rather they are elements of a new structure whose overall aim is directed to attaining that objective. But the reform will not take root and grow unless accompanied by the creation of adequate professional training structures. The effect of the completed five-year plan should be to see a growing number of patients discharged from the existing psychiatric institutions in search of occupational rehabilitation, training and a job. It is, therefore, a matter of pressing need to put into operation a plan, which does not exist at present, aimed at achieving the coherent and coordinated development of a system of occupational rehabilitation for handicapped people.

In 1982-83 the Commission and the Greek Government set up a joint panel of experts to report on 'the rehabilitation and training of the handicapped in Greece and the European Social Fund'. Their report contained concrete proposals for developing a rehabilitation system in Greece to enable handicapped people to resume normal working lives. The report was submitted to the Greek Government on 23 July 1983 and its contents accepted.

An overall solution to the problems of the handicapped is the logical and essential extension of the reform of mental health care. In October 1984, the Commission sent the Greek authorities an official recommendation to that effect.

Giorgios Katzourakis

The second Community programme to combat poverty

The first reference to Community action to combat poverty can be traced back to the 21 January 1974 Council resolution approving a social action programme which included the implementation of pilot schemes and studies to combat poverty. The anti-poverty programme was launched by the 22 July 1975 Council Decision and consisted of locally based projects, cross-national studies and national reports. The final report of the Commission on the programme published in 1981¹ and approved by the Council and the European Parliament the next year, drew attention to the multidimensional characteristics of poverty and estimated that there were in the mid-1970s some 30 million people in the Nine living on less than half the average income of their Member State. The lack of a properly defined poverty line, however subjective, acceptable by all Member States does not allow for realistic estimates of the population living in poverty but if the same definition were used nowadays, this population for the Ten can be said to be well over the figure mentioned in the report.



Elderly and marginal people are more likely to suffer from poverty.

Photo: François Lehr – Agence Gamma, Paris

The above-mentioned final report of the Commission had elicited the Council's consideration that more specific Community action was needed and the European Parliament had called for the implementation of a new anti-poverty

programme. Both institutions emphasized the need for action-research and innovation relating to transnational projects based principally on common and/or integrative schemes and the Commission undertook an extensive round of consultations of parties concerned with poverty questions. In the first phase, the aim was to identify the themes which could then be discussed in depth with a view to finding likely sub-areas or sub-themes necessitating priority action within the framework of a new programme. It was found that the most obvious manifestations of poverty in the Community stem from problems of deprived urban zones and from certain impoverished rural areas and that the population groups most at risk and most needy were: 'the long-term and the young unemployed, the very elderly, the single parent families, the ethnic minorities, the refugees, the returning migrants and the so-called 'marginal' groups'.

The Commission's 13 July 1984 proposals for a new programme of specific Community action to combat poverty,² which are consequently based on the findings of those consultations, have been transmitted to the European Parliament and to the Economic and Social Committee for their opinions in the matter and to Council (having regard to these opinions) for a decision which, it is hoped, will be taken by the end of the year 1984 in which event, the second anti-poverty programme could be launched in mid-1985.

In making its proposals the Commission has borne in mind the fact that action-research cannot solve all the problems of poverty, but that a new programme of cross-national anti-poverty projects will encourage reform within Member States' own systems, demonstrate innovative approaches and pave the way for more coherent and comprehensive policies to alleviate poverty in the Community. To this end the Commission has proposed a total Community co-financing of 35 million ECU over five years for a programme made up of three main elements:

- (i) cross-national projects covering the themes identified and involving an extensive process of collaboration and cross-fertilization;
- (ii) exchange of information and transfer of innovative approaches involving a continuous exchange and dissemination of experience and methods, and continuous monitoring and evaluation of projects;
- (iii) better understanding and perception of the dimensions of poverty using all possible ways, including the mass media and the setting up and use of adequate and comparable statistics on the various aspects of poverty, to draw the attention of all citizens of the Community to the unfortunate circumstances of some of their fellow citizens.

Within the limits of the appropriations entered to this end in the Community budgets for 1985-89, and in order to provide Member States and the Community with information, the proposals therefore aim at authorizing the Commission to:

- (i) promote or provide financial assistance for various types of measures (research, seminars, public awareness campaigns, etc.):
 - (a) which test and develop new methods of helping persons beset by or threatened with poverty in the Community,
 - (b) which are drawn up and carried out as far as possible with the participation of the persons concerned,
 - (c) which are of significance throughout the Community in that they correspond to problems common to several Member States;
- (ii) promote, provide financial assistance for or carry out studies which, in the context referred to above, are aimed at improving

¹ COM(81) 769, 15. 12. 1981.

² COM(84) 379, 18. 7. 1984.



Photo: Paul Versele · Copyright 'Photo News', Brussels

understanding of the nature, causes, extent and mechanics of poverty in the Community and collecting on a regular basis comparable data on poverty in the Community;

- (iii) promote or provide financial assistance for the dissemination and exchange of knowledge, and the transfer of innovative approaches between Member States.

It is worth noting that the proposed new action needs must be inscribed in the framework of the Member States' continuing fight against poverty and that this can only be achieved if Member States themselves decide which type of action best suits their own policies in the matter.

France L'Aiguille

Young workers exchange programme

This is the Communities' oldest established operation in the field of youth exchanges the roots of which lie in Article 50 of the Treaty of Rome. As early as 1964, therefore, the representatives of the governments of the Member States agreed to the setting up of the first joint programme for the exchange of young workers. The programme essentially offered young people a period of work experience of three to six months duration, with an employer in another Member State. However, Community funding was particularly limited, being confined to a contribution towards the trainee's travel expenses together with the costs associated with an information seminar on the Community. In all, some 1500 young workers participated in the exchanges which were principally in the agricultural sector.

In recognition of this fact, together with inadequacies in the linguistic, vocational and cultural content which had manifested themselves throughout the 15-year period over which the first joint programme spanned, the Council itself took a decision¹ in 1979 to set up the second joint programme for the exchange of young workers.

In finalizing the aims of the decision, the Council was particularly concerned to offer exchange facilities to those young workers for whom such an opportunity was unlikely to arise in the normal course of their employment. The exchanges were to be directed primarily at the vocational and personal development of the young people concerned while at the same time improving their awareness of the European Community and their appreciation of the cultural differences between its members.

The programme was therefore targetted on young people who were nationals of a Member State, aged between 18 and 28 years, who had received basic vocational training or had practical work experience, and had begun working life before the age of 20. The principal aims were as follows:

(i) to develop their vocational qualifications and enrich their practical work experience:

(ii) to promote their awareness of the problems of the working world;

(iii) to bring them into contact with the working environment of the host country;

(iv) to improve their knowledge of living conditions and social relations in the host country;

(v) to promote adequate information on the Community's objectives and how it functions.

In order to increase the level of participation, the Council provided the necessary machinery for the establishment of 'promoting bodies' throughout the Member States with the capacity to organize exchanges at a European level.

Commencing in mid-1979, the programme achieved a consistently steady growth in the numbers participating and, from a modest beginning of 256 in that year, rose to 1 205 in 1983. This figure is expected to rise to 1 300 in 1984 while, over the programme's five-year duration, approximately 5 000 exchanges will have been realized. This clearly represents an important 'breakthrough' since the completion of the first joint programme and, taken in conjunction with a significantly greater sectoral and geographical distribution, confirms the potential for further development.

Under the provisions of the decision establishing the second joint programme, the Commission has now drafted proposals for a third joint programme which reaffirm the basic objectives of the second but with a number of modifications, the most important of which are as follows:

(i) in view of the worsening effects of the economic recession, particularly in relation to young people, it is proposed that the programme be extended to include a limited number of persons who are not in employment but who have made themselves available for employment on the labour market;

(ii) a revision of the existing provisions for the funding of travel

costs which would take account of the growing ease of access to Member States at the centre of the Community while, at the same time, acknowledging the special difficulties which this poses for the peripheral regions;

(iii) an extension of the provisions for language training;

(iv) greater flexibility in entrusting the implementation of exchanges to bodies or groups operating at European level.

These proposals are presently under consideration in both the Council and the European Parliament and it is envisaged that a new decision will come into effect from 1 January 1985. In the meantime, the second joint programme continues in operation.

Denis Kennedy

¹ OJ L 185, 21. 7. 1979.

Ergonomics in the European Community

The beginnings

A few years after the end of World War II, in 1948, a small group of scientists, actually seven, met to discuss the development of a common interest. This interest was the contribution that their scientific subjects (psychology, physiology, biomechanics – the basic sciences of human functioning) could make to engineering design to ensure that the processes, equipment and products of our modern industrial society truly 'served human needs'. The meeting was motivated by their recent experiences which had shown that as 20th century technology advanced, the tools, equipment and systems which man had designed to enhance his own limited capacities could be counter-productive if they were designed independently of the fundamental characteristics of the users they were intended to serve. Thus, a forklift truck which could move loads far beyond the possibilities of the relatively frail human biomechanical system could become an injury hazard because the means to control it ran contrary to some very fundamental psychological laws. The miracle of radar extended human vision: but much of its advantage could be lost if it was not appreciated that after about 30-40 minutes of monotonous observation there would be a progressive reduction in the signals registered mentally and reported by the observer. This human phenomenon translated into industrial quality control terms meant that direct visual inspection for production faults would rarely be more than 70% effective.

In the way of humans, these scientists decided to form a society. After much deliberation they called it the Ergonomics Research Society. So the word 'ergonomics' was coined. It was the word which was to take root in Europe. In the United States the same concepts developed with the title 'human factors'.

One might ask whether there is anything really innovative about the idea of designing for man's needs. Early man fashioned his tools to fit his hand. Leonardo showed much evi-

dence of such awareness. Today there is much around us which is adequately designed on intuition, common sense and opinion. True! However, more and more, as was foreseen by these 'founding fathers' of ergonomics, the systems of our modern industrial society cannot be designed effectively without explicit empirical data on the humans who will operate and use them. For example, the most intuitive of designers, considering aircraft safety, is unlikely to foresee that the flight-deck crew of an airplane, with a full panel of cockpit instruments as well as warning signals, would not raise a restraining finger to correct a slow descent from 2000 feet to crash and disaster because preoccupation with a malfunctioning landing gear control occupied their attention and allowed the descent to go unnoticed. Now, the experimental psychologist could predict this behaviour in any pre-design 'scenario' for the crew had done no more than demonstrate a well-established psychological phenomena in human emergencies known as 'perceptual set'. In short, human interaction with modern technology has pushed solutions to such problems beyond the limits of intuition. The human is too complex. Consider! Every computer will have a blueprint: perhaps running to thousands of pages. But there is a blueprint. There is no blueprint for a human being. Take another aspect, if you design for the person of average intelligence, immediately half the population are excluded. For half the population are below average intelligence!

But though its merits may be indisputable, designing for human use is rather a vague term. It expresses a philosophy: it does not define an aim or a focal point. Ergonomics gains its special identity apart from the related disciplines of psychology, physiology and biomechanics by being explicitly concerned with the application of data on human functioning to the multifarious directed activities of men and women.

Thus it can have something to say on all our basic activities: eating, sleeping, working and recreating (in its

specific and general sense). This has, perhaps, been a factor in its failure in some quarters to gain rapid credibility. With such a range of interests it is necessary to separate the trivial from the serious and to set priorities among the serious. This has often not been done, and in the way of modern society, the trivial has sometimes received excess attention from ergonomics specialists and unwarranted exposure both scientifically and in the media.

The ECSC programme

Such was not the case with the High Authority of the European Coal and Steel Community (ECSC). It recognized clearly that the philosophy should be focused on health and safety in their industries and immediately gave effect to their consideration with a programme 'Human factors in safety' which ran from 1957-63. It dealt in the main with 'human reliability'. Until recently, ergonomics, or human factors, activities in the European Communities in the field of health and safety have been confined to the ECSC industries. During the current year there have been developments within other sectors, particularly 'high risk' industries. The key problem being raised is 'human reliability'. One can only reflect that the ECSC Committee for Safety and Health of a quarter of a century ago had an understanding of industrial safety well in advance of their time.

Following 'Human factors in safety' there was a second programme in 1967, a third in 1975 and a fourth in 1980.

In these programmes, over the last 25 years approximately 27 million ECU have been spent on ergonomics in the steel and coal industries of the Six, and then the Nine, (hopefully soon we will see Greece participating). It is not a large amount considering the size of those industries then, and even now when much plant and manpower has been shed.

The present programme has brought us into the heart of the new technology and systems based on the

microprocessor. The period 1978-83 has been a period of restructuring for the European steel industries. In parallel there has been a spectacular technological revolution. The new steel plants have reflected its potential and fortunately, the more perspicacious have taken advantage of this concurrence of events to ensure that the design of this new generation of steel production plants has the benefit of ergonomics.

The fourth ergonomics programme through its Community ergonomics action programme has committed around 2 million ECU to this particular question. For example, a considerable effort has gone into researching and applying the ergonomics contribution to health and safety in the latest designs of continuous casting plants through projects in Italy, Belgium and Germany. A visit to the latter project at Mannesmann, Duisburg would confirm not only how ergonomics can contribute to safety in new technology but how the two, hand-in-hand, ergonomics and technology, can enhance a working environment to achieve another important aim of ergonomics; the improvement of working conditions.

The microprocessor has not been without influence in the coal industry. But given the basic environmental and working conditions of this industry, the current ergonomics programme has in the main dealt with a batch of long-standing health and safety problems. Not untypical here has been the completion of the work to define the ergonomics design parameters for heavy underground mining equipment. The approach here has allowed recommendations and guidelines to be drawn up which should be applicable to the whole range of such equipment in the foreseeable future. A similar programme of work has also produced the ergonomics design parameters for an extensive range of underground personnel transport systems.

So much for the specialist contribution of ergonomics to man-at-work. But what of the focus of this activity – the human being himself. Changes in tech-

nology or environment cannot be seen in isolation. They will have personal, social and economic implications for the workforce (and as such may be potentially contentious). Effective problem definition and solution cannot be a matter simply for specialists or administrators. Apart from which, the experience of the workforce which can be brought to both defining problems and predicting the possible effects of alternative solutions has a potential value too great to be excluded.

Thus more and more, legal provisions in the Member States have allowed workers and their representatives a voice in improving health and safety. This has been mirrored in the ECSC ergonomics action programme where a structure has been created to give the fullest opportunity to participation by the workforce and to capitalize on the uniquely coherent approach with regard to health and safety which exists between the social partners in the steel and coal industries.

This structure is based on the ergonomics teams which exist in all but two of the Member States' steel and coal industries. The teams' memberships vary depending on local conditions but generally represent ergonomics, safety and engineering functions and the social partners' interests. They have become the key to achieving the aims of ergonomics action. They identify, sponsor and coordinate the work in the programme at both the national and Community level and the Commission has direct contact with them through their representatives on 'The Experts Committee for the ECSC Ergonomics Programmes'. At the end of the day, these teams reflect the workforces' views on ergonomics needs for safety and health in the ECSC.

But effective participation demands information. To this end, the Commission has put at the disposal of the ECSC industries a Community Ergonomics Action Bureau of Information and Coordination. This followed a resolution of the Consultative Committee calling for the maximum utilization of results from the ergonomics pro-

grammes. Through the Bureau and its associated experts the projects in ergonomics action programmes are appropriately coordinated at Community level during their lifetime with regard to their aims, methods, lines of investigation and progress; their results are evaluated; and synthesis and transmutations of the results are prepared appropriately for engineers, designers, manufacturers and the social partners which are then disseminated through publication or at information days.

The second programme of action on health and safety

Building very much on its 25 years experience of research and action programmes in the ECSC industries, the Commission will during the next five years develop ergonomics activities outside these industries – or at least not specific to them.

Currently it sponsors an *ad hoc* committee looking at the ergonomics contribution to the reduction of back injuries and accidents at work, which now top the league of causes for sickness absence in virtually all the member countries of the Community. The Committee will report at the end of 1984 and it is expected that their report will allow ergonomics-based guidelines, codes of practice, or even a stronger Community instrument in an attempt to reduce this form of industrial injury, particularly in lifting and handling materials.

This year will also see within the programme, the first deliberations of another *ad hoc* working group which will 'review the ergonomics requirements in new technology'. It is anticipated that among other things this will lead to an action programme geared to the needs laid out in the Commission's Memorandum 'Technological change and social adjustment' and a research programme in cognitive ergonomics, as there is clearly much still to be learned about human cognitive interaction with the computer if we are, for example, to have ergonomically acceptable software. In this latter aspect a Community

programme would contribute to a pan-European COST action.

European cooperation in the field of scientific and technical research (COST)

The Commission also sponsors the secretariat for a COST action on 'New systems of socio-technology and industrial safety'. Proposed by Finland this COST action involves seven nations along with the Commission and the research expenditure is expected to be 15 million ECU from 1984 to 1989. This programme has as its 'raison d'être' the recognition that in new high technology industries, such as petro-chemical, glass making, offshore oil drilling, conventional and nuclear power generation and the like, the safety of plant personnel and the community at large is constantly open to the risk of 'human error'.

Human error which may occur in the design, construction, operation or

maintenance of the system or its auxiliary operations. The action is a collaborative research effort which will lead to a better understanding of the risk and reduction of the predisposition to human error, which might be created for an operator using his normal abilities to conceptualize a real physical situation, from a remote position based on numerical, symbolic or pictorial displays. Abilities which themselves are subject to variation as information load, operating period, physical environment and job organization vary: in summary as the level of 'stress' for the operator varies.

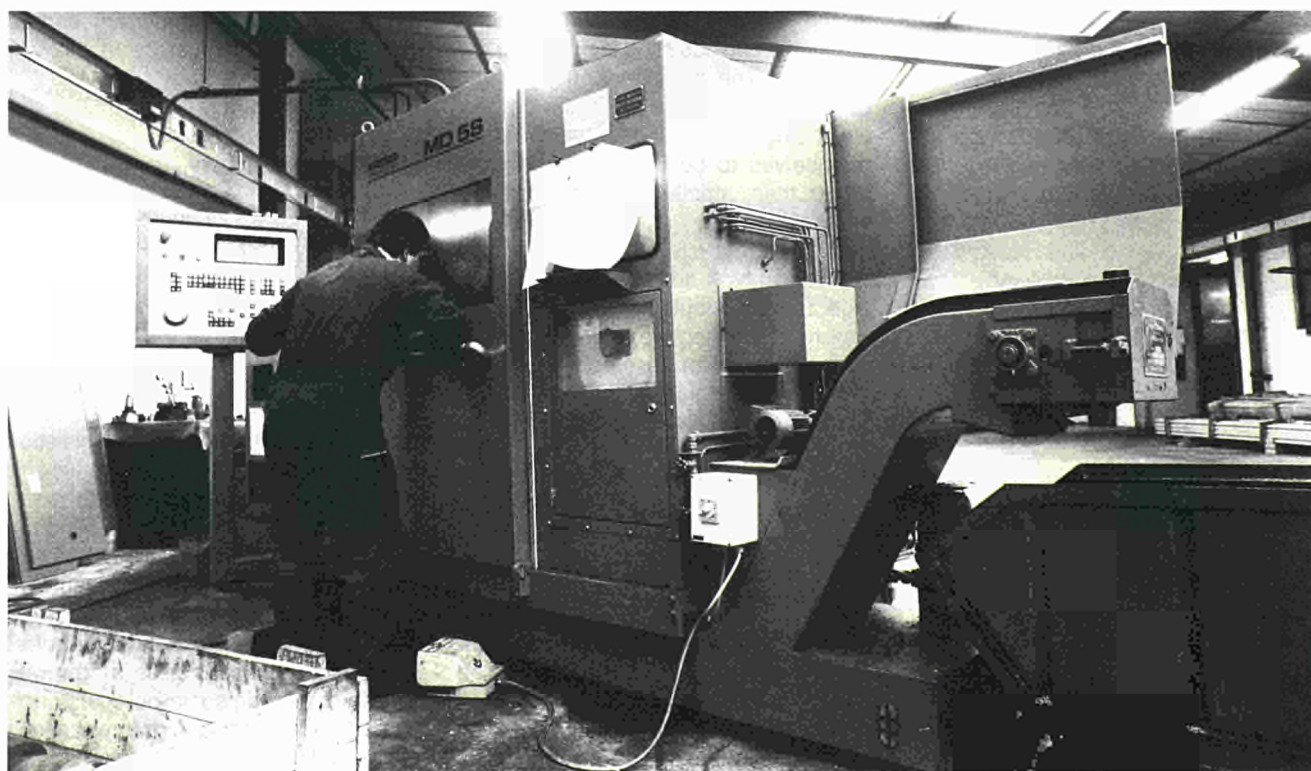
The European Foundation for the Improvement of Living and Working Conditions (Dublin Foundation)

The question of 'stress' in our modern technological society has been the subject of study in the programme of the European Foundation in Dublin.

Following a general review of the question further studies are under way, or are planned, with special reference to health care services and postal services. These will complement other studies being carried out by the Foundation on 'the technological revolution in the office' and the impact of technological development in, for example, banking and insurance, supermarkets and the public service.

The European programme for research and development in informative technologies

On a much larger scale the Commission's R & D programme on information technology (Esprit) has recognized the need for human factors, or ergonomics, in its subprogramme 'Office systems'. To quote its work programme 'It is evident that the incorporation of human factors, especially into a technology-oriented programme is an essential prerequisite for effective use



'Ergonomics research is intended to lead to a better understanding of the risk and reduction of the predisposition to human error'.

Photo: Paul Versele - Copyright 'Photo News', Brussels

and a broad acceptance of the envisaged systems and thus for their final economic success. The research programme therefore includes specific research projects on human factors related to the office environment and this leads to programmes for cognitive aspects together with work structuring qualification and training'.

Ergonomics in the 1980s

Against an economic recession that has reduced job opportunities in western Europe to a level unknown for some 50 years and in the perspective of a prognosis that the situation is unlikely to improve until near the end of the decade, it must at first sight seem surprising to propose that a movement such as ergonomics will show much development, or indeed survive, as a significant factor in our industrial systems during the next decade. Its contribution to productivity and economic recovery are not at first sight obvious and as such its activities must rank high for extinction when the moments of economic truth arrive.

Yet, reviewing the developments of the 1970s, it is clear that ergonomics has entered the socio-political-industrial scene to an extent that there is little risk in predicting that, despite all the contrary portent, ergonomics considerations will be important in our industrial recovery during the next decade and, far from sinking into oblivion, it will show growth. This growth will be stimulated by several factors, each inter-related with the other, for example:

- (i) the demand for a better quality of working life;
- (ii) the demand for increased health and safety;
- (iii) the need to create wealth in conditions of reduced possibilities for profit from production.

The quality of working life

The demand for a better quality of working life inevitably gained momentum throughout the 1970s as the workforce became more sophisticated

through higher standards of living and the values put over by the media. Even in a hard economic climate, the fact has to be faced that often workers will refuse to work in surroundings inadequate either environmentally or socially.

There is no indication that this movement will lose any of its momentum during the next decade. In a number of countries it is part of the established administration. In France there is an *Agence Nationale pour l'Amélioration des Conditions de Travail*. In the Federal German Republic the Ministry of Labour and Social Affairs created in 1971 the *Bundesanstalt für Arbeitsschutz und Unfallforschung* to organize and coordinate research aimed at the 'humanization of working conditions'. The UK has its Work Research Unit. Holland and Belgium both maintain a section of a government department on the subject.

In all these activities ergonomics philosophy, principles and data play a significant role: its role being essentially in the analysis of the human factor questions and assisting in providing the answers. The questions themselves cover a wide range of socio-physiological questions which show themselves to be 'nuisances' at work rather than, strictly speaking, hazards to health and safety: for example, the additional physiological load created by working in high ambient temperatures. Robotization should have improved the quality of working life, removing many of the hazards of assembly-line work. Paradoxically it seems that for the few humans, who remain to work with the robots, job satisfaction, which one would believe reflects quality of working life, has shown little improvement: thus here the emphasis of dissatisfaction has shifted from environmental to psychological factors.

But more generally the new technologies which are being introduced into our industries and the white-collar commercial sector are apparently proving a threat to the quality of working life, possibly from outdated management practices rather than intrinsic deficiencies

in the technology. Throughout the decade as each new stage of the technologies is introduced there will be a need for the application of ergonomics – perhaps as much to allow the management and the workforce to adapt to the new technology as much as adapting the workplace to the worker.

The general evidence, then, is that there is an important role for ergonomics in determining the quality of working life in our society. For the first half of this century, medicine was the greatest contributor to the quality of our life. In the second half the greatest influence will be the new technology. Whether the influence will enhance or diminish the quality of life is far from clear. The new technology will entail its own problems for society. It is predictable in the nature of industrial innovation. Nevertheless, this same new technology gives possibilities for enhancing the quality of our life, for the humanization of work, which would not have been thought possible 10 years ago. It is important that these possibilities are realized. In this realization ergonomics has an important part to play. Ergonomics must be in the van with the new technology.

Health and safety

Many 'nuisances' in industry are so severe that they become hazards to health and safety. Our society has recently become more conscious of these risks and necessary action has begun to identify and eliminate them. A number of programmes have committed much effort to research on these hazards and various acts of legislation have provided the necessary muscle to control or eliminate exposure to them. The Dutch Law of 1971, The Federal German Law of 1972, the UK Act of 1974, various labour laws in Denmark are all aimed at making work safe and with no risk to health. The early cry of 'our health is not for sale' is now well established in the socio-political principles of the workforce; in many cases in a formal and hard-hitting way. The Federal German law, for example, allows the workers safety council to examine

and veto all proposed investments in capital equipment and systems with regard to health and safety (including ergonomics) aspects.

A number of the health and safety risks in our industries pre-date the industrial revolution. It is remarkable that more working days are lost through illness related to lumbar disorders than any other cause, and lifting and handling of materials still causes the greatest number of accidents in industry. The hazards are all associated with the simple use of the human frame and biomechanical systems. The problem is long-standing but an analysis of research and action programmes shows that the immediate future will see a concerted attack on it. In the European Coal and Steel Community ergonomics programmes, priority has been given to the problem and noteworthy advances have been made, particularly in predicting which tasks will induce lumbar disorder and the design of tasks and equipment to obviate the risk of lumbar strain and accident.

If lifting and handling represents one end of the time space of our safety and health problems, again, the new technology represents the other extreme.

Modern technology is fast changing our industries into what are generally called 'process industries' characterized by control rooms where the controlling operators information comes to him directly through displays, computer print-outs and the like, while his own output is through control equipment, often simple in itself, but producing complex effects. Even an industry as traditionally manual, such as coalmining, is now sufficiently automated to be recognizable as having 'process control' as an integral part of its production activities.

This switch in emphasis has created a new set of problems – problems of a different kind – for those concerned with safety in industry and indeed, by the nature of these new processes, for those concerned with safety in our general environment of the population at large. For example in the design of

software. Software is the means of communication between the operator and the computer. It is the input and output of the computer.

A safe system will only be one where the reliability of the operator's action is assured by designing to the operational parameters of human inputs and outputs – that is the operational parameters of human perceptual processes, problem solving, risk-taking and psychomotor performance.

Fortunately major accidents in these industries are rare. A safety incident in process control usually begins with the detection of an unexpected event. Unexpected events, when detected, cause a flurry of activity and give the impression that insufficient foresight has been exercised or that a mistake has been made unwittingly. 'Mistakes', 'insufficient foresight' – both expressions of 'operator error'. However, look at one instance of this 'operator error' as an example.

