

SOCIAL EUROPE

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DIRECTORATE GENERAL FOR EMPLOYMENT,
SOCIAL AFFAIRS AND EDUCATION

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Employment — New technology and social change

Actions and guidelines

Graduate placement in the employment market

Once it was decided in 1988 to review and modernize the Sedoc system,¹ the preparatory work of examining the structure of a wide variety of public and private placement services raised the whole question of job vacancies and their handling in the context of the free movement of labour objectives for 1993.

In a series of occasional papers, *Social Europe* will present noteworthy initiatives and organizations active in the field of placement. In this issue we devote attention to the activities of the Central Services Unit, based in Manchester, England, and to the University of Manchester careers guidance service.

Graduate placement is a specialized field: the Central Services Unit (CSU) is an example of a specialized placement organization, well-organized and well-placed in relation to the free movement European Community labour market of the 1990s.

The CSU is a support unit for university, polytechnic and higher education graduate careers offices, unique in the Community with lessons to offer to those involved in guidance and placement.

The Central Services Unit is the clearing house for the Association of Graduate Careers Advisory Services (AGCAS), which is a joint venture of universities and polytechnics in the British Isles (excluding Scotland with its different educational system — but including Ireland). It provides common services:

- (i) careers information booklets of which 70 have been produced including those on setting up business on one's own;
- (ii) videos: some 175 are available including prize-winning films on: filling in application forms; coping with the 'milk round';² and handling final selection procedures in groups;
- (iii) first destination statistics: information on the job of graduates six months after graduation (subsequent follow-up is not yet available), and the training of careers officers.

The CSU was established by the Committee of Vice-Chancellors and Principals as a central advisory and information production service in 1972. Until 1974, employers received information free of charge. The CSU has itself gone from full public funding at its inception to being something like 90% self-financing today. The services provided are:

- (i) Graduate employment and training: the 'Roget' publication (*Register of graduates and training*) on employers who are in the market. Any employer can obtain 12 lines free of charge. Most pay for more, so that the 50 000 copies published are self-financing and distributed free to graduates.

- (ii) A fortnightly bulletin on vacancies.

- (iii) Pilot approaches, e. g. Prospect.

Prospect is a sophisticated self-analysis program to enable students to clarify their possible careers by assessing their own personal value system and requirements of work. It includes an occupational database (300 occupations), honed down by the self-assessor through testing his/her skills, abilities, values and interests. Prospect is a more developed form of Gradscope, a computer matching system. It has the advantage that it can be linked to an employer database. Before possibly going national, such programs are tested on a very small number of locations. Prospect has been developed with funds from the UK Department of Education and Science.

Virtually all British universities and polytechnics have established placement units. These units, employing 500 professionals in total, are primarily intended to help undergraduates and PhD students in their last year and find suitable jobs. Overall, there is one careers adviser to every 250 final year students in Britain.

Some of the placement units' functions are specific to their institution: contacts with the students themselves, organizing interviews, keeping in touch with the local labour market, etc. Others are generic: descriptions of occupations, careers, national employers, etc. It is the latter that are the focus of the Central Services Unit. The unit works in close collaboration with the University of Manchester placement service, in whose precinct area it is housed, serving the Universities of Manchester and Salford, some 16 000 students in total. Advisers are housed at Manchester University but physically spend half their working time at Salford. Salford had its grant from the central government cut back in the early 1980s and has since

¹ *Social Europe* 2/187.

² The procedure whereby employers tour the higher education campuses to explain their companies, see graduates and interview candidates.



developed into (with Aston) the leading university as regards income earned from contracts and fees from services.

Students can use an open access, or on a self-service basis, the facilities of the careers library with files on:

- (i) careers and occupations;
- (ii) university speciality studies;
- (iii) employers.

More or less 40% of students do not have a precise idea of which career to take up; they can have a 30 to 40 minute interview with an adviser, or test the self-service program such as Gradscope or Prospect.

Training is offered to enhance students' communication skills; 'Insights into management' consists of three half days of boosting self-confidence in arriving at decisions.

One of the specific actions the CSU undertakes is to draw up, itself, the vacancy and the jobseeker profiles. An in-depth analysis of the available appointment, carried out in close collaboration with the employer and linked with in-depth interviews with prospective candidates, contributes to something approaching a virtual guarantee of matching between the two.

When one considers the cost of waiting for a return on the money invested in a recruited graduate (some estimates go so far as two or three times starting salary), the price of a mismatch can be shown up for the losses it entails. To the employer or undertaking the loss cannot be charged against tax, but more importantly there has not been the contribution to revenue. The loss to the individual is represented by a more or less severe postponement in career de-

velopment. The loss to society as a whole is less tangible — even less is it measurable — but can have profound consequences (return on society's investment in education?).

At intra-European Community level, the cost of job offer/applicant mismatches, involving quite another scale of expenditure and potential losses, is something which the Commission of the European Communities intends examining in the wide-ranging debate on the achievement of the internal market by 1993, notably in terms of the international mobility of citizens and their dependants.

Sectoral experience of worker/job mismatch has shown that a labour market information-providing exercise is overdue — if only to provide for example information on the purchasing power

of different country salaries; the constraints relating to language capability, or the (absence of) recognition of one's own qualifications in another country.

It has been possible to develop the careers advice function into a fully self-funding centre within Manchester University. This is at least partly explained by the changing nature of the jobs market: there is now an abundance of jobs; and employers are besieging the University; students consequently need more advice. Persuading universities of the need for such services has not, however, always been easy.

Employers recruit at universities between January and March. The University screens applicants and arranges interviews for those selected by the employer (the 'milk round'). For some studies with special characteristics, e.g. law,

recruitment is often scheduled as much as 18 months to 2 years in advance.

Moreover, 12 employers' fairs are held annually throughout the country in June/July presenting individual employers at stands, and where information leaflets, reports, etc. abound.

In terms of background to the employment market situation, comparisons with other Community higher education systems show that:

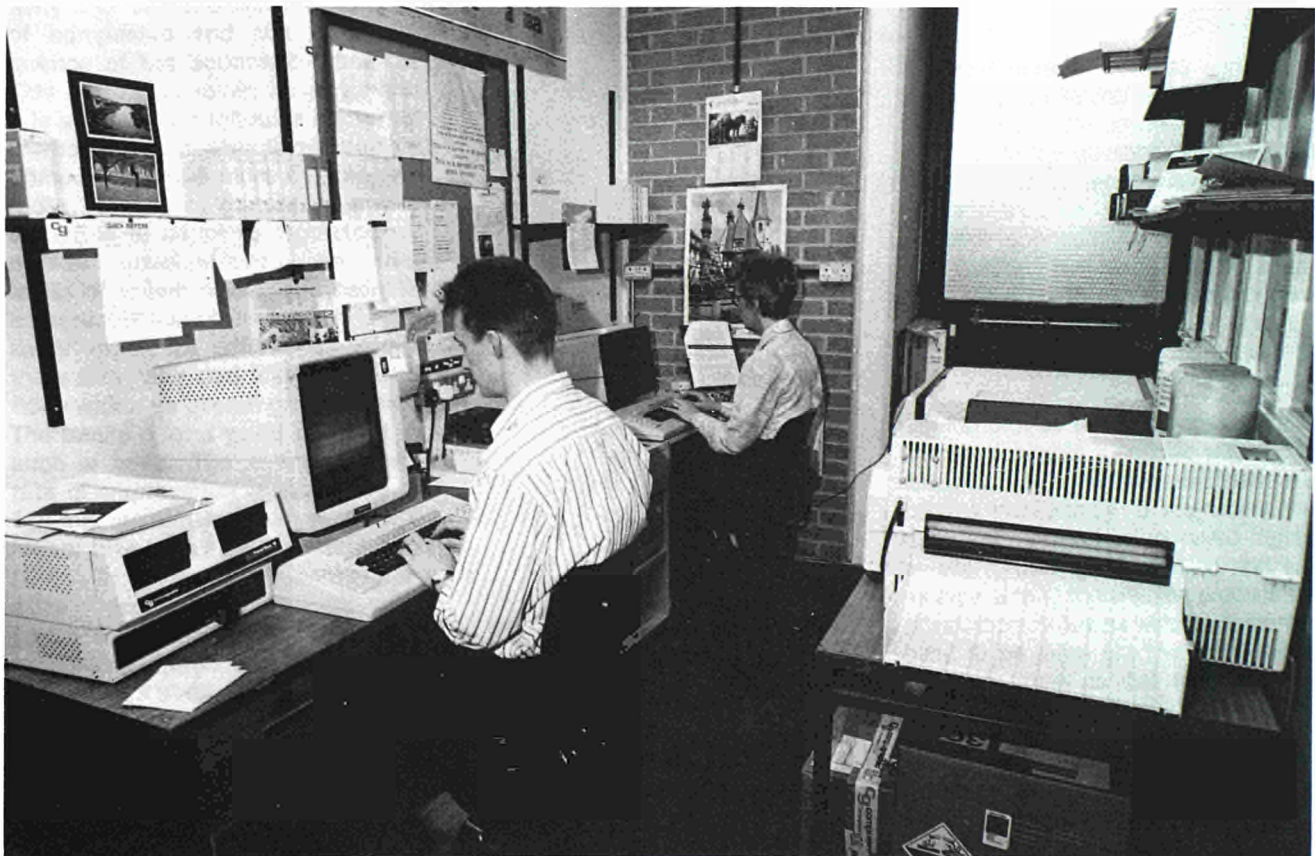
- University systems differ: admittance to British universities is more selective at the entrance stage compared with continental practice, and early drop-outs are far fewer.
- Staff: student ratios are better in Britain.

- Private placement services are responsible for more graduate placement in some European countries.

- The Commission services have opened discussions with representatives of European universities on drawing up a report on the merits of guidance and placement systems for graduates.

Combined with the demographic impact of a decline in the number of young people coming on to the labour market in Britain the Director of the Central Services Unit, Mr Brian Putt is predicting that the employer demand for graduates in 1989 will be some 10% over that for 1988.

A third of new graduates goes into some form of financial or commercial



management activity; shortages are most acute for graduates in mechanical engineering, electrical and electronic engineering.

Future matching requirements will place fundamental importance on the role of employer guidance systems — how to draw up job profiles to attract, secure and probably adapt almost any

type of graduate; likewise there will be need for continuous development of guidance and assessment systems for candidates.

The merits of self-assessment by computer-based systems are already evident, and at a subsequent stage there will be a future for computer-based systems to advance our under-

standing and performance in matching. At some point in the evolution of the international labour market, such sophisticated guidance and placement services as are now available to the 'top end of the market' graduates could be a godsend if adapted and made available to workers with only relatively ordinary skills.

Reflections on qualitative developments and training in a number of major services sectors

Over the last two years, the Commission has undertaken several studies and organized various colloquia on the social consequences of the current economic and structural changes taking place in the services sectors.

Whether it is a question of financial services or retail and distribution services, although the studies have been carried out by specialists they have often resulted in quantitatively very debatable conclusions, while the conclusions concerning qualitative developments have won much wider support among employers' and employees' representatives. The same probably also holds true of other services sectors or even certain industrial sectors.

It seems in fact that the quantitative development of employment in the aforementioned services is a direct parameter of the level of activity and the economic dynamism of companies and not a consequence of the economic situation. This is not, however, as a general rule uniform throughout a sector as a whole; certain structures, certain companies prove more flexible and more able or generally better equipped to adapt to regulatory or market developments, so that levels of activity and employment in a particular sector conceal relatively important differences within the sector and can lead to distortions within an overall growth trend. The banks offer a good example of such a case. The overall growth rate of employment is estimated at 1% per annum for Europe, with a higher rate in the savings networks (+6% in Belgium) and the cooperative and popular networks (+3.8% in Germany) and the major commercial banks creating virtually no new jobs at all. The statistics are in fact of a far too specific nature to alone provide a basis for generally acceptable conclusions.

Qualitative developments are less prone to fundamental criti-

cisms. They win more widespread acceptance, undoubtedly because they are based on an evident reality which is more readily defined and observable, and because they reveal underlying trends.

At the present time, modifications concerning the nature and content of jobs often reproduce the essential characteristics of a qualitative description of employment in the services.

In the banks (2% of total employment in Europe) as in the insurance sector (also approximately 2% of employment) many routine office jobs have been automated or are in the process of being automated, a process which serves to reduce the level of employment at the lower end of the scale while, at least in the banks, the widening of the range of products offered and the increasing competition are serving to create jobs with new characteristics requiring different aptitudes.

In this context vocational training is a determining factor in these changing sectors and, by virtue of this, it has been apparent for approximately one year that training is the dominant theme in these sectors, acting as a unifier and, owing to its non-conflictive nature, serving as the vector of a reactivation of sectoral discussions.

Many sectors, such as agriculture, transport, sea fishing and the automobile industry, now devote considerable attention to the question of training, all the more so as the completion of the single market on 1 January 1993 will reinforce opportunities for mobility inside Europe. The trade union organizations are also showing an increasing interest in the subject, their fears of social dumping being not altogether laid to rest.

Job profiles in the services sectors are developing in a specific way owing to the attitude of the clientele. These are coming increasingly to appreciate the quality of the services rendered during or after providing the service and are thereby serving to stimulate product sophistication. Relations with the customer need to be more attentive and closer. The view today is that the customer should be given more information on the products, their relative advantages and disadvantages, and be given advice on the basis of his personal circumstances, the result being that personalization of the company's service-customer rela-

tionship is now an added dimension of commercial strategy.

For the banking sector, these developments as a whole were central to discussions which were held during a seminar in November 1987 on the development of employment in banking in Europe. You will find a summary of the debate which followed the round table on training in Annex 1.

As regards the retail trade sector, the qualitative development shows an overall similar pattern. The consumer would always like to find cheaper prod-

ucts but is not indifferent to the related back-up services.

In this sector, all categories of employees are affected by the aforementioned changes. The need to provide and adapt training does not only concern heads of companies or managers of commercial departments; it also concerns employees charged with stocks management, inventories, planning and commercial forecasts... a total of 14 million working people in Europe are involved.

The social partners of this sector have shown a great deal of maturity on

this subject, adopting a parity memorandum on vocational training in the sector at the seminar on 18 and 19 October 1988.

This European agreement is the first one on record at this level and is in line with the policy of putting a premium on human resources as advocated in the framework of the adaptations necessary for the completion of a single, coherent and dynamic single market. (The complete text of the memorandum is included in Annex 2).

Annex 1

The participants generally accepted that recent developments in the banking sector required the presence of staff with advanced qualifications, but that young people today tended to be better qualified than in the past. The majority of young people recruited by the banking sector, in particular in Germany and Denmark, already have a good level of general training. It is, however, clear that the qualities required of bank staff require them to receive training aimed at developing specific skills. Consequently, several participants suggested that the task of determining the specific training to be provided was more the responsibility of the banking sector itself than outside bodies.

A series of comments were made concerning the nature of training for bank staff, particularly with a view to determining which employees should benefit from it. There has frequently been evidence of providing continuous training for already well-trained staff, thereby widening the gulf between low-trained and highly-trained staff and between those in contact with the general public and those in 'backroom' jobs. Counter services are associated with direct contact with the customer, while backroom jobs entail more general administrative tasks.

The participants were also evidently aware that a high level of specialization ran the risk of 'imprisoning' bank staff in very specific work, even if it did not necessarily require advanced qualifications. Similarly, highly qualified staff could wind up doing tasks which would not really allow them to realize their full potential, perhaps with the danger of confining them to specialized work.

The remarks made by the representatives from the various Member States clearly revealed that the training given to young people recruited by the banking sector sought to integrate them into a banking world which is fast developing. Yet the question remained as to how to train staff already employed in the banks so as to equip them to deal with the new demands made of them. It was realized that full retraining would be necessary in certain cases.

Dr Oberbeck pointed out that, although in Germany there were not any systematic attempts to retrain staff in the administrative sector, certain programmes had been launched by the independent banks and the Ministry of Research.

Mr Woblick pointed out that the Berufsschule in Berlin offered further

professional training in the insurance sector in response to the trend among many banks to broaden their range of services to include insurance.

Several participants drew attention to the fact that the volume and content of the training required depended on factors such as previous training and professional experience, motivation and ambition. Mr Spanjers stated that new technologies did not necessarily mean a need for more highly qualified staff but rather placed the emphasis on the need to find highly qualified staff with different profiles. Some examples were given of the new abilities required: a thorough knowledge of the new products offered by the banking sector, aptitudes in the field of communication and business.

Mrs Tesch of Euro-Fiet stressed that training should pursue two basic objectives: to allow staff to adapt to the new requirements of the banking sector and to offer them new career prospects. There was general awareness of an increasing danger of employment segmentation in the sector, particularly in the case of very specialized staff training. Consequently, employees could experience certain difficulties in obtaining promotion and there was a risk of reduced profes-

sional mobility. Greater flexibility would benefit both the bank and staff.

The participants expressed their concern with regard to certain categories of staff and their difficulties in adapting to recent changes in the banking sector. Special attention was focused on the problems of women and part-time workers (often also women). Mrs Pierret of Cedefop stated that the status of part-time unqualified

workers in banks was very precarious and stressed that 25% of staff in certain banks in the United Kingdom possessed no qualifications and that these were largely women.

Dr Oberbeck admitted that there were problems regarding career prospects for women in the banking sector, as few of them have received continuous training. He laid the blame on the reappearance of a form of discrimi-

nation against women, rather than on the inability to deal with the introduction of new technologies and to respond to new job profiles.

Mr Spatafora added that training had become more a strategic aspect in company planning than a simple service provided by particular branches.

Annex 2

Draft memorandum concerning training in the retail trade

Introduction

If the Community respects its undertaking to complete a single market for 1992 on the basis of economic and social cohesion, special attention will have to be paid to the freedom of movement of workers.

The aforementioned point, one of the cornerstones of any initiative as a whole, can become a reality by establishing common principles for vocational training, principles which could serve as a basis for national vocational training programmes recognized at EC level.

The retail trade is of prime importance as an employer within the Community; it employs 11% of the total working population.

That is why, following the launch of the White Paper in 1985 (COM(85) 310 final), employers and employees in the retail trade studied the question of vocational training needs in their sector which is a vital element in the wider context of distribution which accounts for 70% of total Community trade.

Following debates within the joint working parties chaired by the Commission, it appeared that while certain countries had developed structures for vocational training, others possessed no infrastructure in this area and would like to benefit from the experience of their Community partners. Furthermore, there was general agreement that, even where systems were in place, there was a need to restructure and reorganize them so as to be able to satisfy the needs of the retail trade in the Europe of the future.

The working party examined the different measures which the European Community could take to reduce the imbalances in training and to contribute to harmonizing the training criteria in all the Member States.

General points of the agreement

Following the in-depth debates within the working party, Euro-Fiet and the Cecd were able to agree as follows:

- Vocational training is indispensable both before and during working life;
- Continuous vocational training should be accessible to all those

who work or want to work in the retail trade, this applying to both part-time and full-time workers;

- Vocational training should be included in national legislation and/or collective agreements between employers and trade unions, according to the different national practices;
- Special attention should be paid to young people and disadvantaged groups;
- Special attention should be paid to maintaining employment and career prospects for women working full or part time in the retail trade;
- Vocational training should be featured in a mutually accepted social policy and be considered as an investment and a priority for staff management policy in retail establishments within the Community.

Recommendations

On the basis of these elements of general agreement, the working party subsequently made the following recommendations:

Minimal norms for vocational training should be established at European

level; these norms should ensure that employees possess a sufficient level and range of qualifications to allow them to meet the needs of their job and to adapt to any changes which may occur in the course of their career. In order to do this, multidisciplinary programmes should be drawn up taking into account the qualification needs inherent in the organization of the work, changes to the products and the use of technologies.

Such programmes should be decided upon following consultation and the agreement of the social partners, but should at least include:

- a satisfactory level of pre-vocational training at school, assured by the public authorities;
- general vocational training including:
 - training in social communication,
 - training in the general principles of distribution, the role of the retail trade sector in the economy and the structure of the enterprise,
 - training in the workings of industrial relations and the laws governing employment in countries where training takes place,
 - training in the role and use of new technologies, particularly those used in the retail trade,

- training in the legislation concerning health and social security,
- practical training concerning a knowledge of certain product groups and their effects on the environment,
- training in marketing, sales and services, purchases and supplies,
- training in accounting,
- training in at least one of the Community languages other than the mother tongue of the person being trained.

The duration and organization of the training will remain the responsibility of the national institutions and/or authorities.

The proposal contained in the White Paper (paragraph 90) regarding the completion of the single market concerning the introduction of a European vocational training card should be applied in this sector. This card should be officially recognized by the Community and signed by the Cecd and Euro-Fiet.

Recognition of training programmes will be granted by the European Commission following an official application by a national institution and/or a trade union organization and/or an employers' organization and/or the national authorities.

The European Commission will ensure that such recognition is only granted if the programmes are in agreement with the principles presented in this memorandum. To this end, the Cecd and Euro-Fiet invite the Commission to consult the opinion of experts representing employers and trade unions.

The Commission is invited to provide the necessary support for both parties to maintain a dialogue in order to ensure that the principles presented in this memorandum are updated in line with changes occurring within the retail trade sector.

The European vocational training card will constitute official proof that card-holders have followed an approved programme of vocational training in a job in the retail trade sector within the Member States.

The European Community should consider vocational training in the retail trade as one of the priorities for granting various Community funds and should encourage the participation of national governments in financing vocational training programmes.

The Cecd and Euro-Fiet request that the Commission work on the implementation of the principles set out in this memorandum.