Following the Three Mile Island nuclear incident in the USA in 1979, a California state report on the incident shows that the 'operator error' given as a contributory cause was predictable on the basis of design deficiencies. These

design deficiencies were not peculiar to this one plant. The report cites a host of industry and government studies all focusing on bad control-room design as potential obstacles to preventing accidents.

This is only one example where critical-incident analysis has shown that if accidents in process control cannot be eliminated there is one area, at least, where safety intervention can reduce the risk by ensuring control-room design is compatible with human information processing and control action capabilities. In other words by the application of ergonomics (or human factors) principles to design for safety. Ergonomics specialists are well informed as to the optimum design of displays for visual discriminability and the design of controls compatible with human operators' biomechanical and psychological characteristics. Design engineers and safety specialists can readily appraise themselves of this data from the many handbooks available. Thus the basic tools are available for an ergonomics intervention and there is no doubt that they will be increasingly used in the coming years.

Being precise about the health hazards is a little more difficult. There



The introduction of new technologies opens a new field to ergonomics.

Photo: Yves Smets - Copyright 'Photo News', Brussels

have been many fantasies with the introduction of new technology – particularly in offices which have drawn 'red herrings' across the potentially real problems. But it is safe to say there is a risk of what has been termed in France 'Le Guillant syndrome'. Tasks which demand predominantly perceptual and cognitive skill – no matter how small – over a prolonged period seem to give a disposition towards psychosomatic and neurotic illnesses such as headaches, visual problems, backaches and the like. In the absence of a clearer understanding, it is very important that established ergonomics information is applied to such features as illumination brightness and contrast, noise levels and temperature control and the physical dimension of the workplace.

Profitable production

With economic crisis almost endemic to our society, the problems of creating wealth under worsening economic circumstances are growing. This has concentrated the minds of government and industry on possible factors which might contribute to a solution of the more immediate problems. Some of the enthusiasm in industry and government for the humanization of work programme is no doubt

rooted in the acceptance that improved working conditions and productivity are not in conflict. That, indeed, wealth is more likely to be produced in human conditions. There is a growing realization that human factors could contribute to increased productivity and that with a workforce continuing to expect earnings increases, at a basic minimum, human factors could assist in creating the increased productivity to meet the financial demands of the workforce.

More adventurous spirits are looking even further to the possible economic benefits of explicit ergonomics considerations in their operations and they do so with justification. Improvements in working conditions can pay for themselves. A properly drawn balance sheet will show that plant designed to human factors criteria will show financial returns which not only recover the cost of incorporating these new parameters in the design but which make a substantial contribution to the financial viability of the plant. The benefits are not marginal or transitory. There is an aluminium smelting plant in south-west England which, some years ago, was designed to meet explicit human factors criteria. As a result it achieved levels of quality of output and technological excellence over and above its initial design parameters. Many years later it is maintaining this

performance. The evidence is that this is an approach which will be emulated in the coming years.

In conclusion, then, the evidence is that, given a reasonable degree of fulfilment of these necessary conditions, the application of ergonomics will be a growth area in industry in western Europe in the next few years and will emerge at the end of the decade well equipped to make its contribution to the relevant industrial questions which will be posed as we move towards the end of the century.

Yet, ergonomics has one big difficulty – its claim to specialist knowledge of its data. The chemist can talk of a pH-factor, valencies and the like, the physicist of neutrons, fields of force, flux, etc... The layman will not question him. The ergonomics specialist has no such protection. His data, human performance, is readily accessible to everyone and everyone has an opinion about them. But would the lay 'expert' really understand why, after 500 kilometers of impeccable driving through fog and ice for some 10 hours, a driver and his mate, 10 minutes after their train broke out into brilliant sunshine, passed two double red warning lights before the train crashed into stationary coaches?

John G. Fox

Radiation protection in connection with medical examinations or treatment

Many participants in the – often heated – debate on the peaceful uses of nuclear energy overlook or underestimate the value of ionizing radiation and radioactive substances in the detection and treatment of disease. Their effectiveness has been frequently demonstrated: in many cases examination with X-rays and radioactive substances is the most effective method of detecting pathological changes at an early stage.

The objectives of examinations using X-rays and radioactive substances are:

- (i) in the case of persons with clinically recognized symptoms, to determine the nature, extent and seriousness of the pathological findings, in order to ensure the provision of timely and effective treatment;
- (ii) in the case of persons without symptoms, to detect incipient diseases at an early stage and thus to provide treatment at a time when it is more likely to be successful than if the illness had reached an advanced stage.
- (iii) in the case of persons who are exposed to particularly great risks or who belong to a high-risk group, to detect abnormalities at an early stage; in particular when they may point to serious illnesses.

Thus, such examinations are resorted to for purposes of treatment, for the early detection of pathological changes, and for the provision of preventive medical care in the case of high-risk persons or population groups.

Experience in recent decades has shown that the optimum manner of treating certain diseases – in particular malignant tumours – involves the use of ionizing radiation or radioactive substances.

The manifold medical applications of ionizing radiation and radioactive substances therefore have a recognized place in health care, which cannot be dispensed without detriment to the individual and the population as a whole.

On the other hand, care must be taken to ensure that the great advances



The acta scanner: a revolutionary method to x-ray the whole body. The view which appears on the screen shows a section at the renal level.
Photo: Daniel Simon – Agence Gamma, Paris

which have been made in medicine with the aid of ionizing radiation and radioactive substances are not jeopardized by superfluous exposures which are not justified on medical grounds.

In this respect, it should be pointed out that the measures which have been introduced and implemented at national and international level with a view to combating radiation hazards have been successful in keeping the contribution of occupationally-induced exposure to the genetically significant exposure of man at an extremely low level; for example, in the Federal Republic of Germany the contribution is lower than 1 mrem per year. As compared with the extremely low doses incurred by persons who are occupationally exposed to radiation, relative to total exposure, the contribution of ionizing radiation and radioactive substances in medicine to the genetically significant exposure of man is approximately 50 mrem per year; this comparatively high dose is mainly attributable to radio diagnosis and is typically encountered in industrialized countries. In comparison, the contribution of radio therapy and nuclear medicine to the genetically significant exposure of the population is extremely low, being approximately 1 mrem per year in each case.¹

If one ignores natural background radiation, to which man has always been exposed, one cannot but conclude that medical exposure to radiation is by far the greatest source of artificially induced exposure. Accordingly, one must ask whether this is inevitable and, if not, what opportunities exist to reduce exposure, without interfering with the justified application of ionizing radiation and radioactive substances in medicine under optimum radiation protection conditions.

Thus a comprehensive and responsible radiation protection policy must devote particular attention to the problem of the radiation dose to the population resulting from medical procedures. Historically, the idea of radiation protection has its roots in the medical sector, partly because in the practical application of ionizing radiation medical radiology was initially in the foreground.

In recent decades a number of international organizations have investigated the problem of radiation protection in connection with the application

¹ Report by the Federal Government to the German Bundestag on environmental radioactivity and exposure to radiation in 1980.

of ionizing radiation and radioactive substances in medicine and have proposed measures to combat abuses: foremost is the International Commission on Radiological Protection (ICRP), founded in 1982 – an organization of scientists specialized mainly in the fields of medical radiology, radiation protection, physics, biology, genetics, biochemistry and biophysics. Since its foundation this body has issued opinions on all relevant aspects of radiation protection and has published many scientific publications which have attracted worldwide attention. In this respect, the ICRP has always reiterated that its policy 'is to consider the fundamental principles upon which appropriate radiation protection measures can be based. Because of the differing conditions that apply in various countries, detailed guidance on the application of its recommendations, either in regulations or in codes of practice, should be elaborated by the various international and national bodies that are familiar with what is best for their needs. The Commission recognizes that the individual experts responsible for putting radiation protection into practice need guidance that is sufficiently flexible to allow for national, regional or other variations. For this reason, the Commission's recommendations are intended to provide an appropriate degree of flexibility. Because of this, the form in which the recommendations are worded will not necessarily be suitable, and may often be inappropriate, for direct assimilation into regulations or codes of practice'.¹

As regards the problem of medical exposures to radiation, the United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR), which was founded in 1955 on the occasion of the Tenth General Assembly of the United Nations, has stressed that 'they contribute the highest man-made *per caput* doses in the population, are given with high instantaneous dose rates and cause the highest individual organ doses short of accidental exposures. From the radiation protection point of view, they also offer the largest scope for implementing

methods of dose reduction without loss of the information required. They differ from many other types of exposure in that they usually involve irradiation of limited regions of the body. They also differ in that the individuals who are irradiated are those who may expect to benefit directly from the particular treatment or examination'.²

In particular, the World Health Organization has issued recommendations on X-ray examinations, on quality control in radiodiagnosis and nuclear medicine and on optimization of radiotherapy.

These recommendations are directed both to general practitioners and specialist physicians as indications of circumstances in which X-ray examinations or examinations with radioactive substances are of medical benefit. In each case the main criterion is that X-ray examinations are generally justified only when a thorough examination of the patient provides indications of a disease which may be detected with the aid of X-rays or when there is epidemiological evidence suggesting that a disease which can be detected with the aid of X-ray examinations is particularly prevalent in a specific region or population group.

What is the Commission's position on this issue? Firstly, it should be pointed out that in the Member States of the European Community the health protection of the general public and workers against the dangers of ionizing radiation is regulated, pursuant to Articles 2b and 30 of the Euratom Treaty, on the basis of the Council Directive laying down the basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation; this Directive was issued by the Council of Ministers on 2 February 1959 and since then has been amended on several occasions – most recently on 15 July 1980 – in the light of scientific and technical progress.³

In accordance with Article 31 (Euratom), the basic safety standards were worked out by the Commission

after obtaining the opinion of a group of persons appointed by the Scientific and Technical Committee referred to in Article 124 (Euratom) from among scientific experts, and in particular public health experts; the standards were drawn up in the light of the scientific recommendations of the International Commission on Radiological Protection (ICRP); however, the experience of the Member States in the field of radiation protection and the legal effects of Community instruments were also taken into consideration.

The 1959 version of the Directive also covered radiation protection of physicians and paramedical personnel in the context of occupational safety; the Directive, however, did not contain explicit provisions on the protection of the general public against the possible dangers of medical uses of ionizing radiation.

The radiation protection of the general public in the context of the medical uses of ionizing radiation was first mentioned specifically in the amended Directive which was approved by the Council on 1 June 1976 and which also takes into consideration ICRP Recommendations 7, 9, 13 and 22.

One of the provisions of the amended Directive is that Member States must ensure that the contributions to the genetic dose as a result of medical examinations and treatment are kept to a minimum corresponding to the medical requirements. This closed a substantial gap in the radiation protection system of the European Community, albeit in a very general form. This first step towards a Community ruling in the field of radiation protection in medicine was made more concrete in the amended Directive of 15 July 1980.

¹ *Recommendations of the International Commission on Radiological Protection*, Publication 26, Pergamon Press, 1978.

² *Sources and Effects of Ionizing Radiation*, UNSCEAR 1977 Report of the General Assembly, United Nations, New York 1977, p. 301 ff.

³ OJ 11, 20. 2. 1959; OJ L 246, 17. 9. 1980.

This Directive, which was drawn up in the light of ICRP Recommendation No 26, expressly stipulates that the radiation protection principles of justification and optimization also apply to medical exposure, i.e.

- (a) every activity resulting in an exposure to ionizing radiation shall be justified by the advantages which it produces;
- (b) all exposures shall be kept as low as reasonably achievable.

In addition, on 18 December 1980 the Commission submitted to the Council a proposal for a Directive laying down basic measures for the radiation protection of persons undergoing medical examinations or treatment, in which the abovesaid general provisions in the basic safety standards Directive were to be developed and specified in line with practical requirements.¹

This proposal for a Directive, which was received favourably both by the European Parliament in its Resolution of 13 May 1982² and the Economic and Social Committee in its opinion of 2 July 1980³ should make it possible to improve the radiation protection of patients and the general public, without detracting from the benefits accruing to individuals from the use of ionizing radiation in diagnosis, early detection and therapy. On the contrary, it can be assumed that measures to prevent inappropriate or excessive radiation exposure should improve the quality and effectiveness of medical uses of radiation.

Besides – and this is very important in view of the continuously rising public health budget in all EC Member States – measures of this kind can also help to cut the costs incurred by the social security institutions.

This proposal for a Directive, which following very detailed and exhaustive discussions within the Council, was finally adopted on 3 September 1984⁴ focuses on a number of key issues, namely:

- 1. Medical practitioners and their assistants should be increasingly

motivated to consider the problems of radiation protection and radiation protection training, so that the radiation protection principles of justification and optimization can be applied successfully in medical practice; accordingly, Article 2 of the Directive calls on the Member States to 'take all appropriate measures to ensure that any ionizing radiation used in medical procedures is effected under the responsibility of doctors or dental practitioners or other practitioners who are entitled to perform such medical procedures in accordance with the national legislation and who, during their training, have acquired competence in radiation protection and received adequate training appropriate to the techniques used in medical and dental diagnostic radiology, in radiotherapy or in nuclear medicine'. In this connection, it should be noted that K. Z. Morgan, one of the pioneers in the field of radiation protection, pointed out as far back as in the 1960s that the average radiation dose to the population resulting from medical procedures could be considerably reduced simply by improving the radiation protection training of doctors and paramedical personnel.⁵

- 2. Pursuant to Article 3 of the Directive, the competent authorities 'shall draw up an inventory of medical and dental radiological equipment and nuclear medical installations and shall establish criteria of acceptability for radiological installations and nuclear medical installations'. Installations which do not satisfy these criteria must be taken out of service or replaced as soon as possible.

In addition, all installations must be kept under strict surveillance with regard to radiological protection and the quality control of appliances.

- 3. Moreover the Member States must take appropriate steps to discourage the unnecessary proliferation of equipment for radiotherapy, nuclear medicine and radiodiagnosis (Article 4).

A number of practical recommendations are attached to the Directive, containing explanatory comments on some of the provisions in the Directive, along with concrete radiation protection requirements.

- 1. Individual or collective preventive radiological examinations, including nuclear medicine examinations, are to be carried out only if they are medically and epidemiologically justified (e.g. in the event of an increased incidence of infectious diseases, such as lung tuberculosis, in particular population groups, or in cases of high risk to the population caused by undetected diseases, or early diagnosis of particular types of cancer).
- 2. Measures should be adopted to avoid repeated radiological examinations wherever possible, and to ensure that radiological and nuclear medical information and/or records can be forwarded to the responsible practitioner. One object of this recommendation is to reduce the number of radiological examinations which are carried out for medico-legal reasons or for insurance purposes.
- 3. Finally, it is recommended that encouragement be given to alternative techniques (e.g. ultrasound) which are at least as effective as ionizing radiation from a diagnostic or therapeutic point of view, while being less hazardous to health.

The incorporation of this Directive into the laws and administrative provisions of the Member States, which must be ensured by 1 January 1986, will constitute an important contribution to the qualitative improvement of radiation protection in the EC Member States.

Hans Eriskat

¹ OJ C 350, 31. 12. 1980.

² OJ C 149, 14. 6. 1982.

³ OJ C 230, 8. 9. 1980.

⁴ OJ L 265, 5. 10. 1984.

⁵ K. Z. Morgan, *Ionizing Radiation, Benefits versus Risk*, in: *Health Physics*, 1969, Vol. 17 page 542.

Transfrontier aspects of radioactive effluents; the application of Article 37 of the Euratom Treaty

Introduction

Article 37 of the Treaty establishing the European Atomic Energy Community (Euratom) imposes the following obligations upon Member States as regards the discharge of radioactive effluents and waste from nuclear installations:

'Each Member State shall provide the Commission with such general data relating to any plan for the disposal of radioactive waste in whatever form as will make it possible to determine whether the implementation of such plan is liable to result in the radioactive contamination of the water, soil or air-space of another Member State.'

'The Commission shall deliver its opinion within six months, after consulting the group of experts referred to in Article 31.'

In the 23 years during which this article has been applied, the Commission has issued opinions relating to some 150 nuclear installations. The procedure followed in formulating such opinions and the focal points of the examination of a disposal plan are reviewed below.

Further details are given in a report from the Commission 'Application of Article 37 of the Euratom Treaty, Survey of Activities, Experience gained, 1959-1981', Com(82) 455, 1982.'

Article 37 procedure

In 1960 the Euratom Commission published a recommendation,² addressed to all Member States, on the application of Article 37. The recommendation specified:

- (i) which installations were to be regarded as giving rise to releases of radioactive waste, for the purpose of the article;
- (ii) the 'general data' to be communicated;
- (iii) submission of the general data at least six months before discharges of radioactive waste commence.

A group of experts, which the Commission consults to formulate its opinion, is composed of some 30 persons from the 10 Member States of various scientific disciplines, viz., nuclear safety, radiation protection, public health, meteorology, hydrology, etc.

The successive stages of the Article 37 procedure are:

- (i) Submission by the Member State to the Commission of the 'general data' on the planned nuclear installation.
- (ii) Verification by Commission staff and two members of the group of experts that the data received are sufficiently comprehensive; if necessary, additional information from the Member State responsible is requested.
- (iii) Analysis by Commission staff of the possible radiological impact of the radioactive discharges, planned or accidental, on other Member States. The resulting text serves as a working document for the group of experts consulted in accordance with Article 37, with the 'general data' serving as a reference document.
- (iv) Meeting of the group of experts and drafting of a report to the Commission; to ensure that any outstanding technical questions can be answered, this meeting is also attended by representatives of the government of the Member State submitting the project.
- (v) On the basis of this report, drafting and approval by the Commission of an opinion as required by the Treaty.
- (vi) Communication of the Commission's opinion to the government of the Member State which submitted the project and to neighbouring Member States as appropriate.

The entire procedure must be completed within six months following receipt of the 'general data'.

Essential features covered in the experts' report

In addition to a brief description of the installation and the monitoring and safety provisions, the experts' report contains an analysis of any possible radiological consequences for other Member States of:

- (i) discharges of gaseous and liquid radioactive effluents and of solid radioactive wastes during normal operation;
- (ii) unplanned releases which may occur in the event of an accident.

Where appropriate the conclusions are supplemented by recommendations concerning modifications to the plan or additional actions to be undertaken by the Member State responsible.

(a) Normal discharges

Normal or routine discharges of radioactive effluents from nuclear installations are seldom of concern to a neighbouring country, since national provisions for the area surrounding the site are usually so stringent that it is barely credible that any significant amount of activity would reach the border.

There are, however, special cases in which routine discharges call for attention under the terms of Article 37. This is so when several nuclear installations in one or more countries discharge liquid radioactive effluent into the same river or river basin and thus could create a cumulative radiological hazard to countries downstream. Examples of international European rivers receiving radioactive effluents from several countries are the Rhine and the Meuse.

At present nuclear power stations with a total capacity of 18.5 GW(e) are

¹ Document available from the Office for Official Publications. L 2985 Luxembourg.

² OJ 81, 21. 12. 1960, pp. 1893/96.

³ A. Bayer, *The Radiological Exposure of the Population in the Rhine-Meuse Region*, CEC report V/2475/81, 1982.



Photo: Yves Smets · Copyright 'Photo News', Brussels

operating or under construction in the Rhine-Meuse basin; by 1990 this will increase to 36 GW(e).³ On the Meuse alone, a river which provides drinking water for several million people in Belgium and Holland, the total capacity of the nuclear stations in operation, in construction or planned is 9 GW(e). Special attention is, therefore, given to discharges into these rivers.

Gaseous discharges under normal operating conditions, in effect, need only be closely examined under the terms of Article 37 in the case of installations sited so close to a frontier that environmental monitoring necessitates collaboration with the competent authorities in the neighbouring country or in cases where the proximity of several nuclear installations close to a

frontier (possibly on opposite sides of the border) means that the cumulative effects of their respective discharges need to be considered.

To date the minimum distance from the frontier of a neighbouring country of any site investigated under Article 37 is 1500 m in the case of Fessenheim nuclear power station (2 units) in France. In a number of other cases such as the Doel plant (4 units) in Belgium and the Chooz plant in France, the frontier is within a few kilometres of the site.

(b) Unplanned releases

Great care is taken in the design, construction and operation of nuclear installations to prevent accidents and, when they happen, to limit their conse-

quences; the more severe the potential consequences of a failure the greater the effort to safeguard against it. Thus the probability of a severe accident such as could give rise to significant contamination at appreciable distances is extremely low. Nevertheless, the possible consequences of such hypothetical accidents are considered in the examination of the 'general data' carried out under the terms of Article 37.

Official safety reports for nuclear installations usually include analyses of a range of such accidents. Of these, the accidents involving the most serious consequences for the environment are of particular interest, since their consequences are usually decisive in formulating the Commission's opinion.

The experts assess the possible direct consequences in a neighbouring Member State, particularly in the latter's frontier region; the potential consequences close to the site of the release are also examined from the point of view of possible food exports being contaminated.

It is this part of the experts' report that demands the closest cooperation between the various disciplines represented within the group, not only in order to judge whether the accident hypotheses seem acceptable but also in order to decide whether the calculations of environmental impact as submitted by the Member State are sound.

(c) Dose assessment

In the experts' reports the radiological impact of both routine and accidental releases is assessed in terms of individual doses to members of critical groups in the neighbouring countries.

The magnitudes of these doses in relation to

- (i) individual dose limits or reference levels and, within these limits or levels, to
- (ii) what the experts consider as reasonably achievable, on the basis of their experience of other nuclear installations of the same type

constitute the bases of their conclusions and recommendations.

(d) Conclusions and recommendations of the experts

Finally the experts present their conclusions on the possible radiological impact of the disposal of gaseous effluents, liquid effluents and solid waste on other Member States.

In addition they frequently present recommendations to the Member State communicating the project; these recommendations may cover items such as transfrontier collaboration in emergency planning and in environmental monitoring; occasionally it has been thought necessary to recommend lowering the proposed discharge limits.

Nuclear installations submitted to the Commission

As of 31 December 1982, the Commission had received submissions in respect of 95 plans for the disposal of radioactive waste, relating in all to 150 nuclear units, and had delivered opinions accordingly. Some of these notifi-

cations were particularly complex, as in the case of research centres, for which a single waste disposal plan related to a whole series of laboratories or other nuclear installations.

The breakdown of submission by Member State is given in the following table.

Nuclear installations submitted to the Commission under the terms of Article 37

Member State	Number of notifications	Number of installations concerned
Belgium	16	28
Denmark ¹	—	—
FR of Germany	36	48
France	22	43
Greece ¹	—	—
Ireland ¹	—	—
Italy	7	12
Luxembourg	1	1
Netherlands	5	5
United Kingdom ¹	8	13
Total	95	150

¹ These countries only joined the Community in 1972, except for Greece (1981). In the case of the UK this is reflected in the relatively low number of submissions.

These submissions have covered a wide range of projects, namely:

- (i) teaching and research reactors,
- (ii) radiochemical and metallurgical laboratories,
- (iii) power reactors of various types,
- (iv) enrichment plants,
- (v) fuel element fabrication plants,
- (vi) installations for the storage of irradiated fuel,
- (vii) fuel reprocessing plants,
- (viii) the nuclear-powered ship 'Otto Hahn',
- (ix) handling and storage facilities for radioactive wastes,
- (x) controlled sea-dumping of radioactive waste.

In some cases, when major modifications have been made to the capacity or to the plant process, several opinions have been delivered with respect to a single installation.

Transfrontier emergency planning

The geography of the European continent, particularly as regards the situation of the major rivers, is such that a whole series of nuclear power plants, often comprising several units, have been constructed or are planned in close proximity to national frontiers.

In the event of a serious accident in such an installation, resulting in the release of radioactive material to the environment, close contacts between the authorities on both sides of the frontier would be crucial to the effectiveness of control and intervention measures in the neighbouring country.

The experience with Article 37 submissions, however, has sometimes shown that, at the time of submission of a project to the Commission, i.e. six months before start-up, such contacts had not yet been established. In several opinions issued under the terms of Article 37, the Commission has there-



'What if a major accident occurred in such a plant . . . ?'

Photo: Gilbert Uzan – Agence Gamma, Paris

fore recommended that priority be given to establish contacts with the competent authorities in the neighbouring countries with a view to minimizing the constraints imposed by national frontiers in respect of:

- (i) the activation of a rapid transfrontier alarm system;
- (ii) the transmission of urgent information on the development of an accident situation, on the observed consequences of the accident in the surrounding areas and on possible intervention measures.

Technical cooperation

From time to time, in examining submissions under the terms of Article 37, generic problems of a radiological or technical nature for which each Member State had developed its own approach have been identified by the group of experts. These approaches were often so different that a comparison of the results obtained became extremely difficult and a consistent judgement impossible. Over the years, therefore, a wide-ranging programme of cooperation has been developed aimed at harmonizing the approaches used, particularly as regards:

- (i) methodology for assessing the radiological consequences of radioactive effluents from nuclear installations (routine and accidental discharges);
- (ii) methods of filter testing;
- (iii) criteria and reference levels of dose for planning intervention measures in the event of accidental releases of radioactive material;
- (iv) mesoscale atmospheric diffusion modelling.

The Commission also periodically reviews¹ the radioactive discharges from the more significant nuclear installations which allows a check on how far disposal plans submitted within Article 37 are being respected. In addition the review allows observation of what is being already achieved in reducing discharges with new designs and hence the evolution of what can be achieved using the latest technical developments.

Revision of the recommendation concerning the application of Article 37

With regard to the Article 37 procedure *per se*, it should be noted that, whereas in the beginning there were

frequent delays in the communication of and major gaps in the general data, such problems are now fairly rare; moreover, where gaps in the data do occur, they are in general quickly rectified.

Also, as a result of the technical cooperation mentioned previously, a greater uniformity in the presentation of the communications submitted by the various Member States and of the approach to assessing discharges and their consequences has been realized.

In spite of this generally encouraging experience in respect of the 1960 recommendation, the Commission nevertheless recently decided to review it in order to bring it into line with current needs, as discussed below. The revised recommendation was adopted by the Commission on 3 February 1982.²

This revision of the 1960 recommendation seeks to profit from the considerable experience gained in the application of Article 37 and to take into account developments in nuclear technology and in radiological protection philosophy over the past two decades.

Apart from an updated list of the types of information to be included in the 'general data' for each category, the most significant change was that for the most important categories of nuclear installations, i.e. nuclear power plants and nuclear fuel reprocessing plants, a preliminary submission to the Commission is now requested before the construction permit is issued.

Conclusion

Article 37 of the Euratom Treaty provides only for an opinion of the Commission on Member States' plans for disposing of radioactive waste. Such an opinion is not legally binding and does not, therefore, impose any legal obligation on Member States. In

¹ F. Luykx, G. Fraser, *Radioactive Effluents from Nuclear Power Stations and Nuclear Fuel Reprocessing Plants in the European Community, Discharge Data 1976–1980*, CEC report VI/3267/83, 1983.

² OJ L 83, 29. 3. 1982, p. 15.

reality, however, the governments of Member States usually take due account of the opinions and the recommendations they contain.

Moreover, the examination of the submissions communicated under the terms of Article 37 provides an excellent opportunity for identifying general problem areas in the field of effluent discharges and environmental radiological protection having implications

reaching far beyond Article 37. These may be problems either in the sense of unresolved questions or in the sense of possibly widely divergent solutions in the Member States to a given problem.

The Commission is thereby enabled to seek the technical cooperation of the various Member States in responding to the need to investigate outstanding problems and this in turn allows uniform solutions to be adopted. Furth-

er, the exchanges of information and opinions at the experts' meetings, in themselves invaluable to the Commission in formulating its opinion as required by Article 37, allow feedback to the Member States and thus encourages the harmonization process. To complete the circle, such harmonization aids the subsequent application of Article 37.