19 October 1988

Employment — New technology and social change

Analyses, debates, studies

Employment policy in the Member States

On the basis of an agreement of the directors for employment, the Commission of the European Communities has created a Mutual information system on employment policies (Misep). inforMisep (iM) is the quarterly outcome of this system. It presents the changing policies and actions, particularly those sponsored by national ministries and agencies, aimed at promoting and improving employment within the European Community. It is compiled on the basis of information provided by national correspondents (listed on the back page). No statistical information is provided, readers being referred to the various Eurostat publications. The present issue covers the following areas:

Overall developments

- France Employment accounts
- Italy District employment sections

Aid to the unemployed

- Belgium Signing on dispensations

Training

- Germany Appeal
- Spain Escuelas-Taller
- Luxembourg Employment Fund training
- Portugal School-leavers

Job creation

- Italy Mezzogiorno part-timers

Special categories of workers

- Denmark LTU counselling
- Germany Training the socially disadvantaged
- Netherlands LTU counselling

Overall developments

France — Employment accounts: the cost of employment policies in 1986

The Ministry of Social Affairs and Employment makes an annual census and analysis of total efforts for employment and against unemployment. These *Employment and vocational training accounts* set out data, both financial (amounts spent) and physical (numbers of beneficiaries, days paid for, trainees trained or of firms concerned) backed up by descriptive elements of the policies implemented and trends observed. The main results for 1986 are outlined below.

What is covered under employment expenditure?

The field covered by employment accounts includes employment policy actions carried out by the ministry responsible for employment and vocational training as well as by other ministries: agriculture, physical planning, commerce and handicrafts, economics and finance, industry, etc. It also com-

prises the participation of firms and wage-earners in financing these measures through specific contributions or actions laid down in legislative or regulatory texts — in essence contributions to Assedic and the 1.1% levy for recurrent vocational training.

Among the activities carried out by ministries other than that of employment, only those focused on an explicit criterion of job creation and maintenance or leaving the employment market are considered as being elements of employment policy.

Expenditure for employment covers grants and allowances. It does not include the costs of regulatory measures (such as those dealing with the length of working time, the minimum wage or employment contracts), the financial impacts of which cannot be measured directly.

Expenditure for employment is broken down into seven headings: compensation for total unemployment, incentives for retiring from work (in particular early retirements), employment/job maintenance (short-time working), employment promotion and job creation,

incentives to work, vocational training, and the functioning of the labour market (ANPE).

DPE, expenditure for employment, amounted to FF 182.4 billion in 1986, an increase of 7.5% in current francs and 4.7% in constant francs over 1985. This latter rate is comparable to that observed in 1985 (+4.6%) — even though it is the result of somewhat different trends, as indicated below — and confirms the moderate trend compared with the long-term trend seen since 1983-84.

In the last two years, the DPE represents the equivalent of 3.6% of the GDP: the rate of DPE growth, which was very much above that of the GDP until the beginning of the 1980s, hardly exceeds the GDP growth during the last three years.

In 1985 and 1986, financing DPE has been ensured by the public authorities (mainly the State's budget as well as of the regions for vocational training) for some 45%; the remaining 55% comes from employers and wage-earners by means of contributions to Assedic, of their expenditure for recurrent training (including for alternance training) and of compulsory vocational schemes.

Comparative figures on employment expenditure

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
DPE — Expenditure for employment (billion current FF)	10.2	13.4	20.1	25.4	33.0	44.8	54.4	64.8	89.4	117.7	140.6	153.3	169.7	182.4
Annual variations in volume (%)	—	+16.2	+33.9	+15.4	+18.4	+24.8	+9.6	+4.8	+21.6	+17.8	+9.0	+1.5	+4.6	+4.7
DPE/State budget (%)	4.9	5.6	6.8	7.4	8.8	10.3	10.9	11.3	13.0	14.3	15.1	15.3	15.6	16.1
DPE/GDP (%)	0.9	1.1	1.4	1.5	1.8	2.1	2.2	2.3	2.9	3.3	3.5	3.5	3.6	3.6
DEFM ¹ ('000s) ²	394	498	840	933	1 072	1 166	1 350	1 451	1 773	2 010	2 068	2 340	2 458	2 517

¹ DEFM = Jobseekers at the end of the month.

² New series following from the recommendations of the Malinvaud Report.

Development in the structure of expenditure for employment (%)

	1973	1980	1984	1985	1986
A. Unemployment compensation	34.1 {	57.6 {	67.4 {	67.6 {	64.7 {
18.6					
B. Incentives to withdraw from work	15.5	16.9	34.6	33.7	29.4
C. Employment maintenance	1.4	3.9	3.5	2.3	2.1
D. Employment promotion and job creation	4.9	4.1	3.5	4.7	6.5
E. Incentives to work	0.8	2.1	2.0	2.0	2.0
F. Vocational training	56.2	30.6	22.2	21.8	23.3
G. Improving the labour market	2.6	1.6	1.5	1.5	1.5
Total	100.0	100.0	100.0	100.0	100.0

The DPE structure remains characterized by the weight of expenditure generally described as 'passive': 64.7% of total expenditure in 1986 following 67.5% in 1984 and 1985 and 68.1% in 1983, the highest point over the long

run. This slight fall is explained not by a fall in expenditure for incentives to retire early, which is below the growth in expenditure for unemployment compensation, but rather by the development of measures for the social treatment of un-

employment (plan for young people, TUCs, etc.) which brings the share of expenditure for 'active' employment policy up to 35.3%.

The cost of employment policy (million FF)

	1973	1980	1984	1985	1986
A. Unemployment compensation	1 890.3	26 375.1	50 227.4	57 595.6	64 477.0
B. Incentives to withdraw from work	1 576.9	10 966.3	53 042.9	57 134.3	53 576.5
C. Employment maintenance	138.9	2 511.3	5 301.8	3 930.8	3 803.6
D. Employment promotion and job creation	500.9	2 669.5	5 392.3	8 021.9	11 898.6
E. Incentives to work	78.6	1 387.1	3 022.6	3 436.9	3 578.3
F. Vocational training	5 718.5	19 812.9	34 001.0	37 015.9	42 433.3
G. Improving the labour market	264.7	1 061.9	2 306.3	2 563.5	2 660.9
Total	10 168.8	64 784.1	153 294.3	169 698.9	182 428.2
Annual % change	—	+19.1	+9.0	+10.7	+7.5

Expenditure for unemployment compensation amounted to FF 64.5 billion in 1986, after 57.6 billion in 1985, which indicates an increase of 9% in real terms. Contrary to the situation in 1985, this increase exceeds that of job-seekers at the end of the month of category 1, 2 and 3 and the unemployed exempt from job search: 4.8%. This dif-

ference is explained by the increase in the number of beneficiaries, in particular those of the 'specific solidarity allowances', and by that of the average amount of the allowance paid. This last increase concerns in particular, as in 1985, those who receive the smallest allowances at the 'end of rights' and those experiencing the longest lengths of un-

employment; but it also concerns those receiving basic benefits following the modification of the age structure of benefit recipients. The unemployment benefit system finances a decreasing part of the expenditure for allowances (91% in 1984, 86% in 1985 and 85% in 1986), because of the increase in 'specific solidarity allowances'.

Incentives to withdraw from work diminished by 8.3% in volume, as had been expected: from FF 57.1 billion in 1985 to FF 53.7 billion in 1986. This heading now only represents 30% of total expenditure, of which 15% is for GR (the 'guaranteed income'), as compared with 34% in the two previous years. These GR allowances have dropped by 12% in real terms and those of 'resignation-early retirements' under solidarity contracts by 32%, the difference between the rates of drop of these two systems which were abrogated in 1983 being due in the main to the indirect entries into GR. On the other hand, the special FNE (national employment fund) allowances registered an increase of 18.8%, the annual average number of beneficiaries at the end of the month rising from 137 100 to 164 000. Finally, 'age measures' in the steel industry have also increased significantly (+15%) from FF 4.3 billion to 5.1 billion, whereas 'withdrawal' allowances for farmers, craftsmen and traders fell below FF 2 billion and the 'reinsertion support' for foreign workers fell from FF 1 billion to 0.7 billion.

The expenditure for employment maintenance (which only represents 2% of total expenditure) decreased by 6%. Short-time working further underlined the falling trend observed the previous year (-37% in 1986). But on the other hand, the special systems of short-time working, particularly the BTP (building and public works), were stable (FF 1.5 billion in 1986). 'Conversion leaves' both within the general system and for the steel industry and shipbuilding and repairs only amounted to FF 230 000 000. The special 'mountain' allowances continue their moderate growth (FF 1.0 billion).

Efforts to promote employment and to create jobs have increased considerably (+45% in volume) since they reached FF 11.9 billion. This heading represents 7% of all expenditure on employment. It consists on the one hand of measures providing for exemption from social contributions for hiring young people: FF 3.4 billion, including a share of between FF 1.0 billion and 1.5 billion for apprentices (1979 law). On the other

hand there are the TUCs (Community work projects), the budget of which increased by 64% in volume in 1986 over 1985. Help for unemployed persons setting up on their own stayed at the same high level as the previous year: FF 2.25 billion after FF 2.04 billion. In contrast, the decline in premiums for physical planning continued: FF 0.9 billion after 1.1 billion.

Expenditure for incentives to work is more modest: FF 3.6 billion, or 2% of the total employment policy expenditure. It covers individual grants for encouraging the integration into working life of certain target groups of the working population: income guarantee for disabled workers (FF 2.6 billion), which has been constantly rising in volume by 7.9%, and the establishment provision for young farmers (FF 1.0 billion), which is in slight decline.

Expenditure on vocational training amounted in 1986 to FF 42.4 billion, a remarkable 11% increase in real terms over 1985 (FF 37 billion). This area covers, on the one hand, training for job-seekers and integration measures into working life for young people and, on the other, the recurrent training of the employed as well as specific accompanying measures for restructuring.

The State and the regions contributed FF 17.9 billion in 1985, after 15.6 billion in 1985. This 12% increase in real terms was mainly attributable to SVIPs (initiation into working life traineeships for young people) and activities for the long-term unemployed. Back in 1985, the increase already exceeded 10%. Corporate expenditure (net of State transfers) rose from FF 20.7 billion in 1985 to 24.4 billion in 1986; this increase of more than 14% in volume was due to a considerable extent to the development of alternance training. The participation rate, expressed in a percentage of the paybill, rose from 2.24% to 2.34%.

The heading of improving the functioning of the labour market mainly covers the grant of the State to ANPE. This has represented 1.5% of total public expenditure on employment policies since the beginning of the 1980s.

Italy — Organization of the District Employment Sections (Sezioni circoscrizionali per l'impiego)

A ministerial decree of 20 January 1988 sets out the organization of the SCIs, the District Employment Sections, which were established by law No 56 (Art. 1—2) of 28 February 1987.

SCIs represent a major innovation for implementing an active employment policy. They replace the placement offices; new criteria have, however, been defined as regards both their geographical scope and the tasks they have been assigned. In defining the area of responsibility of each District Section, account has been taken in the first place of the characteristics of the local labour market in order to create homogeneous catchment areas so that actions can be more effective.

The SCIs will be entrusted with carrying out both the existing functions of the placement offices and new functions connected with promotion and information and liaison with the area. Their organizational structure, laid down by the ministerial decree, reflects these new objectives. Each SCI will have four services:

- (i) administration and instruments;
- (ii) job placement;
- (iii) information and promotion;
- (iv) delegated and decentralized activities.

In addition to the traditional functions of registration, striking off the register, assigning points, etc., SCIs' tasks include interviewing workers, providing information for employment promotion and for the development of matching labour supply and demand, contacting corporations, education and training institutions, employers and workers, and carrying out statistical research and surveys.

Aid to the unemployed

Belgium — Dispensation from daily signing on for those recently made unemployed

The ministerial decree of 7 December 1987 (MB of 17.12.1987) modified Article 77 of the ministerial decree of 4 June 1964 concerning unemployment. The new decree dispenses specific categories of those who have recently become unemployed from signing on daily for the month in which they introduce their claim for benefits and for the three following months. They are, however, subject to controls twice a month.

The unemployed persons concerned are those who introduce their claim:

- (i) after having been contractually employed for an uninterrupted period of at least six months;
- (ii) after a period of military service;
- (iii) after having attended vocational training, at least half-time, for an uninterrupted period of at least three months;
- (iv) as a young graduate (on completion of the waiting period).

This dispensation was brought in to enable these unemployed persons to devote themselves full-time to job search.

Training

Federal Republic of Germany — Opportunities for young foreigners through vocational training

The number of foreigners undergoing training in the Federal Republic virtually doubled between 1979 and 1987 to

almost 60 000. Yet only about one third of the 15—18 year-old foreigners living in Germany complete vocational training or schooling. This compares with a figure for Germans of roughly 90%. It is for this reason that BDA (the Confederation of German Employers' Associations), DGB (the German Federation of Trade Unions), ZDH (the Central Association of German Handicrafts), DIHT (the Federation of Chambers of Industry and Commerce) and BA (the Federal Employment Services) have now made a public appeal to improve the equality of opportunities of young foreigners through vocational training.

Of the 4.6 million foreigners living in the Federal Republic, 1.9 million are under 25 years old and 1 million are under 16. More than four fifths of the 15—24 year-olds went to school in Germany. Between 1979 and 1987, the proportion of foreigners who attended but did not complete the lower general education system was halved, and the figure has now fallen below 25%. Of all foreigners completing schooling in 1987, 49% held a lower secondary school certificate (Hauptschulabschluss), 21% an intermediate school certificate (Realschulabschluss), and 5.5% held a certificate of aptitude for technical college studies (Fachschulreife) or a certificate of aptitude for higher education (Hochschulreife).

At the present time about half of all young foreigners of the respective age group are looking for a training place. The figure is significantly lower for girls. The range of career choice is significantly narrower for young foreigners than for Germans. At present 90% of young under-20s unemployed foreigners and some 80% of the 20—24 year-old unemployed young foreigners have not completed any vocational training. Every year some 10 000 young foreigners follow one of the various preparatory schemes for vocational training which are run under the auspices of employment offices.

The joint appeal launched on 23 March 1988 is targeted at all those who are responsible for the vocational training of young foreigners. Enterprise

and public administration are being encouraged to take young foreigners, girls and boys, more into consideration than previously when filling training places.

The joint appeal states in particular that 'the deliberate and more intensive inclusion of young foreigners, boys and girls, in training raises their qualifications and improves their prospects on the labour market. At the same time this helps to meet the growing need of the economy for qualified workers, male and female. Even at the present time, there are special areas of skill shortages in the young generation.'

The appeal then goes on to say that parents and teachers especially should give sustained support to the training efforts of young foreigners, encouraging girls in particular to make use of new opportunities. At present, only every sixth foreign girl has the opportunity of being trained in a recognized occupation.

Spain — Escuelas-Taller and Casas de Oficios: training-cum-employment programmes

Different measures for fostering the integration of young people into working life and easing the passage from school to working life have been taken by the Spanish Government in its concern with youth unemployment. One of these is the *Escuela-Taller* or workshop-schools which have turned out to be a prime instrument for training and integrating young people.

The programmes of these *Escuelas-Taller* combine various vocational training and employment measures especially designed to promote the integration of young people into working life. Since their launch in 1985, programmes of this type have multiplied so that there are some 150 currently in operation and 541 are foreseen for 1988. 1988 will also see the creation of 750 *Casas de Oficios* — houses of trades. During the year, the two types of programmes will

accommodate some 50 000 students. In parallel they will employ some 10 000 adults as teachers or staff.

A decree of the Ministry of Labour and Social Security of 29 March 1988, bringing together the experiences under way, regulates for the first time the *Escuelas-Taller* and establishes the form of the *Casas de Oficios*.

This ministerial decree defines the programme of the *Escuelas-Taller* as a public training-cum-employment programme aimed at providing jobseekers (essentially those under 25 years of age) with training alternating with work and practical training for a profession. The practical work consists of projects for restoring, renovating or conserving the artistic, historical, cultural, natural and urban environmental heritage; they also include handicraft occupations and techniques.

The *Casas de Oficios* are vocational training and youth employment promotion centres. They cooperate with trade union and employer organizations and other social partners in developing projects for training and integrating young people into the labour market. They teach related vocations/trades and specialities connected with improving the quality of life in towns and of their inhabitants (improving the urban environment, aiding the elderly, etc.). There is also a trend towards reviving some crafts through the introduction of new technologies.

The fundamental difference between the *Escuelas-Taller* and the *Casas de Oficios* is that the training programmes of the latter are not connected with a specific rehabilitation or renovation project, for instance of a monument or of a natural area.

Both types of programme fall within the framework of employment-creating initiatives which, at the local or regional level, can draw in particular on aid from public administration, especially municipal councils and the autonomous communities. They are a part of the vast framework of vocational training and employment activities carried out in collaboration with the Ministry of Labour and Social Security.

Programme structure

Programmes have two stages: the first, initiation, combines theoretical training with workshop training in occupations related to, for instance, carpentry, stone-cutting, brick-laying, iron-working and archaeology.

During this first stage, students receive a grant and a contribution towards their travel and maintenance expenses.

During the second stage, that of qualification, specialization and proficiency, the students round off their training in alternation with work and practical training. They work under a contract according to the modalities of training or vocational integration. They receive pay according to the law in force.

The two phases together last anything from one to three years for the *Escuelas-Taller* and from six months to one year for the *Casas de Oficios*.

Other measures

This ministerial decree also sets up additional supporting measures for pupils entering the labour market in the form of orientation, advice, vocational information and in-company training. This aid is provided for pupils in the last phase of their schooling. Information is also provided for those who wish to set up their own business or become company heads or members of cooperatives or limited liability companies.

Once they are integrated on the labour market, students can draw for at least six months on technical assistance as regards information on the administrative procedures which have to be followed, making feasibility studies and market research, advice, as well as technical assistance in corporate management.

Finally, mechanisms have been established allowing the social partners to participate in following up and monitoring these programmes through the establishment of the standing committee of the general council for vocational training, the provincial executive committee and the national executive committee of INEM — the national employment institute.

Luxembourg — Reforming the Employment Fund¹ (Law of 12 May 1987)

A law of 12 May 1987 fundamentally reformed the law of 30 June 1976 setting up an unemployment fund and regulating compensation for the fully unemployed.

In addition to a certain number of substantial improvements to the compensation system for the fully unemployed, this reform transformed the Unemployment Fund into the Employment Fund, in particular by integrating into it a special unit designed to promote practical in-company training as well as the integration or reintegration of jobseekers.

The financial aid of this special unit consists of giving 'orientation grants' to young unemployed persons who take on salaried employment or who sign up for an apprenticeship contract within an industry or trade which is declared to be eligible by the Minister for Labour, after consultation with the National Employment Commission.

The special unit also deals with the provision by the Employment Fund of financial aids to promote apprenticeships, with the Minister for Labour designating each year, after consulting with the National Employment Commission, the trades and the industries which are eligible for receiving this aid.

For both these types of financial help by the special unit, the Minister for Labour will be submitting to the Cabinet a draft Grand Ducal regulation laying down the conditions and the modalities for implementing these aids and premiums for promoting apprenticeships and the orientation grant for young unemployed persons from the year 1987-88.

The Employment Fund can pay part of the expenses for preparing, operating and managing apprentice training cen-

¹ Source: Extract of the *Rapport d'Activité* 1987 presented by the Minister for Labour to Parliament in March 1988.

tres which are set up, financed and managed by enterprises, by specialized institutions or by professional organizations and chambers. In such cases, the financial help of the Fund is given within the limits and under the conditions laid down in an agreement concluded between the training centre, on the one hand, and the Ministers for Labour and Vocational Training, on the other.

The Employment Fund can cover some of the expenses for preparing, running and managing courses, training periods and other measures for preparing for or introducing young persons to working life or courses or traineeships for vocational further training, and vocational adaptation, conversion or development courses or traineeships organized for jobseekers registered with ADEm.

Finally, the Fund can shoulder part of the expenses for preparing, running and managing specialized courses designed for workers threatened with losing their jobs as well as, should the case arise, fully or partly compensate wage-earners for pay losses incurred through their participating in such courses.

In accordance with the law, the Minister for Labour and the Minister for National Education consulted with the National Employment Commission in July 1987 with respect to laying down the priorities in managing the resources of the special unit of the Employment Fund. They subsequently submitted to the Cabinet, within the framework of deliberations for preparing the draft budget for 1988, proposals determining the resources of the Fund earmarked for the special unit.

As a result, the special unit has been allocated LFR 250.5 million for fiscal year 1988 in the bill on the State's income and expenditure for 1988 (Annex 7, Volume I, p. 601). To this is added the vocational reconversion expenditure for employees of the steel industry, estimated at LFR 80 million for 1988.

The resources of the special unit have been earmarked for the following activities:

1. Vocational orientation and initiation courses: 78.0 million;
2. Local actions for young people: 9.8 million;
3. Accelerated courses for the unemployed: 4.0 million;
4. In-company traineeships: 0.2 million;
5. Welding courses: 15.3 million;
6. Courses for workers threatened with unemployment: 4.2 million;
7. Training activities (retraining courses for employees of new firms; inter-company training; grant to the Emile Metz technical school): 34.0 million;
8. Retraining of the beneficiaries of the guaranteed minimum income: 5.0 million;
9. Promoting apprenticeship (aids for hiring apprentices, orientation grants, previous aids of the framework law): 100.0 million.

From 1988 the special unit of the Fund integrates the previous aids for apprenticeship promotion. These were provided on the basis of the law of 29 July 1968 aimed at the structural improvement of commercial and craft enterprises, and the modified law of 24 December 1977 authorizing the government to take measures aimed at stimulating economic growth and maintaining full employment.

Finally, the government used the reform of the 1976 law to extend DAT, the division of temporary auxiliaries which was established by the law of 27 July 1978, to include young university graduates up to the age of 30.

Portugal — Observatory of entries to working life

OEVA was set up in 1985 jointly by the studies and planning services of the Ministries of Education and Employment and Vocational Training, in cooperation with IEFP — the employment and vocational training institute. OEVA is intended to meet the need for systematic and continuously updated knowledge

on entry to working life as well as on the links between training received and qualifications required.

By means of surveys, OEVA has so far studied the integration into working life of young persons leaving the following schooling:

- (i) after the final, 12th year of secondary education;
- (ii) after the ninth year (final year of basic education);
- (iii) after vocational courses (10 years of school followed by six months traineeship);
- (iv) agricultural high schools (polytechnic higher education).