Felix Luykx

Part Two

Analyses, debates, studies

'Investment policy and employment in the Federal Republic of Germany, France, Italy and the United Kingdom'

Summary of a report prepared by

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This report was produced by a group of experts from the Federal Republic of Germany, France, Italy and the United Kingdom. The experts were asked by the Commission of the European Communities to investigate investment policies for these economies aimed at stimulating growth and employment.

The starting point for the work was the recognition that investment has fallen too low in the four economies. It was noted that the decline of overall investment was not only due to the pattern of private investment; given tight financial constraints to the public budgets, public investment had also fallen sharply from the desired level. In recent years and in line with initiatives of the European Commission there has been, however, a growing understanding that such reductions in investment have serious effects on future growth and employment. The need for higher levels of both private and public investment is now more widely accepted in all four countries. There is a growing demand for policies to stimulate private investment and to increase public investment with particular emphasis on a shift in public budgets towards more capital expenditures instead of current expenditure.

A policy mix which stimulates both the supply side and the demand side should be the basis for any future recovery of the European economy. There is a need to concentrate on the improvement of private investment via appropriate forms of government action as well as an increase of public investment by restructuring public budgets.

Policies aimed at increasing private and public investment in specific sectors of the economy have to make clear what economic and social needs they intend to meet. The experts took a pragmatic approach, analysing possible future growth points in the four countries and the corresponding investment programmes required to put them into effect. Special attention was paid to the growth impulses and the employment impacts of the different investment programmes which are proposed. The re-

port begins with a comparative overview of the issues involved prepared jointly by all the group. This is followed by the country reports which were prepared by the individual experts. The country reports analyse the problem of growth points for each country and give concrete examples of specific sectors and investment programmes which satisfy an identified need with a significant impact on employment.

The report clearly shows that there exist comparable and common areas for future growth in all of the four economies which require appropriate forms of government action to stimulate investment. In evaluating selective investment programmes, the report emphasizes the following considerations:

- (i) The economies examined here must specialize on new products and sophisticated technological processes. The high technology sectors are similar in each country, for example, electronics, biotechnology, engineering and electronics communication technologies, chip and robot manufacturing, space.
- (ii) There are specific needs for public investment aimed directly at improving the infrastructure. This is particularly true in all four economies for new roads and motorways, computer trains and faster rail-links.
- (iii) The problem of producing and saving energy plays an important role in all four economies. Public investment should be aimed towards the use of more efficient production of energy via new technologies as well as energy conservation.
- (iv) In some countries public investment is needed for socially desirable job creation. Socially desirable jobs such as home-helps, probation officers, neighbourhood centres, etc. will bring down social costs and increase social benefits and should be carried out not with the intervention of the bureaucracy but in a more decentralized way. In some cases, there is an obvious political desire to develop the cul-

tural sector and satisfy important needs in this field.

The evaluation of the employment impact of the proposed investment programmes also gave clear results. Exact quantitative figures are given in country reports. Although the overall effects of specific programmes obviously differ from country to country, positive employment effects are likely in almost all cases. The overall employment impact then depends on the size and magnitude of the investment programme actually carried out.

The report also examines the likely impact on the structure of employment. In all the four economies analysed, unemployment is unequally distributed, with a disproportionate share of unskilled or semi-skilled labour. Given that the proposed investment programmes involve a variety of skills, it is not expected that any serious labour shortages will arise. Nevertheless, they do propose that a series of 'flanking mea-

asures' to improve the mobility and flexibility of labour particularly in relation to training for the high technology industries should be introduced.

The report also stressed two other important points: First, it became very clear that any investment policy has to take into account the need for economic integration of different areas of the economy. Second, in some cases too much emphasis is laid on the problem of financing a high external deficit. Input-output links between the capital goods sector and consumption goods sector should be improved as a basis for the balance of future growth.

The conclusion to be drawn from this report seems to be clear: in all of the four countries there are a variety of investment projects with high employment effects and considerable rates of return. Most of these investment projects can be carried out by governments in each of the four countries. But it should be evident, too, that in a

number of cases joint efforts are more effective. This is not only true for European ventures like the Channel tunnel, Ariane, Airbus, a European railroad system or joint energy production and environmental protection, but also for advanced information technologies and other areas of future growth like biotechnology. Joint ventures can result from bilateral agreements as well as on a European level.

Private and public investment is still an important prerequisite for growth and welfare. The report clearly states that the proposed investment programmes will have a considerable impact on both growth and employment. Given tight financial constraints on public expenditure it should be pointed out too, that they can be financed without imposing a heavy burden on public budgets and still match growing economic and social needs of the economies.

Andrew Chapman

Local employment initiatives –

An evaluation of support agencies

Background

The Communication from the Commission to the Council 'Community action to combat unemployment – the contribution of local employment initiatives' (LEIs) of November 1983¹ reports:

'Agencies which service LEIs have already begun to emerge in some Member States. They are distinguished by their attempts to work very closely with their clients, to provide a full range of services and to give their attention particularly to those with little or no business experience.'

In the policy guidelines set out by the Council Resolution of 7 June 1984,² Member States are invited to encourage the development of local support structures for 'LEIs, *inter alia*, by developing services – where appropriate, by means of aid for the creation of development agencies – which are capable of providing support to those seeking to launch LEIs, and of facilitating access to the various forms of aid available, . . .'

Scope

The study carried out for the Commission by the 'Centre for Research on European Women' (CREW – Brussels), describes and analyses a number of support organizations in seven regions³ of the Community, with the following characteristics:

- (i) Independent support agencies such as the Cooperative Development Agencies (UK), STEW with a women's team (the Netherlands), CRESM (Italy), Boutiques de Gestion (France), Nouvelles coopératives (Belgium).
- (ii) Agencies directly run by local or State authorities such as the Wandsworth Development Agency (UK).
- (iii) Services given by the cooperative organizations themselves such as the Lega (Italy).
- (iv) Initiatives backed by industry such as the British Steel Corporation

(BSC) Industry (UK) and Job Creation Limited (operations in the UK and Amsterdam, the Netherlands).

- (v) Significant university and trade union involvement such as Funoc and Solidarité des Alternatives Wallonnes (Belgium).

Special emphasis has been given to programmes run by these agencies aimed at target groups especially women, young people and ethnic minorities.

Structure

The study is divided into two parts:

Part one, subdivided into seven sections, contains the case studies of the seven areas examined. Each case study presents the views of the agencies interviewed, examines other support structures and, where possible, lists the views of some of the enterprises helped by each of the agencies. The case studies look at how these agencies were first set up, how they are funded, their internal working arrangements, the type of counselling they give and their relationship with other groups in the area.

Part two of the study contains a general analysis and concluding remarks.

Findings

Different approaches to job creation

The agencies and organization examined were all set up with the aim of giving support to people wanting to create their own jobs. Some like BSC Industry emphasize mainly job creation pure and simple. Others, like the cooperative associations and agencies, exist specifically to build up collectively owned businesses. STEW in Amsterdam works on small scale with the emphasis on achieving new ways of working. By contrast CRESM in Italy has embarked on an ambitious project of wide-scale development. The approach, structure and environment differ in each case. Common to all of them is the mounting pressure to create jobs.

Often a conscious effort has been made by individuals and groups, and sometimes by local authorities, to set up support structures and promote job creation. In all cases, local employment initiatives are not seen as the solution to unemployment and in many cases agencies stressed the need for an economic framework promoting such initiatives.

The type of services offered in heavily populated urban areas and the problems faced can be very different from agencies setting up in more sparsely populated areas suffering from a rural drift and offering few market outlets for new businesses. In the urban areas there is already scope for an alternative market and infrastructure to support new cooperatives as they start trading.

An agency like CRESM operating in a mountainous region cannot adopt the idea of being a 'drop-in' agency. The members have to go out and travel to the various villages and towns and the services offered are spread thin. The lack of infrastructure in rural areas handicaps both the businesses struggling to set up and the agencies wishing to help them set up.

Top down, bottom up approach to development

Agencies set up in the last decade have in general terms one of two approaches to their work. One is the top down approach to development, i.e., doing the market research, feasibility studies and recruiting and making support and assistance dependent on close monitoring and support of the group. Groups seeking advice are not necessarily taught to do all the work themselves as the agency will take over certain aspects of management and accountancy. In the case of WEDA (London – based agency) it provided

¹ OJ C 70, 12. 3. 1984.

² OJ C 161, 21. 6. 1984.

³ London and Derwentside (UK), Wallonia (Belgium), Campania and Emilia Romagna (Italy), Amsterdam (Netherlands), Nord-Pas-de-Calais (France).

marketing, financial and cash control as it did not believe that people could be sufficiently trained in the first few years. In some cases it even took over the management of the new businesses. One comment WEDA made, however, was that it had a problem in getting people committed to running their own firm and often had to make what it called continuous injections of management control. One criticism of this approach is that it makes the group very dependent on the agency's resources.

The majority of agencies preferred a policy towards the development of collective businesses which was from the bottom up. Although this was more time-consuming, as it involved taking the cooperative through each stage and ensuring that they had the confidence to go it alone, many of the agencies believed it was the only way to ensure the commitment and enthusiasm of the group of people involved, an essential ingredient. They also added that this approach is more in line with the concept of self-sufficiency and makes those running the business ultimately responsible for the way it is run. It is at this stage that they will start learning the generally underestimated human and economic problems in managing a business.

All-important: the agencies' 'hand-holding' role

All the agencies offered more or less the same type of services – help with marketing, accounts, cash flows, business plans, with some having a large training input while others even helping with product development. Businesses helped also stressed that moral support and help with getting finance were essential services.

Support agencies distinguished themselves from traditional advice centres aiding small firms by saying that such centres are only equipped to give quick on-the-spot advice on particular technical problems and cannot go any further. The support agencies offer instead a more global view of the problems of a business. The CDAs

(Cooperative Development Agencies) in London, STEW and the Belgian agencies pointed out that groups often complained of having a specific problem such as accounts or finance, but this problem may conceal something quite different such as working relationships, bad management or even bad costing and pricing. It is the role of the agency to examine each problem in relation to the whole business and spot the difficulties, something that cannot be done by traditional advice agencies geared to solving specific problems.

Whatever their approach to development work, support agencies expect to help groups not only through the setting up stage of their business but also in the first years of trading. This hand-holding role is aimed at helping the people understand figures, properly analyse their business and so take responsible business decisions. Although securing finance will continue to be important, this alone cannot ensure stability or enable new businesses to expand. All the agencies remarked that people did not lack ideas or the basic skill to carry out their trade, the missing ingredient was management skills.

At the other end, whatever the strengths and weaknesses of each support agency, all the businesses interviewed were unanimous that their help was useful for setting up. Many said that without such back-up they would never have attempted to set up on their own. The majority of the people involved in these businesses were formerly unemployed.

Another major role: helping to legitimize new collective self-managed businesses

In the majority of countries examined, with the exception of Italy and the French SCOP (workers cooperative movement), new collective self-management businesses are still suffering from what some people describe as the legacy of the 1960s. The businesses are seen as being there to serve the alternative market and remain marginal to the economy (see Belgium, the

Netherlands, the UK). The agencies have to fight this legacy in an attempt to legitimize these businesses and to ease access to credit and other benefits. This was considered to be a major role of the agencies by all the businesses interviewed. The task is made easier if such initiatives have the backing of local authorities and are seen as part of a policy to regenerate the local economy (see London). This representational role was also greatly stressed in Italy where the cooperative movement has much greater respectability and weight.

Training needs of agency staff

In the newer agencies studied most of the staff taken on had a general or community work oriented background. This puts a limitation on the agency's ability to judge projects and to help beyond the setting-up stage. These agencies are becoming more aware of the problems and in addition to on-the-job training, they stress the importance of formal training for development workers. There has also been a trend to take on some people with economic and business backgrounds which can help with the more technical side of development work.

Agencies backed by industry are more inclined to have specialist staff but their limitation lies in the fact that they are weaker in development work. They are used to dealing with technical problems but are not always able to respond to the support asked for by groups during the difficult setting-up stage. Staff seconded from private industry also lack the background to promote collective self-management initiatives.

The agencies studied in Belgium are faced with a wholly different problem in the sense that the majority of their staff are subsidized workers from the State on six-month and one-year contracts. Although the agencies can specify the skills required there is the disadvantage that just when these workers gain the necessary practical experience they have to leave. The

problem of discontinuity of personnel was also brought up by CRESM which depended largely on voluntary workers who could only stay for short periods.

The Italian associations on the other hand, have very skilled personnel working in each of the different sectors. However, services offered vary depending on the region and the south says it is way behind. The associations stressed that one of the major problems was the lack of up-to-date skills and more training was needed in this field.

All the agencies are understaffed in relation to the demand made on them not only by the groups seeking advice but also by public bodies.

Financial problems

Despite attempts by some of the agencies to be self-financing, such as the Boutiques de gestion, most now accept that they will always depend on public funding for at least part of their costs.

The Boutiques de gestion, whose service is fee-paying, have only managed to cover some 5% of their costs from development work, another 25–30% coming from the training pro-

grammes. As the Boutiques de gestion pointed out, to become commercially viable the agencies would have to change their work methods and offer straight commercial business advice. Also, if they upped their fees many of the unemployed using these services would be unable to pay.

In London, Cooperative Development Agencies are mainly or totally financed by local authorities and STEW in the Netherlands has secured long-term funding from the Amsterdam authorities. The founders of Islington CDA had hoped that at the end of the five years present funding, contributions from the local cooperatives could keep the agency going. But it became quickly evident that these businesses were still too small to support the costs of an agency. In Belgium, local funding is meagre and agencies examined depend on income from training and various measures.

The shortage of funds also affects the new businesses, which are excluded from most credit sources. A number of agencies have revolving loan funds to help groups with setting-up and cash flow problems. Such funds are proving essential for a number of businesses and have gone some way

towards helping the work of the agencies.

Some of the authors' recommendations

The study includes a detailed section of conclusions and recommendations addressed mainly to policy-makers at different levels (EC, national and local governments).

The authors point out that without public sector recognition and financial support, the impact of local employment initiatives will remain limited. They see a danger that local action will slowly die without a response from the public authorities. According to the authors, this requires a recognition by governments that funds spent on local initiatives are more effective as a development strategy than expensive benefits for 'invisible investors'. They conclude: 'But it is crucial that the objectives of such local activity are clearly defined, including the type of jobs to be created and their social and economic aims. Local employment initiatives need to grow within coherent national and regional economic policies backed up by funds and a wide network of support structures.'

Gerda Löwen

Work-sharing and the reduction and reorganization of working time at firm level¹

For some time, the question of reducing and reorganization working time as a means of creating jobs has been a central issue in the debate on employment policy. In addition to measures taken in individual countries, especially by the two sides of industry (mention should be made in particular of the agreements reached in recent months in the Federal Republic of Germany and the Netherlands), the EEC Commission has also acted at Community level to stress the job creation aspects of measures on the reorganization of working time, as can be seen from its draft recommendation on this subject. The content of this proposal, which in a slightly amended form met with the approval of nine Governments, was described in detail in an earlier number of *Social Europe*.²

Of course, recommendations at Community level can only form a rough framework serving as a basis for specific national measures at sectoral and company level. To gain an insight into the problems arising from the reorganization of firms, the Community commissioned the study referred to above. Its aim is to examine various forms of organizing working time and investigate their effects. Three case studies were carried out in each of the following three countries on the following working time arrangements:

France:

1. State-supported solidarity contract to reduce weekly working time
2. Week-end working
3. Part-time working

United Kingdom:

1. Five-crew shiftworking
2. Job sharing
3. 12-hour shiftworking

Italy:

1. Reduction of weekly working time
2. Solidarity contracts between the two sides of industry
3. Five-crew shiftworking

Comparable conclusions can be drawn only in respect of the same system in each case, since the reasons for their introduction often differ.

Consequently, the compiler of this study has been very cautious about generalizations, since the applicability of the results in other depends on a whole series of conditions which rarely exist in practice. Each of the various forms of reducing and reorganizing working time is examined briefly below.

Part-time work and job sharing

The two cases examined have shown that the following conclusions could be drawn from experience with the introduction of these working time arrangements:

- (i) all these schemes should be voluntary;
- (ii) they should form part of an overall, long-term plan;
- (iii) new working time arrangements should meet with the approval of employers and employees; in particular, the same rights and obligations – possibly on a *pro-rata* basis – should be agreed for former full-time workers and the 'new' part-time employees (as, moreover, the Commission is seeking in its proposals for directives on part-time working and temporary employment);
- (iv) arrangements for changing from one system to another should be worked out and administered jointly by the management and the workers' representatives;
- (v) the greatest possible number of combinations of a choice between pay and working time should be offered; where appropriate, the State could give financial support to schemes which actually reduce the number of unemployed.

Reduction of weekly working time and solidarity contracts

In various countries reductions in working time are credited by the trade unions with having positive effects on the employment situation. According to the study's findings, however, the main reasons for their introduction were the parallel or proposed implementation of

new operating processes, which in the interests of greater efficiency extended operating time while reducing individual working time, and the alignment of wage-earners' working conditions with those of salaried staff, including the shorter working hours already enjoyed by the latter. In most cases, any effects on jobs were only a secondary consideration.

However, the situation is somewhat different as regards the so-called solidarity contracts which were introduced mainly with the aim of bringing about a sustained improvement in the employment situation (France) or at least sharing unemployment more equally through the introduction of short-time working (Italy).

The French case study of a solidarity contract gives a clear picture of the features of this arrangement: the aim is to achieve a 35 hour week with a planned 5 % rise in the number of jobs and a 10 % increase in productivity. The effects on employment and the increases in productivity are directly linked to the reduction in working time and the whole package is worked out by the employees' representatives and the management with the State providing the legal framework and financial support. In contrast to the Italian form of solidarity agreement which is negotiated at company level by the employers and worker's representatives and is intended to avoid redundancies through short-time working (with the wage equalization fund, financed mainly by the State, contributing up to 50 % of loss of wages), the French schemes seeks a coordinated expansion of business. The advantage of this approach, which is certainly of interest to other countries, is that the aims of the workforce as regards employment opportunities are aligned with the efforts of the management to avoid an increase in unit production costs and hence

¹ Jim Conway Memorial Foundation: *Worksharing and the reduction and reorganization of working time at firm level: Anglo-Italian-French case studies* (compiler: Paul Rathkey). Document available from the Office for Official Publications, L-2985 Luxemburg.

² *Social Europe*, special edition 1983.

maintain the competitiveness of the firm.

Longer leisure blocks

The phenomenon of longer periods of free time is still relatively new and must be seen against the background of the fact that the 8-hour working day and 5-day week are in most cases the norm. On this basis there appears to be growing interest in shorter working periods not only on the part of employers, who can make better use of plants under a shift system, but also the workers, who in addition to gaining longer periods of free time are also able to achieve what are in some cases significant cuts in the daily or weekly time spent travelling to and from work. The same applies for the system of weekend working featured in the French case study, where free time is taken during what are normally working

hours. The various free time arrangements may bring certain advantages such as a reduction or even complete elimination of overtime, which is still very widespread in some countries, and more alternatives in cases where working hours are already irregular, particularly late in the evening or at night. An important factor for the workers is how these arrangements fit in with family life and whether childcare facilities can, if necessary, be adapted to the changed circumstances; in other words, the cooperation of employees would be a major factor in extending this form of reducing working hours, simply because it has a fairly profound effect on the normal daily and weekly routine.

Five-crew shiftworking

With the five shift system, the reduction in working time is combined

with longer periods of free time. In theory, the weekly working time under this form of shift system is cut from the 42 hours under the normal four shift system to 33.6 hours; when leave, absenteeism, maintenance and repair work are taken into account, the working week is often 36 to 39 hours, and overtime can be kept to a minimum.

The United Kingdom and Italian case studies show the ways in which the five shift system can be arranged. In the United Kingdom, the entire works, which has a continuous production programme, went over to the new system, whereas in the Italian case only part of the works organized a five shift system on a 6-day basis. In both cases 8 hours were worked per shift; however, there are other examples in which five shifts are worked on a 12-hour basis, which of course gives longer periods of free time. This variety of



Changing shifts in the automobile industry.

Photo: Paul Versele/Marc Deville · Copyright 'Photo News', Brussels

examples shows that there is a whole series of possible combinations whereby planned measures to cut working time can be organized in such a way that both social considerations and efficiency are reconciled without compromising the competitiveness of the firm; in fact, the opposite is true in many cases.

Concluding remarks

The study gives a good international overview of the various possibilities and problems associated with the organization of working time at firm level.

An attempt was made to set the situation in a specific firm in a broader context, so that conclusions of general interest could also be drawn. One finding was that under certain circumstances the advantages of particular forms of reorganizing working time over other arrangements become clear, even though the results, particularly as regards the effects on jobs, may vary greatly. These effects depend to a large extent on the conditions under which reorganization measures are carried out. One of the positive aspects of this study is that it discusses the advantages and disadvantages of various

systems in order to give a picture of the whole range of measures from voluntary part-time working decided on by the individual to reductions in working time laid down by collective agreement.

It is clear that there is no miracle cure in this connection but if certain conditions are taken into account there is indeed a possibility of worthwhile forms of organizing working time which not only have positive effects on employment but also satisfy other criteria.

Klaus Käding



Women employees in Europe, 1984

Do they feel discriminated and vulnerable in their jobs? Are they ready to confront the challenge of new technology?

The Commission will soon publish its second survey of European women employees¹ which provides a whole battery of replies to these questions, and an interesting insight into the development of attitudes since 1980, when the first survey of this kind was carried out.

In the intervening years, the Commission has further developed and refined its policy of employment equality. The two existing directives on equal pay and on equal treatment at work, have been implemented in the Member States and thus become part of national law. A third directive has been adopted: this concerns equal treatment in statutory social security schemes.

A new action programme for women² lays down policy guidelines for the years 1982–85; it comprises both legislative measures and concrete actions (i.e. positive actions) to counteract persisting inequalities in practice. Finally, a number of political decisions have been taken: thus, the Council has, for instance, adopted a resolution on actions to combat women's unemployment.³

The 1984 survey strives not only to take due account of these political developments and their impact on women's lives, but also introduces a series of additional questions seeking to evaluate two important economic and social developments of recent years: the risk of unemployment and the impact of technological change.

The women employees

The survey addressed itself to 5 447 European women employees, aged 15 years or more, spread equitably throughout the 10 countries of the European Community.

It is interesting to note that, of the married women in the sample, (or those living as married) 10% contribute more to the total household in-



Photo: Yves Smets · Copyright 'Photo News', Brussels

come than their husbands (or cohabitants) do, and 29% contribute an equal amount.

The question was put to them whether the income tax system could be said to function in such a way that it was hardly worth while for the wife to work. 22% of married women said this was indeed the case. Responses were highest in Ireland (59%), Luxembourg (44%) and Belgium (31%), and lowest in Greece and Italy (both 15%).

Vulnerability to unemployment

Since 1980, unemployment has increasingly affected working women. 29% of the female employees interviewed had been unemployed at some stage during their working lives (1980: 21%), and the duration of unemployment had also increased in the interim. It was found that the rise in unemployment since 1980 affected all age groups and women of all educational standards. The highest level of experience of unemployment (36%) was to be found in the youngest age group (15–24 years old), and among women working in factories, workshops or studios (41%).

Asked about the likelihood of finding themselves unemployed during the

next two years, 44% felt that this was either probable (13%) or that it could well happen (31%). The categories appearing to be most vulnerable to the threat of unemployment, were, once again, the youngest age group, and factory/workshop/studio employees.

Should unemployment befall them, the great majority of women questioned would regard this as a serious problem – all the more so if they were widows, divorcees or single. Married women regarded the eventuality of unemployment as particularly serious if they themselves were the principal contributors to the household income.

Questioned as to the causes of women's unemployment (plural responses), 41% thought that the lack of appropriate training was to blame. The sentiment of discrimination against women when it came to deciding on redundancies was less strongly felt, but nevertheless undeniable (32%). This reply figured most often in the FR of Germany (48%) and Italy (47%), and was lowest in Belgium (13%), United Kingdom (14%) and Ireland (17%).

¹ Document. Office for Official Publications of the European Communities L-2985 Luxembourg.

² COM(81) 758, 9. 12. 1981.

³ See page 17 in the present issue.

The women were then asked how they perceived the vulnerability to unemployment of the men around them. Should there be reductions in staff at their place of work, 50 % felt that these would affect both men and women equally. Nevertheless, 26 % thought women would suffer greater job losses and only 5 % thought men would be more severely affected.

Married women were asked the question, to which they had already replied for themselves, this time relating to the likelihood of unemployment striking their husbands. 32 % responded that this was either probable (7 %) or that it could well happen (25 %) – a much less pessimistic result than the one regarding themselves. To this must be added 6 % of husbands already unemployed – a category excluded on the women's side, since only employed women were interviewed.

Women did, however, on the whole feel that their husbands' unemployment would be a much more serious threat than their own. Where both spouses contributed equally to the household income, 34 % of women believed that their husbands' unemployment would be more serious than their own, and this belief held even among 19 % of those women who contributed more to the household income.

It therefore appeared logical to ask the women whether they believed that, at a time of high unemployment, men had more right to work than women. 50 % of women disagreed with this, to some extent (18 %) or completely (32 %), with the youngest women and those with the highest level of education rejecting the proposition most strongly.

Discrimination at work

Those women working with male colleagues were asked a number of questions about whether they had experienced any advantages or disadvantages at work. Their replies are indicated in Table 1. It will be seen that 60 to 80 % of women had not felt any

discrimination as compared with their male colleagues. The others predominantly believed that:

- (i) they had an advantage as regards retirement age and (to some extent) working hours;
- (ii) they had a disadvantage as regards promotion prospects, opportunities for further training and bonuses or other monetary benefits apart from actual salary;
- (iii) they felt fairly equally treated as regards the working environment and only slightly disadvantaged in their relationship with superiors.

These discriminations were perceived differently, depending on the type of work carried out by the woman in question, her level of responsibility, and other factors. Women who indicated that they had an 'ordinary job without much responsibility' felt much more at a disadvantage than those who had responsibility or were part of the administration or management.

Discriminations are also felt more strongly by employees in the private than in the public sector, by those working in factories, workshops or studios, and by those women who

believe that their potential is not well utilized at work. Women in Germany, Ireland and the United Kingdom were more numerous in mentioning disadvantages than those of other countries. In Italy and Belgium, women believed more often that no difference in treatment existed, or that they actually had an advantage.

Another question referred to discrimination on recruitment (an employer looking for a man rather than a woman). 11 % of women questioned believed that this had happened to them at least once (8 % in 1980); this rate was highest among women with a high level of education (16 %), young women (14 %) and women working in an office (14 %).

As regards occurrence of sexual harassment, 10 % stated that they had experienced this at least once (1980: 6 %). A closer analysis revealed that women who felt vulnerable in other ways (e.g. to unemployment) were more likely than others to have experienced sexual blackmail.

Technological change

The women were asked whether they believed that technological change



'Women who have a job without much responsibility feel much more at a disadvantage than those who have responsibility or are part of the administration or management'.

Photo: Yves Smets · Copyright 'Photo News', Brussels

(in machines, working methods, etc.) would have any impact on their work within the next four or five years. 41% believed that this would be so. The expected consequences on their work are listed in Table 2 which shows that positive expectations outweigh negative ones, and that the need to undertake additional training is recognized by 19% of those questioned.