The data published so far concern the first group. It transpires that 42.5% of the young people questioned responded to the questionnaire. Concerning their integration into working life, 40.6% of them have had a job and 20.9% are unemployed;

- of the unemployed, more than half (57.2%) have been looking for a job for more than one year;
- among those with a job, the school qualifications which they had received were required in only 7.9% of the cases.

Surveys are being conducted on technico-vocational courses (10th, 11th and 12th years of schooling) and the former trainees of vocational courses administered by the Ministry of Employment and Social Security.

Job creation

Italy — Community work projects

Article 23 of the 1988 Finance law (law No 67 of 11. 3. 1988) sets out the financing of local initiatives for the years 1988, 1989 and 1990 by the Ministry of

Labour and Social Security; these local initiatives are all activities in the public interest. Such community work projects have to be carried out in the Mezzogiorno and provide for the part-time employment of young people aged between 18 and 29 years who are registered on the placement lists. The initiatives have to be proposed by public administrations, companies, associations, foundations, societies or professional bodies and carried out by companies or cooperatives. The projects containing the proposals will be presented to the regional employment agency which, having checked that they conform with the model prepared by the Ministry of Labour and Social Security, will submit them for approval to the regional employment commission, which is the competent body.

The young people who will carry out the projects will be chosen on the basis of the classification of the placement lists. They will work part-time for a maximum of 80 hours per month. They will receive an allowance of LIT 6 000 for each working hour actually worked — a sum which replaces the unemployment benefit which may be due. Each young person can be employed for a maximum period of 12 months. He/she can retain his/her place on the placement lists.

The total sum earmarked for the implementation of such projects amounts to LIT 1 500 billion for the 1988-90 triennium. It will be divided up annually between the regions interested in the allocation, taking into account the rate of youth unemployment and the state of implementation of the projects.

The initiative was the subject of a previous bill.

Special categories of workers

Denmark — Improving schemes to prevent long-term unemployment

Early and preventive action is a key word in the initiatives to combat long-term unemployment. This is why steps have been taken to improve the information and guidance offered to persons who register as unemployed with the public employment service.

The practice of offering newly registered unemployed persons an information meeting after about four weeks' unemployment is being continued, but initiatives have been taken to improve and further develop the pedagogical methods used and the form of such meetings.

After three months' unemployment the unemployed person is offered an individual interview where a record is made of his/her qualifications and skills and information is given about employment and training opportunities. This interview is also used to inform the unemployed person about other relevant offers of information and guidance which he/she is encouraged to use. Special emphasis is put on information about opportunities for undergoing education/training while receiving unemployment benefits. The unemployed persons are also invited to participate in weekly meetings. The experience obtained so far has been positive.

A new element has recently been introduced whereby, during the personal interview, unemployed persons who are considered to have difficulties in maintaining their future attachment to the labour market may now be offered participation in special planning courses of two weeks' duration. These courses are designed around local/regional employment and training opportunities; their aim is to inform the unemployed about their individual rights and possibilities for participation in training courses. etc. A plan is prepared for job search activi-

ties, training, etc. for each individual participant. With a view to intensifying and strengthening local cooperation, representatives of the local cooperation partners (unemployment insurance funds, the public employment service, education and training institutions, etc.) are invited to act as visiting teachers on these courses.

Federal Republic of Germany — Renovating the programme for the socially disadvantaged

Until 31 December 1987 the existing programme for the socially disadvantaged was carried out under the guidelines of the Ministry of Education and Science. From 1 January 1988 it has been incorporated into AFG, the Labour Promotion Act. By Order of the Governing Body of the Federal Employment Services (BA), the nature and range of this scheme have been restructured.

The programme provides vocational training for those who have been unable to complete a basic education (Hauptschule), those who have completed special schooling, the socially disadvantaged who cannot meet the demands of training without additional help and for young foreigners.

The employment offices provide:

- (i) Aids accompanying training to support in-plant training. They comprise remedial tuition to reduce language or educational deficiencies and to foster the learning of technical skills in practice and in theory. They also include educational support needed for ensuring successful outcomes to training. Companies, vocational schools, promoters and vocational guidance services cooperate closely in providing this supplementary supply of vocational training within the dual system.
- (ii) Vocational training in external centres is provided in cases where a training place in a company cannot

be found even with aids accompanying training. After the first year of this training in recognized training centres, efforts are made to continue the training within a plant. DM 430 million are available for these measures in 1988. This is a 10% increase over 1987. This will provide for some 17 000 aids accompanying training and almost 20 000 training places in external centres.

The Netherlands — Counselling interviews for the long-term unemployed

Counselling interviews are organized in the first place for those unemployed persons who have been unemployed for three years or more. They enable an action plan to be worked out together with the jobseeker to help him/her to return to the labour market. This activity is carried out jointly by the employment offices and the local social services. The intention is to create a framework, in which the local social services and the employment offices can reach further agreements on shaping these interviews. Local initiatives are already being developed to this end.

Depending on experiences, the target group can be enlarged. At present, 170 000 jobseekers who have been unemployed for at least three years are registered with the employment offices.

The Minister for Social Affairs and Employment believes that it will be possible for there to be counselling interviews with all these persons within three years. This means counselling approximately 45 000 persons per year. 250 collaborators will be temporarily deployed to strengthen the job placement service. This means that each collaborator can interview at least 180 unemployed persons per year, following which possible placement plans can be drawn up.

The Minister states in his circular that the most practicable form of collaboration between the social services and the employment offices can be determined locally. He lays down several premises on which collaboration must be based. Thus to avoid fragmentation new corporate bodies (foundations and the like) will not be allowed. Clear agreements have to be made on collaboration and these have to be specified in a collaboration agreement. Without such an agreement, no finance will be made available.

Furthermore, the circular specifies that the 250 collaborators will work for the employment offices and from there will be deployed according to the collaboration relations. The employment offices are also accountable for the financial resources.

There are four possibilities for filling the 250 additional positions for the counselling interviews:

- (i) by using the permanent staff of the employment offices for these functions;
- (ii) by using the temporary staff of the employment offices. They are employed on other projects such as MLW, the measure for the long-term unemployed or JOB, the temporary work experience scheme for young LTUs;
- (iii) by borrowing personnel from the municipalities or from institutions subsidized by the municipalities;
- (iv) by recruiting new collaborators.

It is left entirely to the director of the employment office to decide on using (temporary or permanent) personnel of, for instance, the employment office for counselling interviews. When recruiting collaborators, a significant number has to be recruited from among women and/or ethnic minorities (in particular people from the Moluccas).

In addition to HFL 15 million for the 250 jobs, HFL 26.5 million are being made available in 1988 for the counselling interviews. Of this amount, HFL 20.75 million is intended in particular for the requisite material facilities, for resolving housing problems, and additional activities for improving the opportunities for the long-term unemployed and HFL 4.0 million for information/guidance activities and also special projects.

A survey of European enterprises' employment strategies¹

The study in the form of a survey is based on the efforts of a working party set up by the European Foundation for Management Development, which collected material and data from a variety of sources and selected 38 examples of strategies of private enterprises and of joint strategies of enterprises and government agencies in eight countries (Belgium, Denmark, Federal Republic of Germany, Spain, France, Italy, Netherlands and United Kingdom) in order to investigate and evaluate concrete strategies to foster employment.

The assumption forming the basis for the survey was the idea that successful strategies in this context might be found in practice which not only benefit the enterprises concerned but also increase the quality and the volume of employment. The report therefore did not focus on measures and programmes devised by national authorities to cope with unemployment but centred on the observation that in order to reduce unemployment the efforts of all parties concerned, including company management, have to be combined. By collecting data on this question companies are made increasingly aware of the impact of employment creation on their own economic viability and performance, since labour's skills and talents can represent a decisive element in their economic success.

For methodological reasons the examples provided by the cases surveyed can be broken down into three broad categories:

- (i) actions which have employment as their main target;
- (ii) actions where employment is a side effect of the company's development strategy;
- (iii) actions illustrating the company's involvement in providing employment for special, vulnerable groups.

The first category can be split up further into the management of redundancies, organizational and qualificatory changes and the preparation of human resources. In the case of close-down, restructuring, etc. management is often faced with the difficult problem of dealing with redundancies in a socially acceptable way. A number of cases show some interesting features in this respect. A Danish firm in the metalworking industry had to announce its intention to lay off 200 workers because of rationalization. It inserted in newspapers large advertisements containing positive descriptions of the qualifications of its employees which, it seemed, helped other companies in recruiting personnel for their own purposes. In another case in Denmark public employment services were installed in the factories where dismissals took place enabling many of the persons concerned to find a new job. In other cases the cooperation between State authorities and companies made it possible to find alternative employment solutions and in one German case the company with the consent of the trade union created an 'Employment and Training Company' for a period of three years, to hire, without any reduction of entitlements, the workers made redundant and provide them with a solid training for future-oriented jobs. Other forms of coping with redundancies were schemes for early retirement or part-time working schemes which were however not always very successful.

As to the second broad category, i. e. organizational and other changes in the company or affecting workers' tasks, in particular in connection with the intro-

duction of new technologies, a number of cases have been investigated. Organizational change played a major role in a Spanish company which tried to diversify and develop activities as alternatives to redundancies in a declining sector. Mainly by increasing the value-added of the products manufactured the company succeeded in maintaining its workforce which otherwise would have had to be reduced considerably. An Italian company, while making use of such State schemes as 'Cassa Integrazione Guadagni' proposed early retirement schemes whilst at the same time hiring young people under newly introduced training/work contracts, which also involved a modernization of the company's production patterns. Other cases involved subcontracting work, the conclusion of 'solidarity contracts', the creation of a cooperative by redundant workers in order to supply the parent company with specific products, etc.

Anticipating the quantitative and qualitative impacts of changes on labour often enables a company to detect possible gaps between existing and future needs and facilitates the necessary employment policies before last-minute measures have to be taken, often at a very high cost. In a number of companies, especially those exposed to technological change, an assessment of future labour needs has prompted major retraining programmes or qualification plans, often going beyond the immediate needs of the company itself. In Denmark, for example, employers and unions in the metalworking industry developed employee qualification programmes, in cooperation with local institutions. In the Netherlands the banking and insurance sector started a public-private experiment consisting in using after some training and instruction, unemployed people to take over jobs made temporarily vacant by staff attending retraining courses.

Human resources management was also in a number of cases successfully

¹ *A survey of European enterprises' employment strategies*, European Foundation for Management Development, Brussels, September 1988.

tackled by applying flexible working arrangements, involving not only different types of employment contracts and working time formulas but also functional flexibility and job rotation. Spanish cooperatives are an example here.

In a wider framework similar tendencies have been investigated which induce individual companies to plan their future workforce to take account of the increasing percentage of women on the labour market, of the increasing proportion of the population accounted for by the elder and the future decline in the numbers of young male entrants in the labour market. A number of pilot and other projects show efforts to 'desexualize' jobs, especially in the field of new technologies, detect hidden talents of the workforce and retrain academics who have studied in branches where job prospects are poor.

With regard to the second large category identified above, i. e. those actions which have a positive side effect on employment, some cases can be quoted which are nearly all characterized by a high degree of worker involvement in the design of valuable strategies. Some cases refer to the creation of quality groups, others highlight forms of participatory management styles, while others again report the creation of networks between suppliers and customers.

The third group of actions are those which can be described as geared to problems of employment of specific groups in the labour market. They relate chiefly to the occupational integration of those who are difficult to place (disabled, long-term unemployed) and the promotion of job creation in a local de-

velopment area. For example, a Spanish import/export company centred its recruitment policy on handicapped and older people, who were strongly motivated and served the company's needs effectively. In the Netherlands the cooperation between commercial employment agencies and the municipality of Rotterdam aimed at a better integration of the long-term unemployed. Other companies actively supported the creation of local employment opportunities by providing counselling and consultancy services, supplying venture capital to those wanting to set up their own business or by sponsoring special university courses for new entrepreneurs.

Although the case studies covered do not claim to be representative a set of tentative conclusions can be drawn which could shed some light on 'good' company practice towards enhanced synergy with macro-employment policies.

In this context it is useful to distinguish between various types of companies' actions in raising or sustaining employment:

- (i) they can concentrate on their main business and by doing so sustain or even improve employment as a side effect;
- (ii) they can make the improvement of employment one of their main policy targets;
- (iii) they can concentrate on the internal management of their human resources without resorting to external assistance or seeking external effects;
- (iv) they can seek external assistance, especially from public bodies;

- (v) they might be inclined to move beyond company boundaries with a view to exerting a positive employment impact on other companies.

These distinctions are particularly important in trying to determine where the points of public involvement might be, but the material gathered also shows that many companies rely on their own strengths.

The cases studied also show that cooperation between management, employees and unions are important ingredients in successful policies which aim at discovering hidden talents among the workforce which are often underestimated by management.

As far as the intervention of public bodies is concerned the study comes to the following conclusions:

- (i) the availability of public funds has facilitated, or in some cases even determined, the launching of corporate employment actions;
- (ii) public involvement can also be secured by developing pilot programmes which do not require the commitment of large public funds, but steps have to be taken to ensure that the results are widely known;
- (iii) it seems that while initial public support is sufficient for larger companies, smaller ones require more permanent support.

As an overall conclusion it can be said that the survey carried out identified a number of interesting case studies which will help other enterprises in similar situations to draw up programmes which help to improve the quantitative and qualitative employment prospects of the workers.

Negotiated flexibility in the enterprise and the industrial district¹

The matter of the flexibility and adaptability of the labour market has become a central theme in European countries. Although many studies have analysed the forms of development and the multiple effects of the growing flexibility of the labour market from both a theoretical and macroeconomic perspective, few of them have considered the way in which they are actually organized in an industrial space. Very few studies have considered the matter of negotiation by the institutional systems set up to achieve greater flexibility of labour structures.

It is on the basis of observations in the textiles-clothing sector in France and Italy that the study in question offers an original empirical insight into the mechanics of flexibility by considering the negotiating procedures between the social partners. Attention is focused primarily on two levels of negotiation, the first conventional, at company level, the second owing much to the specific nature of local negotiating practices within the limits of a new and flexible productive and working space, namely, the industrial district.

The following brief summary is mainly limited to different forms of treatment of the theme of flexibility by the social actors and excludes the material content of the discussion and/or negotiations, the details of which are too voluminous to be presented in this context.

Flexibility has followed a rather different course in France than in Italy. In Italy the explicit objective of policies throughout the 1970s was not to study flexibility as such but rather the concept of productive decentralization. During the 1980s the nature of the debate on flexibility has gradually changed, the themes being more in line with those present in macroeconomic policies for flexibility in other European countries. In France, on the other hand, the debate on flexibility has moved in the opposite direction. Since the mid-1970s the State has taken a number of legislative measures to stimulate and favour the increased flexibility of the employment market. These government initiatives were designed to deregulate or, at the very least, to reorganize working relationships. It is only in the 1980s that the resources of flexibility have been more systematically sought outside the legislative framework, at the level of company strategies.

The author was first of all confronted by difficulties of a methodological nature with a view to preparing comparable samples for France and Italy. Three factors presented an obstacle to international comparison. First of all, flexibility is a rather vague and protean concept founded upon heterogeneous economic and social practices. Secondly, the legislative and contractual norms of flexibility vary from one country to another. For example, the institution of the 'Cassa Integrazione Guadagni', whose role is central to the flexibility of industrial employment in Italy, is not found in France and, conversely, the 'Fonds National pour l'Emploi' and the conversion conventions do not have any normative equivalent in Italy. Thirdly, the nature of the Italian and French professional relationships implies methods of negotiation and levels of negotiation which are difficult to compare.

Taking the above into proper account, the study is based on the working of 227 collective agreements in France and Italy, concluded at all levels and for different sub-branches of the textiles and clothing branch.

The analysis of the assembled data reveals that of the forms of flexibility

identified, only the duration and organization of working hours lent itself to a strict Franco-Italian comparison. In effect, in this case, the level of negotiation, the actors in the negotiation and the norms of the institutional system were sufficiently similar to permit comparison. The analysis of other areas of flexibility (vocational training, internal and external flexibility, early retirement, qualifications, atypical forms of employment, wages) encountered difficulties of a principally institutional nature. Either, systems exist in one country and not in the other: for example, the existence of the 'Cassa Integrazione Guadagni', which is without equivalent in France; or the negotiating levels and procedures of a system for flexibility differ from one country to the other: this is, in part, true of vocational training. Or again, certain instruments of flexibility have had a very restricted negotiated application in the two countries: this is the case, for example, of solidarity contracts and, to a lesser extent, of part-time employment contracts. Lastly, in both countries, the greater part of the systems for flexibility considered do not give rise to specific negotiation. Their negotiation is incorporated in the wider context of regulation programmes for employment and productive capacities. These programmes bring real coherency to flexibility. Two types of coherency have been distinguished depending on their level of negotiation: entrepreneurial coherency and territorial coherency. However, such coherency as present in the enterprise and in the district expresses itself very differently in France than in Italy.

In Italy, the entrepreneurial coherency in flexibility is mainly developed and negotiated on the basis of the 'Cassa Integrazione Guadagni' agreements. These usually seek to achieve a global regulation of labour surpluses, defining the conditions for a numerical flexibility of the labour factor.

¹ Claude Romani, *Negotiated flexibility in the enterprise and the industrial district: a comparison in France and Italy in textiles-clothing*; study financed by the Commission, Brussels, 1988.

In France, the entrepreneurial coherency in flexibility takes the form of a concerted programming of an enterprise social plan. This social plan is the justification for the recourse, which the enterprise requests from the State, the FNE and through the conversion conventions. By fixing the conditions for productive and labour restructuring within the enterprise, the social plan could be put in the same category as and therefore compared to the Italian CIG programmes. The only point of difference between the two measures being the degree of involvement of the trade union organizations in drawing them up.

The French social plans and the Italian CIG agreements therefore propose a coherent articulation of the different flexibility instruments and not an isolated application of just one of them. This articulation functions on the principle of the substitutability or complementarity of instruments: the mobility, re-qualification and vocational training plans, recourse to atypical forms of employment, early retirement programmes, solidarity and part-time contracts and partial or total suspension of activity.

A territorial rationale of flexibility has developed alongside these entrepreneurial strategies. Since the 1970s in Italy, and more recently in France, the industrial district has progressively affirmed its status as a new productive space. In itself, the district constitutes a unique case of the reconstruction of the complexity of the industrial relationship. It is an original strand in the fabric of industrial relations. Consequently, in Italy the industrial district can now be considered as a consolidated level of negotiation while in France it is the process of construction. In defining the structures of an organized industrial space which is more flexible, the district delineates a negotiating space, the final object of which is to create the conditions

of viability for these new forms of industrial flexibility.

The study, which is very rich in factual details and negotiation on all forms of flexibility, makes it possible to draw a certain number of conclusions, all the more so as the textiles-clothing sector is an exemplary case of productive restructuring and the redeployment of employment, with varying degrees of success depending on the country, as is shown by clearly different economic performances in France and Italy.

The divergence of these sectoral results is not only to be explained by differences in market strategy and technological innovations etc., but also by heterogeneous management of the flexibility of employment and the types of organization of the labour market. Leaving aside the different politico-economic policies of flexibility in France and Italy, the analysis of the institutional systems shows the existence of different structures of negotiation in the two countries. These differences are apparent at three levels.

(i) The first concerns the actors in the negotiating process. Compared to the Italian situation, a more restricted number are involved in negotiating flexibility in France, while the presence of the authorities is considerable. If, in Italy, the economic agents as a whole and, very often, certain members of civil society are involved in negotiating, that is not the case in France. In France, negotiation is usually limited to direct dialogue between the management and the enterprise or the trade union organizations and the State, thereby excluding the other social actors involved in modernizing the employment market. According to the author of the study, in France, unlike in Italy, this phenomenon does not favour the

development of a social consensus and a 'co-management in fact' of the phenomenon of industrial restructuring and flexibility.

- (ii) The second difference concerns the objectives of negotiation on flexibility; it shows that these also differ from the one country to the other. In Italy they are mainly concentrated at enterprise level on increasing the flexibility of the structures of internal labour markets, while in France they are mainly determined with reference to the need to increase the flexibility of the external labour market.
- (iii) The third difference concerns the choice and articulation of the levels of negotiation. In Italy, the conventional rules define an institutional framework which is more favourable to decentralized negotiation, and therefore industrial relations, than it is in France. In France, the hierarchic and centralized structures of collective bargaining leave little scope for negotiation at enterprise level. Territorial negotiation in Italy has, however, reached a level of maturity which is in marked contrast to the pattern in France which is only now emerging.

As a general conclusion, it is true to say that the study in question contains an impressive amount of information on the subject of the flexibility of the labour market in an important industrial sector. This summary can only offer a brief review of the main themes considered excluding, in particular, all the significant details of discussion and negotiation. The reader of the study will certainly find a great many practical elements which should be taken into account in building up professional relations at Community level, as well as in the context of regulating the labour market.

New technology and social change

Overview of recent events in the Community countries¹

I. Introduction

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I. Introduction

Developments recorded over a four-month period provide impressions of situations rather than trends in areas and approaches. The eight reports¹ — sets of different photographs cannot in any way be construed as being a 'movie picture'. However, where similar images appear for a number of countries, it is worthwhile highlighting the areas of intensity which they bring out. One can then try to ascertain whether there might not in fact be some underlying trends. Focusing on issues which apparently underlie intensities which feature in the bulk of the present report is the subject of this introduction.

¹ Prepared by the Commission on the basis of information provided by the EPOS network of correspondents on new information technologies, which comprises the following experts: G. Valenduc (B), J. Reese (D), N. Bjorn-Andersen (DK), J. I. Palacio Morena (E), N. Azoulay and V. Champetier (F), M. Nikolinakos (GR), M. E. J. O'Kelly and J. F. Dinneen (IRL), P. Piacentini and B. Poti (I), D. van der Werf (NL), L. Tadeu Almeida (P), T. Brady (UK). Coordinator of the Commission: T. Hubert.

1. The nature of effective IT policies

The first issue concerns how effective government IT policies are and approaches to raising this effectiveness.

Situations differ vastly between countries: one large country (Spain) has a huge, and still growing, deficit in its 'balance of technology transfer' which it wants to overcome. One small country (Belgium) with no major indigenous IT firm wants to ensure that it makes the most of what is best on the international market, while its northern neighbour has a mighty national IT multinational corporation, which is a national institution, to all intents and purposes. And there are three other large countries (France, Germany and the UK) each with one major or a small number of national multinational corporations which want to ensure that they are at the leading edge of technology. To varying degrees, governments in all these countries draw from an arsenal of instruments aimed at implementing their national policies.

In the first place, governments can pour money into an area to be developed. In this respect the report from Germany indicates that its experience has been less than salutary in combating international hardware competition: the American multinationals still have half the bulk of the European market while the German multinational, which has received significant government funding, has not increased its market-share at all. Indeed, recognizing this, Siemens states that it is now in the market for purchasing the appropriate Japanese and American companies.

A sub-set of this approach is to enable companies to deduct from taxable income a percentage of investments, either in equipment or in R&D personnel. This approach is used particularly for smaller companies, a target group for which several governments have introduced schemes in the period covered here. One problem in this respect is that of 'addiction': companies get 'hooked' on the money provided so that when it is reduced, or scrapped (as in the Netherlands) there can be a seri-

ous problem of the 'withdrawal syndrome'. In this respect, the changes introduced into the British Alvey programme have been criticized by companies which now only receive a proportion of the requisite finance for externally contracted research. This means that they have themselves to provide research establishments.

Governments can pour money into the national public purchasers of IT systems. Again, indications in this review indicate that such an approach might not be completely felicitous: Denmark's Datacentralen has come in for a lot of criticism, the evaluation of the Alvey programme in the UK indicates that developments were hampered by having to purchase British equipment ... And with the advent of the single market, such approaches are history.

Fiscal systems can also be manipulated. Danish accounting has required capital investment to be written off over more than five years; however, the working life of IT is three years at most. This explains its new depreciation rules.

2. Availability of skills

Most countries have complained at one time or another that the shortage of appropriate skills impedes the development of IT producers as well as of the ancillary industries and the services using IT. Thus, the META study in Germany indicates that some 40% of companies claim that bottlenecks in staff with specific skills means that production cannot meet demand; a British survey indicates that 8 000 jobs cannot be filled in the City of London for want of persons with the appropriate skills; and the Danish public service is suffering from losing its IT engineers to the private sector.

Different approaches are being used to tackle this problem:

Shortages tend to drive up pay; higher pay attracts more people to train in the areas of shortage and, hey presto, a new equilibrium is achieved at a more reasonable pay level — at least that is the intention of the Danish Government.

A joint initiative has been taken in Spain by companies and the government to establish training and technology centres to train 2 500 IT specialists a year.

A second approach (also widely used in Denmark, but known widely throughout the Community) has been to train unemployed arts graduates in IT use for business. New courses are indicated in this report, notably for women in Germany. And although a Danish survey appears to show that the demand for such converted graduates has dropped in favour of the fully-fledged IT graduates, doubts exist about this being special pleading. For there are an increasing number of examples of a third approach:

This is to retrain and use more of the competence of the existing workforce. A corporation's personnel, at all levels, really does constitute its future.

Connectedly, work can be reorganized. This is particularly the case where costly investments go unused for relatively large proportions of the week. Thus, IBM has received permission in Germany to increase production of its megachip by night work, whereas GM in Belgium has now worked out an agreement with the unions on a new shiftwork system.

3. Social partner cooperation

There are indications that the new GM system has not been too warmly welcomed by the workforce. How far, in fact, are new, flexible collective bargains really *freely* arrived at?

This question of flexibility, freedom and acquired rights is the nub of discord between French trade unions. Three signed a national agreement with the central employers' confederation on technological change, but the OGT could not accede to an agreement.

The Renault strike in Le Mans was a case study showing how difficult it is to introduce new management techniques into a traditional organizational culture: for 'just-in-time to work' requires com-



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pletely harmonious industrial relations. But where 'enlightened approaches' to the workforce are introduced, corporate efficiency is improved — at least that appears to be a lesson from Dutch experience with significant corporate restructuring.

Social tri-partnership often means changing coalitions: governments, trade unions and employers grouping by no means make alliances on the sole basis of political colourings. Thus, conflict in Spain has arisen between the government and the trade unions not over the nature but the contents of a national convention: having observed a considerable increase in employment in the last three years, the government wants to keep wage increases down and to push through a youth employment plan. This plan, claim the unions, encourages precarious jobs and accentuates their

role as cheap labour without providing youths with any real training.

Not only in Spain, but also in the UK the whole question of the future of tri-partitism is raised: on the brink of the 1990s these governments do not appear to be enamoured with the notion. On the other hand, the Dutch Government is creating a national tri-partite employment service which similarly structured regional antennae throughout the country. Thus, in moving towards '1992' there would appear to be basic differences as to the most appropriate ways of implementing change.

4. 1992

Also on 1992 and as is only natural, as the date approaches, there are ever more references to actions to heighten

people's and companies' awareness of the meaning of the advent of the single market and the sources of help which are available.

Much is on-line, but relatively few know how to tap it. Telephone services appear to be used most; but telefaxing is likely to become increasingly more important given its user-friendliness — it now has more German users than telexes.

5. Holistic approaches

Like human beings, companies can be dissected and put together again in an attempt to cure them from malfunctioning or keep them in good health.

As regards ensuring that corporations see change, particularly that

brought in by the new technologies, as an opening, rather than a threat, it is essential to ensure that action is taken simultaneously on all aspects of corporate strategy: a committed and high quality, a competent workforce producing a good mix of high quality products which are in demand on the market at competitive prices. If government policies are not geared to these ends they will increasingly see 1992 as a threat rather than the opportunity it can be.

II. Governmental policies

1. Promotion of R&D

Federal government spending of DM 4 bn¹ (ECU 1.95 bn²) has not enabled German companies to break the market power of the US hardware manufacturers: they retain 50% of the European market (with IBM alone having 40%). In comparison, Siemens which received DM 1.9 bn in grants, has less than 10%.

Spain's technological and industrial policy is currently being remodelled. This is a result of implementing the 1986 National plan for scientific research and development and of increased integration in the European market. 'PEIN II', the IT plan, came into operation in 1988. In the first nine months, subsidies totalling ECU 31m had been approved for 68 projects with expected investments of some ECU 69m. A continuing handicap of this policy is dependency on foreign technology; Spain's 'balance' in this respect further deteriorated in 1987 when income represented only 18.7% of payments and the 'negative surplus' (deficit) grew by 14% (80% of payments were for licences).³

The French Ministry of Industry has earmarked FF 2bn (ECU 0.28bn) for electronics research in 1989. Although this amount would appear to be com-

parable with expenditures of past years, it includes neither the funds of the Ministry of Research and Technology nor Community credit for projects in the Esprit programme (for which amounts have virtually doubled to FF 450m (ECU 63m)). This increased support for R&D is aimed at strengthening the software industry, which is one of the priorities defined by the Ministry of Industry, standardization being the second. The public authorities have in fact decided on a 20% increase in credits for quality and standardization (rising from FF 246m (ECU 34m) in 1988 to FF 300m (ECU 42m) in 1989). This financing should be accompanied by corporate commitments to both national and international standardization bodies.⁴

Total outlay for Dutch R&D rose, as a percentage of GNP, from 2.0% to 2.4% between 1984 to 1987. For 1989 government expenditure for industrial and general technology policy will decline from HFL 2.0bn (ECU 855m) to HFL 1.3bn (ECU 555m), due to ending the four-year 'Instir' programme (general investment incentives scheme through wage-cost subsidies).⁵

The Dutch Zegveld report evaluated the achievements of INSP (the national IT stimulation programme) in six target areas: product automation; production logistics; courseware; software and the software sector; IT in further education; and the management of complex information systems. The report recommends that INSP be continued, but with three alterations: that it have a clearer strategy; that it draw in a wider range of potential IT users; and that it shift from a technology-push to a demand-pull approach. Certain areas requiring evaluation in an international context in the near future were singled out: IT research in the government sector; the coordination and efficiency of government policy in the software sector; software development for computers in education; and IT in vocational training. A private evaluation of INSP (Professor Elzas) emphasizes that the programme's results were impeded through lack of coordination.⁶

More than 800 proposals have been received for funding as part of the UK's

programme on IT R&D following on from the Alvey research. But firms are upset at the apparent change in the rules regarding the proportion of funds to be provided by government. Under Alvey rules, government paid 50% of the industrial research costs and 100% of the academic research costs; under the new rules, government will only pay 50% of the total costs, which means that industry will be required to pay some of the costs of university research as well. Fears have been expressed that this change could put at risk the fruits of collaboration created under Alvey.⁷

The average age of Italian researchers is now 40. To enable more young people to be trained, the re-financed (LIT 1 750bn (ECU 1.2bn) for the 1988-90 triennium) law No 46 of 1982 for supporting innovation requires 10% of funds to be earmarked for training young people, whereas the CNR (national science council) is making available money for 4 800 scholarships and other training schemes (including 600 doctoral grants) in the Mezzogiorno, the South. More generally for the Mezzogiorno, innovation support plays a major role, with LIT 1 500bn (ECU 1.03bn) being earmarked for the creation of a scientific and technological network, which includes financing public research consortia, industry-university collaboration, business service centres, research parks (tecnopolis), laboratories and scientific cooperation. In addition to the telematics network and related services fund (LIT 1 035bn — ECU 0.7bn), a LIT 1 900bn (ECU 0.62bn) has been established for training, the main items of which are: education in informatics (LIT 230bn — ECU 0.15), management training (LIT 200bn — ECU 0.14bn), and public administration training (LIT 180m — ECU 0.12bn).

¹ bn = billion = thousand million; m = million.

² *Computerwoche*, 7. 10. 1988.

³ *Informe sobre la Industria Española*, 1987, Miner.

⁴ *Informatique*, No 1029.

⁵ *Staatscourant*, 22. and 26. 9. 1988.

⁶ Verslag van een sobere toekomstgerichte evaluatie van het formatiecastimuleringsplan, Ministry of Education and Science, July 1988.

⁷ *Computer weekly*, 1. and 6. 9. 1988.

The Walloon Government, Belgium, is providing support to an itinerant 'technorame' train exhibition of new technologies, including new materials, biotechnologies and robotics as well as IT and telecommunications. This exhibition is open to the general public as well as groups of school children. One of the purposes of this campaign is to better inform young people on training openings in the new technologies.¹

The German 'Industry Research Foundation' has launched a new IT scholarship programme focused on small and medium-sized firms. Such firms in one area (Franconia) are the target group of a new 110-strong staff Fraunhofer-Institut for integrated circuits.²

With the abolition in the Netherlands of the 'WIR' investments' premia, an extra HFL 26.8m (ECU 11.45m) will be available in 1989 notably for technology and small firms' policies.³

2. Industrial policy

Fostering smaller firms is also a feature of the French Government's employment plan adopted in September. It tackles unemployment from an economic, rather than a social angle.

So it reduces the costs of manpower (lowering the rates of employers' contributions for family allowances) and corporate tax on undistributed profits as well as exonerating new enterprises from this tax. To foster employment creation, the plan envisages specific support for small firms by total exemption from employer contributions for taking on, for two years, the first wage earner under an unlimited employment contract. The plan also seeks to raise the level of skills (60% of the working population do not have the basic qualifications). The most significant measure is the raising of the vocational training tax relief to encourage firms to train their least skilled workers. This relief will from now on be equal to 35% of that increase in expenditure on training which is in excess of the legal requirement for re-

current vocational training. Thus firms which have significantly increased their investment in training, or are preparing to consider doing so, to face up to technological change can make significant tax reductions.⁴

To counter the difficulties experienced by Danish companies when introducing new technologies (especially those of labour-management cooperation), the Technological Council has launched a three-year, DKR 30 m (ECU 4m) scheme to help small and medium-sized companies. Of the DKR 30m available, 15m to develop knowledge of the problem area, 10m for information and 5m for further education of consultants.⁵

The French Government's research and technology budget for 1989 shows an 8.2% increase over 1988. This is earmarked for developing public research (900 more scientific jobs and an increase in the resources of research bodies) and help in corporate research and innovation. Modernization, the Minister for Labour has declared, should be achieved through collective bargaining and negotiation, particularly at the industry (branch) level for the benefit of firms where there are no trade union delegates. Working conditions will not be improved just by bringing in new technologies: when choices are being made for machines, there is a need to think forward about the quality of employment, notably job contents and the working environment. At the branch level, negotiations should take place on two topics: preventing employment problems and revising job classifications. So, where modernization leads to job loss, it must be those made redundant who are top of the list, directly or after training, for recruitment to any new jobs created by modernization. To this end, contracts for forecasting studies (contrats d'études prévisionnelles) will be financed by the State.⁶

Changes are on-going in the structure of industrial policy and its delivery systems in the Netherlands. Firstly, STIPT has been created as a body outside the Dutch administration to coordinate the three main instruments of government technology policy and Eureka

participation. Secondly, the first of 18 innovation centres, set up subsequent to the reorganization of the RND (national industrial service), was inaugurated in December to facilitate technology transfer with enhanced management. And, third, the IPR subsidies for investments in economically backward areas (HFL 189 (ECU 81m) available in 1989) have been reduced to 25% for new establishments and 15% for those over five years old, irrespective of the region concerned.⁷

Thirteen German, university-based, federally financed CIM technology consultancy units have come on stream providing demonstration/pilot approaches and experience exchanges. The UK Government is part-funding an Aston University project (Accent) to encourage companies to invest in open systems interconnection (OSI) architecture.⁸

The Danish Government plans to increase depreciation rates on computer hardware. The proposal would make it easier for companies to invest in new technology; at present, whereas hardware is often out of date after three years, the depreciated value after five years is still 18%.⁹

Siemens has announced that it is in the market for competing chip manufacturers to improve its position on the Japanese and US markets (rather than developing new plants for semi-conductors) and that it has given Munich University DM 17m for basic research in semi-conductors and micro-electronics, with the aim of making the new institute 'an integration core of innovative semiconductor technology in the Munich conurbation'.¹⁰

¹ Belgium.

² *Computerwoche*, 4. 11. 1988.

³ *Budget Memorandum*, 1989.

⁴ *Le Monde*, 9. and 14. 9. 1988 and 27. 10. 1988.

⁵ *Sorensen*, 9. 9. 1988.

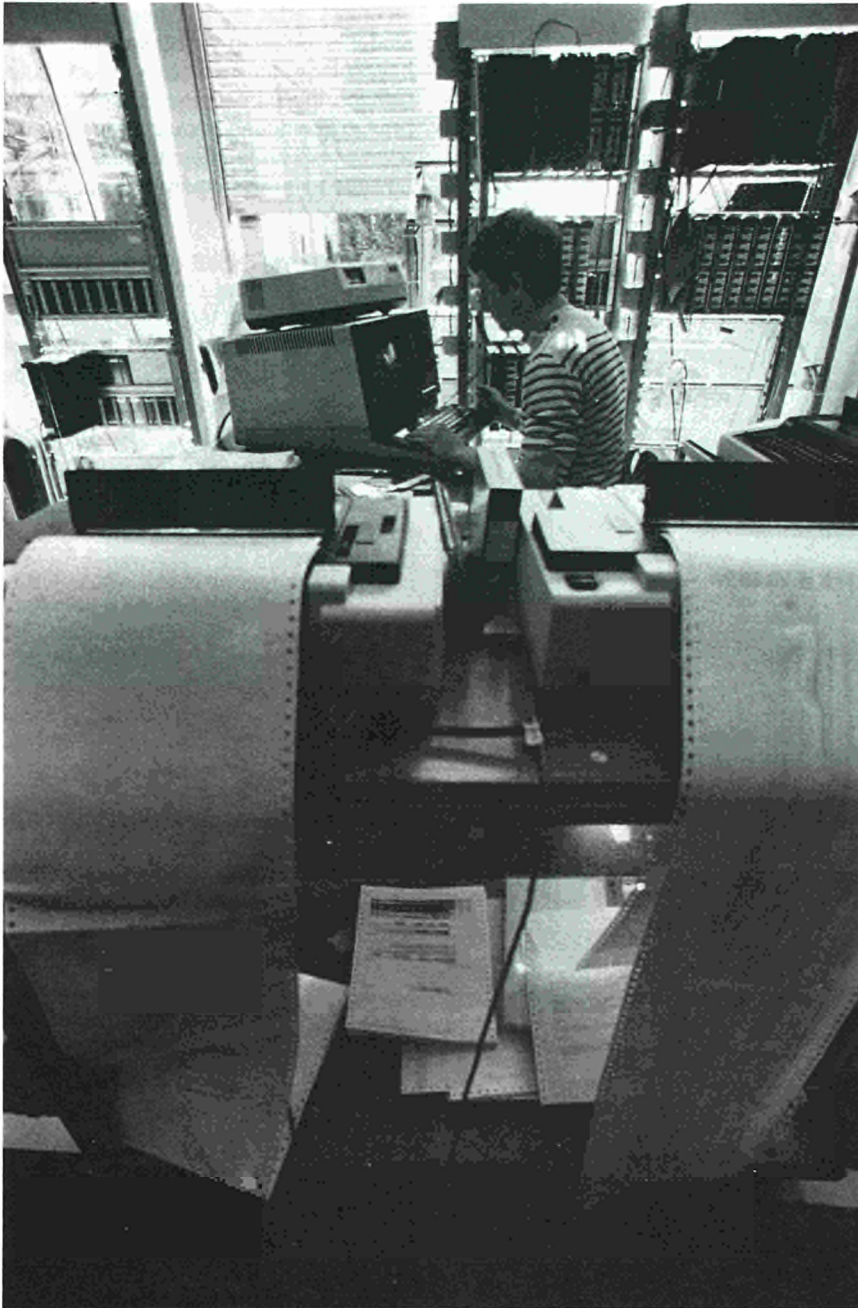
⁶ *Le Monde*, 13. 9. 1988.

⁷ *Financieel Dagblad*, 27. 10. 1988.

⁸ *Wirtschaft und Produktivität*, 10. 1988.

⁹ *Politiken*, 16. 11. 1988.

¹⁰ *Frankfurter Rundschau*, 13. 9. 1988 and 14. 11. 1988, *Medienspiegel* 3. 10. 1988.



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3. Labour law and general working conditions

The Dutch labour market administration is becoming tripartite on both the national (CBA) and regional (RBA) levels and the official State monopoly on employment placement lifted.

The Italian Government has revised its system of work-training contracts (*contratti di formazione e lavoro*) and outlined a new on-the-job training contract (*contratti di addestramento al lavoro*). The aim of the revision is to ensure that training really is offered, that beneficiaries live in areas of high unemploy-

ment (the Mezzogiorno-South will therefore be provided with 100% reductions in social contributions, compared with other areas' 50%), and more generally, that contracts do not just provide firms with cheap young labour without creating new employment. Although '*contratti di addestramento*' do not provide any fiscal relief, those which last 12 months and are transformed into an unlimited employment contract enable employers in the South to draw on a 50% fiscal relief. Trade unions claim that since these contracts are not a part of the general employment legislation, they are just a way of deregulating the labour market.

4. Health and safety

In its new regulations on noise, the French Government requires employers to purchase new machinery which 'reduces noise to the most reasonably possible lowest level given the state of technological knowledge'. Above 85 decibels, employees will have to be provided with individual protective gear as well as being given information and training, with the aid of the works' doctor, on the risks of noise damage and the resources for preventing noise. Above 90 decibels, the employer has to bring in a programme of technical measures or reorganize work so as to reduce exposure to noise. This new regulation has already been applied in the design for the new printing works of the newspaper *Le Monde*.¹

5. Education and vocational training

The German parliamentary committee on 'educational policy in 2000' lays down that acceptance of new technologies should be a goal of basic education. That recurrent training will play a key role in the future requires new forms of supply and finance.²

¹ *Liaisons sociales* No 31, September 1988.

² *Handelsblatt*, 14. 11. 1988.