43% of respondents thought that they were reasonably well prepared for these changes, 35% believed that they were not. Nevertheless, the great majority believed that, as regards the level of preparation, they were exactly in the same position as men (66%); of the rest, 9% thought their level of preparation was better, and 11% that it was less good than that of men.

Access to the necessary extra training was also seen by most as being equal for men and women (65%); 5% believed that this was better for women, 17% that it was less good.

Should technological change permit more employees to work from home in future years, 16% thought they could be among this group, while 78% believed that this would be impossible for them.

Awareness of efforts to achieve employment equality

Respondents were asked whether they were aware of national legislation to bring about equality at work. If so, the question continued, was this actually being applied? 28% replied that it existed and was being applied; 35% knew of its existence, but did not think it was being applied.

Community efforts on behalf of employment equality were even less well known: 15% said that the Community institutions were working effectively to this end, 23% that the work carried out was not effective.

As regards the efforts of trade unions, these were known and recognized as being effective by 32%, known but regarded as ineffective by 31%.



Photo: Yves Smets · Copyright 'Photo News', Brussels

Although positive responses were at a low level, they did show that since 1980, the level of information about national and Community activities to improve equality at work had increased. At the same time, recognition of their positive effects had also risen. Women with a high level of education were most favourably disposed towards Community action, while the group that was least convinced of its effectiveness was that of women working in a factory, workshop or studio and those who had

finished their studies without obtaining any qualifications.

Conclusions

Summarizing some of the findings of the survey, it emerges that it is the group of factory/workshop/studio employees who appear to be most vulnerable in many respects, particularly in undertakings employing 50 or more people. They have the highest past experience of unemployment, and feel

Table 1

Question (to those with men as colleagues at work)

I am going to mention different points about your life at work. For each one can you tell me if you feel that you are better off, worse off, or about the same as your male colleagues?

	Better off	Worse off	About the same	No reply	Total
Hours of work	8	5	84	3	100
Age you can retire on pension	23	5	57	15	100
Chances of promotion	3	30	59	8	100
Bonuses or other money benefits apart from actual salary	2	25	65	8	100
Actual salary level	2	14	72	12	100
Opportunities for further training	2	15	72	11	100
Conditions at work (space, comfort, etc.)	4	4	88	4	100
Dealing with your superiors	5	8	83	4	100

most strongly that their jobs are threatened, they suffer from a number of discriminations and are worried about the impact of new technologies on their work.

The results of the survey provide the Commission with a wealth of information which will be used in the course of future actions in the field of equal opportunities.

They show in particular that, although legislative efforts are an indispensable base on which to build, information activities and concrete programmes (training, recruitment, promotion, working conditions) are just as important and should be developed in parallel with further legislation.

Isabelle von Prondzynski

Table 2

Over the next four or five years, do you think that development in technology, machines or methods will affect your job or career?

Yes	41 %
No	52 %
No reply	7 %
Total	100 %

If yes: What sort of effects could they have (several replies possible)

	All	Those answering 'yes'
Make work more interesting	11	28
Make work less interesting	6	14
Risk of losing your job	15	36
Opportunity to do more skilled work	8	19
Take some skill out of work	4	9
You would need retraining or extra training	19	46

Enquiry on working conditions in a sample of European shipyards

The Commission regularly undertakes enquiries to enable it to monitor developments in working conditions in Europe's shipyards. The most recent of these¹ was conducted by the European Metalworkers' Federation in the Community (EMF) based on a sample of 23 shipbuilding and 8 ship-repair yards. This article aims to outline the main findings of that enquiry but the emphasis is on the position in shipbuilding establishments.

The unemployment shock

In the 18 shipyards included in both the 1978 and 1983 surveys, the workforce has fallen by 26% from 73 000 to 54 000.

The same sharp decline in employment can be seen in the data for Community shipbuilding as a whole: the total workforce of 207 000 in 1975 had declined to 154 000 by 1978, falling again to 108 000 in 1983. This general pattern was repeated in all the Member States.

The outlook for 1984 shows no signs of improvement, since almost all Member States are continuing to reorganize their shipbuilding industries, and a number of shipyard closures have been announced. Notwithstanding the efforts of national governments, regional manpower services agencies and individual firms, there seems little scope for redeployment of redundant shipyard workers.

Facts about working conditions

The enquiry points up a number of trends relating to developments in working time:

- (i) the working week is consistently getting shorter; the statutory of agreed hours of work generally (i.e. in 14 of the yards surveyed)

¹ 'Enquiry on employment, wages, working hours and complementary systems of social security in a sample of European shipyards (construction and repairs) and medium-term projects', European Metalworkers' Federation in the Community, Brussels, 1984.

Table I: Size of workforce

Shipyard	Total 1978	Total 1983	Manual	Non-manual
B Boelwerf NV en Scheepswerven NV ¹	5 698	2 319 1 141	1 753 961	566 180
DK Lindøværftet Nakskov Skibsværft	4 300 1 850	3 450 1 350	2 800 1 050	650 300
D A.G. Weser Howaldtswerke Deutsche Werft Flender Werft	3 333 ~ 5 000 1 451	2 262 4 100 1 317	1 590 3 000 1 015	672 1 100 302
F Chantiers de l'Atlantique Chantiers Dubigeon SNACRP (La Pallice)	8 958 2 051 1 020	5 604 1 670 954	3 837 1 035 684	1 767 635 270
IR Verolme Cork Dockyard	1 265	748	509	239
IT Cantiere Navale Breda	²	2 450	1 993	457
NL Van der Giessen de Noord	²	2 274	1 770	494
UK Swan Hunter Harland and Wolff Yarrow Shipbuilders	11 300 8 000 5 500	~ 8 500 5 519 ~ 5 200	~ 7 000 4 149 ~ 3 600	~ 1 500 1 370 ~ 1 600
ES Astano, AESA Astilleros Españoles SA	²	24 420 7 500	15 634 4 800	8 686 2 700
N Kristiansand Mek. Verksted Nye Fredrikstad Mek. Verksted	675 2 181	642 1 150	505 915	137 235
S Kockums Götaverken	4 700 ²	~ 3 500 1 900	~ 2 500 1 900	~ 1 000
SF Valmet OY Wärtsilä OY	1 560 4 570	1 900 3 001	1 500 2 047	400 954

¹ The Boelwerf and Cockerill Yards Hoboken shipyards merged to become Boelwerf NV en Scheepswerven NV.

² Not comparable.

Table II: Employment in the Community shipbuilding industry

	1975	1978	1979	1980	1981	1982	1983
Belgium ¹	7 467	6 614	6 258	6 523	6 119	5 031	4 388
Denmark	16 630	12 000	9 900	11 400	11 350	11 800	11 200
France	32 500	25 300	23 000	22 200	22 200	21 600	21 000
FR of Germany	46 839	31 113	27 369	24 784	26 521	27 600	25 966
Greece	—	—	—	—	3 393	3 696	—
Ireland	869	840	750	750	762	882	550
Italy	25 000	20 000	19 000	18 000	16 500	13 750	12 800
Netherlands	22 662	17 540	14 540	13 100	13 100	13 100	12 000
United Kingdom	54 550	41 050	31 200	24 800	25 345	25 000	20 486
Sub-total (without Greece)	206 517	154 457	132 017	121 551	121 897	118 763	108 390
Total					125 290 ²	122 459	

(Table compiled from national sources)

¹ Revised series.

² Data from 1981 include Greece, based on estimates from the industry. Estimates put the total workforce at 2 316 in 1975 and 2 616 in 1980.



Photo: Paul Versele - Copyright 'Photo News', Brussels

remains the 8-hour-day and 40-hour-week. In the Belgian, French, British and in one Spanish shipyard, the working week varied from 37 hours to 39 hours 50 minutes. Working time has been reduced again in Belgium, Italy, the Netherlands and Spain. In only one shipyard (Sweden) was the working week longer than 40 hours (40½ hours);

- (ii) there were no changes in the amount of overtime permitted; compensation for overtime (bonus payments or compensatory leave) varied widely from establishment to establishment. Some Belgian, Danish, French, Dutch, British, Spanish, Swedish and Finnish yards gave workers the option of taking all or part of their earned overtime as compensatory leave;
- (iii) holiday entitlements were very much the same in all countries.

The number of paid public holidays varied from five or six in the Netherlands to 14 in Spain, with an average of nine to 10. Workers in all the countries surveyed were entitled to at least four weeks' annual holiday. Only three ship-

yards (in Belgium, Ireland and Norway) were entitled to less than 24 days paid annual leave.

In the section dealing with wages and bonuses, the enquiry details the hourly earnings¹ for 10 categories of job:

engineering mate, steel worker, pipe-fitter, shipbuilder, electrician, sheet metal worker, engineering fitter, welder, technical draughtsman, purchasing clerk.

Ten yards pay fixed wages, while 12 others operate incentive wage systems. It is interesting to note that an increasing number of shipyards are moving over to variable payments based on output.

The system of wage payments has undergone changes in Ireland, Italy and Sweden. All workers in Denmark, Sweden and Spain enjoy a guaranteed minimum wage; this may be increased by productivity bonuses for workers covered by productivity agreements. The rates of productivity bonuses vary considerably from country to country: they are lowest of all in Italy, Denmark and Sweden (1-15%) and highest in the Federal Republic of Germany, Finland and Spain (20-60%).

Christmas bonuses, often equivalent to a 13th month's earnings, are awarded in France (where half is paid before the annual summer holiday), Italy, Belgium, the Federal Republic of Germany (in some instances) and Ireland (two weeks' wages). Christmas bonuses are also found in the Netherlands (5% of annual income plus a share in any profit the yard makes), Sweden and one British shipyard.

Finally, the survey gives an overall picture of how trade union rights are exercised in the shipbuilding sector. With a few exceptions, trade union representatives and members of works councils are entitled to paid time off to carry out their official duties; employees may hold union meetings during working hours; in almost every country surveyed, trade union representatives enjoyed a measure of employment protection; in most shipyards they had a qualified right to look at production conditions and a right to supervise working conditions; in all cases, they were entitled to check whether health and safety standards were being complied with; in all shipyards, management either had a statutory duty to communicate a certain amount of economic information (including orders and plans to introduce new technology) to the workforce, or did so under the terms of collective agreements, worker control or co-management agreements.

Outlook

In general terms, the survey confirms the poor outlook for orders and

¹ The figures were calculated on the basis of gross hourly, weekly or monthly earnings, according to national practice. No allowance was made for bonuses such as shift-work bonuses or overtime payments. Figures given are either earnings agreed in negotiated collective agreements (minimum wages), or the average of the rates actually paid for the job, including productivity bonuses, 'dirty work' bonuses, etc.

For ease of comparison, all amounts have been converted into ECU. Care should be taken when comparing one figure with another, however, since the periods covered by the reference dates vary, exchange rates do not remain constant, and no account is taken of employers' social security contributions.



'Shrinking order books are the rule in all Member States, except Denmark, where shipyards are cushioned to a certain extent by their closer ties with national shipowners'.
Photo: Paul Versele · Copyright 'Photo News', Brussels

the breadth and depth of the reorganization now taking place – with all that means in terms of the loss of further jobs.

The world share of new orders captured by Community shipyards in 1983 declined dramatically to an all-time low of 11%. At no time previously, even in the darkest days of the world recession, had it fallen below 17%. The Community's West European neighbours also saw their market shares contract to much the same degree. Japan increased its share of world orders from 42% in 1982 to 50% in 1983. South Korea also achieved significant growth, with orders rising from 9% in 1982 to 14% in 1983.

The decline in new orders had its repercussions on the order books of Community shipyards, which contracted abruptly by 28%. By the end of 1983, it stood at the disturbing level of 3.4 million cgrt (compensated gross

registered tonnes), when, even at its nadir, it had never before fallen below 4.7 million cgrt. By way of comparison, the figures for the same period were Japan: 8.5 million cgrt, and South Korea: 2.9 million cgrt.

Shrinking order books were the rule in all Member States, except Denmark, where shipyards were cushioned to a certain extent by their closer ties with national shipowners. An increasing number of shipyards found themselves faced with a diminishing workload. Much of the effort put into improving competitiveness was therefore dissipated by the productivity losses which resulted as a growing number of men and machines were left standing idle, even though many Community shipyards had made efforts to reduce capacity further during 1983.

Guidelines for Community action

In the light of the further deterioration in the situation of Community shipyards, the Commission has reviewed and updated its thinking on the policy guidelines for reorganizing the shipbuilding industry.¹ Working in cooperation with both sides of industry, government experts and other concerned national and Community interests, the Commission will be endeavouring to give a stimulus to the achievement of the actions called for in its guidelines. Among the most significant elements of this will be:

- (i) the draft directive amending the 'fifth Directive' (81/363/EEC) concerning aids to the shipbuilding industry;²

¹ COM(83) 65 final; COM(84) 550 final.

² OJ C 86, 28. 3. 1984.

- (ii) actions undertaken under the European Regional Development Fund, together with an examination of how the shipbuilding programme ('non-quota' section¹) can be extended to new zones particularly affected by the crisis in this sector;
- (iii) the potential offered by the new European Social Fund, particularly in regard to the implementation of measures for the reconversion and restructuring of industry;²
- (iv) as part of Community measures to support R & D, the Community is looking into the possibilities for co-financing investigations with the shipbuilding industry as the first stage of a bid to strengthen industrial cooperation within the Community in the field of technology;
- (v) examining possible incentives to shipbuilders to increase the orders placed with Community shipyards.

On the internal front, the Commission is trying to get port inspection tightened up with a view to improving traffic safety. One indirect result of eliminating substandard ships, it is hoped, will be to stimulate renewed demand. As far as actions outside the Community are concerned, one of the priority considerations in the Commission's view is that countries whose industry has an influence on the market commit themselves to avoiding any action that might encourage disturbance. With this in mind, therefore, it is stepping up its efforts to improve international cooperation in this field. During the course of recent talks, Japan announced its decision to strengthen monitoring of the prices operated by Japanese shipyards, and shipbuilding interests in Korea said they would not be seeking to further expand capacity.

Georges Kintzelé

¹ OJ L 27, 31. 1. 1984.

² OJ L 289, 22. 10. 1983 and OJ C 5, 10. 1. 1984.

Table III: The shipyards

Country	Region	Shipyard	Reference date	Code
Belgium	Temse Hoboken	Boelwerf NV en Scheepswerven NV	3. 1983	1
Denmark	Odense Nakskov	Lindøvaerttet Nakskov Skibsværft	10. 1983 10. 1983	2 3
Federal Republic of Germany	Bremen Hamburg Lübeck	AG Weser Howaldtswerke Deutsche Werft Flender Werft	5. 1983 4. 1983 4. 1983	4 5 6
France	Saint-Nazaire Nantes La Rochelle	Chantiers de l'Atlantique Chantiers Dubigeon SNACRP (La Pallice)	6. 1983 6. 1983 6. 1983	7 8 9
Ireland	Cork	Verolme Cork Dockyard	10. 1983	10
Italy	Venezia	Cantiere Navale Breda	9. 1983	11
Netherlands	Alblasserdam Kr. a. d. IJssel	Van der Giessen de Noord	7. 1983	12
United Kingdom	Newcastle Belfast Glasgow	Swan Hunter Harland and Wolff Yarrow Shipbuilders	6. 1983 6. 1983 6. 1983	13 14 15
Spain	Galicia Andalucia Pais Vasco Valencia Bilbao	Astano, AESA Astilleros Españoles SA	10. 1983	16 17
Norway	Kristiansand Fredrikstad	Kristiansand Mek. Verksted Nye Fredrikstad Mek. Verksted	9. 1983 9. 1983	18 19
Sweden	Malmö Göteborg	Kockums Götaverken	8. 1983 8. 1983	20 21
Finland	Helsinki Turku	Valmet OY Wärtsilä OY	6. 1983 6. 1983	22 23

Table IV: Job Description

1. Engineering mate	works in the pre-assembly shop, preparing material and components for the pre-assembly of units and sections
2. Steelworker	carries out cutting activities needed for pre-assembly ashore or on board ship, e. g. for fitting sections
3. Pipe-fitter	is responsible for the fitting of all pipe equipment inclusive of workshop activities ashore and final installation and assembly on board the ship
4. Shipbuilder	is responsible for assembling jobs during prefabrication, assembling and rigging of ships
5. Electrician	is responsible for the installation and refitting (and repair) of all electrical and electronic equipment in a ship
6. Sheet metal worker	is responsible for the making and installation of articles and fittings fabricated in sheet metal
7. Engineering fitter	has overall responsibility for all repairs to the ship's engines and generator sets
8. Welder	is responsible for all mechanical welding both for pre-assembly and welding on board ship, using, in the latter case, mobile (electric) welding equipment
9. Technical draughtsman	prepares the detailed drawings needed by the workshop based on the construction drawings
10. Purchasing clerk	is responsible for ordering manufactured products, raw materials, steel plate, steel sections, shipbuilding steel, etc.

WORKING CONDITIONS IN EUROPEAN SHIPYARDS

Table V: Hourly earnings
(Exchange rate at 30. 11. 1983 – ECU/hour)

Country	Code		1	2	3	4	5	6	7	8	9	10	
B	1	(a)	5.54	5.80	6.10	6.10	6.10	6.10	6.10	6.10			
		(b)	5.54	6.10	6.26	6.26	6.26	6.26	6.26	6.26	6.37		
DK	2	(b)			9.18	9.19			9.11		9.14		
		(d)			9.19	9.20			9.12		9.15		
	3	(b)				9.76			7.68		9.25		
D	4	(a)	5.26	5.26	5.94	5.94	5.94	5.94	5.94	5.94	5.94	7.38	7.38
		(c)	6.31	6.31	7.13	7.13	7.13	7.13	7.13	7.13	7.13		
	5	(a)	4.20	4.94	4.94	4.94	4.94			4.94	4.94		
		(b)	4.94	5.18	5.18	5.18	5.18			5.18	5.18		
		(c)	5.46	6.43	6.43	6.43	6.43			6.43	6.43		
		(d)	6.43	6.73	6.73	6.73	6.73			6.73	6.73		
	6	(a)	4.67	5.04	5.04	5.04	5.04	5.04	5.04	5.04	5.04	8.07	8.07
		(b)	5.37	6.54	6.54	7.46	6.04	6.28	6.71	6.30			
		(c)	5.15	5.79	5.79	5.79	5.77	5.59	5.79	5.79			
		(d)										8.43	8.86
F	7	(c)	3.43	4.07	4.33	4.33	4.33	4.33	4.33	4.33	4.33	5.80	4.86
		(d)	4.05	4.81	5.10	5.10	5.10	5.10	5.10	5.10	5.10	6.96	5.83
	8	(a)	3.39	3.53	3.70	3.70	3.70	3.70	3.70	3.70	3.70	4.78	5.03
		(c)	3.70	3.90	4.14	4.14	4.25	4.14	4.25	4.14	4.14	5.41	5.81
		(d)	4.46	4.95	5.35	5.35	5.54	5.35	5.54	5.35	5.35	6.53	7.23
	9												
IR	10	(a)	4.62	4.71	4.71	4.71	4.71	4.71	4.71	4.71	1.44	2.85	
		(b)									6.05	5.74	
IT	11												
NL	12	(c)	5.24	5.01	5.24	5.47			5.47	5.70			
		(d)	5.81	5.58	5.77	6.38			6.38	6.95			
UK	13	(a)	4.25	5.06	5.06	5.06	5.06	5.06	5.06	5.06	5.91	4.25	
	14	(a)									6.12		
		(b)									6.65		
	15	(a)	4.53	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	6.53	4.18
(b)		4.62	5.45	5.39	5.45	5.50	5.45	5.50	5.45	5.45			
ES	16	(a)	2.77	2.95	2.95	2.95	2.95	2.95	2.95	2.95	2.95	2.95	
		(b)	3.01	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	
	17	(c)		3.47	3.69	3.69	3.69	3.69	3.69	3.69	3.69	3.69	
		(d)	3.76	4.38	4.38	4.38	4.38	4.38	4.38	4.38	4.38	4.38	
N	18	(a)	7.34	7.34	7.87	7.87	7.87	7.87	7.87	7.87	7.87	7.36	5.98
		(b)	8.16	8.16	8.28	8.28	8.28	8.28	8.28	8.28	8.28	9.19	7.36
	19	(a)					~ 7.38 – 7.99						
S	20	(a)	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79	
		(b)	6.06	6.06	6.06	6.06	6.06	6.06	6.06	6.06	6.06	6.06	
		(d)	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	6.45	
	21	(a)	5.47	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	4.96	5.47
		(b)	7.01	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.84	7.18
SF	22	(a)	4.06	4.33	4.33	4.33	4.33	4.33	4.33	4.33			
		(b)	6.18	6.21	6.16	6.21	6.05	6.62	6.58	6.27			
	23	(d)	6.20	6.40	6.61	6.40	6.61	6.61	6.40	6.61			

(a) Gross basic starting wage under collective agreement.
(b) Average gross wage under collective agreement.

(c) Real gross basic starting wage.
(d) Real average gross wage.

Part Three

Developments in Member States

Employment policy in the Member States

- **Developments at a glance**
- **Overall developments**
- **Employment maintenance**
- **Aid to the unemployed**
- **Training**
- **Job creation**
- **Special categories of workers**
- **Working time**
- **Miscellaneous**

Responding to the wishes expressed by the Member States' delegations in the Council to be mutually informed of the developments of national policies on employment, the Commission proposed the creation of a mutual information system called MISEP. This system operates thanks to the contributions of national correspondents from public administrations or organizations, and a representative of the Commission. It enables a quarterly presentation of the changes occurring and actions accomplished in employment policies followed in each Member

State to be made to the authorities directly concerned 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

Belgium

The Government has drawn on nine years of experience of fostering traineeships for young people within public and private organizations to reform the system. To increase assistance to small and medium-sized enterprises the State can contribute to the salaries of unemployed persons employed to this end by non-profit bodies with an appropriate track record. First results are presented of the experimental approaches of Minister Hansenne to enable working time to be organized differently to make better use of equipment.

Denmark

The number of unemployed persons grew somewhat in 1983, but then stabilized, a trend which should continue throughout 1984. Concern has been expressed on securing jobs for conscripts at the end of their military service, a tripartite report on which has gone to the Government. Changes have been made in the system of financing vocational training with the creation of a fund. Training places have been given great importance in the Government's youth package. On the basis of a report on working time policy by the Government to parliament, a resolution has been adopted to establish a tripartite committee to examine this aspect notably as a background to 1985 collective bargaining.

France

The agreement of January 1984 between the social partners on the unemployment insurance system, has been completed by a signed statement which organizes the new system of national solidarity, this constituting the second plank of the new arrangements for providing unemployment benefits. The Cabinet brought in new economic, social and industrial measures at the end of March aimed at smoothing structural adjustments in industries most severely affected by the crisis, at the same time defining 14 (geographical) 'conversion poles'. The first results of the broad action programme for the long-term unemployed indicate that it is on course.

Germany

The Government has brought in an employment promotion bill which seeks to make labour and social legislation more flexible. The special measures of June 1982 to combat youth unemployment have been strengthened and a further DM 205m made available for actions. The early retirement law came into force from 1 May 1984 for people reaching 58 years of age – and not 59 as previously indicated.

Greece

The June 1982 law on job creation has been revised with one programme for creating 5000 subsidized jobs in enterprises for 18–25 year olds and the second for 4000 jobs for over 25s. Among other matters, parliament has voted the European Social Charter, a law on equality of treatment and is examining a bill on the social protection of Greeks abroad.

Ireland

The training authority has published a discussion document on the future of management education. The country's first information technology centre will be opened later this year. A pilot job sharing scheme (two persons into one job) is being introduced in the civil service. The Employment Incentive Scheme is being modified in favour of smaller firms. Among the recent activities of the Youth Employment Agency is an audio-visual aid on careers.

Italy

A draft agreement was reached between the three social partners in February dealing with restraining inflation and employment measures in the South, the public sector and unemployed youths. Indexation of government rates and prices and containing labour costs together with new scales of allowances was the subject of one April decree, whereas another on maintaining and increasing employment covered solidarity contracts, training and employment contracts, part-time contracts and nominative hiring.

Luxembourg

The regulation governing the scheme to establish socio-economically useful jobs has now been published.

The Netherlands

In a year long experimental programme now starting, jobseekers in three areas can register at post offices. Various changes in claims for unemployment benefits are being brought in relating to part-time employment allowances for education, unpaid work and role patterns. Philips have started privately a youth plan which should provide jobs for 700 young people. Five regions of high unemployment levels will be receiving grants each intended especially for jobs for the long-term unemployed, whereas HFL 800m is earmarked for some 7000 building and construction jobs in 1984/5.

United Kingdom

In its policy guidelines ('Training for Jobs') the Government has stated its intention of making training and vocational education more relevant to employment by increasing the influence of the Manpower Services Commission and reforming adult training. The Ministry of Defence has launched a new broad skill scheme for 2000 civilian training places. The Local Enterprise Programme was launched in Northern Ireland in November 1983 to support local initiatives for job creation. Following pilot schemes in nine locations all Jobcentres will improve their services to jobseekers by March 1985.

Overall developments

Denmark: The development on the labour market in 1983 and the outlook for 1984

In 1983 there was an increase in unemployment of about 8% in Denmark compared with the year before to reach a total number of about 285 000 unemployed persons, corresponding to 10.4% of the labour force. However, unemployment figures stabilized in the course of the year. Seasonally adjusted unemployment was thus about 3 000 lower in February 1984 compared with the month of April 1983.

Employment in 1983 compared with 1982 was largely unchanged. Thus the increase in unemployment in 1982 corresponds largely to the entry into the labour force of some 25 000 persons.

There are no signs which indicate that the development in the labour force in 1983 has been very different from the preceding years. The reason for the more favourable development in unemployment during the last six months of 1983 compared with the preceding years must therefore be the development in employment. A comparatively strong increase in private consumption, a continued growth in industrial exports, an increase in business investments and strong growth in residential construction meant that employment increased in the private sector in the course of the year: about 15 000 higher at the end of 1983 than at the end of 1982. On the other hand employment in the public sector has only risen by 5 000 persons during the same period.

This is a turn-about compared with developments in the preceding years where more or less unchanged or slightly increasing employment has masked a strong increase in public sector employment and a corresponding decline in private sector employment.

The expected development in 1984

From 1983 to 1984 the labour force is expected to grow by about 20 000

persons corresponding to a 0.7% increase.

With the financial policy to be pursued in 1984, employment in the public sector is not expected to increase. The development in private sector employment in 1984 will, in addition to growth abroad, also depend on interest rate levels. Throughout 1983 there was a very marked fall in the interest rate for bonds from about 20% at the beginning of 1983 to about 13% by the end of the year. During the first months of this year the bond interest rate has again shown an upward trend.

For continued growth in residential construction and business investments in 1984 it is imperative that the rate of interest does not increase again. If this is possible and if the expected increase in exports does take place, it is estimated that private sector employment will increase by about 25 000 persons corresponding to just over 2% from 1983 to 1984.

Such a development means that unemployment will be more or less unchanged from 1983 to 1984. If this holds good it will be the first time since 1979 that no marked increase in unemployment compared with the preceding year has been experienced.

Germany: Bill to promote employment

With the aim of opening up additional employment opportunities for the unemployed, the Federal Government has drafted a bill aimed at relaxing numerous labour laws and regulations. To this end, the Federal Minister for Labour and Social Affairs has submitted a 'bill for promoting employment'.