Danish schoolchildren in the 9th and 10th grades are experiencing difficulty in getting their 1—2 weeks of work experience (this is an integral part of schooling). Insufficient places are to be found in areas such as computing. The employers' confederation (DA) are currently

financing a nationwide programme to overcome this and similar problems with work experience programmes.¹

The Danish Youth Council organized a conference in November on women and technology. Women do not choose

technical education; whereas 80% of students entering graduate courses in psychology are women, in computer science the percentage is 12. One approach attempting to overcome this situation would be to integrate new technology into existing primary and secondary education.²

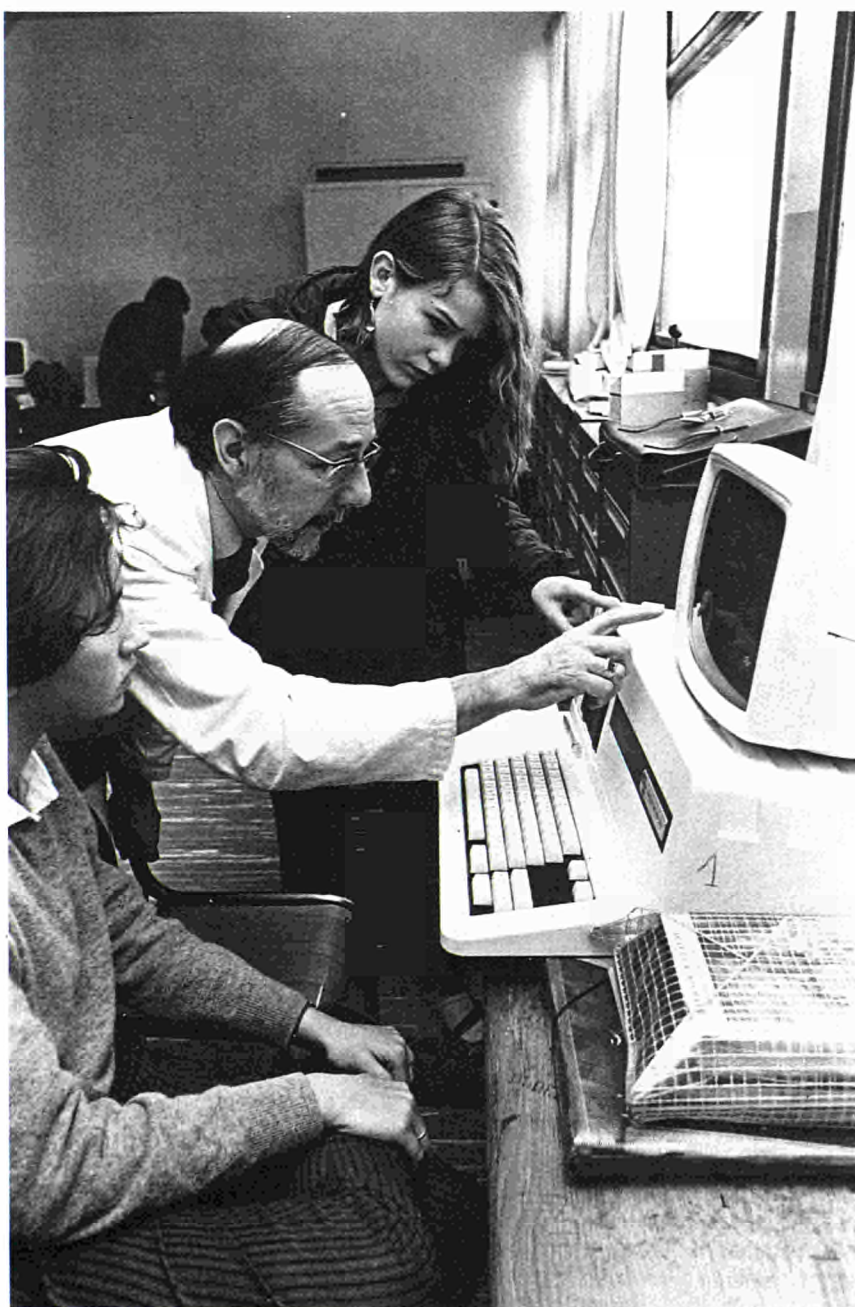
A three-year pilot approach to train (over nine months) unemployed female graduates in using technology has been launched in Berlin. The programme covers both using computers and the impact of computers.³

The Danish Minister for Education intends to increase the number of students of computer sciences in order to raise the supply of specialists in the industry and thus decrease wages.⁴

German industry has, with the Computer Training Institute, launched the first programme for basic alternance training (two to five years depending on the vocation) for 'vocations of the information society'.⁵

A survey indicates that 600 Danish companies prefer 'pure' computer specialists to retrained arts graduates, who have so far been in high demand. Companies consider that computing training should be more practically orientated and that students should acquire qualifications as users. An opposite opinion holds that companies have discovered that they really do need computer specialists, and cannot just make do with the retrained arts graduates.⁶

LIT 4 000bn (ECU 2.75bn) was spent on vocationally training 180 000 persons (including 30 000 redundant workers) in Italy in 1987. Fiat alone invested LIT 100bn (ECU 69m) in 1988 in training 230 000 employees; 39% of the contents of the courses was devoted to mastering new technologies.



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¹ *Politiken*, 17. 11. 1988.

² *Politiken*, 30. 11. 1988.

³ *Frankfurter Rundschau*, 15. 11. 1988.

⁴ *Politiken*, 25. 9. 1988.

⁵ *Computerwoche*, 20. 5. 1988.

⁶ *Computerworld*, 25. 11. 1988.

6. Government awareness activities

The German Federal Government (BMFT) is working on a new approach to technology assessment (TA). TA will henceforward be required on two levels:¹

- (i) commissioning studies;
- (ii) fostering TA activities in research establishments, with a view to developing enhanced early warning systems.

The Danish VISA project of technology assessment of knowledge-based systems will run until mid-1990, but a preliminary report is now available. VISA will constitute the basis for a critical debate on such systems to provide users with a better background when confronted with them.

The trade union (LO) representative on the Danish Parliament's technology assessment council criticizes it for issuing huge quantities of paper, filled with foreign words and understandable only to insiders. Nor do Council activities relate to work sites.²

An expert hearing of the German parliamentary commission on artificial intelligence warned that responsibility for decisions should never be delegated to computerized systems, particularly for medicine and armaments. Any 'AI driving licence' was considered unrealistic.³

Spain's CSIC, Higher Council for Scientific Research, and Italy's CNR have signed an agreement to collaborate in joint projects in the AI field.⁴

Spearhead is the UK computerized information service providing details of the meaning of the unification of the European market in 1992. It has been expanded to include information on all EC initiatives. A new awareness programme funded over four years (UKL 24m (ECU 34m)) covers: software; quality and standards; computer security; value-added networks; OSI; Posix; and Map/Top.⁵

Dandok has produced a database on Danish research. On completion it should contain descriptions of all publicly financed research and develop-

ment projects. Private enterprise is also being invited to contribute to and use the database.⁶

7. Civil liberties

Under the new Private Data Files Act (see previous EPOS reports), October was the deadline for Danish companies keeping computerized sensitive private data to report them to the Board of Registers. The Board decides whether it is appropriate for companies to store the data. On storing, companies pay a DKR 1 000 fee. Since there is no overview of files, the Board is urging the general public to use their right to see what personal data companies actually store.⁷ In Germany, storing personal data in the central prosecutors' office has been declared to be without legal basis by the Frankfurt provincial court of appeal.⁸

Some 40 Spanish firms produce and commercialize personal data bases. Of these, the most important are: Cetesa, a subsidiary of Telefonica de Espagna, provides the database for the telephone directory (9m people); Camerdata, based on the chambers of commerce and the foreign trade institute, has information on 2.7m citizens and firms paying discal licence tax as well as 2.2m companies and businessmen; and Dun and Bradstreet, has a 15m firms' database worldwide. Corporate management claims their companies respect the principles of data protection laid down in the constitution; but they have no control over their clients' use of the data.⁹

For the first time in Germany, an act has been passed relating to data protection in a specific sector: the *Land Bremen's Act on data protection in schools*. One of the reasons for passing this act was that data about school children is increasingly being stored by teachers on their private PCs.¹⁰

The Danish Government has solved a series of 70 burglaries in North Zealand: a former employee of an insurance company used data in the company database to pick out customers with huge insurance policies.¹¹

8. Governmental modernization

The Belgian Government announced its 10-point plan for computerizing public administration:

- (i) creating a directorate-general of the Ministry of the Interior for drawing up master plans, coordination and control;
- (ii) starting a new university study to update the 'Bodart report';
- (iii) modifying the regulation of public purchasing for office automation and micro-computers;
- (iv) providing budget lines to draw on external consultants;
- (v) launching pilot projects linking various ministries, etc.;
- (vi) developing software to solve problems common to several ministries, etc.;
- (vii) creating a databank on the total hardware and software within the public sector;
- (viii) accelerating the creation of a network for exchanging personal data (banque de données carrefour);
- (ix) defining standards to ensure good accounting between different projects, including the regional and community administrations; and
- (x) integrating the telematics networks within the public administration into a common project: RNIS.

State employees of Denmark's national clerical workers union claim that State purchase of computer equipment is too random. Equipment is often purchased before management and employees agree to its purpose. Further-

¹ *Handelsblatt*, 4. 11. 1988.

² *LO-Bladet*, 25. 8. 1988.

³ *HNA*, 4. 11. 1988.

⁴ *El Pais*, 9. 10. 1988.

⁵ *Financial Times*, 12. 10. 1988.

⁶ *Dansk Industri*, No 11, 1988.

⁷ *Akuelt*, 1. 9. 1988.

⁸ *Frankfurter Rundschau*, 1. 10. 1988.

⁹ *El Pais*, 9. 10. 1988.

¹⁰ *Computerwoche*, 20. 5. 1988.

¹¹ *Computerworld*, 16. 9. 1988.

more, equipment is primarily used to automate manual routines, rather than stimulate new solutions.¹

The first phase of modernizing the Brussels stock exchange was completed in June with the introduction of an integrated computerized system (CATS). Computerization was subsequently accompanied by legal and regulatory reform, which ended the monopoly of the brokers in transactions.²

III. Social groups

1. Employers' attitudes

The German office automation and IT grouping (Fachgemeinschaft Büro- und Informationstechnik) has criticized the EC's anti-dumping procedure against Japanese chip producers. Hi-tech components should be available at world market prices in order to guarantee international competitiveness.³

Demand for personnel in IT professions at the lower and middle level exceeds supply in 80% of the Dutch business sector. Two thirds of computerized companies are planning retraining activities in 1989.⁴

DA, the Danish employers confederation is engaged in several IT projects. In addition to its use in internal administration, DA is offering members a juridical database containing information on 1 280 decisions and a prototype expert system (DAisy) on maternity leave and vacation law. Once the system is fully developed, companies and unions will be able to answer some 85% of present enquiries to DA.⁵ Two Danish employers' federations, the iron employers federation and industrial trades, are considering merging into the industrial employers' confederation. This is a part of the total restructuring of employers' groupings in Denmark. One of the objectives of the proposal is to have a single organization which ensures better matching of employees' qualifications and technological demands.⁶

2. Trade unions' attitudes

Because of the DA's restructuring, technological change and the advent of the single market, all Danish trade unions are agreed on the need for their own restructuring. Two major points of conflict arose on the proposed grouping into 10 cartels: which unions will dominate the cartels (by numbers of members); what authority will LO, the confederation, have over the cartels? SID, the semi-skilled workers, and KAD, women workers, both fear they will be outnumbered and their special interests not taken into account. Moreover, they want considerable LO authority over the cartels, whereas other unions (metal-workers, municipal workers, clerical workers) want highly autonomous cartels with LO having only a coordinating role. A proposed compromise is for five cartels (construction, industry, trade and services, local authority employees and State employees), where semi-skilled and women workers will be well represented. Difficulties remain as regards LO's authority and the criterion to be used when dividing unions into cartels: by employer or by character of the work.⁷

DGB, the German trade union confederation, has published its updated action programme setting out its claims for the coming 5—10 years on the right to work, improving the environment, humanizing work and developing the welfare State. Trade unions should have the right to voice their opinions in R&D establishments.⁸

The 1988 annual congress of the British TUC expelled the EETPU, the electricians' trade union, for failing to accept the TUC directives to withdraw from single-union no-strike deals. This led to speculation about a possible split in the trade union movement, with the creation of an alternative trade union body to the TUC. TUC delegates also voted to boycott the government's new 'Employment training' programme for unemployed adults. The government then abolished the 10-person-strong tripartite governing body of the Training Commission and, subsequently, the commission itself as a separate organi-

zation (incorporated into the Department of Employment as the Training Agency). Future training arrangements, including the role of the industrial training boards and the Training Agency, were outlined in a white paper published in November.⁹

The Belgian CSC (Christian trade union confederation) again called in its 1988 annual conference for increased trade union control over the spread of new technologies and their impacts on employment and working conditions.¹⁰

FNV, the Dutch confederation, claims that workers in larger organizations (+100 employees in companies and government institutions) do not feel that they have any influence on automation and IT applications in their companies/organizations, despite the existence of works' councils; agreements to inform workers on the introduction of new technology exist in one company in four. But where influence is allowed, it appears to have a positive impact on implementing plans.¹¹

Social conflict in Spain is centred on the complete rejection by the large trade unions (UGT and CCOO) of the government's economic and employment policies. The unions oppose the idea of moderate wage claims proposed by the government and new measures to make the labour market more flexible. They reject in particular the proposal to create a new type of contract called 'professional insertion' which is contemplated in the Plan for youth employment. This contract, they claim, encourages precarious jobs for young people and accentuates their role as cheap labour without any guarantee of their being able to move towards a permanent job; nor would they receive any training or skills likely to improve their chances of entering the

¹ *Berlingske Tidende*, 9. 9. 1988.

² CATS.

³ *Computerwoche*, 4. 11. 1988.

⁴ *Automatisering Gids*, 5. 10. 1988.

⁵ *Arbejdsgiveren* Nos 16 and 17/1988.

⁶ *Arbejdsgiveren* No 15/1988.

⁷ *Det Fri Aktuelt*, 9. 9. 1988.

⁸ *DGB Aktionsprogramm*, 1988.

⁹ *Financial Times*, 12. 9. 1988.

¹⁰ CSC Congress.

¹¹ *Automatisering Gids*, 7. 9. 1988.

labour market. That collective bargaining has led to a deterioration for the workers is shown in an UGT study which also brings out that 'productivity' and 'technological innovation', even when they appear in agreements, have little practical importance.¹

3. Political parties and interest groups

There is continuing debate about the planned postal reform in Germany, splitting the service into three separate enterprises: Is it constitutional? Will it result in price rises? Will private data protection not be diminished — particularly through using ISDN? The government has denied that there would be a possibility for misuse by telephone-tapping. A 'Professors' appeal' has also been made against the planned reform, using, in addition to the above arguments, that similar UK and US experiences have resulted in large job losses.²

An 'association of open channels' (BOK) has been established in Germany to enhance the public's understanding of citizen radios. The lawyers' association has brought out a position paper on computerized systems for aiding legal work (highly sceptical of the present position) and an association (law and information) has been established for greater communication between lawyers and computer specialists.³

Cooperation between the labour movement and the local TV station in Copenhagen (Kanal 2) has resulted in Kanal 2 being granted more than half the weekly broadcasting time. The 'Venstre' party considers that, by its local radio and TV stations, the labour movement is creating a nationwide network, which might not be allowed under Danish law.⁴

4. Collective agreements and labour disputes

A national (interprofessional) agreement on technological change was signed in October between the French

employers' confederation (CNPF) and three trade union confederations (CFDT, CFTC and OGC). This refers to industries (branches) and then enterprises themselves, negotiations on work organization, significant and on-going change, employment, training, earning skills (qualifications), rearranging working time and vocational equality. Only the OGT trade union did not sign the agreement considering that the text 'confirms that acquired rights are being further questioned' and that no mention is made of wages, 'qualifications' and working conditions. These trade union differences illustrate distinctions as regards the aims of 'interprofessional' agreements: do they provide a normative reference — as the OGT wants? Or merely a broad framework — as the three other unions have signed for?

A strike by 250 workers at the Renault plant in Le Mans manufacturing rear axles caused the lay-off of 22 000 workers in four other Renault plants. The cause was the selective (individualized) payment of a quality premium to 26 of the plant's 350 workers; this premium was demanded and subsequently received by the other workers as well. The strike showed that the Japanese 'just-in-time' technique (practised by Renault) requires social peace and consensus on payment systems.⁵

The German private radio and television suppliers for cable and satellite have established an association for joint collective bargaining.⁶

IBM-Deutschland has been allowed to introduce Sunday working for the production of the one-megabit chip. The company was given the authorization requested for a substantial increase in output by means of continuous production.⁷

German courts have upheld claims that various computerized systems at work or for entering the place of work require co-determination for their implementation. For instance, the Federal Administrative Court has stated that this holds for installing video monitoring systems for thefts since such systems can also be used for monitoring employee behaviour.⁸

A new two-shift system was agreed to at General Motors, Antwerp with a 10-hour working day between 05.30 and 15.30 and 15.30 and 01.30. Eleven days are worked in a three-week period, including one Saturday. From the end of September, numerous signs of discontent were apparent. The workers concerned informed their trade unions that the work was much more testing than foreseen, and that some of the advantages which they hoped to obtain were wiped out by fatigue and stress. The major trade unions had accepted this system to avoid large-scale collective redundancies. FIM, the international metal-working trade union, has condemned the system.⁹

In the autumn round of collective bargaining in the Netherlands issues of productivity and technology were hardly raised, the focus being on the conditions of wage restraint. Philips Nederland is experiencing continuing problems with meeting Japanese competition because of international monetary fluctuations, inappropriate management structures and the lack of a homogeneous European market. Its restructuring and consolidation is taking place around its strong technologies.¹⁰

The International Labour Organization has condemned the Danish Government for stopping the conflict between IT professionals and Datacentralen in 1987, stating that their rights to negotiate and strike were severely violated.¹¹

¹ *El País*, 3/5. 9. 1988, 28. 10. 1988, 4/13. 11. 1988, etc.

² *Frankfurter Rundschau*, 21/28/31. 10. 1988.

³ *Medienspiegel*, 36.38/1988, *Computer und Recht*, 9/1988, GMD-Spiegel.

⁴ *Det Fri Aktuelt*, 10. 10. 1988.

⁵ *L'Usine nouvelle*, No 41, 23. 10. 1988.

⁶ *Medienspiegel*, 39/1988.

⁷ *Handelsblatt*, 15. 11. 1988.

⁸ *Frankfurter Rundschau*, 2. 9. 1988.

⁹ GM Antwerp.

¹⁰ *NRC-Handelsblatt*, 27. 10. 1988.

¹¹ *Politiken*, 1988.

IV. Research

1. Diffusion and introduction of new information technologies

The German Government (BMFT) has published the results of the META-Study examining, for various industries, the quantitative and qualitative outcome on employment of process and product innovation. It shows that, on average, firms invest roughly half on product and half on process innovation. However, differences between industries are considerable, ranging from the printing industry having 92% of its investments in process innovation to machine-tools with 65% in product innovation.¹

A survey of 2 000 companies is being carried out in Denmark on 'The office of the 1990s'. The aim is to reveal the extent of the diffusion and introduction of IT and future expectations: the kind of equipment expected, the influence of the users on their methods, systems and organization.²

The current market volume of LANs in Germany is forecast to increase by an annual 20% to reach DM 500m (ECU 242m) in 1992. A UK report claims that the UK will provide the largest Vans market in Europe by 1995, when the region will generate revenues of nearly ECU 9bn in this sector.³

A review of the IKBS arm (Intelligent knowledge-based systems) of the British Alvey programme was published in September. The report suggests that the programme has revived the fortunes of British artificial intelligence by developing the research community and expanding industrial capability. World class research has been achieved and the programme has resulted in a 10-fold increase in the number of academics in the AI field. But while the achievements have been significant, they are fragile: further resources are needed, especially in academia, if the achievements are to be consolidated. Moreover, criticisms are made: for instance, the overall strategy suffered in formulation and implementation, preventing the pro-

gramme from attaining the goals it set itself; and it isolated itself technologically by insisting on using UK computing equipment and failing to make use of Lisp tools available in the USA. These shortcomings led to delays and harmed some projects.⁴

To understand why BTX (videotext) has not developed as planned, the German Post Office has commissioned a monthly evaluation of new BTX-users as regards end-equipment (43% each for telephone etc. and PC, with TV 10%), use (business: 46%; semi-professional: 32%; private: 22%), and branch of industry (retailers: 22%; craftsmen: 19%; banks and insurance: 14%; wholesalers and industrial firms each 11%).⁵ Two pilot videotext projects are being run in Belgium in 1989 as a test-bed for a socio-economic evaluation of its future in the country (the technological problems having been virtually resolved).⁶

By the end of 1988 there were expected to be more telefax than telex users in Germany⁷ where the market for robots (production, export and sales) fell by 20% in 1987.⁸

A UK survey indicates that optical discs will not replace magnetic discs or even tapes as storage media for traditional data until well into the 1990s, but that the market will then rise dramatically.⁹ Results have been published on research into the development opportunities for mass media technologies and products in Germany. They show that knowledge on the subject is very shallow; purchasers' desires in new hardware is rapidly confronted with time and money budgets; but that the saturation level for modern communications' technologies is far from being reached.¹⁰

The Spanish market for hardware and software services is increasing more rapidly than the European average, but remains (particularly hardware) lagging because of the low starting point and of the large technological dependence. In 1987, two thirds of demand came from finance and insurance (23.5%), business (18.2%) and public administration (18.2%) with health representing only 2.5%. As regards companies, IBM had installed 133 of the 327

large systems in Spain in January 1988.¹¹

The market for information technology (hardware, software and maintenance services) is increasing in Italy more slowly than previously: by 16.4% overall in 1987 over 1986, compared with 25.3% between 1984 and 1985 (Assinform). In 1987 hardware sales grew by 11% (to LIT 8 500bn (ECU 5.86bn) in value) whereas software and services were up 25% (to LIT 4 500bn (ECU 3.1bn) in value). But Italian per capita IT expenditure remains, comparatively speaking, lower than that of other industrialized countries. Banks and industry represent half the market, whereas the rate of increase in industry, insurance and services is greater than in banks, trade and public administration. Industry is introducing IT as the core of its reorganization (Nomos).

The growth rate of the Italian market for mini-computers has remained at around 7% in value and 15% in volume because of the drop in prices and increased sales at the lower levels of the market. Trends for 1989 should be similar, despite competition from PCs.

A new Belgo-Quebecan review has been launched: 'Technologies de l'information et société' covering interrelationships between the development of IT and the ways of social organization. Similar problem areas are considered in the autumn issue of the Walloon sociological review devoted entirely to the impact of the computer on society, particularly the problems of social science research methodology. The Dutch Social-Economic Council has published a guide to production automation.

¹ *Handelsblatt*, 14. 11. 1988.

² *Computerworld*, 28. 10. 1988.

³ *PC-Woche*, 44/88.

⁴ Erik Arnold, 'A review of the Alvey intelligent knowledge-based systems (IKBS) programme', Science Policy Research Institute, July 1988.

⁵ *Datenschutz und Datensicherung*, 8/1988.

⁶ Videotext in Belgium.

⁷ *Die Bank*, 10/1988.

⁸ *Wirtschaft und Produktivität*, 11/1988.

⁹ Erasable optical data storage applications study, PA Technology, 1988.

¹⁰ *Medienspiegel*, 36/1988.

¹¹ *El Independiente*, Suplemento Cultura y Sociedad, 21. 10. 1988.

2. Employment

The German META study examining various industries' process and product innovation indicates that there is a positive correlation between innovative firms and employment: in the first half of the 1980s, innovative firms expanded their turnover annually by 2.4% with stable employment whereas non-innovative firms experienced a 0.8% annual drop in turnover and 2.3% in employment. The best firms are those which combine product and process innovation. Abandoning innovation would reduce employment by 1 million by 2000.¹

In the UK, recent research from the Institute of Manpower Studies forecasts that 37 000 jobs will be created in the City of London by 1992, in addition to the 51 000 which have been created there since 1984. Some 5 000 software services jobs were created between 1984 and 1987, and a further 8 000 new jobs will be needed in this sector by 1992. According to the report, it is inevitable that most of these jobs will be filled by poaching staff from other London or South-east computer sites. Poaching is prevalent because training has no emphasis within the City software services' community — they seek out persons with experience and expect them to leave within 18 months.²

A review of the Danish General Auditing Office looking into labour turnover at seven public institutions indicates that annually one fifth of graduates and IT-professionals leave their jobs, virtually always for the private sector. It is mainly graduates with 1–5 years of experience who leave, though the percentage of older workers is also rising. The reasons are higher wages and better career prospects. The result is a downgrading of the public service.³ Despite growing production, employment in the German communications technologies industry has declined by 2.5%. The reason for this trend is the change-over from more assembly-intensive analogue to digital technology.⁴

Research indicates that German women have good career prospects in data processing, tend to be better than

men in 'soft skills' (creativity and teamwork), but that only 30% of managerial positions are held by women: they lack long-term commitment to the organization and willingness to take on managerial tasks.⁵ The Dutch SER has published a survey of current business practices as regards personnel selection and recruitment (non-discrimination and protection of privacy).

3. Qualifications

The META study indicates that, in Germany, more highly qualified persons are being taken on, but that 40% of innovative firms consider that shortages of personnel in R&D is an obstacle to further innovation. 14% of firms complained of a lack of qualified skilled workers in production. In computerized activities 'middle-level mixed skills' are the greatest shortage (i.e. occupational knowledge plus computer skills).¹

A survey published by the British Institute of Management and Coopers and Lybrand suggests that more than half of the UK's managers do not know how to exploit their computers properly. The report highlights a lack of commitment to IT from top management and a piecemeal approach to implementation and training. Half the organizations surveyed had no clear implementation strategy and two thirds feel that IT is insufficiently integrated into corporate strategy.⁶

The German Ministry of Education has been researching pupils' and their parents' demand for computer knowledge: two thirds think there should be more teaching about computers, particularly practical applications; 68% of the girls and 89% of the boys have already played or worked with computers, with friends being a greater influence than a school's hardware; and 87% of parents consider that knowledge of computers is a part of basic education.⁷

Introducing computers into elementary education and day-to-day teaching is the subject of a Danish Ministry of Education project over three years to 1990 (DKR 2m).

British universities etc. are experiencing increasing difficulties in recruiting teaching staff in computing and electronics. Chairs and lectureships were the hardest positions to fill. The main reason is thought to be increased competition from industry and overseas.⁸

To cover Spain's 2 500 annual shortage of IT specialists, several private and public-owned companies and the Ministries of Education, Labour and Industry have created the Training and Technology Centres' foundation. This consists of a network of centres, the first of which will begin operations in early 1989. As from 1991 the centres will retrain 800 graduates a year in advanced technologies. Courses last 11 months, a large proportion of which is spent in companies learning on the job.⁹

The Dutch SER, having published studies in 1987, is currently conducting a series of workshops on 'new technologies for the vocational training system'. Picnic, Project in computer networks in distance learning curricula, is a Danish theoretical and practical analysis of the qualitative possibilities and limitations of the use of computer conference systems in distance learning.

4. Working conditions, health and safety

German research on VDUs indicates that not only do standards on working conditions need to be reviewed (the 50 cm minimum distance between VDU and eye is insufficient) but also that the

¹ *Handelsblatt*, 14. 11. 1988.

² Amin Rajan, *Create or abdicate: The City's human resource choice for the 90s*, Witherbys & Co Ltd, 1988.

³ *Politiken*, 9. 9. 1988.

⁴ *Computerwoche*, 21. 10. 1988.

⁵ *Online*, 9/1988.

⁶ Richard Brown *et al*, *Managers and IT competence*, BIM, Coopers and Lybrand.

⁷ *IWD*, No 40, 6. 10. 1988.

⁸ University academic and related staff recruitment and retention survey 1987-88, AUT/CVCP.

⁹ *El Pais*, 26. 10. 1988.

positioning and lighting conditions are wrong in half the cases.¹ Although expenditure on safety in information processing has doubled in Germany in the past three years, German firms have serious gaps and shortcomings, particularly the positioning of the terminal, the environmental lighting, and the positioning of the computer table and chairs.²

Two recent videos in Belgium focus, on the one hand (STV, based on the experiences of eight firms), on the problems of work organization raised by the introduction of robots into production workshops and, on the other (IACT), on the role of the ergonomist in introducing IT.

NIA, the Dutch working conditions agency, has published a guide on information and training in safe and healthy working in the manufacturing industry, which is supplemented with a video. The Dutch employment ministry has published a study on the success and failure of automation projects through a branch survey, a user analysis and case studies of eight automation projects. The overall conclusion is that early information and consultation of those directly involved are necessary for success.³

5. Other fields

CRID, the Belgian centre for research into informatics and law, has completed a study of the law and plastic money. Five categories of legal problems linked with payment by bank or credit card are examined: contractual relationships between the three parties to the transaction (the provider of the service, the carrier of the information, and the client); the question of the proof of the transaction (signature, secret code); responsibility in cases of incidents and dysfunctioning of the system; the penal procedures and punishments for fraud issues; and the protection of individual liberties, in particular in the light of the international flows of data.⁴

A five-year research programme on advanced telecommunications networks has been set up by the British Science and Engineering Research Council to

enable UK firms to gain a larger share of the world market.⁵ Research accompanying the cable TV project in Dortmund indicates that, compared with other households, its users sleep less, eat quicker and spend less time on household cleaning!⁶

V. Experiences in specific sectors

1. State and local administration

The Federal German auditors office has criticized the Post Office for spending too much money in, among other matters, introducing videotext (BTX) by not waiting for the evaluation of results of experimental approaches and through its tendering approaches, the result being a loss of financial control.⁷

The Danish general accounting office has critically reviewed the operations of Datacentralen because, as a public sector supplier, it has often been much more expensive than private firms. In particular the public employment services claims to have saved millions of kroner because it dropped Datacentralen as supplier for its AF-Match system.⁸ One German *Land* (North Rhine Westfalia) has ordered that, henceforth, all its computer stations must be equipped with X/Open-Standard to enlarge possibilities for future hard- and software purchases.⁹

The Central Computing and Telecommunications Agency, UK, has published a report on systems reliability. It notes that 25% of all governments' systems failures are due to networking equipment, rather than central hardware. Systems software was responsible for 14% of failures, application software for 16%, central hardware for 14%, user/operator error for 8% and power supply problems for 23%. There is a shortage

of technical networking skills within government which exacerbates these problems. The report concludes that fault-tolerant central processors are not necessarily the most cost-effective way to improve reliability and availability of systems.¹⁰

Italian public administration's expenditure on IT is growing more slowly than the market overall. In the central administration, investments are still concentrated on basic automation, with a low diffusion rate of more advanced products and services. These investments have not noticeably changed the organization and procedures of public administration.

The Danish Ministry of Finance's review of the public sector indicates that the total amount spent on computer systems by State administration has increased by an annual 18% since 1985 to some DKR 2bn (ECU 285m). Growth is particularly noted in the smaller local computer systems for office automation. Technical development implies that the larger systems (Datacentralen, Kommunedata and public companies) are gradually becoming easier to run. Public institutions will be capable of financing investments even when their budgets are being cut each year.¹¹

A review by Denmark's national association of municipal authorities indicates that these authorities do not expect that the introduction of IT will bring about significant labour productivity gains. And only a few authorities are giving in-service computer training higher priority in the future than in the past. On the other hand, all public institutions are

¹ *AFA-Information*, 4/1988.

² *Frankfurter Rundschau*, 11. 10. 1988.

³ Het slagen en falen van automatiseringsprojecten, ITS, Nijmegen, 1988.

⁴ Thunis X. and Schauss M., *Aspects juridiques du paiement par carte*, Editions Story-Scientia, Ghent, 1988.

⁵ *Computer weekly*, 29. 9. 1988.

⁶ *Frankfurter Rundschau*, 26. 10. 1988.

⁷ *Frankfurter Rundschau*, 12. 10. 1988.

⁸ *Politiken*, 23/24. 11. 1988.

⁹ *Online*, 8/1988.

¹⁰ *A guide to system reliability and availability*, CCTA.

¹¹ *Erhvervsbladet*, 29. 8. 1988.

required by government to save 2% of their total budget every year for the next 10–15 years. This has to be achieved without sacrificing service, and the only aid given in this process is IT.¹

The Dutch PTT services are being privatized from January 1989 with a holding company (PTT Nederland NV) and five private limited companies, of which PTT Post BV and PTT Telecom BV will be the most important. It is losing its legal monopoly for most postal (with the exception of letters and small parcels) and telecommunications (except network infrastructure) services. The German post office (Bundespost) in its new structure has three independent corporations: Postal Services, Postbank and Telekom.

A new identity card system is being tested on the German-Swiss border connected with the national data banks.²

'SIS' is a new approach to matching jobseekers and vacancies piloted in five employment offices of the German employment agency. Vacancies are available via BTX (videotext) including a description of the opening and telephone number and address of the employer who can thus be contacted directly. Previously, a jobseeker could only contact a potential employer through the placement officer of the service.³

BerKom is the name of a glass fibre network for testing future integrated broad band telephoning which should start up in 1991 at a total cost of DM 300m (ECU 145m), of which DM 145m will come from industry.⁴

The La Paz Hospital, Madrid, has been using (with a 93% success rate) a Spanish-designed expert system to diagnose vestibule pathology, an illness which is very difficult to diagnose.

The first library in Denmark for computer literature has been opened in Copenhagen by the technology and informatics centre with EEC support. Because of rapid obsolescence, books are not bound and importance is attached to periodicals. Computer programs are also lent. The library has bought some programs in a demo version or with a right to lend them to the public. A de-

partment with computer equipment is open for use by the man in the street.⁵

From 1989 every Dane with a computer and a modem will have access to the data files of the department of industry ... provided he/she knows how to access them.⁶

'On-Line 92' provides Danes with direct on-line connection with a database with information especially on the internal market and research projects within the EEC. It will complement the existing 'UDIM' database of the foreign ministry.⁷

2. Education and vocational training

A data bank is being developed in one region of Germany (around Kassel) to provide smaller firms with information on training and development programmes on new technologies.⁸

At the initiative of CPI, the centre for pedagogy and informatics, a public non-profit trading company has been established in three Danish cities for trading in computer programs and equipment for educational use.⁹

With the advent of greater competition from the internal market, KA, a Danish employers' group, has launched a large-scale educational programme: K2000. Its purpose is to bring out the demands for education in the future. In its first round, 30 000 employees of Scandinavian Airlines System and Danish State Railways are taking part.¹⁰

CASI, the Italian social action centre in Belgium, has been running jointly with ONEm, the employment service, employers and Delta) 1 000–1 400 hours courses spread over 15 months for providing qualifications in new technologies to unskilled youths. IBM has celebrated 10 years of cooperation with ONEm in providing complementary vocational training — of late to 200 persons a year, with a virtual 100% placement record.

Teleac, the Dutch television organization, has produced an elementary course and handbook on 'women and computers'.¹¹

Erasmus University has jointly launched with the Graduate School of Business Administration of the University of Michigan, USA, a graduate course leading to the Master of Business Informatics degree.

3. Manufacturing

An industrial robot has been developed in Germany for concrete injection (Spritzbetonarbeiten). Because they humanize the heavy work previously involved, these robots are likely to be in considerable demand in the future.¹²

In the latest chapter in the stormy history of the Danish computer Regnecentralen (700 employees), half its shares has been sold off to ICL (UK), which is injecting DKR 70m (ECU 10m).¹³

In Italy, there has been a substantial reduction in lag times between the introduction of IT innovations and their diffusion to small and medium-sized firms. Between 1986 and 1988 the number of small cells (FMC) has increased more than the larger FM systems. Of particular significance as regards users have been small and medium-sized firms in the engineering industry. Recent surveys (Reseau institute) on the diffusion of new flexible manufacturing technologies also indicate that both are present in the form of integration between CN machine tools or between a computer centre and control units on machines. The range of forms of integration will become wider in the future, adding CAD/CAM systems and integration between CAD and SGP (MRP). Companies favour a gradualist approach to minimize costs and risks connected with this type

¹ *Computerworld*, 16. 9. 1988.

² *Frankfurter Rundschau*, 22. 10. 1988.

³ *Frankfurter Rundschau*, 21. 10. 1988.

⁴ *Computerwoche*, 45/1988.

⁵ *Computerworld*, 21. 10. 1988.

⁶ *Politiken*, 23. 11. 1988.

⁷ *Politiken*, 7. 12. 1988.

⁸ *Computer und Recht*, 9/1988.

⁹ *Politiken*, 23. 11. 1988.

¹⁰ *Berlingske Tidende*, 30. 9. 1988.

¹¹ *Vrouw en computer: Een oriëntatie op automatisering*, Teleac, Utrecht, 1988.

¹² *Handelsblatt*, 31. 10. 1988.

¹³ *Politiken*, 30. 9. 1988.

of investment. And only a small number of firms linked the launching of a new product with the adoption of new equipment (18.5% in the footwear industry). The three prime reasons for introducing flexible technologies are: productivity improvement; labour cost reduction and product quality improvement. More rapid diffusion is hampered by: financial constraints; lack of specific technical information; lack of the capacity to select appropriate configurations of new technology and lack of capacity to evaluate and master the integration of the new equipment in the production process. Small and medium-sized firms do not ascribe much significance to organizational changes.

In a Veneto study, microelectronics were, generally speaking, more widespread in modern sectors (chemicals, mechanical engineering) than in traditional industries, though there are particular technological exceptions: CAD/CAM in the clothing industry; automated lay-out in the wood and furniture industry; machine control in textile applications; etc. The percentage of adoptions is directly proportional to the size of the firm. The research also showed the importance of organizational innovation of four types: standardization and modularization of products; simplification and optimization of flows of components and materials; design changes in plants and lay-out (particularly improved transportation and stock control) and the redesign of the production cycle.

4. Banking and finance

Barclays Bank, UK, has announced that the first public trial of a 'smart card' will take place over a 15-month period at a country club. Club members will be able to use the card as a key to enter the club complex, to pay for facilities and goods, to book squash courts, etc. The aim is to test public acceptance of the cards and their robustness.¹

The Danish PBS, banks' payment system has issued the first payment plastic card, with a Dan-card (debit card) on the one side and a Visa, on the other. This makes the Dan-card international.

Card holders can now obtain up to DKR 15 000 (ECU 2 140) per month in cash provided they are willing to pay an annual fee of DKR 150.² The idea of an internal bank fee for money drawn on cheque accounts and Dan-cards in another bank than the customer's is being mooted; but rejected by a political majority, this is unlikely to be levied in the near future.³

Two UK cash points, Link and Matrix, are to merge to form a nationwide network of over 2 000 automatic teller machines.⁴

In Spain, cash points have increased from 2 500 in 1985 to 7 250 in 1988. These dispensers are being integrated into three networks: 'Red 6 000' whose savings banks have issued 6.9m credit cards; '4B', whose 10 big banks have issued 3.5m credit cards; and 'Servired', which coordinates the automatic cash dispensers of the 6m credit cards of its 51 bank members.⁵

5. Printing industry

British employers and trade unions have, in the light of skills' shortages and the needs for re-training, jointly launched a package highlighting training programmes available to companies.⁶

'Who What Where 1989' is the title of the first book in Danish totally and successfully compiled and published by means of desk-top publishing.⁷

Between 1985 and 1987 the Danish Printing Union lost 1 196 members to other unions while gaining 657 new recruits. In the same period, unemployment was halved, though employment has not increased proportionately: 7 862 in 1985 and 7 753 in 1988. A constant 600 members (55% of those entitled) were on early retirements. The average wage increase over the period was 17.3% to DKR 4 177 weekly.⁸

6. Telecommunications

The German Post Office is planning to introduce mobile telephoning from 1991 in the form of a 'pocketphone'.⁹ It is

also bringing in 'Cityruf' as a new radio-phone service with cheque-book size receivers picking up signals, numbers and short texts. Cityruf is intended to supplement 'Eurosignal' for short messages.¹⁰ An agreement has been reached between the German and Chinese ministries for a regular videoconferencing service and, subsequently, for China to tap into BTX.¹¹

In the UK a number of new licences have been granted for different services in line with the liberalization of this field. The government is offering four licences for cordless telephone services, commonly referred to as 'Telepoint'. GPT, the new company formed by merging the telecommunications' interests of GEC and Plessey, has been instructed by the parent companies not to tender for a licence since both the parent companies are bidding independently themselves. The government has also granted licences to six companies to provide specialized satellite services in competition with British Telecom and Mercury Communications: British Satellite Broadcasting, Maxwell Satellite Communications, Electronic Data Services, British Aerospace, Satellite Information Services and Uplink. The Cable Authority has offered six more franchises for cable TV networks: one in London, one south of London (Surrey/Sussex border) and four in Scotland. Meanwhile it has been announced that Birmingham Broadcasting Corporation has won the Birmingham and Solihull cable TV franchise, the largest one available in the UK.¹²

'Telefonica de Espagna' (CTNE) is the new name of the Spanish company responsible for public telecommunications services. It has set up its first sub-

¹ *Financial Times*, 7. 9. 1988.

² *Aktuelt*, 2. 9. 1988.

³ *Berlingske Tidende*, 21. 10. 1988.

⁴ *Computer weekly*, 4. 8. 1988.

⁵ *El País*, 4. 9. 1988.

⁶ *Financial Times*, 11. 10. 1988.

⁷ *Computerworld*, 7. 10. 1988.

⁸ *Politiken*, 12. 9. 1988.

⁹ *Frankfurter Rundschau*, 30. 9. 1988.

¹⁰ *Datenschutz und Datensicherung*, 8/1988.

¹¹ *Handelsblatt*, 31. 10. 1988.

¹² *Financial Times*, 7. 9. 1988, 14/18/19/27. 10. 1988.

sidiary ('TSI') which provides value-added services: videotext, electronic mail, interbank clearing, televideotecnica, telesoftware, stock market information, commercial and professional information, radiolocating, etc. The company offers a worldwide network for data with in particular Transpac (France), Bundespost (FRG) and NTT (Japan). CTNE has also taken a 30% stake in Spanish TV news in North America which will subsequently be sent by cable or satellite to South America. The Ministry of Transport special plan of action was that CTNE was brought in in September to overcome the chronic deficiencies in public telephone services due to lack of investment in the 1980s; whether the objectives can be achieved is doubted because of a lack of manufacturing capacity and a shortage of skilled staff for installation. A joint venture between General Cable and Siemens is investing some ECU 16m to manufacture 70 000 kilometres a year of optical fibre in northern Spain. The government's communications satellite project has now been fully defined as regards technical requirements, location and costs. Offers have been presented, but no decision yet taken as to which of the four multinational groups will receive the contract.¹

Enormous fees to computer consultants and dependence on external suppliers are two major problems identified by the director of the Danish National Giro. To solve these problems, Giro has set up a joint enterprise with Olivetti. The Post and Telegraph Company will inject two thirds of the total capital (DKR 4.5m) for the company of 10–15 employees, rising to 50 in some four years. The agreement covers development of software for own purposes and sale in Denmark and abroad. In 1987 P&T contracted Olivetti to deliver 2 200 terminals.²

The second Danish TV channel (TV2) started on 1 October — not without problems: news was broadcast at

the same time as the first channel (DR), which had to be changed. Partly financed by commercials and partly by a grant, politicians have warned TV2 not to expect any extra money.

7. Transport

After pilot testing in four places, the Danish Road Safety Office is introducing, from spring 1989, 22 highway kiosks with touch screens providing a wide variety of information on weather conditions, ferry services, etc. The system, which should result in a laser disc pylon, will be extended later to seven service stations. Delivered by Vicom, the system is part-financed by video screen commercials. Each pylon is equipped with a PC and a laser disc in addition to a telephone, a printer and a Dan-card terminal and connected to the DR's text-TV. The phone can be used for ordering tickets. A map can be printed. Vicom plans to provide a picture database of hotels and views. Free in the test period, the pylons will subsequently be provided with a coin box to supplement the Dan-card terminal.³

The idea of putting DKR 5m (ECU 0.7m) on the Danish finance bill for a national database for tracing stolen bicycles (increasing by 10% annually) has been rejected by the minister.⁴ Another approach is being developed by Denmark's largest cycle lock firm: hiding an indestructible, unfakable DKR 100 transponder in every bicycle which could inform any policeman whether the bicycle in question has been stolen.⁵

8. Software

Revenues of the UK's 300 largest computing services' companies rose threefold between 1982 and 1988 to UKL 2.25bn (ECU 3.21bn), with staff doubling in the same period to almost 49 000 by mid-1988. 1987 saw an unusually high

activity in terms of acquisitions as firms try to reach the critical mass needed to create financial stability and the breadth of skills needed to become systems integrators. The result is that 11 companies have more than 1 000 staff.⁶

9. Others

A 'Military electronics circle' has been established in Spain to link users and producers. An October conference examined the future of arms programmes and the restructuring of the electronics sector. The relatively low quality of Spanish output caused concern to be expressed that international cooperation has serious negative effects on Spanish firms.⁷

The computerization of 90 million pages of Spain's 'General Archives of the Indies' has begun.

The Barcelona Polytechnic University has started a project to enable the blind to perceive their surroundings by means of a CCD TV camera.⁸

Jydsk Telefon has invented a 'fingerprint reader'.⁹

From 1988 the Tourist Council has been running Dandata, which provides 'everything worth knowing' for a tourist in Denmark. It has now started a tourist information and booking system to link foreign travel agencies with Danish tourist 'products' (including the smallest inn) to make Denmark a bit more attractive for foreign travel agents, who use IT much more.

¹ *Cinco Dias*, 23. 8. 1988, 9. 9. 1988, 7. 10. 1988.

² *Berlingske Tidende*, 8. 11. 1988.

³ *Computerworld*, 30. 9. 1988.

⁴ *Politiken*, 14. 11. 1988.