The bill foresees various modifications to existing labour and social legislation as well as partly providing for some new legal regulations. All the proposals are based on the idea of improving, directly or indirectly, the employment situation which for some time has been difficult.

The introduction to the bill states that 'in times of full employment labour

and social legislation can be primarily focused on the interests of wage and salary earners, i.e. persons who have a job. However, currently the interests of those who are looking for a job must also be taken into consideration. It is above all these jobless who are the target group of this bill which at the same time ensures that adjustments or restrictions of labour and social legislation are shaped so that they do not harm those workers/employees who in fact have a job. In line with this thinking, the intention is to introduce part of the regulations, i.e. limited length contracts of employment, prolonged duration for temporary work and the compensation of overtime through time off, only for a transitional period up to 31 December 1988. Data currently available indicates that the labour market situation should ease after that date.

The bill is part of an overall political strategy to improve the employment situation. This strategy includes in the first place measures aimed at improving the overall economic setting and at reinforcing industrial investment and innovation as well as the bill on early retirement.'

The bill covers proposals dealing with the following areas:

1. Law on the limited-length contract of employment.
2. Prolonged duration for temporary work.
3. Law on compensating overtime through time off.
4. Law on part-time work.
5. Regulation on partial capacity/incapacity to work.
6. Health cures – 'taking the waters' – taken into account towards holidays; prolongation of minimum holiday entitlement.
7. Extension of the compensation procedure for continued payment of wages.
8. Modification of the company pension scheme.
9. Promotion of measures for creating employment.
10. Law on identity cards for workers in the building industry.
11. More severe punishment of illegal

employment.

12. Doing away with the special provision regarding low wage/salary earners' contribution to health, pension and unemployment insurance.
13. Standardizing the ceiling of earnings for persons drawing an early retirement pension.
14. Extending the special conditions granted to single craftsmen for their pension insurance contribution when training apprentices.
15. Clarification in the Protection Against Dismissal Act.
16. Relaxing the three year period for cures under the health insurance scheme.

Italy: Draft agreement signed on 14 February 1984 between the Government and the social partners

The social partners and the Government have reconfirmed their draft agreement of January 1983 to respect the expected rate of inflation (10% for 1984, 7% for 1985 and 5% for 1986) as a basis for their decisions and behaviour so as to boost the economy and employment. At the same time they have committed themselves to intervene in numerous areas: reform of the labour market, employment maintenance, industrial and service sector policy, Mezzogiorno (South of Italy), special measures for some sectors (mines, metallurgy, telecommunications, textiles, etc.) and in specific fields such as taxation, prices and rates, solidarity funds, reorganizing social institutions and public employment.

As regards employment, the following measures in particular are foreseen:

- A special scheme for creating viable new employment opportunities in the Mezzogiorno, above all for developing the entrepreneurial skills of the young. Young people of between 18 and 29 years of age must constitute at least 80% of the hir-

ings in individual initiatives, such as those of cooperatives.

- Employment maintenance, where, in the public sector, the Government intends:

- (i) to establish those areas of the Mezzogiorno where they do not already exist, public administration service centres. Located in the areas of highest structural unemployment, each centre has a potential for absorbing between 500 and 1000 persons;
- (ii) to find a further 10000 to 12000 skilled jobs in sectors having high social priority, such as soil conservation, the enhancement of cultural and environmental assets, combatting tax evasion, customs and public order;
- (iii) to find approximately 5000 jobs for semi-skilled people in public administrations and public utilities; a part of these jobs should be utilized for providing public services in the industrial triangle (Genoa – Milan – Turin) so as to absorb industrial redundancies.

The implementation of these measures is the subject of an agreement between the Civil Service Minister and the labour unions.

Furthermore, to encourage the integration of unemployed youths into the labour market, the Government is proposing to parliament suitable bills and will adopt measures including:

- (i) a special scheme of national interest for hiring in 1984 and 1985 at least 30000 young people of between 18 and 25 years of age. Training and employment contracts of a duration of not less than six and not more than 24 months, according to the type of vocational skill to be acquired, will be reached with companies or their associations. Such contracts can be converted into regular employment contracts, even before their expiry;
- (ii) adequate refinancing of the revolving fund, set up by Law No 845

(Industrial Training Act), for partial coverage of the relevant charges, whether they are for reductions in social charges or for vocational training;

- (iii) temporary training and employment contracts must constitute part of specific projects of enterprises or employer associations which are submitted to the Ministry of Labour for approval. Advice will be provided by an appraisal unit within ISFOL (the National Vocational Training Institute), a tripartite body including regional representatives.

Italy: Containing labour costs – D. L. No 70 of 14 April 1984

This decree, which has the force of law, sets out urgent measures regarding government controlled rates and prices and inflation compensation. It specifies:

- (i) that for 1984 the weighted average of increases in government controlled prices and rates cannot exceed the maximum rate of inflation in the Government's forecast and programme for the year (i.e. 10%);
- (ii) that a new scale has been adopted for calculating the supplementary allowance ('assegno integrativo') to be paid in addition to the family allowances and family allowance supplements for dependent children under 18 years of age, scaled according to the annual family income liable to IRPEF tax (see table);
- (iii) for the six months from February to July 1984 the index points of variation of the compensation for inflation and of similar allowances for private workers and of the special supplementary benefit for workers in the public services was set to increase by two points from 1 February 1984 and by not more than two points from 1 May 1984.

The measure should be ratified by the Chambers before 16 June 1984.

Annual family income liable to IRPEF tax	1 child	2 children	3 children	4 children or more
	amount per month	amount per month	amount per month	amount per month
Up to 9 000 000	45 000	90 000	135 000	180 000
From 9 000 001 to 10 100 000	39 000	82 000	127 000	171 000
From 10 100 001 to 11 500 000	33 000	74 000	119 000	162 000
From 11 500 001 to 12 700 000	27 000	66 000	111 000	153 000
From 12 700 001 to 13 800 000	21 000	58 000	103 000	144 000
From 13 800 001 to 14 900 000	15 000	50 000	95 000	135 000
From 14 900 001 to 16 100 000	—	42 000	87 000	126 000
From 16 100 001 to 17 300 000	—	34 000	79 000	117 000
From 17 300 001 to 18 400 000	—	26 000	71 000	108 000
From 18 400 001 to 19 500 000	—	20 000	55 000	99 000
From 19 500 001 to 20 700 000	—	15 000	39 000	90 000
From 20 700 001 to 21 800 000	—	—	23 000	81 000
From 21 800 001 to 23 000 000	—	—	15 000	72 000
From 23 000 001 to 24 000 000	—	—	—	54 000

Employment Maintenance

Denmark: Securing jobs for conscripts

A committee set up under the competence of the Ministry of Labour and with participation of the social partners and the authorities and organizations concerned reported in March 1984 on how to improve the employment opportunities for conscripts on termination of their military service.

In Denmark about 15 000 young men are drafted each year to perform military service. Of the half who are in employment on being drafted, about 1/3 are without a job on termination of their service. Many young men thus lose their jobs each year because they must perform military service. The setting up of the committee should be seen as an expression of a wish to try to do something to minimize this unfortunate consequence of military service.

The committee considered two possibilities in particular. Either a reinstatement arrangement (formulated as a right to return to one's former job on completing military service) or a broader scheme comprising preferential treatment in connection with job

offers, training, guidance, etc. The first possibility, the reinstatement arrangement, is undoubtedly the most interesting because of the fundamental principle it would involve.

The committee has considered the advantages and disadvantages connected with such a reinstatement arrangement. Members of the committee agree, first, that the arguments in favour of this arrangement are the wish to reduce the imbalance in the employment situation of those who are called up to perform military service and those who are not; secondly, the fact that performance of military service makes jobsearch difficult, both for geographical reasons and lack of time; and thirdly, that conscripts in other countries – and a few groups of conscripts in Denmark – are already guaranteed this right to be reinstated in their former jobs.

Furthermore, it has also been agreed that the most important argument against a reinstatement arrangement is that it will only ensure that young men who were in employment when they were called up for military service cannot be dismissed because they are performing or have performed military service; but it gives no real security for employment on completion of military service as there will be no restrictions in the general rights of the employer to dismiss and recruit staff.

Secondly, a reinstatement arrangement will generally make the employment situation more difficult for young men who have not yet performed their military service. Thirdly, such an arrangement would involve a number of problems for the employer and for any persons recruited as replacements.

The members of the committee are not agreed on how to weigh up these advantages and disadvantages. A majority of the committee recommends a reinstatement arrangement, while a minority – including the representatives of the Ministry of Labour who have stressed the 'empty' character of the arrangement – is sceptical.

There has as yet been no political follow-up to the report.

France: Industrial restructuring

The Cabinet announced on 29 March 1984 a set of measures aimed at smoothing industrial change in those industries which are most severely hit by the crisis and at encouraging the creation and development of enterprises. These measures revolve around three focuses: industrial, economic and social. In addition, special attention will be paid towards 14 'conversion poles', those areas most hit by industrial structural change.

1. The industrial measures cover three industries: coal mines, shipyards and steel. They are intended to enable these industries to adapt to the new technologies and to the development of the world market.
2. The economic measures consist of:
 - general measures, particularly fiscal, which are aimed at encouraging corporate creation and development;
 - measures exclusively for the 14 'conversion poles'.
3. The social measures aim at enabling a true and rapid regrading of those whose jobs have disappeared. They are an indispensable element to the measures for industrial restructuring.

Two categories of measures can be distinguished:

● **adapting existing measures:**

- (i) measures dealing with retirements: the National Employment Fund (FNE) system of early retirements will be modified, State support being subordinated to corporate attempts to maintain and promote employment (training actions, reduction in the length of working time, etc);

in the conversion poles, these measures will be available to enterprises which, although not experiencing economic problems (a condition normally required), can, by arranging departures for early retirements, open up jobs which can be filled by the unemployed;

- (ii) reduction of the length of working time: the mechanism for solidarity contracts will be modified with the employment commitment demanded of the enterprise being made more flexible: aid will be available for enterprises in which reducing working time can avoid redundancies, without there being any requirement for maintaining numbers for a three year period. Aid from the State has also been redefined and increased;

- (iii) degressive temporary allowance: this allowance is geared to wage-earners who accept downgraded jobs which entail income lower than their previous wage. It can be drawn on in conversion poles and for those segments of the workforce who are experiencing difficulties. Finance is split between the enterprise concerned and the State.

- **Conversion leave: a new measure.** This measure is intended for the steel industry, large shipyards and the coal mines. It is designed to enable wage-earners in these in-

dustries who are affected by redundancies to obtain, over a two year period, training enabling them to adapt to a new job and thereby ensure really effective redeployment. During the conversion leave, the legal link with the employer remains, but the work contract is substantially altered. During this period, the wage-earner will receive income comparable with that of job-seekers who are undergoing training (80% of the previous net income). Training leave can be the subject of an agreement between the State and the enterprise, with the State taking on a part of the costs of training (up to 50%) and of the income (up to 30%).

Redeveloping conversion poles

The Government considers that the very heavy geographical concentration of the problems experienced justifies the most affected zones being given special treatment.

The conversion poles are being given priority as regards earmarking public money aimed at supporting industry, building and public works. A special allocation of FF 3 000 million has been put aside for financing new industrial projects, and FF 1 300 million for implementing major works aimed at improving the corporate environment.

They are furthermore benefiting from a significant movement towards decentralizing, flexibilizing and accelerating the procedures for public aid.

Finally, all the actors involved at the local level will be systematically mobilized. The Commissioners of the Republic (previously the Prefects) who have had their resources increased to this end, are being given a key role in stimulating and coordinating the initiatives.

Italy: Decree for maintaining and increasing employment (D.L. No 94 Official Gazette of 30 April 1984)

This decree having the force of law covers urgent measures to maintain

and increase the level of employment. It should be converted into law by parliament within 60 days of 30 April 1984. However, its elements enter immediately into effect.

1. Solidarity contracts enable a taxable wage compensation allowance to be made to workers who have signed an agreement with their industrial company to reduce working time to avoid redundancies. This allowance amounts to 50% of the wages forfeited through this reduction; it can be paid for a maximum of two years.

The period of receiving the allowance is considered as fully contributing to pension rights' qualifications, the contributions in question being paid by the Wage Compensation Fund.

2. Under solidarity contracts with simultaneous hiring of young people, workers agree to a permanent reduction in working time and a commensurate reduction in wages with a planned hiring of young workers (15 to 29 years of age and, in agreed cases, workers older than 29 years). For each such additional hiring the Government provides aid representing 15% of the appropriate monthly pay scale for the new employee for the first 12 months, 10% for the second 12 months and 5% for the third. This measure, which is estimated to cost some LIT 20 000 million in 1984, does not apply to companies which have reduced their workforce over the previous six months.

3. Training and employment contracts for persons aged from 15 to 29 years can be concluded by public and private enterprises (or their representative bodies) for non-renewable periods not exceeding 24 months. Contracts specify the time and nature of the work and training, in accordance with existing practice defined notably in collective agreements. They are vetted, where necessary, by the Regional Employment Commission before being approved by the Ministry of Labour and Social Affairs. At the end of the

contract, the employer attests to the trainee's activities on his/her employment card. The contract can also be converted into an unlimited length work contract provided this complies with the level of training received. Such trainees are not part of the head-count for determining the limits for numerical placements. In the 12 months following conclusion of the contract, workers can be taken on for an appropriate job by the same or another employer under an indefinite work contract through 'nominative request'.

Training and work contracts directly linked to scientific and technological research – administered by the Research Ministry – can exceed 24 months.

4. Part-time contracts can be drawn up for working fewer hours than is generally foreseen in a collective agreement. Workers with such contracts can remain or become registered as full-time jobseekers. With the consent of both parties, a full-time contract can be transformed into a part-time contract and vice versa.

Contracts must be drawn up in writing, describing the job and the

spread of daily, weekly, monthly or yearly work. Failure to send a copy of the contract to the appropriate provincial labour inspectorate within 30 days results in a fine of LIT 300 000. Fines must also be paid for other infringements: part-time workers cannot work overtime and for non respect of collective or company agreements specifying the comparative percentages of full and part-time workers. Employers caught illegally hiring part-time workers are fined LIT 40 000 per worker day.

Contracts also specify how to compute social charges, family allowances (full allowances are payable for a working week of not less than 24 hours), payment for incapacity to work of not less than 20 % and pension contributions.

None of the above regulations apply to workers in agriculture.

5. Nominative hiring: employers intending to hire workers for an indefinite period for whom 'numerical request' is obligatory, can henceforth make a 'nominative request' for 50 % of these workers. The nominative request must be submitted at the same time as the numer-

cal. In exceptional single cases such as terminating a contract during the probationary period, such compensation takes place at the time of the next request. All other regulations pertaining to hiring by nominative request remain unchanged.

Aid to the unemployed

France: New unemployment benefit system

Negotiations on reforming the unemployment benefit system led to the signing, on 11 January 1984, of an agreement between the social partners on the unemployment insurance system. This agreement was completed with a 'statement of the conclusions' signed on 9 February 1984, by the State and the social partners. This statement organizes the national solidarity system, which constitutes the second plank of the new arrangement for providing unemployment allowances.

The new arrangement can be summarized as follows:

1. The unemployment insurance system

Financed by contributions from enterprises (unchanged: 4.08 % within the limits of 4 times the social security ceiling) and wage-earners (raised from 1.72 % to 1.92 % plus a supplementary contribution of roughly 0.53 % on the amount of the wage between the ceiling and 4 times this ceiling), this system will cover, provided they have contributed for a minimum period, wage-earners who have been dismissed or completed a limited length contract and those who have given up their work for a reason recognized to be legitimate.

The main characteristics of this system are as follows:



Waiting for unemployment benefits.

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- there are now only two types of allowances: the basic allowance (42% of the wage + FF 40 per day) and the end-of-rights allowance (FF 40 per day, which is doubled after 55 years of age under certain conditions). This means that the previous 'special allowance' for being made redundant ('economic dismissals') disappears. The 'lump sum allowances' (young people looking for their first job, single women, ...) have been transferred to the new solidarity system, as has the 'aid for exceptional help'.
- The length of time for which benefits will be paid is variable according to the length of enrolment and the age of the unemployed person (under 50 years, from 50 to 55 years of age and more than 55 years of age).
- In case of prolongation, the amount of the allowances is degressive.

2. The solidarity system

Financed by the State, it takes on those persons who have exhausted their rights to allowances under the insurance system or who are excluded from it because of their lack of working references (previously 'flat rate/lump sum allowances').

This system also takes over:

- expenditure dealing with early retirees (early retirement solidarity contracts, National Employment Fund agreements, steel industry agreement on social protection);
- aid to unemployed persons who are setting up their own enterprise.

The current 'lump sum allowances' and 'aids for exceptional help' will be replaced by two new allowances:

- a 'transition-to-working-life allowance' ('allocation d'insertion') for young peoples aged 16 to 25 years who are looking for work for the first time, female one-parent family heads, etc., paid for a year at the most. Amount: FF 40 (FF 80 for women on their own);
- a 'solidarity allowance' for the long-term unemployed leaving the un-

employment insurance who can show 5 years of wage-earning activity and are in want: paid by renewable 6 month periods; amounts: FF 40 per day in general, FF 60 per day from 50 years of age with 10 years of wage-earning activity and FF 80 per day after 55 years of age and 20 years of wage-earning activity.

An agreement will be drawn up between the State and Unedic (the National Union for Employment in Industry and Commerce which manages the unemployment insurance system) providing that the whole of the unemployment allowance system be managed by Unedic (insurance and solidarity). The system of the 'single counter' for all unemployed persons is thus maintained. It will continue to be manned by the Assedics (the Associations for Employment in Industry and Commerce).

Netherlands: Experimental registration at the post office

Since 1 December 1983 jobseekers can sign on at post offices by way of so-called 'pre-registration'. This experiment is being carried out in the areas of the employment offices of Amersfoort, Veenendaal and Doetinchem. The intention is to simplify and speed up registration. This new approach results from cooperation between the employment offices and the PTT (Post Office). Agreement has also been reached with the agencies paying out the unemployment benefits (trade associations and social services) on the procedure.

Registration, which can currently only take place at the employment office, is necessary among other things for applying for unemployment benefit. In the experimental areas the jobseekers can fill in the preregistration form at the post office. The PTT is then entrusted with forwarding the first part of the form to the employment office. The applicant sends the second part to the social service office or the trade association and keeps the third part. Within a fortnight the newly registered person will be invited for an interview.

The experiment will last a year. Experience acquired will be used to decide on the possible extension of the approach.

Netherlands: Changes in the State Group Regulation for Unemployed Workers (RWW)

The Secretary of State for Social Affairs and Employment, Mr de Graaf, has announced his intention in the official gazette of changing the RWW. The purpose is to clarify the rights and duties of the unemployed who are receiving the assistance. Possibilities for taking up education or doing unpaid work while retaining benefits are also indicated. Further modifications concern changes in the distribution of roles between men and women as well as part-time work.

The unemployed who cannot, or no longer, claim the WW benefit (benefit under the Unemployment Insurance Act) depend on the State Group Regulation for Unemployed workers (RWW), a regulation which implements the General Assistance Act ('Algemene Bijstandswet'). They receive a benefit on a social minimum level. When granting the assistance, the personal means (income and property) of the applicant and his/her partner are taken into consideration.

Part-time work

Until now the RWW only applied to people looking for full-time jobs. People who are looking for part-time jobs for medical or social reasons, now receive assistance mostly directly on the basis of the General Assistance Act. In the future the RWW will also apply to them if they are available for work for at least half the working week.

Beneficiaries of assistance who are able to accept a full-time job but who prefer a part-time one will receive only a partial benefit. If within a reasonable period (maximum one year) no part-time job has been found, a suitable full-time job will have to be looked for and accepted. People who are unable to take up a full-time job (because of

having to look after young children for instance) will, of course, receive a full benefit.

Education

Unemployed persons aged 21 years or more can take up daytime education which is not strictly necessary for their being integrated into the labour market and still retain their benefit, if they cannot claim a government grant for this kind of education. However, they must actively continue to look for employment and accept suitable work should it be offered. Unemployed young people (up to 21 years of age) and school-leavers of 21 years or older cannot take up daytime education while retaining benefits. From the moment they enroll in daytime (full or part-time) education they are considered as students.

Working while retaining unemployment benefit

What unpaid work can be done while retaining an unemployment benefit is laid down in the revised version of the RWW.

Municipal bodies have to give their agreement for participating in activities. These cannot be professional or industrial in character nor lead to unfair competition or subsidization. During unpaid work the individual must remain active in his/her quest for integration into the labour market such as by making applications and by accepting any suitable work which might be offered.

Role patterns

Because of changing views on the role of men and women in society it is now much less evident that only one of the partners earns the whole (family) income. These changes have been taken into consideration in the revised RWW. If, in the course of a year, one partner receiving unemployment benefit does not earn enough to keep both of them, the obligation to look for paid work can be imposed on the other.

This change primarily affects younger people without children.

The revision of the RWW will be submitted to the 'Raad van State' (governmental advisory council) for advice two months after its publication in the 'Staatscourant' (official gazette). Following this advice, the regulation as modified will come into effect as soon as possible.

United Kingdom: Developments in MSC Jobcentre services

A major study has recently been completed into the services provided by Jobcentres and the ways in which these services are presented to the

services to jobseekers. A report on the project was produced in November 1983, and the recommendations arising from the project are due to be implemented in all Jobcentres in the country (just over 1 000) by March 1985.

The objectives of the project were:

- (a) to make Jobcentres as welcoming and as easy to use as possible;
- (b) to improve the presentation of facilities to help the public find the service or information they need quickly and informally;
- (c) to apply the best customer handling practices in personal contacts between staff and public;
- (d) to minimize queues and reduce waiting time.

Organizational changes contemplated as a result of the project include attempting to deal with the majority of jobseekers' enquiries at their first point of contact with the office, as well as providing jobseekers with a range of self-help information on how best to look for a job and MSC and other Government schemes and courses. This emphasis on front-line and self-help service does not mean that those jobseekers (such as the disabled and the long-term unemployed) who require more detailed information and advice will not continue to be able to request an interview with staff if they so wish.

Significant improvements have also been suggested to the ways in which Jobcentres present their services to the public. The layout of front-line desks and job display boards has been altered to give Jobcentres a more informal, attractive and less bureaucratic appearance to the public. It is planned to make extensive use of explanatory signs and notices to augment the self-help materials provided for jobseekers.

These include leaflets on jobhunting, coping with redundancy, self employment and MSC schemes and courses together with specially designed basic reference and information material on a wide range of jobs and careers. These materials were developed by MSC's



Young unemployed looking for a job in an area of South London.

Photo: Jacob Sutton - Agence Gamma, Paris

public. The project was designed to establish best practices in Jobcentres' approaches to the change to voluntary use of its services and set out a number of ways in which Jobcentres could most effectively provide a wide range of services to their jobseekers within existing staffing and financial resources. Between March and September 1983, MSC's Employment Division used nine Jobcentres to develop and improve

Careers and Occupational Information Centre.

Surveys carried out in the nine Jobcentres involved in the project showed 93% of people questioned found the offices easy to use and 87% judged the offices to be good or very good. This success comes against a background of high unemployment, when jobseekers are experiencing considerable stress and difficulty in their job-search. Staffing resources in the Jobcentre network have been considerably reduced over the last few years, and the success of this Development Office experiment makes a valuable contribution to the range of ways of meeting the needs of the unemployed in a time of static or diminishing resources.

Training

Belgium: Traineeships (A.R. No 230 of 21 December 1983)

The background

Already in 1975 a royal decree of 13 April foresaw the employment office – ONEM – contributing financially to employers taking on young graduates for a traineeship ('stage'). Such traineeships were to enable them to adapt to work within the enterprise related to their studies. Many young people were having trouble finding jobs because their theoretical training inadequately prepared them for the demands of employment.

The law of 30 March 1976 concerning traineeships for young people was the first to compel employers with more than 100 workers to take on a certain number of trainees (1% of the total labour force). Their employment was temporary and their pay could be slightly less than that of workers doing the same job in an enterprise or public administration. The aim was to mop up youth unemployment by enabling them

to acquire, on completion of their studies, practical training within a real work situation, thereby facilitating their entry to working life.

Since the 1976 law worked out satisfactorily, similar arrangements were taken up in the 1977–78 budget law of 22 December 1977. This made the traineeship into a legal requirement: private enterprises and public administrations employing more than 50 persons had to recruit at most 2% of young people under 30 years of age for a once renewable period of six months. A BFR 30 000 premium was granted to employers for each trainee they took on above 1%. A similar premium was given to private employers of less than 50 persons who voluntarily recruited 1 or 2 trainees.

Finally, royal decree No 26 of 24 March 1982 raised the number of trainees required to be taken on to 3%, opened up the possibility of part-time trainees (1%) and scrapped the premium system.

However, the 1977–78 budget law as it had thus far been modified had brought out a number of problems:

- (i) as the compulsory percentage of trainees to be recruited was raised from 2% to 3%, fewer trainees were taken on by their enterprises on completion of their traineeship;
- (ii) the 3% requirement was made up of 2% full-time and 1% compulsorily half-time. This half-time recruitment raised problems both of work organization in enterprises and of the lack of volunteers in public administration;
- (iii) the same system was introduced for the private and public sectors despite differences between and even within them. This made some arrangements difficult to apply;
- (iv) doing away with grants to enterprises taking on trainees had caused a significant drop in numbers hired afterwards.

New arrangements

Taking account of the economic situation and the continuing growth of youth unemployment, matters had to be revised to overcome the difficulties experienced and at the same time boost youth training and integration into working life.

Such was the purpose of royal decree No 230 of 21 December 1983. This draws on actual experience with provisions of the law of 22 December 1977 as well as on legal provisions brought in since then such as the law on industrial apprenticeship and that concerning raising the school-leaving age.

The target group of persons eligible for traineeships are young people under 30 years of age who have as yet no experience of working life. They have to apply at their local ONEM placement office.

Every enterprise with at least 50 workers has to take on trainees. The total number of trainees must correspond to 3% (full-time) of the personnel of the enterprise. The number of trainees can be in excess of this amount without, however, being more than 4% of the total personnel.

To meet its trainee requirement, the enterprise can also take on industrial apprentices. Furthermore, young people retained by the enterprise after a traineeship contract are taken into account when fixing the percentage to be reached, but only during their first year of employment. Assimilating industrial apprentices to trainees is intended to provide an incentive to enterprises to take on young people who, within the framework of lengthening compulsory schooling, choose part-time training at school and in the factory.

The minimum number of trainees required is calculated by taking account of all workers in the enterprise including part-timers, but not trainees. If different operating units make up a single legal entity, it is the total number of personnel employed which counts.

The requirement to take on trainees can be extended to enterprises employing less than 50 workers if they are highly capital intensive. For other enterprises with less than 50 workers, recruitment is voluntary, with a maximum of three full or half-time trainees.

Enterprises which are in trouble can be dispensed for a specific time, in whole or in part, from taking on trainees, on the advice of the sub-regional employment committee. Another exemption is foreseen linked to the commitment to create further unlimited full-time jobs for people less than 30 years of age who are either receiving a full unemployment benefit or are trainees. The Ministry of Employment and Labour can sign contracts covering hirings of this sort with enterprises which:

- (i) have not reduced their employment volume from 30 June of the year preceding that of signing the document;
- (ii) have, during the same period, met all their legal requirements as regards youth traineeships and early retirements;
- (iii) have met all their requirements as regards social legislation, working regulations and conditions of pay.

It can reach similar contracts with enterprises meeting the two last mentioned conditions and which either

- (i) without having maintained their employment volume during the period in question have, during this time, reduced short-time working; or,
- (ii) during the same period and without any collective dismissals, have taken over an enterprise which is bankrupt, in liquidation or in trouble or have merged with such an enterprise.

Aim and conditions

The traineeship seeks to provide practical training aimed at bridging school and working life. It should thus be carried out under conditions fitting the trainee's studies, qualifications and skills.

The King can authorize a traineeship abroad.

The enterprise has to ensure that activities performed during traineeships conform with their purpose. A programme has to be individually worked out for each trainee at the conclusion of the contract and conceivably completed in case the traineeship is prolonged.

The enterprise has to take account of the preferences which the person concerned can justify and organize the traineeship in such a way that the person in question gets as much out of it as possible. To this end, and whether or not there might be a traineeship supervisor, each trainee is guided by a member of the personnel designated because of his/her experience and proven capacity in training young people.

Full or half-time employment

Recruited trainees must always be additional to the existing workforce, thus not compensating for dismissals. Those concerned can be taken on full or part-time on the understanding that:

- (i) part-time traineeships are taken into account proportionally to full-time;
- (ii) taking on an apprentice is equivalent to taking on a trainee half-time;
- (iii) taking on a worker by an enterprise with whom at the end of the traineeship an unlimited term work contract is signed, is equivalent for the first year of employment to taking on a half-time trainee.

The duration of the traineeship remains unchanged: six months or 26 weeks (it being possible to prolong this period once only by a further six months or 26 weeks).

For the duration of the traineeship, the trainee receives an allowance equal to at least 90% either

- (i) of the initial wage paid to a member of the personnel in public administration with the same vocational

qualification as is set out on a diploma or certificate;

or,

- (ii) of the wage a worker performing the same functions could claim in accordance with the wage scale applied in the enterprise.

The reference wage is reduced proportionally for a monthly wage of a trainee taken on part-time.

Incentives to enterprises hiring trainees at the end of their traineeship

To increase permanent hirings at the end of the traineeships incentives are offered to enterprises:

- (i) during the first year of his/her unlimited term contract the former trainee is paid 90% of the pay a worker performing the same functions earns; this wage is thus equal to his/her traineeship allowance. From the second year of his/her unlimited term contract, his/her wage is raised to 100%;
- (ii) the employer's social security contributions are reduced by 10% of the gross pay of the person concerned for a period from the fifth to the eighth quarter which follow that during which the hiring under unlimited term work contract started. However, the hiring of this worker must bring with it a net increase in the personnel and the enterprise must respect its requirement for hiring trainees.

Status

All the regulations pertaining to the worker's or employee's limited term employment contract, with the exception of specified dispensations, apply to the traineeship both in the public and the private sectors. This means that it should contain a probationary clause. The trainee must, like any other member of the personnel, respect regulations concerning working time and other conditions of employment.

If, once the traineeship is over, the enterprise employs the trainee, his/her

traineeship period is taken into consideration for calculating his/her seniority and rights.

If the traineeship contract is to be broken, the trainee has only to give seven days notice, whereas the employer can only break for reasons previously recognized as being sufficient by the monitoring bodies (the works council or, failing that, the trade union delegation; the safety, health and works improvement committee; or the representatives of the workers. In public administration the bodies are the trade union consultative committee, or the competent staff council).

Special provisions for public administration

Traineeships are organized differently in public administration to take into consideration their special characteristics.

Traineeships are compulsorily part-time in services employing at least 50 workers. Thus the length is 12 months (or 52 weeks) without any possible extension.

Part-time can correspond to a half-time job, or a $\frac{1}{3}$ time job, the latter having to be carried out in complete days.

Adding up the part-time jobs must correspond to the full-time hiring of 3 % of the staff concerned (excluding the trainees already in place).

Services employing less than 50 workers can take on a maximum of three trainees.

Young people wishing to carry out a traineeship in a public service must be of Belgian nationality, without prejudice to Article 48 of the Treaty of Rome which guarantees the freedom of movement of workers within the Community.

Recruitment of trainees by the State and public interest bodies must be carried out from among successful candidates of the recruitment examination. Should there be insufficient numbers of candidates, other young unemployed jobseekers can be called upon.

Without prejudice to the provisions for recruiting staff in public services, carrying out a traineeship within a public administration gives no right to nomination.

A special system is foreseen for public enterprises being restructured under a plan approved by the King.

Denmark: Changes in financing adult vocational training

On 15 December 1983, the Folketing (the Danish Parliament) adopted the Government proposal to set up a vocational training fund.

This fund will cover public expenditure in connection with adult vocational training (training of semi-skilled workers, further and advanced training for skilled workers, etc., retraining and introductory work experience courses for young persons and for the long-term unemployed).

All employees and employers are to contribute to the fund.

In 1984 the contribution in respect of a full-time employed person will be DKR 972, to be financed on a fifty/fifty basis by the employees and the employers.

For the coming years the contribution will be fixed for one financial year at a time so that the total income from the contributions will correspond to public expenditure on adult vocational training.

At the same time the Folketing decided to increase public financing from 85 % to 100 % of the running expenses in connection with training of semi-skilled workers and further and advanced training of skilled workers. This means that the employers' and employees' organizations and the municipal authorities will no longer have to finance 15 % of the expenditure.

Ireland: Management training and development in Ireland – a discussion document

A discussion document on 'Management training and development in

Ireland' was released at the end of February by AnCO – The Industrial Training Authority.

The document sets out the conclusions of an important examination of management training and development in Ireland. It has been produced following consultations with a wide range of interests including employer and employee bodies, State development agencies and all of the major providers of management training programmes. In issuing a discussion document AnCO is inviting all those with an interest in this important topic, particularly the industrial and commercial sectors, to respond constructively to it. On the basis of such responses AnCO will draw up a programme to implement much needed action in this vital area.

The task force who drew up the discussion document discerned some strong common threads among capabilities which will be needed by Irish managers in the future. Chief amongst these were:

- (i) strategic corporate planning;
- (ii) marketing (in particular, export marketing);
- (iii) finance;
- (iv) socio-political involvement at local and national levels.

Other capabilities which received frequent mention were:

- (i) managing people/industrial relations;
- (ii) computer familiarity;
- (iii) creative thinking;
- (iv) decision-making;
- (v) business law.

It became very clear to the task force that managers are working in an environment of accelerating change and complexity and that this will demand an increasing capability to manage and cope with change.

The task force also recognized that the degree of priority in certain capabilities will vary not only according to the level of management but also according to the size, type of business, etc. These capabilities are also likely to change over time with changing politi-

cal, economic, social and technological circumstances. Therefore, it was seen that it is a matter for each organization to determine its own management capabilities over any particular time span. Nevertheless, the four key capabilities of strategic planning, marketing, finance and socio-political involvement are seen as being essential for all chief executives and senior managers. Specific capabilities for middle and junior managers were seen as being more likely to vary from one organization/function to the next, but the task force suggested that managers at all levels will need a high level of financial fluency and considerable capability in managing people, thinking creatively and decision making.

Ireland: Information Technology Centre

The country's first Information Technology Centre is to be opened by AnCO later this year. This is designed to give all AnCO trainees some experience with basic computer skills, no matter what course they are taking. The rationale behind the decision to provide basic computer training for all AnCO trainees is that these skills will become more relevant for the majority of occupations over the next 10 years.

In preparation for the opening of the Information Technology Centre an experiment will be tried out to test the training capability of a video instructor system through which trainees with basic computer skills can teach themselves.

United Kingdom: White Paper on 'Training for Jobs'

The Government's White Paper, 'Training for Jobs' published on 31 January announced reforms in two key areas of training:

- (i) to make training and vocational education more relevant to employment needs, the Manpower Services Commission (MSC) will be given responsibility for a quarter of the UKL 800m spent each year by local education authorities

in England and Wales on work-related non-advanced further education.

- (ii) the Government has broadly endorsed the MSC's proposals for the reform of adult training. The adult training programme will be restructured in order to help 250 000 people each year by offering:
 - (a) training more closely directed towards the skills needed by employers, and the skills needed in growth business areas;
 - (b) more basic level training for unemployed people who need it to help them find work.

The White Paper looked at the progress towards and work still needed to achieve the three objectives set out in the 1981 White Paper 'A new training initiative: A programme for action'. The objectives were:

- (i) better preparation in schools and colleges for working life and better arrangements for the transition from full-time education to work;
- (ii) modernization of training in occupational skills (including apprenticeships), particularly to replace outdated age limits and time-serving with training to agreed standards of skill appropriate to the jobs available;
- (iii) wider opportunities for adults to acquire and improve their skills.

The transition from full-time education to work

Good progress has been made both within education and outside it. The White Paper lists a number of recent developments including curriculum reform, a new Certificate of Pre-Vocational Education, the Technical and Vocational Education Initiative (TVEI) and the new Youth Training Scheme. To build on these advances further steps will be needed, including:

- (i) expansion and development of the TVEI;

- (ii) defining standards of performance and developing a system of certification which can be applied to both vocational education and the Youth Training Scheme and which will link with other training standards and qualifications.

The Government sees a continuing need for coordinated provision to help young people progress from education to work.

Training in occupational skills

The White Paper records the substantial progress some industries have already made towards modernizing their training arrangements – for instance in electrical contracting and in construction. But more needs to be done to meet the target that by 1985 training for all significant skilled occupations should be based on achievement of agreed standards rather than time-serving.

The wider aim must be to open up access to training and to jobs through a comprehensive system of training standards and certificates of competence.

There are already indications that current levels of trainee recruitment in some industries will not be adequate to meet employers' needs for skilled people. This means, the White Paper says, that the training system must be able to respond swiftly and flexibly to changing needs.

Adult training

In the White Paper the Government endorses the MSC's proposals for an adult training strategy published last December:

- (i) the MSC will restructure its training provision into two main programmes:
 - (a) an industry – focused programme for both employed and unemployed people which could give them job-related training;
 - (b) a programme to give further help for unemployed people

who need training at a more basic level.

This approach will tie training in more closely to local labour market needs and enable twice as many people to train and improve their job prospects.

- (ii) The MSC will act as a catalyst for action by others, for instance by improving on local training needs and training providers. This will need close collaboration between employers and providers, including local education authorities. The Commission's proposed national awareness campaign will help in this.
- (iii) The Government will consider the MSC proposals to incorporate more training or work preparation into the Community Programme which provides temporary work for long-term unemployed people. The Government will also examine, in collaboration with the MSC and others, the Commission's proposal to look at the possibility of establishing a loan scheme for adult trainees.

Roles and responsibilities

The White Paper makes it clear that the Government sees training as an investment. If the quality and quantity of training are to be up the mark, that investment needs to be attractive financially. This means keeping costs down, among other things through the acceptance by trainees of realistic pay levels. It also means the removal of artificial restrictions on access to training, on the time taken to complete it and on the subsequent use of the skills learnt.

Improving training in this way will mostly depend on the decisions of employers, who have to take the investment decisions and who need to see that the training is right for their needs. It is the job of central and local government to use public money to ensure that general and vocational education are provided in ways which respond to the changing needs of employment; and, through MSC, to help

the flow of information about skill needs, encourage the development of nationally recognized standards, fund experimental courses and provide special help for training unemployed and disabled people. Trainees have their part to play by accepting pay or allowances which reflect the value of the training they receive.

New arrangements within vocational education



'Public sector provision for training and vocational education must become more responsive to employment needs at national and local level'.

Photo: Paul Versele - Copyright 'Photo News', Brussels

To help carry through successfully the important developments described in the White Paper public sector provision for training and vocational education must become more responsive to employment needs at national and local level. The Government has therefore decided to give the MSC new responsibilities by enabling it to purchase a larger proportion of work-related non-advanced further education provided by local education authorities. With its new responsibilities the MSC will be able to discharge the function of a national training authority.

The amount to be devoted by the MSC to such provision in England and

Wales will increase to UKL 155m in the financial year 1985/86, and to UKL 200m in 1986/87. The intention is that the Commission should by then account for about one quarter of the total provision in this area. The resulting reduction in the need for local authority expenditure will be taken into account in settling the relevant rate support grant; the arrangements for this will be subject to consultation with the local authority associations. In Scotland the current arrangements for funding further education will remain unchanged.

The MSC is being asked as a matter of urgency to consider, consult and report to the Government on appropriate machinery at both national and local level for carrying out its enhanced responsibilities.

United Kingdom: The Youth Training Scheme in the Ministry of Defence

The Ministry of Defence (MOD), one of the largest single employers in the public sector, is keen to play its part in the Youth Training Scheme by planning to have 2 000 high quality civilian training places available by the end of the current academic year. These places are in addition to the 5 600 places available under the Armed Services Youth Training Scheme, which is a separate scheme.

Because of its long history of providing apprenticeship training (there are currently more than 5 000 apprentices in MOD establishments throughout the United Kingdom) the MOD has a wealth of experience in training young people, using the most up-to-date equipment and training techniques in some 90 specialist training centres throughout the country. As a Managing Agent for the Manpower Services Commission it aims to offer 16 to 17 year old school-leavers a choice of training in a wide variety of skills. Schemes will range from 'broad skills' craft type training in engineering, motor transport maintenance, storekeeping, catering, clerical and many other skills. Linked to each scheme will be a complementary course enabling the

trainees to gain a recognized qualification in their chosen skill, e. g. a City and Guilds or BTEC certificate. Some schemes are already operating: 15 youngsters are receiving 'broad skills' craft training at the Royal School of Military Engineering in Chatham learning catering, and the Admiralty Underwater Weapons Establishment at Portland is running a 'broad skills' craft training scheme for 19 youngsters. Smaller schemes are operating in other MOD establishments, whilst plans for others are well advanced with training places either already available or becoming available in time for this year's school-leavers.

Recently, the Parliamentary Under Secretary of State for Defence Procurement, Mr John Lee, visited the Admiralty Underwater Weapons Establishment where, since September, YTS trainees have been receiving 'broad skills' training in mechanical and electronic engineering and carpentry. The trainees all seemed well satisfied with the training they were receiving, their only complaint being that UKL 25 a week was not sufficient. Trainees who do well on this scheme will be invited to apply for apprenticeships at the establishment, starting in September 1984.

The MOD, with the full cooperation of the unions involved, is anxious to ensure that all the schemes introduced within the Department are 'quality' training schemes designed to be of maximum benefit to young people by helping to make the transition from school to work as painless as possible and teaching them worthwhile skills which will make them attractive to would-be employers and enable them to find full-time employment at the end of their years training.

Job creation

Belgium: Unemployed persons assigned to specific assistance projects for small and medium-sized enterprises (A. R. No 258, 31 December 1983)

The aim of this measure is to enable bodies with the recognized purpose of assisting small and medium-sized enterprises (SMEs) to offer broader services to business start-ups and developments. For it has been found that a large number of the self-employed and SMEs fail in their first years because of the entrepreneurs' inability to face up to both start-up and managerial problems.

Furthermore, the advent on the market of a large number of newly self-employed requires enlarging existing support so as to give those launching viable projects optimal chances.

The approach used to meet these needs consists in the State taking over a part of the pay and social charges of the unemployed persons recruited by bodies assisting SMEs so as to improve or extend their services.

Beneficiaries of the measure

An employer who can draw upon this measure is either

- (i) a juridical non-profit body whose purpose is to help enterprises or economic development; or
- (ii) an organization which is representative of employers.

Employers must prove that they have been providing a set of legal, administrative and economic services for SMEs for the last two years.

The State can contribute to the projects of such employers which provide assistance for small enterprise start-ups, transformations and developments. But they cannot do away with or have done away with jobs which were similar in function.

Workers who can be taken on by virtue of this royal decree must be fully unemployed persons drawing benefits. Unemployed persons who have been put to work, and workers under the 'special temporary scheme' (*cadre spécial temporaire*) and the 'third circuit scheme' (*troisième circuit de travail*) also fall into this category. These persons are then employed through a full-time, or part-time, working contract.

Payment (of the workers) and State contributions

Without prejudicing the clauses of more advantageous collective agreements, the contractual remuneration of the workers cannot be less than the initial wage paid to a State employee performing the same or a similar job. However, for workers fulfilling a function equivalent to those of level 1 of civil servants, payment cannot be less than 90% of the initial wage referred to above.

The State takes over for a maximum period of two years the payment and contributions of those taken on for carrying out the projects. The aid of the State amounts to 100% in the first and 75% in the second year. These rates apply to the minimum wage indicated above, but exclude possible supplements paid by the employer either voluntarily or in conformity with a collective agreement.

This subsidy can cover a minimum of one part-time person and a maximum of eight full-time jobs. It cannot be cumulated with any other benefit which might be given by the State for the same putting to work.

General characteristics of the scheme

The general characteristics of the scheme are provided in royal decree No 258, the detailed implementation clauses of which are being worked out.

The applicant asks for a form at the sub-regional employment service. He/she works out a project dealing in particular with:

- (i) the description of the project and its duration; and
- (ii) the number of the workers, the qualifications required and a description of the functions.

He/she submits his/her request to the Small Business Ministry (*Ministère des Classes moyennes*) which asks for the opinions of the region in question.

The State subsidy is the subject of an agreement signed by the applicant,

the Minister of Employment and Labour and the Small Business Minister.

Greece: Revised job schemes

A recent decision of the Ministry of Labour has modified previous measures subsidizing employers who create new jobs. Henceforth, there will be two programmes of financial aid for private enterprises, local administration and collective utility bodies and enterprises, cooperatives and in general any employer who fosters the creation of new jobs.

The first programme aims to create 5 000 new jobs for the 18 to 25 year olds whereas the second aims to create 4 000 new jobs for persons older than 25 years.

The rates of subsidy for persons employed are determined as a percentage of the minimum daily pay of an unskilled worker which prevails during the year in which this decision is taken. This works out as follows:

- (i) DR 400 for men and DR 500 for women who are hired by private enterprises in the tertiary sector (commerce and services);
- (ii) DR 600 for men and DR 700 for women who are hired by manufacturing and handicraft firms;
- (iii) DR 700 for men and DR 800 for women who are hired by exporting enterprises or to foster new technologies.

Conditions

Subsidies are given for a period of one year.

The employer who receives the aid will not have dismissed anyone during the three months previous to the hiring and agrees to employ the person taken on for 18 months.

Similarly, the subsidy is discontinued in cases where the employer dismisses the worker if he has been newly hired or taken on previously and does not replace him within a period of 10 working days. The employer has the same duty in the case of voluntary

departure or departure for military service.

Persons hired to replace those covered by the scheme can remain employed under the scheme for the remaining months of the 12 month period of subsidy if they fulfil the conditions as regards age.

Ireland: Pilot job-sharing scheme for the civil service

The Minister for the Public Service announced details of this scheme on 16 February 1984. Its purpose is to provide new job opportunities in the civil service and to facilitate civil servants who wish to avail of a job-sharing arrangement.

Under the scheme, two civil servants may, in agreement with management, volunteer to share equally the duties and responsibilities of a particular post. In return each member of the job-sharing scheme will receive half of the pay and other benefits associated with the post. After a minimum of three years job-sharing, an officer may return to full-time employment.

The post released each time two full-time civil servants opt to share one post will provide a job opportunity in the civil service for a new recruit.

The likely level of participation by civil servants in the pilot scheme is not yet known, but in a preliminary survey undertaken last year several hundred civil servants expressed an interest in participating in such a scheme.

As well as introducing job-sharing for serving civil servants, it is intended that some civil servant posts will be advertised during the year on the basis that they are job-sharing posts. Staff recruited under the scheme will be offered full-time employment after about two years.

Ireland: Changes in the Employment Incentive Scheme

An Employment Incentive Scheme has been operated by the Department of Labour since 1977, with the objective of increasing employment by en-

couraging employers to recruit unemployed workers and young persons through the payment of wage subsidies or premiums.

Since 1977, the scheme has assisted approximately 32 000 unemployed persons to secure employment. About half of those assisted have been young persons under 20 years of age. Another 20 % have been in the 20/25 age group. After an evaluation in 1983, it was decided to structure the scheme in favour of smaller employers who are more representative of the average Irish economic situation. The evaluation had suggested that recruitment by larger employers had its stimulus in production or contractual necessity rather than the inherent incentives of the scheme. Accordingly, assistance under the scheme from 30 April, 1984 onwards will be confined to the establishment of two jobs per annum per employer.

The revised scheme will be open to profit-making and non profit-making enterprises (including community, charitable and sporting organizations, etc.) in all sectors with the exception of the following activities: the public sector; banking; insurance; building societies and similar financial activities.

A feature of the scheme since March 1982 has been the grant of a higher subsidy for the older longer-term unemployed. The grant has not been availed of as much as had been anticipated. Under the revised scheme the grant is being made financially more attractive. A subsidy of IRL 60 per week for 24 weeks will be payable in respect of persons aged over 25 and who have been unemployed for 12 months. A standard rate of IRL 30 per week will be payable in all other circumstances, an improvement of IRL 5 per week in the rate which previously obtained for those persons under 20 years of age and unemployed.

Luxembourg: Creating socio-economically useful jobs (RDG of 4 April 1984)

The law of 19 December 1983 concerning the income and expenditure of

the 1984 State budget set up an experimental scheme for 1984 of the unemployment fund for creating socio-economically useful jobs.

As outlined in its introduction, the purpose of this scheme is to facilitate the start-up, operation and development of lasting projects for services and activities which are not currently being provided by public services and by for-profit enterprises.

All types of economic, social or cultural projects can be taken into consideration in so far as they meet needs which have so far not been met or they develop unused resources.

It should be noted that newly created jobs are limited to the registered unemployed who are not yet older than 25 years of age. Furthermore, the aid is given for a maximum period of one year and is, in principle, non-renewable, except in duly justified exceptional cases which receive special exemption.

The Grand-Ducal regulation of 4 April 1984 sets out on the one hand the level and, on the other, the other modes for granting aid to create such jobs.

These regulations fix the maximum amount of aid at LFR 350 000 per full-time job created. For part-time jobs, the aid is reduced proportionately.

The decision to make the grant, taken by the Minister for Labour on a supporting file filled in by the applicant, can limit the number of jobs for which the grant is made within a single institution or same body or grouping of persons.

The aid granted is paid in three equal instalments in the form of provisional payments. The Minister for Labour can pay the full amount in a single instalment when:

- (i) the conditions for paying the grant are fulfilled;
- (ii) failure to make the full payment would jeopardize carrying out the project;
- (iii) the applicant provides the necessary guarantees, in particular as

regards repayment of the aid in case of cessation of professional activities during the year for which the aid is given and, except for any impossibility duly observed by the Minister for Labour, in cases of ceasing activities during the two following years and, finally, in cases of the beneficiary acting fraudulently.

It should also be noted that when a worker holding a job for which the aid was granted breaks his work contract on his own initiative or is dismissed by the employer for a serious fault, the aid is maintained provided the employer replaces the worker in question within the eight days following the termination of the working relationship.

Netherlands: Additional job opportunities in building and construction by means of unemployment benefit funds

In 1984 and 1985 a total of HFL 8m will be made available for additional employment projects in building and construction. This will cover house maintenance, restoring monuments, road construction and the construction and renovation of sports facilities, theatres and police stations. The projects will provide at least 7100 man/years of work. Long-term unemployed construction workers will in the main be used. These projects are made possible by an additional government investment of some HFL 90m, using HFL 200m saved on unemployment benefit and HFL 500m made available by municipalities, housing construction corporations and private persons who will implement these projects.

This additional government investment in construction puts into effect an October motion of the Second Chamber of Parliament.

The proposed use of funds saved on unemployment benefits for the financing of employment projects, also termed 'ploughing back', is experimental. An important condition for this ploughing back is that the long-term

unemployed be drawn upon. One of the conditions for carrying out these projects is in fact that 70% of the labour has to be done by those who have been unemployed for longer than one year. Other important conditions of the projects are:

- (i) they have to be supplementary, i. e. they would not have been carried out without the additional government investment;
- (ii) they must not lead to unfair competition;
- (iii) hiring unemployed persons must not lead to other dismissals;
- (iv) funds from third parties will have to be secured in addition to government investment and the unemployment benefits saved to complement the project's financing.

In a letter to the Second Chamber, the Minister also announced the final regional division of the so-called 1 Billion Programme for 1984 through 1986 from the 1983/84 employment memorandum. This employment programme, for which funds have already been made available, makes no case for ploughing back unemployment benefits. But it does lay down the condition that 70% of persons involved in carrying out projects within this programme shall be long-term unemployed.

Netherlands: Additional employment schemes

The regions of Amsterdam, Rotterdam, Twente and Nijmegen will each receive approximately HFL 3m and the region of Helmond/Deurne approximately HFL 1.3m for additional jobs. The purpose is to involve as many long-term unemployed persons as possible in projects which will be important for stimulating lasting employment.

In the recent past most of the funds available for additional regional labour market policy has been assigned to the so-called ISP and PNL areas (the Northern provinces and Southern Lim-

burg). These were the regions most severely hit by unemployment. However, there has of late been a change in the regional problems in the Netherlands with unemployment having increased in some parts of the country to levels comparable to the ISP and PNL areas.

This is the background to Minister de Koning deciding to decrease the RAMA (regional labour market agreements) funds for the Northern provinces and Limburg. These funds have now been allocated to the five above-mentioned areas which all face exceptionally high levels of unemployment.

United Kingdom: Local Enterprise Programme in Northern Ireland

The Local Enterprise Programme, which was launched on 8 November, 1983, was developed jointly by the Northern Ireland Department of Economic Development, the Local Enterprise Development Unit (LEDU) and the Industrial Development Board to provide support to local community-based groups wishing to play a more active role in encouraging economic development and job creation in their own areas.

The programme, by introducing new forms of financial assistance for community-based organizations and coordinating the various forms of assistance already in existence, will help local groups to harness and mobilize local resources and skills and channel their activities into worthwhile projects, particularly in relation to small business development.

LEDU will be responsible for the management of the initiative and will serve as the point of contact for all groups interested in carrying out industrial development activities within their own areas.

The various elements of the initiative are as follows:

- (i) a grant of up to UKL 2000 per annum may be made available towards the running costs or

promotional expenses of approved local groups. Applications for assistance would normally be limited to one suitable group per district and LEDU will have to be satisfied about the management and commercial abilities of each organization;

- (ii) grant aid of up to 50% may be provided to local groups towards the purchase, rehabilitation and sub-division costs of factory accommodation or other suitable premises for small business units. The local groups will have to demonstrate their ability to manage their properties and agree with LEDU on qualifying tenant activities;
- (iii) where there is evidence of need LEDU will assist such groups in developing property into a local Enterprise Centre, incorporating common services, management advice, business counselling, etc. LEDU will be able to supplement the new forms of assistance introduced as part of this initiative with their existing grant-aiding powers;
- (iv) LEDU will provide a focal point for advice and guidance to local groups and will channel them to appropriate contact points in Government as necessary.

This new programme was to be a follow-up to the initiatives comprised in the so-called '32 points programme' of February 1983 the main objectives of which were to give higher priority to education and training measures rather than employment measures, especially within the public sector. Training places are thus a very important element in the Government's so-called 'youth package' from February 1984.

A total number of some 14 000 new education and training places have been proposed for 1984 and a further 5 000 new places in 1985.