⁵ *Det Fri Aktuelt*, 13. 9. 1988.

⁶ *1988 Annual Report*, Computer Services Association.

⁷ *El País*, 23. 10. 1988.

⁸ *El Independiente*, 21. 10. 1988.

⁹ *Politiken*, 16. 10. 1988.

Equal treatment for men and women

Actions and guidelines

IRIS — The new Community network of demonstration projects on vocational training for women

Introduction

The concept of networking as between the Member States of the European Community has, in recent years, proved to be a very useful mechanism for the promotion of economic and social change. European networks provide Member States with the means by which they can share experiences with other States, identify best practices and obstacles which need to be overcome, and thus contribute to the development of national policies at the grassroots level. Examples of European Commission-funded networks which are already functioning are the EuroTecNet network, which is a network of demonstration projects on vocational training measures related to the introduction of new technologies, and the new Petra network of projects dealing with the training and preparation of young people for adult and working life.

IRIS — the new Community network of demonstration projects on vocational training for women — is a new initiative being sponsored by the European Commission which is designed to avail of the proven benefits of networking as demonstrated hitherto in the experience obtained to date, notably from EuroTecNet. Its major significance, moreover, lies in the fact that it is the first example of a women-specific European Community network of demonstration projects and also that its activities will continue up to and including 1992. It has, therefore, an important symbolic significance for the women of Europe in that it demonstrates a commitment on the part of the European Commission to include women's concerns in the lead up to 1992 and to ensure that women benefit from the economic and social benefits which are expected to accrue from the 1992 process.

The new IRIS network was formally launched by Mr Manuel Marín, Vice-President of the European Commission and Commissioner for Employment, Social Affairs and Education at a European seminar which was held in Brussels on 12 and 13 December 1988, for this purpose.

Commission Recommendation on vocational training for women

The starting point for any discussion on the question of access by women to vocational training in the European Community is Directive 76/207/EEC of 9 February 1976, on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion and working conditions. Article 4 of that Directive refers to the application of the principle of equal treatment with regard to access 'to all types and all levels of vocational guidance, vocational training, advanced vocational training and re-training'. Clearly therefore, it places an obligation on Member States to guarantee access by women not just to vocational training on a quan-

titative basis, but also to such training on a qualitative basis.

However, a full 12 years after the adoption of the 1976 Directive, women's access to all types and all levels of vocational training is not yet a reality in practice. Various research and studies which have been carried out on behalf of the Commission indicate clearly that there still exists a sexual segregation in the labour market, with a marked underrepresentation of women in the higher levels of the occupational hierarchy and a concentration of women's employment in certain sectors, especially the tertiary sector such as services, education, health, banking, insurance, the public services, etc.

It was in recognition of the continued existence of the sexual segregation in the labour markets of all Member States that the Commission's Service for action concerning employment and equality for women had a Commission Communication on vocational training for women published in April 1987. This Communication set out the problems involved for women in seeking access to all types and all levels of vocational training, and suggested action to be taken in order to redress past imbalances in women's access to, and security within, the labour market. The strategies contained in this Communication were subsequently endorsed at the highest political level when, on 20 May 1987, the Council of Social Affairs Ministers adopted conclusions which were supportive of these strategies. The Council stressed its interest in guidelines for action which would facilitate women's access to all types and all levels of vocational training.

The Commission responded immediately to the Council's call for guidelines for action by drafting a Recommendation on vocational training for women which was adopted by the Commission on 24 November 1987. It must be emphasized in this context that this Recommendation is addressed directly to the Member States and that it calls upon these States to take further action in order to meet the obligations which have been placed upon them since the adoption of the 1976 employment equality Di-



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rective already referred to. Among the actions which are recommended to the Member States are:

- (i) the integration of national training arrangements for women within a broader process of cooperation between all the parties concerned (education and training authorities, both sides of industry, etc.);
- (ii) the staffing of guidance, training and placement services with persons qualified to deal with the specific problems of women;
- (iii) the taking of specific measures to increase the awareness of instructors;
- (iv) the development of awareness and information measures so as to offer women and those around them images of women engaged in non-traditional activities, particularly those related to occupations of the future;

- (v) the encouragement of greater participation by girls in the various initial vocational training systems outside the education system, especially apprenticeships;
- (vi) the promotion of women's participation in continuous training; and
- (vii) the provision of specific courses for certain categories of women, particularly underprivileged women returning to work after an interruption.

An important feature of this Recommendation is that Article 3 of the instrument obliges Member States to inform the Commission, within three years of the date of the adoption of the Recommendation — namely, by the end of 1990 — of the measures taken by them to give effect to it, in order to allow the Commission to draw up a report on all such measures.

Follow up to the Commission Recommendation: IRIS

It is hoped that the obligation on Member States to report to the Commission on measures taken by them in response to the Commission Recommendation will prompt all Member States to make specific and sustained interventions, on both a quantitative and qualitative basis, with regard to access for women to vocational training in their countries.

In order to assist Member States to extend their activities in this area, the European Commission has now taken the IRIS initiative. IRIS is designed to complement the activities to be taken by Member States in response to the Commission Recommendation. Its objective is to clearly illustrate to Member States that there are already a range of good

examples of vocational training projects for women; that these projects are providing confidence and skills for women of varying backgrounds; that they are providing committed and qualified female workers for the Community's labour market; and that the relevant authorities in the Member States should draw from the experiences gained in these projects in order to refine, improve and expand their vocational training provision for their female citizens.

The IRIS network of demonstration projects on vocational training for women will operate at a number of levels. In the first instance, a Working Group on Vocational Training for Women, which is comprised of representatives from the national training agencies and the national equality commissions of the Member States, will oversee the activities of the IRIS network as a whole in the period up to 1992. Their role will be two-fold: to report on the vocational training initiatives which are being taken in the Member States in response to the Commission Recommendation on vocational training for women, and to make suggestions for increasing and, where appropriate, replacing projects within the IRIS network.

Secondly, the management of the network on a day-to-day basis will be undertaken on behalf of the European Commission by CREW, the Centre for

Research on European Women, who can be contacted at 38 rue Stévin, 1040 Brussels, Belgium (telephone 02/230.51.58). The primary responsibility of CREW will be to ensure the dynamic nature of the IRIS network, by means of the arrangement of exchange visits between the projects themselves across the Member States, with appropriate evaluation reports; the organization of national seminars in which national policymakers will have the opportunity to meet women trainees from the IRIS projects and those involved in the promotion of equal opportunities policies, with a view to devising national strategies to improve women's access to vocational training; the establishment and updating of a data bank on vocational training practices in the Member States; publication of regular information bulletins and of a skills message board; updating of the IRIS Directory for projects within the network; and dealing with queries from the Member States on an ongoing basis.

Finally, and perhaps most importantly of all, the IRIS network will operate with most effect in the actual networking mechanism which is the key feature of the initiative — the contacts and experiences gained from exchange visits, the use of the knowledge obtained to influence changes in national vocational training strategies, and the wide dissemination to employers of the skills

which are being obtained by women in the projects within IRIS.

The challenge of 1992

As has already been mentioned, the main significance of the IRIS network is that it is the first such women-specific initiative in the European Community and that it is linked to the completion of the internal market in 1992. It is, therefore, a particularly timely initiative on behalf of the women of Europe, because the enormous economic and social forces which are now combining to create a single internal market demand that labour market strategies for the future must be alive to the overriding need for the Community's economies to make the best use of their human resources, regardless of gender. That is the clear message which is increasingly emerging in the lead up to 1992 and it is imperative that all the actors in the equation — national policymakers, training agencies, employers and trade unions — should respond to the demands of this message. IRIS represents an attempt on the part of the European Commission to disseminate that message, and its success or otherwise in doing so over the next four years will have a significant impact on the Community's overall preparations in the lead up to 1992.

Free movement — Social protection and living conditions

Actions and guidelines

Proposals for the consolidation of the right of free movement for itinerant workers

More than 20 years have passed since the adoption of Council Regulation (EEC) No 1612/68 on the free movement for workers within the Community,¹ and Council Directive 68/360/EEC on the abolition of restrictions on movement and residence within the Community for workers of Member States and members of their family within the Community.¹ During this time, changes and developments have taken place, which have compelled the Commission of the European Communities to submit proposals for a revision of said regulations governing freedom of movement.

Not only have the previous economic and social conditions in the Member States undergone considerable changes as Community regulations granting the right of free movement for workers were acquiring concrete form, and consequently giving rise to an increasing need for social protection, particularly for itinerant workers, but also, a comprehensive jurisdiction of the European Court of Justice on the interpretation and implementation of regulations governing the freedom of movement was issued, which partly has to be seen as an expanding development of the right of freedom of movement laid down in Article 48 of the EEC Treaty. Practical experience with the application of the provisions of Regulation (EEC) No 1612/68 as well as Directive 68/360/EEC, has moreover led the Commission to become aware that in parts the provisions contain loopholes as regards the social protection of (itinerant) workers and members of their families.

Within the framework of numerous efforts on the part of the Member States during the 1980s for a new economic impulse, it became apparent that they had the political will, among other things, to initiate greater integration of itinerant workers in the societies of the host countries, as well as to introduce the related requisite improvements of the legal position of itinerant workers and members of their families. The Commission subsequently took up the issue of the removal of barriers which actually still hindered the free movement of workers in the objectives of the White Paper on the completion of the internal market of the Community by 1992.² Moreover, the formulation of Article 8a, inserted in the EEC Treaty through the Single European Act³ makes it clear that the single market projected for 1992 cannot be considered only from economic perspectives, but has an individual dimension as well, one geared at the creation of a 'Europe of citizens,'⁴ within which an essentially more comprehensive meaning would be attributed to the concept of the freedom of movement, than is still the case at present.

In consideration of these real and legal circumstances, the proposals for

amendment by the Commission aim essentially: (a) to widen the circle of persons eligible to immigrate and to bolster their legal position; (b) to strengthen the principle of equal treatment of nationals and itinerant workers from Member States of the Community; (c) to improve the right of residence of those itinerant workers in the host country who either become unemployed or are employed for only a short period; and (d) to include in the scope of application of protection provisions of Council Regulation (EEC) No 1612/68 workers who are dispatched to third States. These proposals for amendment will be explained in more detail hereunder. In so far as the Reform of the provisions in Part II of Council Regulation (EEC) No 1612/68 on cooperation among the Member States in the field of procurement of employment is concerned, the Commission will present its reflections at a later time.

Family reunion

According to the current legal position, itinerant workers employed in one Member State can, irrespective of their nationality, be joined by their spouse and relatives in the descending line, provided they have not yet reached 21 years of age or that their maintenance is guaranteed, as well as both relatives in the ascending line on condition of actual guarantee of maintenance. With respect to both the individual dimension provided for the completion of the single market by 1992 and also as a bolstered guarantee of the free development of the worker's personality in future, this restriction of the circle of persons entitled to immigrate appears no longer justifiable.

¹ OJ 257, 19. 10. 1968.

² See COM(85) 310 final.

³ OJ L 169, 29. 7. 1987.

⁴ See *Bulletin of the European Communities*, Supplement 7/85.

The right to take up residence by joining an itinerant worker, therefore, should in future be extended, without further conditions, to all his relatives and those of his spouse in the ascending and descending line. Moreover, the circle of persons entitled to immigrate should be extended to all relatives of the itinerant worker and his spouse in the lateral line, provided their maintenance is actually guaranteed, or those who, in the country of origin, live with the worker or his spouse in joint household.

It is worth mentioning in this connection, the suggestion to strike out and not replace the stipulation of Article 10, Paragraph 3 of Regulation (EEC) No 1612/68, according to which the right of family reunion is made contingent on the requirement that the itinerant worker dispose of suitable accommodation for his family in the host country. In consideration of positive changes which have taken place since the regulation was enacted in 1968, such a requirement will in future no longer be maintainable.

In the event of termination of marriage with the itinerant worker or his death, the legal position in force does not permit the divorced spouse or the surviving dependants, who are not nationals of one of the Member States of the Community, to remain in the host country. In order to counter social hardships and moral considerations resulting therefrom, there are plans to supplement the relevant provisions of Regulation (EEC) No 1612/68, so that in the event of termination of marriage with an itinerant worker or his death, the divorced spouse or surviving dependants who are nationals of a third country, including their dependants, have the right to continued individual access to the labour market of the host country and also a right of residence. Such a change would take into account the jurisdiction of the European Court of Justice on the question of the legal position of spouses of itinerant workers,¹ the continuation whereof, however, runs against limits drawn by the provisions of Regulation (EEC) No 1612/68 in force. An opening in this direction would be both necessary and desirable.

The principle of equal treatment

A series of difficulties is still encountered with respect to the equal treatment of itinerant workers and members of their family and nationals of the host country. If these difficulties are to be ironed out, either points of departure will have to be found in the jurisdiction of the European Court of Justice, or new paths will have to be explored for that purpose.

The right of equal treatment in the accordance of social and tax allowances for itinerant workers is often unrealized, since the pertinent legal and administrative provisions of the host country link the accordance of benefits to preconditions which can only be fulfilled on the national territory of the host country in question. Thus, for example, certain tax benefits for the accordance of allowances for dependent children are made contingent on the children being actually brought up in the national territory of the host country. Also, contributions within the framework of social security systems or the setting up of a private old-age pension insurance are deductible from the itinerant worker's taxable income in the host country, only if the financial disbursements are made to institutions or insurance companies which are active on the national territory of said host country.

Such a limitation of the principle of equal treatment, especially in consideration of the jurisdiction of the European Court of Justice on the question of the extension of national legal provisions relative to maintaining one's job for the completion of military service also to itinerant workers who are called to serve in their home country,² will no longer be acceptable in future. Rather, a new provision should be inserted in Regulation (EEC) No 1612/68 to secure that the consideration of the presence of legal definitions of entitlement be valid throughout the Member States regardless of the place where they are actually fulfilled.

The principle of equal treatment in the accordance of social benefits, as

laid down for itinerant workers in Article 7, Paragraph 2 of Regulation (EEC) No 1612/68, is valid, according to the jurisdiction of the European Court of Justice to the same extent, without distinction, for those persons who have exercised their right to take up residence by joining the itinerant worker.³ This should not only promote the reunion of the itinerant worker's family in the host country, but at the same time counter negative repercussions on the fundamental claim to the right of freedom of movement. Consequently it is only understandable that a new formulation of Article 12 of Regulation (EEC) No 1612/68, will propose that this jurisdiction of the European Court of Justice be laid down legally. In addition, it should also be established that the principle of equal treatment will be applicable without distinction as to the position within the family, especially with regard to participation in general education as well as apprenticeship and vocational training programmes, whether or not at university level. In the interest of as complete an integration as possible of the members of the worker's family in the social and economic context of the host country, the Member States should finally undertake such efforts as to enable this circle of persons to take part in educational opportunities under the best possible conditions, and to take appropriate measures to simplify education-related formalities.

Furthermore, clarifications as to the scope of the equal treatment of itinerant workers and nationals appear necessary in Article 5 of Regulation (EEC) No 1612/68, in so far as the accordance of national assistance for the promotion of the mobility of workers both within a Member State, or between two Member States, and Member States and third countries are concerned, and in Article 9 of the Regulation, as regards financing and subsidy possibilities available to nationals for housing.

¹ See Cases 267/83 (*Diatta*), 59/58 (*Reed*).

² See Case 15/69 (*Ugliola*).

³ See Cases 32/75 (*Christini*), 63/70 (*Inzirillo*), 157/84 (*Frascoigna*), 94/84 (*Deak*).

Obligation to intervene

The equal treatment of itinerant workers and members of their family with the nationals of the host country does not apply only to the national authorities, but is to be observed by non-governmental bodies and private individuals as well. In order to secure and to explain the obligation of the Member States — as established by Community legislation — to comply with the principle of equal treatment in the non-governmental sector as well, a new provision should be inserted in Regulation (EEC) No 1612/68, which will, on the one hand refer to the Treaty obligation of the Member States, and on the other accord them the possibility to provide national legal regulations to deal with offences against the principle of equal treatment.

Right of residence in the host country

In order to secure a successful integration of the itinerant worker and his family in the society of the host country, the strengthening the legal position of this circle of persons as regards their right of residence in the host country is an indispensable precondition. It should, as the Community sees it, be fulfilled by means of four proposals.

First of all, the automatic renewal of the proof of the right of residence in the host country, as established in Article 6, Paragraph 1 of Directive 68/360/EEC (in future, a document entitled 'Residence permit for a national of a Member State of the EEC'), will no longer be for only five years, but for 10 each time.

Then, in addition to the terms already laid down in Article 2, Paragraph 6 of the Directive, which do not permit an infringement of the itinerant worker's right of residence or that of members of his family residing with him in the host country, other closely related social reasons for the interruption of residence in the host country, i. e. for medical reasons, on account of a pregnancy, the execution of a study or because the

worker has been dispatched to another country, shall not impair his right of residence.

Since, due to Article 6, Paragraph 3 of Directive 68/360/EEC, particular problems related to the right of residence for itinerant workers employed for a limited time arise at present, which even if several consecutive short-term jobs should result in employment and residence for several years in the host country, those itinerant workers precluded by the legal position in force from the right to a residence permit for five years. This situation should in future be countered by making such a five-year residence permit obtainable if the itinerant worker has a total time of employment of at least a year in the host country, and can prove a minimum residence period of 18 months in the host country. Itinerant workers who do not fulfil these requirements, but who are eligible for unemployment benefits due to a lack of a new (short-term) employment, should, through the insertion of a new Paragraph 4 in Article 6 of Directive 68/360/EEC, be entitled, at least for the period up to the expiry of these benefits, to a right of residence in the host country.

A corresponding problem arises for itinerant workers who upon the expiry of their first residence permit are unemployed, and consequently, by virtue of Article 7, Paragraph 2 of Directive 68/360/EEC, their right of residence can be limited to 12 months. After the expiry of this renewal period, the Member State, barring an explicit regulation to the contrary, can arrange for the expulsion of those foreign workers who might still be unemployed and drawing on public social security benefits, or grant a further renewal of the residence permit at their discretion. This legal position means considerable social and legal problems for the foreign worker and his family, especially for those who have resided in the host country for at least six years, and as consequence have established considerable links with it. A solution to this problem position can only be found if the renewal of the foreign worker's residence in such cases is governed by the general rules as laid

down in the newly drafted Article 6 of Directive 68/360/EEC.

Moreover, a series of proposals for the amendment of individual provisions of Directive 68/360/EEC have been submitted, and presented as a consequence of the intended amendments of Regulation (EEC) No 1612/68; consequently this issue will not be examined any further. Reference however should be made to the intended adaptation of Article 5 of the Directive at the wording of Article 5, Paragraph 1 of Directive 64/221/EEC,¹ which aims to remove burdensome and time-consuming national administrative procedures.

Dispatched workers

The European Court of Justice has laid down in several decisions² that the applicability of Community law as regards the freedom of movement of workers is to be considered independent of the place where the worker actually performs his work. This means, among other things, that an activity outside the territory of the Community in a third State is covered by Article 48 of the EEC Treaty and the provisions of Regulation (EEC) No 1612/68, provided that the employment of the worker from a Member State is related sufficiently close to the territory of the Community. This requirement can therefore be fulfilled when the worker has concluded a working relationship with an employer from another Member State than that of his origin, that he subscribes to the social security system of the employer's Member State, and when sent to a third country, he exercises his activity on behalf of the employer domiciled on the territory of the Community.

¹ Council Directive of 25 February 1964 on the coordination of special measures relating to the movement and residence of foreign nationals, justified on grounds of public policy, public security or public health, OJ 56, 4. 4. 1964.

² See Cases 63/74 (*Walgrave*), 87/76 (*Bozzone*), 150/79 (*Commission v Belgium*), 273/83 (*Prodest*).

In order to explain this existing legal position, two new provisions should be inserted to Regulation (EEC) No 1612/68, which will lead to the clarification that the provisions of Part II of Regulation (EEC) No 1612/68 relative to employment and the equal treatment apply also to a worker who is dispatched on behalf of an employer established in Community territory within the territory of the Community or a third country, and will also secure that the le-

gal position relative to — by virtue of Regulation (EEC) No 1612/68 — the right of residence in the host country of the dispatched worker and members of his family, will not be impaired during the period of his mission abroad.

Conclusion

The proposals presented briefly above for the revision of Regulation

(EEC) No 1612/68 and Directive 68/360/EEC present an important step towards the consolidation of the right of free movement within the Community for workers of Member States and their families. Concurrently, they explore a path to a more comprehensive understanding of freedom of movement in a European Community featuring the completion of a single market.

Jörg Volker Ketelsen

Improvement of national protection in the field of social security in the light of the coordination of Community law

On 10 October 1988, the Commission presented to the Council a proposal for a Council Regulation (EEC) on the amendment of Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, self-employed persons and to members of their families moving within the Community, and of Regulation (EEC) No 574/72 on the implementation of Regulation (EEC) No 1408/71.¹ This proposal for a regulation takes up the changes which have taken place since the last amendment of Regulations (EEC) Nos 1408/71 and 547/72 relative to the extension of their applicability to self-employed persons² as well as changes which have occurred due to the accession of the Kingdom of Spain and the Republic of Portugal,³ and introduces them in Regulations (EEC) Nos 1408/71 and 547/72 in their wording of Regulation (EEC) No 2001/83. As a result, in addition to changes of a purely administrative nature, such as those in the designation of the responsible bodies of the Member States, these concern settling problems which arise in practice as a result of the application of individual provisions of the regulations, including the removal of regulation loopholes, and finally the protection of the rights of foreign workers with regard to changes implemented in the legal provisions of the Member States relative to the social security systems.