Within the field of competence of the Ministry of Education about 8 000 new places will be made available within various lines of youth education and technical education; it will be made easier to conclude so-called 'combination agreements' within the apprenticeship and basic vocational training field and a new experiment will be launched within the basic vocational training system, namely the new industrial basic training. As from 1 August 1984 pilot projects will be started at 17 technical schools all over the country. The training will take one year and be tailored to meet local needs; it will comprise alternating periods of theoretical instruction and practical training in an undertaking, mainly undertakings with unskilled labour.

Within the competence of the Ministry of Labour the 'youth package' includes two measures:

The first is that in 1984 and 1985 there will be an increase of 10% in the number of young people admitted to the introductory work experience courses for young people. This means an additional 250 whole-year places corresponding to about 825 more trainees per year.

The second is that the Job Offer Act will be amended so that young persons under the age of 25 who are entitled to a job offer may choose to receive a training allowance of DKR 52 000 per year instead for up to 2 years.

The purpose of this new scheme is partly to channel young people with

Special categories of workers

Denmark: Youth package

Late in the autumn of 1983 a special youth unemployment committee (RUA) was set up by the Government, composed of the Minister for Education (Chairman), the Minister for the Interior, the Minister for Social Affairs and the Minister for Labour. One of the tasks of this committee was to prepare a programme to combat youth unemployment in 1984 and 1985.

little or no vocational training background into the training system and thus improve their future chances on the labour market, and partly to take some of the pressure off the job offer scheme.

France: First results of extending the action programme for long-term unemployed

Following from the approach aimed at the long-term unemployed between September 1982 and March 1983, ANPE launched in May 1983 an action programme aimed at jobseekers respectively in their 4th and 13th months of unemployment. As of 31 March 1984 the results of this programme were as follows:

(1) Summons to meetings

The objectives set by the public authorities for ANPE on which they based their budgetary commitments foresaw a gradual rise in the programme for 1984 and 1985.

The 1984 objective was for 1 200 000 individual interviews over the year, paced from 100 000 per month at the beginning of the year to 200 000 per month in December.

Six months into the programme the number of individualized interviews could be seen to be progressing satisfactorily and will reach 100 000 interviews per month by mid-1984. 72 % of those interviewed were jobseekers entering their 4th month and 28 % their 13th. This corresponds overall to the relative proportions of jobseekers in each of these two categories. It furthermore meets the programme's aim for preventing long-term unemployment.

84 % of the jobseekers summoned responded by coming to the interviews. This response is 4 or 5 percentage points higher than that normally experienced for summonses by placement services. It shows the interest that jobseekers who have experienced trouble in returning to the labour market have shown for ANPE's specific actions for them.

(2) The mechanism

During the individualized interviews ANPE seeks to discern the handicaps which the jobseeker is faced with when looking for a job, particularly those which can lead him/her to long-term unemployment. To help him/her in this respect, ANPE can draw on a number of well-tested services. These proved their value during the 1982/83 programme and have been incorporated into the permanent operational mechanism:

- (i) appraisal of the levels of vocational competence ('ENCP') by a vocational questionnaire and a practical test;
- (ii) the job search technique session ('TRE');
- (iii) the in-depth guidance session ('SOA').

Since 1983 the TREs have been carried out by ANPE.

The other techniques have been performed by a mechanism bringing together contributions from ANPE, AFPA (vocational education agency) and other partners:

- (i) SOA: 1984 objective – 10 000 jobseekers to be seen by ANPE, 12 000 by AFPA and 12 000 by other partners;
- (ii) ENCP: ANPE does not have its own expert staff for practical tests. It draws on AFPA and has signed 127 agreements with other partners (Ministry of Education, chambers of industry and commerce, chambers of trades and various public and private training bodies).

Parallel to these services the jobseeker can, after an interview, be put in touch with an employer, be guided to a training course or be sent for monitoring by the departmental directorate for labour and employment (DDTE).

(3) The results

Between 1 October 1983 and 31 March 1984 504 000 jobseekers

had been summoned and 84 % had responded:

- (i) during this period 41 427 jobseekers were taken off the files without direct action by ANPE for 'refusing employment';

- (ii) ANPE action:

51 399 persons were put in touch with an employer (12 % of the jobseekers received) of whom 11 483 (22 %) were placed.

48 485 persons were guided to a training course organized by AFPA or another body (i.e. 11.4 % of the jobseekers received); of these, 11 709 (24 %) actually took up training;

142 110 (33 %) were guided towards complementary services:

- 73 736 (17.4 %) to a vocational adviser or an information officer;
- 34 651 (8.2 %) to a TRE;
- 16 232 (3.8 %) to an ENCP;
- 11 429 (2.7 %) to a SOA;
- 6 062 (1.4 %) to a works doctor;
- 3 059 (0.8 %) to the DDTE for monitoring.

In total, taking into account that a single jobseeker can draw on one or more services, half of the persons made use of an ANPE action following an interview.

Germany: Training grants for unemployed youths

Federal funds for training have been available since the beginning of June 1982 – limited in time to the end of 1984 – for young unemployed persons. This special measure to combat youth unemployment has now been strengthened. Through a change in the law the target group has been enlarged so that better use can be made of the available resources.

The new act provides for:

- (i) young unemployed persons who

have not previously been in a contributory employment of at least four months to be included in the measure albeit with the income of the persons obliged to pay maintenance being taken into consideration;

- (ii) young people who fulfil the condition required till now to have previously paid contributions being given priority for grants;
- (iii) the costs of the measures to be reimbursed for participants in part-time training measures connected with part-time job creation measures;
- (iv) the total duration of the law being extended to the end of December 1987.

The Federal Government is providing DM 205m for this programme.

Ireland: Activities of the Youth Employment Agency (YEA)

State Agencies will effect training, work experience and employment programmes for up to 60 000 young people this year. While maintaining overall responsibility for the coordination of these programmes the YEA also continues to develop its own directly managed programmes in the enterprise and job creation fields:

- (i) under the Community and Youth Enterprise Programme funding for Enterprise Workers and planning grants for communities continue to be approved by the Agency;
- (ii) under the Youth Self Employment Programme some 100 projects have been approved for loan finance.

With funding provided by the YEA employment is provided by the National Cooperative Farm Relief Services Ltd for young people as farm relief service workers. In addition, the Agency is continuing its sponsorship and direct involvement in similar schemes such as Marketplace and the Young Scientists and Technologists Employment Scheme this year.

Careerision

Careerision, a new careers information initiative from the YEA, was recently officially launched by the Minister for Education, Ms Gemma Hussey, T. D.

This project was initiated by the YEA to help overcome the lack of well produced Irish career guidance audio visual aids. The first phase involves the production of a number of videos and printed support material, together with introductory workshops on their usage for guidance counsellors and teachers. This phase will be substantially completed by the summer and during this period, the YEA in the light of ongoing developments will determine its future policy in the area.

Netherlands: Philips Youth Plan

Philips, the Dutch-based electronics multinational, is showing its willingness to contribute to the fight against youth unemployment by its Youth Plan. This has the following three prongs:

- (i) part-time work, through which more young people can be employed;
- (ii) 'acquaintance contracts' (limited duration work agreements of at most one year); these offer young people the possibility of gaining work experience, thereby enabling them to improve or maintain their chances on the labour market;
- (iii) training: the transition from school to working life will be improved, which will eventually enhance young people's opportunities for inclusion into the labour market.

All company units have to make their own contributions. This represents 1% (i.e. some 700 persons in total) of the present number of employees.

The Minister for Social Affairs has taken the following stance: Philips is primarily responsible for financing its Youth Plan. In incidental cases and depending on the judgement of the

director of the regional employment office (GAB), the SOB scheme (joint government-industry training) can be applied. No central funds have been earmarked for this. The decision of the GABs to assist in such cases will have to be financed from their own budgets.

Working time

Belgium: First results of experiments to rearrange working time (A.R. No 179)

Purpose and nature of the measure

The purpose of what have become known as the 'Hansenne experiments' is to create jobs through restructuring and rearranging working time. The decree enables enterprises to introduce or test new forms of work organization aimed at lowering their costs through more intensive use of fixed assets.

The two fundamental elements characterizing the system are:

- (i) its experimental character: projects are authorized for a limited time period which must not exceed two years;
- (ii) its contractual character: an agreement is reached between the Minister for Labour and Employment, the employer or his representatives and the representatives of the workers of the enterprise.

The key condition for reaching an agreement on working time is the requirement of the employer to hire, through work contracts, new workers.

To enable working time to be organized differently, employers can be given temporary dispensation from certain legal and regulatory requirements provided that workers continue to be protected. When an agreement on rearranging working time foresees a greater than 5% reduction in working time as well as a reduction in the workers' pay, the loss of pay will be divided between the State, the employer and/or the workers themselves.

Finally, a financial contribution is foreseen in fixed costs brought about by taking on new workers.

First results

By mid-April 1984 16 such working time agreements had been signed representing a little more than 300 additional jobs. This means that on average job creation was above 5% of the existing labour force.

The different agreements can be classified into two types of experiments:

- (i) those which lead to rearranging working time spread over the week such as the week of 3x12 hours or of 4x9 hours 15 minutes;
- (ii) those which organize work over the weekend, with different formulas being used such as 2x12 hours, or 2x12 hours plus 4 hours on Friday or every second Friday, or again 2x12 hours plus 6 hours every second Monday.

It should be noted that these various approaches have maintained the same income as normal full-time working.

The most frequently accorded exceptions concern Sunday working, the length of the working day and the number of holidays.

The financial contributions have, for the most part, been limited to fixed costs brought about by hiring new workers. Only one enterprise has received financial contributions foreseen as compensation for the loss of income.

Denmark: Working time

In January 1984 the Danish Government submitted a working time policy report to the Folketing (the Danish Parliament). The background for the preparation of this report was a parliamentary debate in May 1983.

The report gives a detailed account of the discussions which the Minister of Labour has had with the organizations on both the private and the public labour market. The employees' organi-

zations stress the need for a reduction in working hours which they find 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 Folketing – in February and March 1984. The debate in March 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 which are due 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.

It has still not been decided when these tripartite discussions will take place nor how they should be organized.

Germany: Early retirement law

The early retirement law came into force on 1 May, 1984. The only major change to the bill is the lowering of the age to 58 years – instead of 59. From now on, when, on the basis of a collec-

tive or individual agreement between the worker and the employer, a firm grants early retirement to a 58 year old (or more) worker, it receives a subsidy from the Federal Employment Institute, provided it replaces the retiree by an unemployed person. The subsidy is calculated on the basis of an early retirement allowance of 65% of the last gross salary/wages of the worker. It amounts to 35% of the early retirement allowance plus the employer's contribution to health and pension insurance. The trade unions and employers are being requested to work out the requisite agreements.

Miscellaneous

Greece: International agreements on social protection

The Greek parliament has recently passed a series of laws ratifying international texts and work conventions which improve the level of social protection of all persons without any discrimination.

Thus, the law 1426/84 ratified the European Social Charter. This guarantees rights relating to the length of working time, weekly rest, annual paid holidays, work safety and health conditions, fair pay for work, the protection of young people and women at work, vocational guidance and vocational training, family protection, health protection, social insurance and the protection of migrants and their families.

Law 1424/84 ratified the International Labour Organization's convention 111. This foresees the complete abolition of employment discrimination, the right of all to pursue improved individual well-being and career advance, with equal opportunities independent of sex, colour, race, religion, political beliefs and ethnic or social origin.

Law 12 1423/84 ratified the International Labour Organization's convention 122. By this Greece undertook to practice a policy aimed at safeguarding

productive employment for everyone, freely chosen and conforming to their qualifications and possibilities, independent of race, colour, religion, etc. It agreed to take appropriate measures in cooperation with employers and workers to fight unemployment and the under-utilization of the labour force with the aim of improving the position of the workers.

The new Law 1429/84 aims at resolving the problems related to the social protection of Greeks who are working in African and Asian countries under particularly difficult conditions because of the climate and in the absence of sufficient social protection. This law

applies to work conventions and relationships established between enterprises which are headquartered or have their economic interests in Greece and Greeks who are hired to work in African and Asian countries. The purpose of the law is to guarantee these persons with a minimum threshold of rights.

According to the new regulations, such conventions must also be written in Greek and embrace working conditions and regulations which are no less favourable for the worker than the conditions and regulations foreseen under universally applied Greek law. Furthermore, the conventions which exclude arbitration by Greek tribunals for cases

brought under this working relationship or for any other cause stemming from these regulations are declared null and void.

Enterprises are required to deduct from workers' pay their contributions to the OAED (the employment office) and to pay them together with the employers' contributions. Enterprises are also required to insure their workers against illness and occupational risks at the central insurance body within the country of employment or, should such a body not exist, a private insurance company.

Penalties are foreseen for those not respecting this law.

New technology and social change: overview of recent events in the Community countries

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New Technology and social change: overview of recent events in the Community countries¹

Introduction

The rapid pace of technological development is producing important effects on the social structure of all European countries. The most evident effects are the negative ones on employment levels, although it is always very difficult to discern which part of the quantitative changes in employment is directly attributable to technological factors. Equally important changes, however, are also taking place in the composition of the workforce, in work organization, in the pattern of industrial relations; all of them are at least partly induced or made possible by technological developments, and some of them bear a definite potential for an improvement of working conditions. Moreover, a number of active policies are continually launched in all Member States, aimed at developing new branches of industry and at improving the economic performance of lasting ones; a number of interesting experiences occur in the manufacturing and service sectors, many of which eventually result in the creating of new jobs, often of a higher quality than the ones destroyed in traditional activities.



The interaction among all these factors is often difficult to grasp, and information on these aspects is scattered in a large number of different sources, written for different purposes and hard to compare. The Commission has tried in the past three years to set up a regular system of collecting and distributing this kind of information, in order to allow interested readers and utilizers in the member countries to

receive relatively timely information on what is going on in the other countries.

Background information is, of course, only a part of this activity, but it is an important and preliminary input for it.

The reports *Social Europe* plans to provide regularly on recent events in the Member States do not claim to be exhaustive, or to substitute for a more in-depth and analytical approach: their aim is to report information – as consistently as possible – on the main recent events in the field of research and industrial policy in new technology sectors, on the position of the two sides of industry and on the outcome of collective bargaining on technological innovation, and on results of studies and surveys carried out in the Member States concerning the effects of new technologies on employment and working conditions. This first report covers the second half of 1983.²

I. Government policies

1. Promotion of research and development

In most countries government activity in the promotion of research and development (R&D) in the period under consideration has been a continuation or a deepening of existing programmes. Some new broad programmes were, however, also launched in this period: among them, the Five-year Plan for Technological Development in Greece, the three-year programme for the promotion of 'productique' in France, the Technological Development Programme in Denmark and the National Plan for Research in Microelectronics in Italy. The sectors to which these programmes refer are very much the same in all countries: microelectronics, developments in office-automation, telecommunications and the automation of the factory. In spite of considerable efforts in all countries, and substantial financial involvement on the part of the State, reports published in some countries still point out that not enough is being done, and that cooperation and

coordination between public research activity and industry should be improved.

Thus, in the *United Kingdom* the Advisory Council for Applied Research and Development (ACARD), and the Advisory Board for the Research Council (ABRC) published a joint report in July 1983 suggesting that insufficient cooperation between government and industry has affected the development of a national policy that pinpoints what technologies Britain should investigate, and what sort of products it should aim to develop.³ A further ACARD report⁴ called, in the same line, for an additional UKL 20 million to be spent to encourage investment in new technology, after noting that investment by UK firms was still insufficient despite the schemes already adopted by the government: such an additional amount should be spent to set up an advanced manufacturing development service – giving advice to firms – and to fund a new scheme to encourage companies to try out new applications at a reduced risk. No new programme was launched in this period; an institutional change is however worth mentioning, namely the merger of the Department of Trade and the Department of Industry in the new Department of Trade and Industry (DOTI) with a strong emphasis on new technology and exports. Among ongoing activities, the British Technology

¹ Prepared by the services of the Commission on the basis of the information provided by the Epos network of correspondents on new technologies, which comprises the following experts: Dr Lohle-Tart and P. M. Boulanger (B); A. J. Hingel (DK); Dr Volkholz (D); Prof. Nikolinakos (GR); B. Quelin (F); Prof. O'Kelly (IRL); P. Piacentini (I); C. Rottländer-Meyer (NL); T. Brady (UK).

² Information on the preceding year can be found in the 'Special issue 1983–84' of the Supplement *New Technology and Social Change* to the review *Social Europe*. Forthcoming issues of the Supplement will survey in more detail specific sectors and technologies. The coverage of events in the Federal Republic of Germany in this article is incomplete; recent developments, particularly in government policy, will be more extensively reported in a later issue.

³ First Joint Report by the Chairman of ACARD and ABRC, London, HMSO, 1983.

⁴ *New Opportunities in Manufacturing: the management of technology*, London, HMSO, 1983.



Automating industries is one of the growth areas for technological developments.
Photo: Bernard Charlon – Agence Gamma, Paris

Group is providing UKL 300 000 of new funds to pay for projects in telecommunication concentrating on the interface between telecommunications and computers; the first study contracts provided under the Alvey programme for large-scale demonstration projects have gone to projects concerning how knowledge-based systems can help legislative-based organizations (in cooperation with the Department of Health and Social Security), the use of computers to provide information to drivers, and on automated factory systems.

In France, 1983 saw the first implementation of the 'Programme d'action filière électronique' (PAFE) launched the previous year, together with some measures of industrial policy, to which reference will be made below.

Still in the framework of the PAFE, a new project on microchips (plan circuits intégrés) will make available, in the period 1983–84, more than FF 3 000 million of public money.

A new programme was launched in September 1983, covering both research and industrial development. It is the 'Programme productique' running

over three years and with four main objectives:

- (a) the modernization of manufacturing industry via a large number of pilot projects;
- (b) the development of a French industry in the field of automated production technology (robots, CNC, specialized machinery);
- (c) the training of 300 technicians and 1500 graduate engineers for the sector;
- (d) an increased research effort by making FF 110 million available for research grants.

The joint result of this programme and of the other measures to be applied to the sector under the 9th Plan should be an increase in the number of installed robots in manufacturing from 3 per 1 000 workers in 1984 to 11 in 1988 and the setting-up of 50 flexible manufacturing systems by 1988.

Two ongoing programmes were completed in 1983: the SOL programme, aimed at research on standard methods of developing and testing software in which FF 37 million have been invested, and the KAYAK project

which absorbed FF 41 million for the creation of the technological basis of office automation. The last part of the KAYAK programme was directed at establishing industrial cooperation and at some experiments in office automation systems in the social field.

A major programme of applied research – the 'Progetto finalizzato Informatica', coordinated by the National Research Council – is being completed in Italy. The programme focused on three main areas: architecture and software for information networks, information technology for public administration, and automation and control of industrial processes. A total of 165 research units, both private and public, have taken part in the programme, and total funds allocated in 1983 amounted to LIT 13.3 thousand million. Some of the projects are entering the stage of pilot applications, and are currently being tested by government offices and public administrations (e.g. in the information network for the Prime Minister's office, in regional labour market observatories, and in the National Health Service). The follow-up of the projects which have industrial development potential will be financed under new legislation for national research projects aimed at strategic and innovative technological development with industrial application in the medium term, as established by Law No 46 of 17. 2. 1982 on incentives for technological innovation. One of the first sectoral programmes approved by the Council of Ministers in this framework¹ is the 'National Plan for Research in Microelectronics': it is a five-year programme of which the first two years are devoted to the development of national VLSI components and to related projects in semi-conductor technology, while the second phase will consist of industrial project development.

Other sectoral programmes will indicatively concern telematics, office automation, robotics and industrial automation: they have not however been finalized yet.

¹ Decree of 16. 12. 1983, published in the *Gazzetta Ufficiale* of 28. 12. 1983.

The larger government efforts have contributed to an overall increase in R&D expenditure, rather low in the past in Italy. From the Annual Report of the President of the National Research Council, presented in October 1983, it emerges that R&D expenditure reached 1.3% of gross domestic product in 1983, a significant increase when compared to the 0.9% of a decade ago (the European average being 2.2%). The total number of persons engaged in research is estimated at 94 000, 47% of whom work in public agencies.

In *Denmark*, a public discussion was held on the plan of action on information technology presented by the Council of Technology in May 1983. Following comments by all interested

parties, the Council of Technology presented in October 1983 the final version of the action plan, setting three high priority areas (the need for a user-adapted microelectronics design centre, activities in the field of software productivity and reliability, and awareness activities), and other technological areas where financial support was also needed.¹

The action plan was allocated a total of DKR 35 million out of the ordinary budget of the Technology Council. At the same time, the need for a more comprehensive national programme for the promotion of information technology was stressed. A 'Technological Development Programme' was consequently prepared and submitted to the Minister for Industry in December

1983.² It is a four-year programme, for a total budget of DKR 1 525 000 million, aimed at promoting the applications of information technology in the main industrial sectors. It focuses on six main headings:

- (a) promotion of R&D in information technology, involving cooperation between users, producers and researchers;
- (b) development and application of production systems based on information technology;

¹ Teknologistyrelsen/Teknologirådet 'Teknologirådets indsats på området informationsteknologi', Copenhagen, 1984.

² Teknologistyrelsen/industriministeriet 'Et teknologisk udviklingsprogram', Copenhagen, 1984.



Digital telephone exchanges will become more common in all countries.

Photo: Paul Marnet · Copyright Jean Guyaux, Brussels

- (c) development and application of information technology in products, particularly addressed to the telecommunication sector and to optical cable systems;
- (d) development of international know-how in the field of information technology;
- (e) financing of advanced technological systems for R&D, technological service and education;
- (f) projects in the field of general technology assessment.

The programme, which is the most comprehensive one of this kind ever proposed in Denmark, is expected to be discussed by Parliament in summer 1984.

In the *Netherlands* the Wagner Committee released its report in December 1983.¹ While dealing more broadly with economic policy, it also includes some recommendations concerning technology, and particularly points to the need to support research activities by and for industries. Some innovation-directed research programmes (IOP) were initiated in 1983, including projects in the areas of sensors, flexible automation, and some projects specifically designed for disabled people. Other ongoing research and industrial application activities concern computer applications to design and production, the establishment of better links between enterprises, government and microelectronic centres, financial incentives to companies using new production technology and the development of data-bank activities.

Moreover, the Ministry of Education and Science decided to give high priority to Technology Assessment (TA) and plans to create a central body at government level to handle all questions concerning TA. It also released a note² stressing the need for social research in the new technology area, particularly on the relationship between technology and work, the effects on working conditions, the development of macroindicators of the influence of technological innovations on the labour market. Since this is a field where

hardly any research tradition exists, a take-off programme will be designed.

From *Belgium*, the earmarking of appropriations to recruit 290 young researchers to carry out research programmes on new technologies was reported.

In *Ireland*, a number of new initiatives were set up in the period under consideration: one is the opening of the National Microelectronics Centre, which is expected to carry out research work for industry and government agencies, and to do post-graduate training. The effort to establish closer links between industry and education is complemented by the 'High Education/ Industry Research Programme', launched in September 1983 by the National Board for Science and Technology with the aim of promoting joint research and development work between manufacturing industry and third-level colleges, via grants to finance suitable projects.

A technology cooperation agreement was signed with Japan at the end of 1983, with the aim of encouraging research and technical cooperation and technology transfer. In spite of the efforts Ireland has made in the recent past to increase research, however, a recent survey undertaken by the National Board of Science and Technology placed the country low in a table of OECD countries with regard to the level of R & D activities.

In *Greece*, 1983 saw the presentation of a Five-year Plan for the Future Development of Research and Technology aimed at substantially raising the technological level of the country in the next decade. This aim will be achieved by a variety of means: the creation of government institutions, such as a Department for the Transfer of Technology; the refurbishing of legal and organizational arrangements; financial incentives to research activities; guidance to industries and support to small and medium-sized companies. In the framework set by the Five-year Plan, a Plan for 1984-85 was also prepared: under this plan both public research centres and private

companies are invited to submit research proposals in high technology – among other sectors. To qualify for acceptance, such projects must have a development potential, not exceed a pre-determined budget (DR 2 million per year) and must be completed within two years. In order to coordinate and direct all public policy in the area of informatics, it is planned to set up a National Council of Informatics: it will prepare standardized contracts and determine national specifications on imported goods, it will provide technical support and training, and it will prepare a national programme for the development of the sector. Still in the same sector, an Institute of Informatics was founded in Heraklion, Crete. It is both a research and educational institution, extensively involved in extramural activities.

2. Industrial policy

Some industrial policy measures have already been described above under government activities in R & D. Specific initiatives were, however, also undertaken in the period under consideration which were more oriented towards applications of technology or the support of specific sectors.

Thus in the *United Kingdom*, a programme was introduced to encourage the development of commercial databases, in the form of 33.3% grants for development; the programme will be financed under the Support for Industry Scheme.

In *France*, several industrial policy measures were adopted by the Council of Ministers in September 1983 concerning the coordination and redistribution of the activities of the new main producers – Thomson and CGE (Com-

¹ Adviescommissie inzake de voortgang van het industriebeleid VIB: Verslag van Werkzaamheden 4 Juli 1983-December 1983, Den Haag 1983.

² Tweede Kamer der Staten-Generaal. Vergaderjaar 1983-1984, nr. 18161. Ministerie van Onderwijs en Wetenschappen, Nota Gedrags- en Maatschappijwetenschappen, Den Haag, November 1983.

pagnie Générale d'Electricité) – in telecommunications and consumer electronics and the branching out of the firm BULL into informatics. As a result of this decision, CGE-Thomson becomes one of the largest groups worldwide in the telecommunications sector.

In *Italy*, the Ministry of Industry has announced the publication of a white paper on 'Industrial transition for the next decade', which includes plans to strengthen support for innovative sectors (e.g. government research contracts for leading enterprises) and to create a network of agencies for the transfer of technology, especially designed to favour small and medium-sized firms.¹

As regards actual achievements, a law approved on 19 December 1983² provides for financial contributions of up to 25% of total costs – and a higher share in the depressed areas of the South – for the purchase or leasing of electronically controlled equipment, by small and medium-sized companies. This law was welcomed by the Italian Association of Machine Tool Producers (UCIMU), since the sector is at present badly affected by the fall in investment.

In *Ireland* the government has decided to set up a National Software Centre in Dublin to help companies in all aspects of software including development, domestic and international marketing, training and technological transfer. The Centre will supply its services to Irish firms, in order to help the development of a suitable and skill-intensive sector. At the same time, two major multinationals – IBM and Prime Incorporated – have decided to establish software houses in Ireland.

Technical advisory services in microelectronics are provided by the Irish Institute of Research and Standards, in association with the Microelectronics Applications Centre. They jointly run the microelectronics applications programme (MAP), aimed at the promotion of microelectronics by Irish industry in the areas of manufacturing, process monitoring and product design.

In *Greece*, a law approved in May 1983 giving financial incentives to investment is specifically designed to encourage indigenous technology. The law offers grants of up to 15% to businesses intending to invest in the production of high technology goods and services; investors are favoured where the technology to be applied is of Greek origin, or where the technology is created by Greeks abroad.

In the software field, the Ministry of Research and Technology also intends to promote Greek design and production by offering financial support to small software houses and by promoting the production of small systems, designed for specific purposes by Greek companies.

3. Labour legislation

Very few changes occurred in labour legislation in all the countries concerned. Only two pieces of legislation are worth mentioning, in Italy and the Netherlands respectively.

In *Italy* a decree was issued in February 1984 granting legal support and financial incentives for solidarity contracts³, these concern the distribution of working time reduction among employees, either through short-time weeks, or through periods of temporary lay-offs on a rotation basis. Although solidarity contracts cover a much larger spectrum of situations than the ones generated by the introduction of new technologies, they are likely nevertheless to be used also in cases of technology-related restructuring of firms; solidarity contracts have often been put forward by the unions as an alternative, and collectively agreed, way of settling redundancy problems.

In the *Netherlands*, two on-going government programmes concern the improvement of the quality of jobs: one, called Regulation Job Improvement, aims at avoiding negative effects on job content and on labour relations by giving organizational advice on automation; the other offers support to capital investment oriented towards the improvement of jobs.



New technologies offer great promise in the field of health and safety.

Photo: Paul Versele - Copyright 'Photo News', Brussels

4. Health and safety

Innovatory activities in the field of health and safety are reported from the UK.

In the *United Kingdom*, some specific programmes concern the utilization of new technology for public health: one such programme provides government funding for special schools to buy electronic aids for handicapped children; another project, announced by the Department of Health and Social Security, investigates the use of microcomputers by dentists; if feasible, the government would contribute part of the cost of hardware and software development.

5. Education and vocational training

Technology-related activities in the educational field continue to be impor-

¹ Agenzia Nazionale per i Servizi Reali e il Trasferimento Tecnologico. See *Il Sole* – 24 ore, 21. 3. 1984.

² Law No 696/1983.

³ Decreto legge No 12 of 21. 2. 1984, published in the *Gazzetta Ufficiale della Repubblica Italiana*, No 52, 22. 2. 1984.

tant in all countries. Although many countries started rather late to adapt their educational system to changing technological needs, the policy options subsequently adopted bear a large number of similarities. One common policy is the one of introducing microcomputers in schools: thus *in the UK*, in June 1983, nearly half of the primary schools have ordered or already received a microcomputer under the Department of Industry's grant scheme; *in France* at the same date about 7 000 microcomputers were already installed in 800 high schools and the plan is to have 100 000 available in schools by 1988; parallel to this, teacher training is being reinforced, and four new training centres have been opened. In the *Netherlands*, Government programmes on the introduction of microcomputers in schools – an example of which is the supply of micros by Philips and Aster to 100 experimental schools at secondary level – are supplemented by private initiatives, such as the plan developed by the Dutch Saving Banks in cooperation with Philips, to supply micros for courses in the last two years of primary school. A similar initiative was taken by the Caisse Générale d'Épargne et de Retraite *in Belgium*, based on awareness campaigns aimed at teachers and on the supply of 700 microcomputers to schools. Initiatives do not only concern microcomputers: *in Italy* it is planned, following a meeting between school principals and some national firms in robotics, to produce 200 units of a simple robot for demonstration and teaching use and supply it to industrial technical schools throughout the country.

The introduction of information technology in schools is, however, also at the core of a broader debate. A definitely positive attitude is taken by the Dutch Ministry of Education and Science, which, in its 1984 budget, gives priority to the introduction of information technology at all levels, including computer-aided teaching. *In Denmark*, the positions of the parties concerned are not so converging. The issue at stake in academic circles following the conclusions of the Commit-



Learning how to use new technologies in school. Photo: Marc Deville · Copyright 'Photo News', Brussels

tee on Informatics appointed by the Ministry of Education is whether data-processing and informatics should be considered as a separate science, and thus as a separate academic discipline, justifying the creation of specific university faculties, or whether it should be considered as part of applied science, and thus be integrated into the activities of existing scientific institutes. Accompanying the whole debate is the worry about the dramatic lack of teachers.

Still at the level of university education, but concerning in this case the utilization of new technologies in teaching, a 'telematic university' project ('progetto università a distanza') is being set up in *Italy* and should be operational in 1985. It is coordinated by the University of Calabria and by the Consorzio Ricerca e Applicazioni in Informatica (CRAI) in Cosenza and it plans to provide students who are not resident at the university with terminal connections, which would enable them to utilize computerized teaching materials, to check periodically their understanding and to have video contacts with the teachers. A 'distance-university' such as this will require students to be physically present only for final exams.

In regard to vocational training, the need to extend information technology

training programmes to adult unemployed is stressed *in the UK*, where a pilot scheme is planned by the Manpower Services Commission: this scheme would follow the pattern set by the ITECS (Information Technology Centres) for training teenagers, as it proved rather successful, in so far as 70% of the teenagers are reported to obtain employment on completion of the programme.

Not only the adult unemployed are in need of training, however, but also managers and clerical staff, as a report in the UK by the National Economic Development Office (NEDO) points out.¹ Having identified similar needs, the *Irish* National Training Authority (AnCo) ran a pilot training course in 1983 for small businesses considering the introduction of new technology. Course attendance showed that there is sufficient interest among smaller firms to justify regular courses on a similar basis. Courses on microcomputers for both technical and business people are also run by the Irish Institute for Research and Standards (IIRS).

¹ *The Impact of Advanced Information Systems*, NEDO, 1983.

6. Other activities

In *Belgium* a TV programme on informatics has been jointly organized by the Office National de l'Emploi and by the two TV channels (the Dutch-speaking BRT and the French-speaking RTBF). The teaching programme, aimed at a general public having no previous knowledge of informatics, includes TV and radio broadcasting, a book, video-cassettes and even a final exam. It is meeting with considerable success.

Problems and delays have on the contrary been encountered by the two parliamentary bills on data protection and privacy, which have been long discussed in the *UK* and in *Italy*. The *UK* Data Protection Bill, dropped when the previous Parliament was dissolved, was reintroduced by the government in July 1983, with some changes meant to exclude routine operations – such as word processors and pay-roll computers – from the bill's safeguards.

The Bill is still encountering major opposition on different ground both by professional bodies and by the Confederation of British Industry.

An Italian draft law which regulates the collection of personal data on computerized files (presented by the committee set up by the Ministry of Justice) also went through a rather long procedure although it met substantial agreement; it has now been forwarded to Parliament for approval.

II – The attitudes of the two sides of industry to the new technologies

The general attitudes of the two sides of industry with respect to the introduction of new technologies are known, the employers being basically concerned about the elimination of existing constraints to technological innovations, the unions having a more differentiated approach according to country and sector, underlined by the preoccupation about the negative effects, on balance, on employment levels and qualifications. What will be

reported in this section concerns only new or specific statements and positions on relevant issues, and the approach of the two sides of industry as reflected in collective agreements.

1. Employers

The position of the *Dutch* Christian Employers Federation (Nederlands Christelijk Werkgeversverbond) was expressed in the second 'Anders Werken' report released in 1983.¹ As regards the consequences of applying the new technologies, the employers consider, on the basis of past experience, that automation does not get maximum results if it is introduced without the participation of employees.

At sectoral level, the *Danish* Engineering Employers Federation (JA, Jernets Arbejdsgiverforening) published a comprehensive study on the future development of the iron and metal industry up to 1993. It presents the viewpoint of the federation on a broad number of issues.² Among the ones which more directly concern technological development, the study, while identifying good opportunities for *Danish* industry to apply the latest innovations in an optimum way, points however to the high dependence of the industry on software innovation and consequently to the need for an adequate supply of highly qualified engineers. In order to attract the best educated young people, the industry will have to develop more attractive work-places; less rigid solutions will also have to be found in the fields of training and collective agreements, and the role of management will include the promotion of societal development by actions within and outside the company. The development of management systems to improve information flow in management and cooperation between employees is expected to be one of the fastest growing fields in the 10 coming years.

2. Trade unions

The position of the *British* trade unions on some technological issues was rediscussed at the Trade Union

Congress in Blackpool in September 1983. The main concerns expressed on this occasion include the privatization of the telecommunications sector, the balance in R&D policy between civil and military sectors, and the dependency of the sustained economic recovery on the *UK* ability to meet the challenge of technological competition with respect to countries like *Japan* and the *FR* of *Germany* which devote more resources to developing new products and to training graduate scientists and engineers. The telecommunications sector was also affected by industrial disputes, concerning both the proposed privatization of *British Telecom*, and the introduction in the private *Mercury* Communication consortium of *System X*, the electronic networking system, because of the job losses that will accompany it. The main fear is that there would be a rapid reduction in engineering and maintenance staff.

In *Italy* one specific problem was addressed by the Confederation of Metal and Engineering Workers (FLM), at a meeting in January 1984, namely, the systems of electronic control of workers by management. The union fears that the magnetic cards required for access to various sections of the plants might become a means of controlling workers' movements. The union has already taken action on this issue and it won an important battle against *IBM*, where magnetic cards are now being used only as a security measure for access to particular laboratories.

¹ Anders Werken II. Verslag van een discussieproject, Nederlands Christelijk Werkgeversverbond, Den Haag, 1983.

² Jernets Arbejdsgiverforening 'Debatoplæg: Jernets Fremtid 1983 + 10'.
– 'Sammenfatning: Sansynlige vilkår for jern- og metalindustrien 1983 + 10'.
– 'Basisrapport 1. – Økonomiske og politiske perspektiver'.
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– 'Basisrapport 3. – Udviklingslinier for materiale-, proces-, og produktionsteknik'.
All the above-mentioned reports are published by JA, 1983.

Concern about the consequences of new technologies are being expressed also by the professions who were until now believed to be unaffected. Thus the Trade Union Organization of lawyers and economists in *Denmark* (DJØF – Denmarks Jurist – og Økonomforbund) has decided to develop a technology policy, following a report published in 1982 on 'New technology, is that our problem?'.¹ The union believes that the jobs of its professional group will be affected, as technological development will demand an increasing flexibility on behalf of lawyers and economists as well as competence in understanding and using the technology. It put forward the need to design new types of jobs and the increasing need for vocational training of the professional groups in the new technologies.

The preoccupations about quality of work also emerges from the note 'Research for the union', released by the Federation of *Dutch* Trade Unions (Federatie Nederlandse Vakbeweging – FNV).²

The union does not have a negative attitude towards the introduction of new technologies in the production process; it is however concerned about the involvement of employees and the improvement of job-quality, in order to interrupt the trend to taylorization. The latter issue is dealt with in the note 'Master automation' by the Services Union (Dienstenbond),³ which also shows concern about the level of employment in the services sector, due to computer facilities and to increased automation in office work; the groups mostly affected are expected to be the ones which perform routine jobs, such as elderly people, women and young workers. Within the federation, however, sectoral unions do not have a univocal position: the Industrial Union (Industriebond) is increasingly worried about the unemployment rate and the Union of Civil Servants (ABVO-KABO) is particularly negative towards the government policy, since the salaries of its members have been reduced without a parallel increase in employment as promised in 1982.

3. Collective agreements

The most interesting outcome of collective bargaining on technological issues in the period under consideration is the signature, on 13 December 1983, of Collective Agreement No 39 in *Belgium*. It is a framework agreement concerning all firms in the private sector having 50 or more employees.

Under the Agreement, employers who decide to invest in new technologies likely to have important consequences for employment and work organization, are required to provide written information to workers' representatives on the nature of the technology, the reasons for introducing it, the expected social consequences; on the latter issue consultation with workers' representatives is also required. Information has to be provided at least three months before the introduction; the obligation arises when 50% of any professional group in the firm is going to be affected. Workers' consultation concerns employment prospects and the composition of employment, work organization and working conditions, health and safety, qualifications, training and retraining. If the employer does not comply with his obligations, he cannot, for a pre-determined period, dismiss workers for reasons linked with the introduction of the technology.

The agreement is a compromise solution between the different positions of employers and unions. The latter had been pressing for a more binding agreement, including negotiation before the investment decision is taken, the possibility for unions to veto the introduction of the technology and the assistance of union experts in negotiation procedures. The employers, who were in principle against the conclusion of a collective agreement on this issue, are not dissatisfied with the final text as it respects management prerogatives and does not affect investment decisions.⁴

In the countries where technology agreements are already being implemented, the unions often have critical attitudes towards the effectiveness of information procedures.

Thus at the latest congress of the *Danish* Union LO, heavy criticisms were voiced on the implementation of the 1977 Cooperation Agreement, and the 1981 Technology Agreement: according to recent experience, information provided by firms and discussed in cooperation and technology committees is less and less strategically important. Supplying evidence to this view, a study carried out by the Electrical Trade Union (Dansk EI-forbund) on the confidence of its membership in the possibility of protecting employment and working conditions by technology agreements showed not only that such confidence is very low (half of the shop stewards did not believe that agreements were offering protection), but also that the level of awareness of the content of the agreements is astonishingly limited (only 32% of shop stewards in the private sector, and 20% in the public sector, knew about the agreements and their content).⁵

A similar assessment of the scant importance of information disclosed by firms is expressed in *Italy*, where since 1975 'information clauses' are generally included in the first section of collective agreements. They concern obligatory notification of the introduction of new technologies and their effects on manning levels and work organization. In recent agreements a requirement for timely notification was added, in order to allow a sufficient amount of time for bargaining.⁶

¹ DJØF 'Er ny teknologi vort problem?', Teknologiarbejdsgruppe under overenskomstforeningens sektorudvalg vedrørende central administrationen, Copenhagen, 1982.

² Nota voor de vakbeweging. Nota Onderzoekswensen van de FNV, Federatie Nederlandse Vakbeweging, Amsterdam, August 1983.

³ Automatisering de baas, van Gelder W.J., Dienstenbond FNV, September 1983.

⁴ *Bulletin de la Fédération des Entreprises de Belgique*, No 2, 1984.

⁵ Dansk EI-Forbund 'Teknologi undersøgelse – En rapport om veje til fremtidens elektrikere', Copenhagen, 1983.

⁶ For details on 'Information Clauses' in the major collective agreements, see L. Bellardi 'I diritti di informazione – verso una gestione rinnovata?' in *Contrattazione*, 7/8/1983.

In the UK an agreement on new technology was concluded for the first time in the public sector: it is in fact a joint management and union study on the effects of microelectronics on employment in the Water Supply Industry: the two parties agreed on a figure of between 1230 and 4100 job losses over the next five years and on the need for additional training for over 12000 staff.

A wide-ranging technology agreement is still pending between the Union of Communication Workers (UCW) and the Post Office. For the time being, partial agreement was reached only on the utilization of VDUs, stating that workers should not spend more than 4 hours on a VDU¹ and not more than 6 hours in exceptional circumstances; the Post Office will bear the cost of eye tests and spectacles.

III – Studies and research on social effects of new technologies

1. Spread of new information technologies

Some surveys were recently completed on the use of office automation, computers and computer-controlled machinery in different countries.

In the *United Kingdom*, Korn Ferry International published the results of a survey of 250 companies with a turnover in excess of UKL 1 million and contemplating the use of office machines.² Although most companies turned out to be already extensively equipped, 68% intended to increase their expenditure on office automation over the next two years. Projected investment is for computerized telephone exchanges, word processors, minicomputers, computer networks and electronic mail.

A completely different picture emerges, in *Ireland*, from a study recently completed by Trinity College, Dublin, on the use of computers to implement integrated production systems. The reasons for the low utilization are to be found in the high price and complexity of

computers available on the market, with respect to the structure of the Irish industry, and in the lack of adequate software.

In the *Federal Republic of Germany*, a report published by the Institut für Arbeitsmarkt- und Berufsforschung surveyed 6000 employees and classified their jobs on the basis of the degree of mechanization/automation.³ Although 45% of the workers turned out to be concerned by some form of mechanization, only 6% of the jobs were at a very high level of automation. The percentages are higher for people involved in engineering work, in control and in office work.

Additional information emerges from a survey carried out by the Industriegewerkschaft Metall (IGM), based on data provided by Works Councils.⁴ The use of the new technologies appears to be linked to the size of the company, larger scale ones being overall more automated. Their use is, however, relatively recent, as 40% CNC⁵ users, 50% of the users of VDUs and 75% of the users of robots introduced the technology after 1978. The study also provides a breakdown of companies according to whether they are innovative or not, innovative companies being defined by the technology used, the intensiveness of use of VDUs in terms of number of workers concerned, and organizational changes. Whereas 20% of all companies use high technology, the percentage goes up to 40% for innovative companies, and to 46% for large (over 1000 workers) innovative ones. Finally, it emerges that innovative companies have reduced employment more than non-innovative ones, and are expected to continue to do so in future.

2. Employment effects

Further *German* research work carried out by the IAB-BIBB⁶ concentrates on technological and organizational changes in firms. The research work was carried out in 1979 on a large sample of 12000 companies in the metal industry having more than 20 employees.

Since similar research was undertaken in 1973, it is possible to compare the results and relate employment changes to organizational changes in the firms surveyed. In relation to the beginning of the 1970s, by the end of the decade the introduction of new technologies had become more extensive and is now the most frequent factor of change (involving 29.8% of firms), followed by the replacement of existing investment (25.4% of firms) and additional investment in the same type of machinery (23.4% of firms). By relating technological/organizational changes to changes in employment, we obtain the picture shown in the Table below.

New technologies account much more for dismissals (34.7% of cases in 1979) than for new recruitment, and they negatively affect employment even more than rationalization of existing investment – although the latter does not have any compensatory effect on recruitment. As the two reasons combined appear to increase their importance over time and both determine a negative employment trend, the prospects for future employment levels are not encouraging.

Substantially different results emerge from a 'Survey on Automation' carried out in the *Netherlands* by the Central Statistical Office.⁷ It covers 12500 companies and institutions which use computers for administrative and scientific work. In total the number

¹ Visual display units.

² The results of the Korn Ferry International Survey are summarized in the *Guardian* and the *Financial Times*, 1 September 1983.

³ Friedemann Stosch and Lothar Troll: 'Die Verbreitung programmgesteuerter Arbeitsmittel', in the IAB/BIBB survey on 'Qualifikationen und Berufsverlauf', *MittAB* 2/1982, pp. 167-181.

⁴ Industriegewerkschaft Metall, Vorstand: Rationalisierung in der Metallwirtschaft; eine Bestandsaufnahme, Kurzfassung, October 1983.

⁵ Computerized Numerical Control.

⁶ Manfred Lahner: 'Auswirkungen technischer Änderungen in metallverarbeitenden Industriezweigen 1979'; in *MittAB* 2/83, pp. 153-166.

⁷ Centraal Bureau voor de Statistiek: Automatiseringsenquête. Automatiseringspersoneel particuliere sector 1981, Den Haag, 1983.

Table 1 – Employment effects of technological organization changes in %

Kind of change	Recruitment		Internal shifts of workers towards hightech areas		Internal shifts of workers out of the hightech areas		Dismissals		See footnote ¹	
	1973	1979	1973	1979	1973	1979	1973	1979	1973	1979
Changes in enterprises	45.3	35.5	49.8	45.1	46.8	50.3	32.6	39.0	13.7	13.0
New Technologies	9	16.2	32.5	18.6	21.6	18.8	29.2	34.7	34.5	43.7
Replacement of investment	3.6	11.2	7.8	6.2	15.8	16.8	14.9	6.9	23.8	17.8
Additional similar investment	42.4	36.8	10.1	27.3	2.0	3.5	1.6	0.4	7.0	12.7
Mechanization + Rationalization	0	0.2	0	2.7	12.2	5.0	8.8	18.9	18.1	9.7
Others		0.4		0.1		4.5		0.1		3.1

¹ Decrease with respect to the employment level which would have been obtained if the new level of output was produced with the old factor combination.
 Source: Manfred Lahner: Auswirkungen technischer Änderungen in metallverarbeitenden Industriezweigen 1979; in *MittAB* 2/83, pp. 153-166.

of man/years worked in the companies increased from 40 150 (1979) to 48 450 (1981) and is expected to increase further to 59 000 in 1985. The highest

increase is in very small companies (up to 9 employees) and the growth is inversely correlated to the number of persons employed.

The only clear improvement brought about by new technologies is the decrease in the physical workload, much more evident in innovative companies than in non-innovative ones; in all other aspects, and particularly in the ones related to the mental workload, working conditions are reported to be deteriorating. The trend is the same in innovative and non-innovative companies; the frequency of the effects is, however, always higher in the most advanced firms.

The effects of new technologies on work organization were discussed at a colloquium organized by the 'Association des sociologues belges de langue française' (Association of *Belgian Sociologists – French-speaking section*). The broad theme of the colloquium was crisis in all its aspects. Two contrasting arguments were put forward: one being that new technologies have made possible new forms of work organization, which imply a higher degree of participation on the part of the workers, higher flexibility, more autonomy and a redefinition of hierarchy.

Table 2 – Links between high tech and schooling

Schooling level	Workers working with high tech	All workers
University	5.8	5.3
Special technical education	4.6	2.9
Lower level of technical education	9.3	9.4
Vocational training in company for white collar workers	29.1	20.5
Vocational training for blue-collar workers	23.5	30.7
Vocational schooling	3.4	2.9
No special vocational training	24.3	28.3
Total	100.0	100.0

3. Effects on qualifications

The first *German* research work mentioned above ¹ examines the educational level of employees working with high technology and compares it to the average educational level of surveyed workers. (See Table 2).

The overall level of qualification appears to be higher in high-technology jobs, although this is not evident at the level of employees with university edu-

cation; it is visible in the higher level of qualification among white-collar workers and the lower level among blue-collar workers, in comparison with non-technology-related jobs.

4. Effects on working conditions

The abovementioned I.G. Metall study also examines the changes in workload brought about by new technology in the companies surveyed.² The results are summarized in Table 3.

¹ Friedemann Stosz and Lothar Troll: Die Verbreitung programmgesteuerter Arbeitsmittel, in the IAB/BIBB survey on 'Qualifikationen und Berufsverlauf', *MittAB* 2/1982, pp. 167-181.

² Note 4 de la page précédente

Table 3 – Changes in workload

Company	Strong innovative companies			Other companies		
	Increase	Decrease	Balance	Increase	Decrease	Balance
(a) Workload in industry						
shift work	66	17	49	40	16	24
physical work	10	59	-49	13	36	-23
forced position	42	23	19	25	14	11
sound hinder	47	43	4	40	31	9
dangerous materials	37	26	11	24	19	5
monotony	68	13	55	37	6	31
workpace	61	18	43	29	6	23
speed	91	0	91	75	1	74
isolation	63	3	60	31	4	27
others	7	0	7	5	0	5
no change	2	30	28	8	44	36
(b) Workload						
shift work	34	9	25	9	6	3
physical work	27	21	6	16	11	5
forced position	68	3	65	33	3	30
eyes	98	1	97	64	2	62
monotony	66	7	59	30	3	27
speed	53	6	47	25	3	22
isolation	84	1	83	65	1	64
others	7	0	7	4	0	4
no change	2	71	69	18	83	65

The opposite argument states that, on the contrary, new technologies create the pre-conditions for new forms of 'taylorism', particularly in administrative work, where discontinuous processes and irregular workpace have until now hindered a tayloristic organization of work. The debate is still open, and not only in Belgium.

IV Experiences in specific sectors

This section presents some outline information on ongoing experiences in the utilization of information technologies at sectoral level.

1. Public services

In *Belgium* the Informatics Centre of the Flemish Region (Centrum voor Overheids Informatica) is setting up an EDP system for labour market data.

It is based on a central computer linked to the employment exchanges in the region, which will collect all data on labour supply and demand both for statistical purposes, and in order to speed up the placement process. When the system is operational, it is expected to enable vacancies to be filled in a few hours, compared with the fortnight currently needed.

Videotex systems have been introduced in *France* by local Aid Centres for young people (Missions locales pour l'insertion sociale et professionnelle de jeunes en difficulté) and by the Association of Mayors of the large towns.

2. Telecommunications

Still in *France*, the DGT (Direction Générale des Télécommunications) is developing the use of memory cards for public telephones. It is also planning to experiment with a system of tele-

payment or payment of videotex services by means of memory cards.

In *Ireland* – where the Postal and Telecommunications Services Bill (1983) created two new semi-State bodies – An Post and An Bord Telecom Eireann – designed to operate commercially and with an aggressive market policy, it is planned to set up a national strategic policy for the development of cable systems and the possible development of satellite communication services.

3. Banking and finance

The planned Clearing Houses' Automated Payments System in the UK, due to go on-stream in the autumn of 1983, has been postponed due to the fact that not all banks are technically ready.

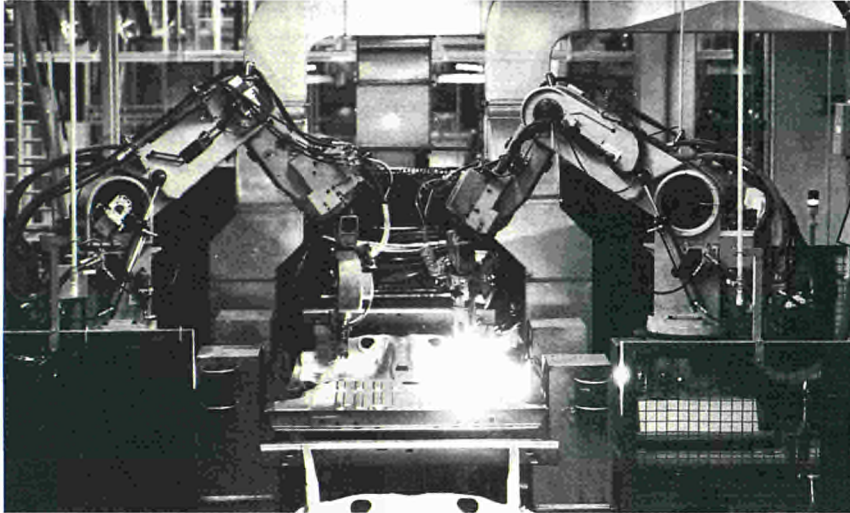
Building societies, on the other hand, are going ahead with their plan to introduce a nationwide network of automated teller machines.

In *France* the memory card has been launched in some towns; moreover, the largest experiment of electronic payment system started off in Saint-Etienne: it involves 360 points of sale terminals, mostly located in supermarkets, and 85 000 credit cards. The largest share of the cost is financed by the banks. Meanwhile, an agreement is being pursued to develop standard cards, so that the same terminals can handle cards from different banks.

4. Manufacturing

A flexible manufacturing system started operating in June 1983 at the Peugeot plant in Meudon, *France*. It is a computer-controlled tooling centre for engine parts capable of producing variable runs.

In *Italy* the most noticeable event in this period is the agreement between Olivetti and the US-based ATT which provides for ATT's entry in Olivetti's share capital; the commercial implications of the agreement are the acquisition by ATT of a European sales network and the possibility for Olivetti to



Will new technologies lead to new ways of organising work . . . or to new forms of 'taylorism'?
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add telecom equipment to its product line and hence to offer integrated telecom/computer packages.

The other Italian telecommunication producers, both private and State-owned, are for their part experiencing redundancy problems, in spite of a policy of early retirement and voluntary dismissals. The Trade Unions are asking for a programme of diversification of production.

In the *UK* the Greater London Enterprise Board, set up by the Greater London Council, is financing a programme to bring university projects involving new technology to the market place. They must all be socially useful projects; applications comprise an expert system development for use in community health care, an electronic mail system for use within the community, the development of a general-purpose robot arm for educational use, the development of cheap networking facilities and of human/machine systems.

Finally, some information concerning consumers: a pilot group of households in the *UK* is testing the use of microcomputers to control electricity meters. Each household is equipped with a microcomputer-based unit which acts on local control signals sent from the Electricity Board and transmits meter readings as well as other information. The trial is expected to last 12 months.

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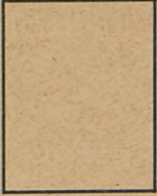
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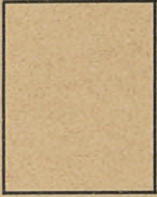
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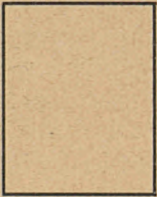
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