This last aspect of the proposal for a regulation deserves more in-depth consideration, because it concerns a general problem of the coordination of national social security systems at the Community level. In order to explain the problem as it stands, one has to realize that regulations enacted by virtue of Article 51 of the EEC Treaty have created no independent system of social security in the sense of a harmonization of widely different social security systems of the Member States. Rather, their objective is to secure the cooperation of national social security systems in situations with transnational implications through coordination, all in the interest of an effective guarantee of the right of free movement. This basic concern of Community regulations on the social security of foreign workers has already been described very vividly by the Court of Justice in a 1967 decision:

'The regulations have introduced no Community system of social security which guarantees a uniform right to benefits by a recipient; nor have they made it necessary to establish individual rights to pensions in all Member States; rather, they have allowed independent systems to exist, on the basis of which independent claims for benefits are introduced against independent insurance bodies against which the benefit recipient has direct claims by virtue of national legal provisions — either alone or if necessary in connection with Community law.⁴

It follows from this, that even after the Community coordination rules in the form of regulations on the extension of social security schemes to employed and self-employed persons and to members of their families moving within the Community, national systems of social security benefits remain in force essentially unchanged. A few exceptions notwithstanding,⁵ Community regulations consequently do not create new rights to benefits nor do they remove existing ones. The Member States retain their authority, as before, to regulate their social security legislation as they see fit. They can introduce additional rights, expand or reduce existing ones,

or make entitlement thereof entirely contingent on complicating preconditions.

Nevertheless, the Community regulations do set a stop line for national legislators on social security, in that, according to Article 189, Paragraph 2 of the EEC Treaty, they create legislation that is immediately effective in all Member States, while their provisions take precedence over conflicting national law. Once Community regulations have come into effect, national law can be applied only to the extent where it does not conflict with Community law. This means above all, that the national social security legislation in force must take into account the particularities of workers moving within the Community. The Community law has created corresponding handicaps with the regulations on the social security of foreign workers, the effects of which are felt not only on existing national law, but have repercussions on new national legislation. On the basis of the objectives of Article 51 of the EEC Treaty, three basic orientations emerge, which have to be acknowledged as a minimum standard guaranteed by Community law:

- (i) Consequential and unconditional application of the addition of previous periods of insurance and employment in the Member States, relative to the acquisition, maintenance and reinstatement of rights against social security bodies.

¹ COM (88) 538 final.

² Council Regulations (EEC) Nos 1660/85 and 1661/85 of the Council; Commission Regulation (EEC) No 513/86; Council Regulation (EEC) No 3811/86.

³ See the Act on the Conditions for the Accession of the Kingdom of Spain and the Republic of Portugal, and the adaptations of the Treaty, OJ L 302, 15. 11. 1985, pp. 23 ff.

⁴ Case 9/67, *Colditz v Caisse d'assurance de Paris*, Summary (of leading cases and decisions) [1967] ECR 307, on Regulation No 3; corresponding explanations are to be found in Regulation (EEC) No 1408/71 in Case 100/78, *Rossi v Caisse de compensation*, Summary [1979] ECR 831; Decision 807/79, *Gravina v LVA Schwaben*, Summary [1979] ECR 2205; Decision 733/79, *Laterza v Caisse de compensation*, Summary [1980] ECR 1916.

⁵ See Articles 28, Par. 1; 62, Par. 1; 66 and 69, Par. 2 of Regulation (EEC) No 1408/71.

- (ii) Strict observance of the export of benefits, whereby certain rights to social security benefits are granted also in cases where the individual entitled to such benefits has taken up residence in another Member State. A worker's change of residence within the Community should not lead to any loss of rights to social security benefits, especially in cases where the nationals of a Member State receive a certain benefit only if they reside in their own country.
- (iii) Equal treatment of workers, self-employed individuals and their family as regards benefits and allowances arising from local legal provisions on social security available to the nationals of the country of employment or residence.

The tense relationship that results due, on the one hand, to the extensive freedom of action national legislators enjoy, and to the guarantee of the principle orientations of the coordination of Community law on the other, must constantly be defused in the creation and application of new social security legislation. There are basically two ways to go about this: first of all, when creating new legal provisions, national legislators should already be required to take into account the repercussions of the new legislation on social security benefits guaranteed by Community law, especially their effect on the rights and interests of workers from other Member States and the assimilation of peculiarities conditioned by their situation. In practice, however, this occurs only in exceptional cases. By maintaining independent national social legislation and given the extensive freedom of action of national legislators as before, new national regulations remain deeply entrenched in the tradition of the Member States and the principle of territoriality. The debate on the consequences of new national regulations on Community law — which is desirable even at the national level, never takes place; accordingly the grounds for national bills lack a reference to possible implications for Community law. From all appearances, the national legislator relies on and has

confidence in the coordination functions at the Community level, and does not consider it his primary task to take into account the particularities of workers from other Member States. For him it suffices to cover the need for national regulations, and apart from that to refer to the Community for coordination, on account of its legal form, i.e. as law immediately applicable in the Member States. In this way, the second path can be approached at the same time, where the rights and interests of foreign workers are guaranteed in the event of changes in the national system of social security benefits; namely, coordination at the Community level by supplementing or changing already existing Community regulations on social security. In so far as this is a question of general importance, it can be done through a new provision in the corresponding chapter of the Regulation; however, when it is a case of particularities in the application of legal provisions of a Member State, it is to be carried out with Annex VI¹ of Regulation (EEC) No 1408/71 prepared for that purpose.

The proposal for a regulation mentioned at the beginning, in so far as material changes of national systems of social security benefits are concerned, is the expression of the necessity for coordination at the Community level. In view of the absence of extensive guarantees of the rights and interests of workers moving within the Community in the framework of changes in national law, the rights of workers at the Community level must be guaranteed by amending and supplementing Regulation (EEC) No 1408/71. This means on the one hand, changes in the German legal provisions on disablement and physical disability pensions, and on the other a comprehensive reform of the Dutch legal provisions on sickness and old-age pension insurance. As a result of the changes that the German legal provisions on disablement and physical disability pensions have undergone since 1 January 1984, it was possible to guarantee these pensions for those insured, who had exercised an activity or employment with compulsory insurance for at least three years during the five years

prior to the date of the (occurrence of the) event insured against. The above-mentioned period of five years is extended by certain pension-related or children's education periods. In consideration of the territorial limits where the German legal provisions apply and also the absence of an explicit stipulation on the removal of the territoriality principle, the reference period can be extended only in cases where the said previous periods were exercised within the territory of the Federal Republic of Germany. This territorial limitation of the regulation is not compatible with the already mentioned basic principle of equal treatment of foreign workers and their families with regard to benefits and allowances resulting from the legal provisions of a Member State for its own nationals. Consequently, the proposal for regulation aims to insert a new provision under Title I of Regulation (EEC) No 1408/71, according to which, a Member State, the legal provisions of which require a certain period prior to the occurrence of the event insured against in order to be eligible for benefits and allowances and the possibility of an extension under certain conditions and circumstances, has to recognize corresponding conditions or circumstances for this extension in another Member State.² In the course of the reform of the Dutch sickness and old-age pension insurance system, adjustments were also required at Community law level for the protection of foreign workers. Since this had to do with particularities of Dutch legislation, it was done by amending and supplementing Annex VI of Regulation (EEC) No 1408/71. In the field of sickness insurance, it was necessary to secure the application of Articles 27—34 of Regulation (EEC) No 1408/71, according to which a series of additional benefits of the compulsory insurance have been supposed after the Dutch law on sickness insurance. In order to accord

¹ See Article 89 of Regulation (EEC) No 1408/71. Annex VI is entitled, 'Special provisions on the application of the legal regulations of certain Member States.'

² Article 1 of the Regulation proposal, which introduces a corresponding provision as Article 9a in Regulation (EEC) No 1408/71.

the protection of Dutch sickness insurance also in the national territory of another Member State as regards these care benefits as well, the proposal for a regulation stipulates that Regulation (EEC) No 1408/71 apply to these benefit recipients too. The field of the reform of old-age pension insurance concerns especially the laudable implementation social policy of equal treatment of men and women in an important area of social security. Nevertheless, the positive effects of the measures taken to this end, according to the corresponding Dutch regulations, are to be enjoyed only if both spouses reside in the Netherlands and are moreover covered by the insurance protection. Those cases, not rare in practice, where only one

spouse resides in the Netherlands, while the other resides in another Member State (border or seasonal workers come particularly to mind here), do not participate in these benefits. The proposed provisions create an equilibrium here to the extent that is permitted, for the spouse who resides in another Member State and the case where he himself is not insured in this Member State, namely that spouses are permitted to insure themselves freely according to the legal provisions of the AOW/AAW, and thus build up or expand their Dutch pension. As regards the new regulations on the establishment of the pension according to the AOW, the regulation proposal touches on provisions for remedying unfair situations, for which

the new Dutch legal provisions for those insured in the Netherlands, with spouses residing in another Member State can be applied.

In these material areas, but also in its more technical and administrative provisions, the proposal for a regulation of the Commission is a classic example both as to the indispensability of coordination by Community law and the methods used to this end. The question of course remains, whether it must always and in every case be left up to the Community legislator to render the positive effects of national legal changes in the field of social security favourable for foreign workers as well.

Dr Klaus-Dieter Borchardt

Helios: A new step towards integration and independent living for disabled people in the European Community

1. Difficulties of adoption

The Commission proposal, submitted to the Council on 24 July 1987, met with a largely favourable response from the European Parliament and the Economic and Social Committee. In December 1987, the unanimous agreement of all the Member States was obtained in the Council proceedings as regards fundamental political and legal matters, with the exception of a financial matter of a general nature, related to the adoption of the general Community budget. This reservation unfortunately prevented the activities from continuing uninterrupted at the end of the first quadrennial action programme on 1.12.1987. Fortunately, the Council Decision of 22 December 1987 extending the first programme until the adoption of the second programme was able to avoid the majority of the problems of continuity stemming from legal or financial considerations.

The Helios programme was finally approved by the Council on 18 April 1988.

2. The significance of the Helios programme

The object of the Helios programme is to provide, within a restricted budgetary context, a pragmatic response to the growing needs and new aspirations of disabled people with a view to the promotion of social and economic integration and independent living.

Over 30 million inhabitants of the European Community (that is, 10% of the population) suffer from a long-term physical or mental disability of a more or less serious nature. No significant decrease in these numbers is expected as the reduction of disabilities due to medical progress is more than offset by a number of other factors, such as high accident rates, a fall in infant mortality and increased life expectancy.

Furthermore, the needs and potential of the disabled population are changing to an increasing extent. National measures designed to encourage those who previously lived in residential

establishments to integrate into society are growing. Also, organizations set up on the basis of private initiative are rapidly developing with the aim of helping disabled people to acquire independence. Finally, the new technologies offer possibilities and a still largely unknown and untapped potential for learning, mobility, communication and adaptation to the environment.

Support structures for actions in favour of disabled people were originally set up by Member States many years ago. But, all too often, practical results are thwarted by economic constraints linked to the continuing crisis on the labour market. New physical measures are now called for if this phenomenon is not, in future, to result in the progressive erosion of the circumstances of disabled people, rather than the progressive achievement of the integration adopted in principle by all the national legislations in this field.

During the application of the first action programme from 1984 to 1987, the contribution of the European Community to these national efforts concentrated in particular on:

- (i) establishing exchanges of experiences between the Member States;
- (ii) supporting national activities through international experts offering motivating technical advice;
- (iii) coordinating and evaluating the activities.

The activities developed by the Community have lent a European dimension to actions undertaken in the Member States. Furthermore, the frequent exchanges of experience have made it possible to contribute to more economic and pragmatic results with a view to a more active and independent life for a large number of disabled people within the Community.

But the experience acquired, the results of studies, seminars and conferences as well as information obtained through dialogue with 'persons in the field' have revealed that the Community will not be able to pursue this path without a more political orientation supported by more specific and binding

legislation at Community level. Such a need was felt particularly in the following fields:

- (i) mobility and transport,
- (ii) accessibility to public buildings,
- (iii) adapted employment and housing,
- (iv) integration in schools,
- (v) the impact of new technologies on disabled people.

3. Political orientation

The Helios programme does not therefore only seek to pursue and expand upon activities undertaken over the last four years; its main aim is rather to establish the basis and the framework for a coherent and global policy by the European Community in favour of disabled people. In such a conception, all due account will be taken of national structures and achievements. This development towards Community legislation with a view to drawing most benefit from national efforts and achievements will be of capital importance for all disabled people in the Community. Such a coherent and global policy in favour of disabled people is without parallel anywhere else in the world.

4. Technical cooperation

The second objective of the Helios programme is to strengthen technical cooperation and improve coordination between various activities at Community level. This activity is aimed in particular at promoting innovation, facilitating the exchange of experiences and intensifying the diffusion of successful experiences.

(a) The Community network of centres and experiences regarding vocational training and readaptation

The network of vocational readaptation centres, which has existed since 1975, has demonstrated the importance of its work in the process of readapta-

tion and has obtained significant results. Readaptation is a complex and on-going process, covering several stages and interwoven elements: medical, functional, professional and social. Each stage requires a multidisciplinary approach to be provided by professional experts.

In the framework of the Helios programme, two priorities have been determined for the network restructuring.

- (i) A more balanced representation:
 - of the principal categories of disability and in particular of psychiatric or sensorial deficiencies;
 - of the principal stages of readaptation;
 - of the different regions and zones (town, rural, industrial, declining area, etc.) in each Member State.
- (ii) The obligation for each approved centre to effectively cooperate with other centres with which it is organically linked or which are working in similar fields (external network).

The Commission will call upon the governments of the Member States to recommend centres with a view to setting up the future network.

The programme of activities of the new network seeks to draw more benefit from the national experiences in a European context and to promote the transfer of successful experiences to other regions in the Community. The following means are envisaged in order to achieve these aims: group study visits, in-firm training courses, seminars and conferences.

(b) The networks of model local activities

The 19 district projects in the 12 Member States terminated at the end of the first programme on 31 December 1987. They generally proved a great success by providing pragmatic solutions to local problems. The Interact experts, contractually bound to the Commission, contributed greatly through their enthusiasm and advice and in the framework of the structures proposed to

develop the frequent successful transfers of experiences between the Member States.

The Helios programme confirms the importance of local innovations and the exchange of experiences at European level. In order to intensify the development of model local activities and better focus them on the principal tasks, three Community networks will be set up in the following fields with a total of 80 activities:

- (i) employment and vocational training and readaptation;
- (ii) social integration, environment for independent living as well as general coordination;
- (iii) integration in schools.

The governments of the Member States will be invited to suggest to the Commission local model activities to be adopted for the purposes of setting up the three networks. The main criteria for selection will be the representativeness of the different categories of disability, of the different regions of each Member State as well as local peculiarities.

The activities provided for by the Helios programme in the three networks are: an exchange of experiences, study visits, seminars for project leaders, European conferences, information and documentation measures. A team of international experts responsible for assisting the Commission in implementing the Helios programme will offer the local activities the benefit of their wide experience, advice, motivation and ability to evaluate the actions.

(c) Subsidizing activities outside European cooperation in non-governmental organizations (NGO)

The activity of thousands of NGOs within the Community, often managed by voluntary workers, has assumed increasing importance over recent years. The Helios programme accords them the same support. The Commission will, however, give preference to NGOs active at European level practising a policy of active involvement of disabled people.

This measure should make it possible to better coordinate the activities in the various fields, first of all at the national level and, subsequently, to target them more effectively *vis-à-vis* European solutions.

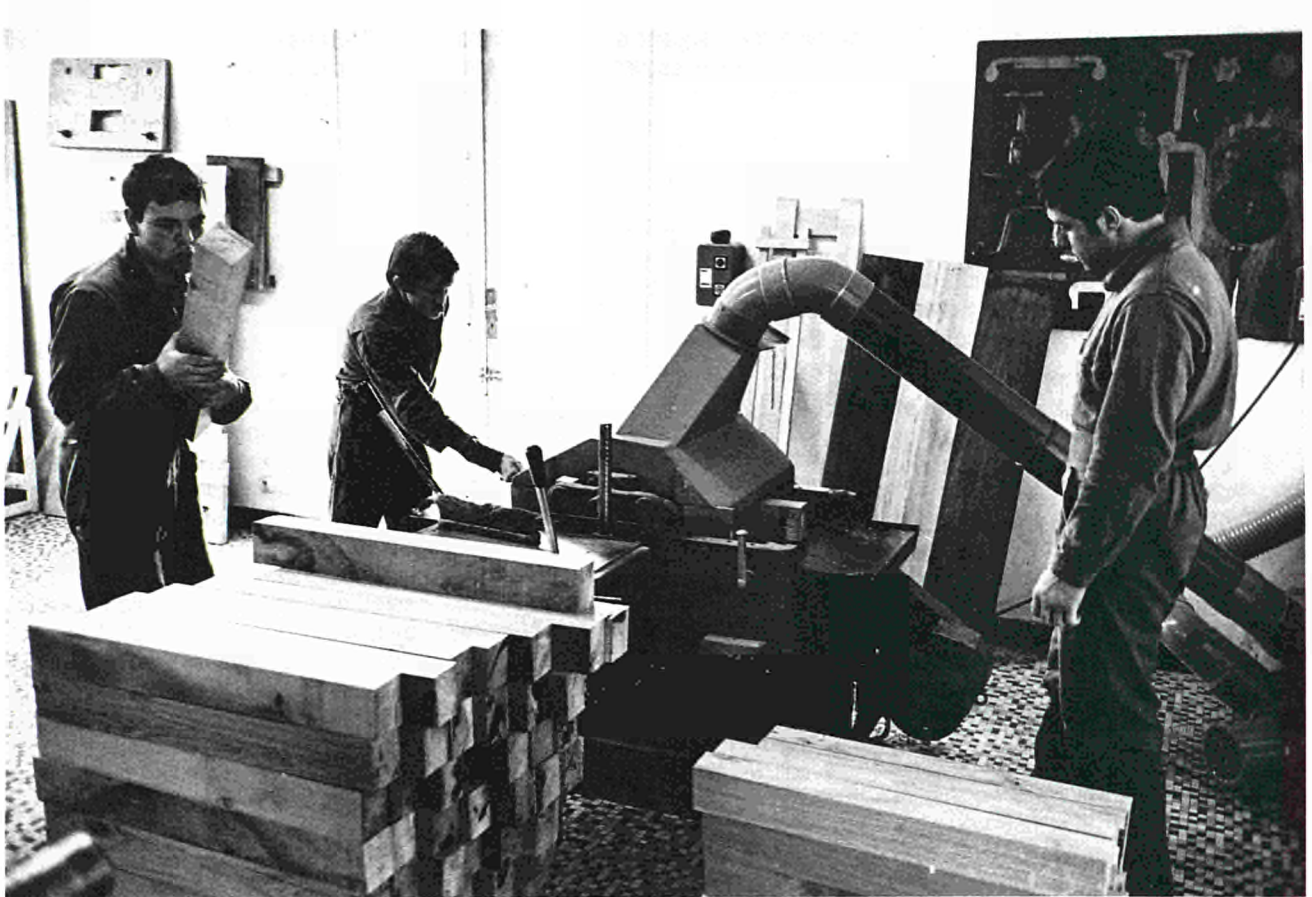
(d) Positive action to promote independent living

On the basis of the first action programme, the Commission subsidized certain pilot projects concerning adapted housing for disabled people 'with a view to identifying those experiences which merit application in the Community'. Despite the modest financial resources available, the projects subsidized revealed construction measures and needs which allow disabled people to live in an adapted environment as independently as possible. The Commission simultaneously gathered a wide range of elements necessary for drawing up a policy initiative in this field. This initiative will be based on a number of studies of successful experiences covering the greater part of the needs and different approaches as well as on the results of the seminars and conferences held on these matters.

Realizing this aim in the light of the budgetary restrictions obliges the Commission to better target its subsidies. Taking into account the fact that it is the Member States which bear the principal responsibility for social integration and the promotion of a form of independent living, the Commission's task is essentially to assist the Member States in cooperation at Community level in order to improve the efficiency of the measures they take in this field.

That is the reason why the Helios programme concentrates, in the framework of its budgetary limits, on promoting a number of model projects in the fields of mobility and transport, access to public buildings and adapted housing.

Furthermore, the Commission will in future concentrate its subsidies in this field on activities serving to reveal to interested parties within the Community certain achievements of a model nature



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with regard to adapted housing. A Community jury will be responsible for selecting proposals of most merit among those submitted by the Member States. Every year the Commission will award a number of prizes on the occasion of a conference-exhibition organized at Community level.

5. Information and documentation

Over recent years, the Commission has been building up an information system known as Handynet. This system is designed to provide those interested with information in all the Community languages on a great number of

problems encountered by disabled people.

The Helios programme provides for the continued development of this system, concentrating until 1989 on developing the Handy aids module.

On the basis of a Commission report on the development of the Handy aids module, the Commission will rule before 1990 on the continuation of the Handynet system after this date.

Furthermore, in the framework of the team of experts assisting the competent Commission department in implementing the Helios programme, a documentation and information sector will be set up. This sector will be responsible for circulating information in this field and satisfying the evident need for information.

A single review will inform interested parties of the different activities within the Member States and at Community level. An editorial committee composed of specialists in the field will pursue the aim of providing better quality information. The journal will be published quarterly with a total edition of over 100 000 in the nine Community languages.

This journal will replace the 'Journal of readaptation centres' as well as 'Interact-News'.

The documentation will be considerably expanded to satisfy the growing need for information which has become apparent over recent years. This sector will, in particular, be responsible for providing a better diffusion of the results of studies, seminars, conferences and congresses.

6. Involvement in decision-making

The Commission grants great importance to the involvement in the decision-making process of persons with an immediate interest, particularly representatives of disabled people or their families. This is why, in its initial proposal, it made provision to be assisted in its task of implementing the Helios programme by an Advisory Committee consisting of:

- (i) governmental experts,
- (ii) representatives of disabled people,
- (iii) representatives of the social partners.

This Commission proposal was modified in the Council proceedings and the Helios programme now provides for:

- (i) an Advisory Committee consisting solely of governmental experts;

- (ii) preceded by a liaison group consisting of:
 - 2 governmental experts per Member State,
 - 9 representatives of disabled people,
 - 2 representatives of the social partners.

These two bodies act in an advisory capacity with regard to the specific actions to be undertaken in the context of the Helios programme.

7. Conclusion

The main object of the Helios programme is to provide the framework with a view to establishing a policy for social and economic integration in favour of disabled people at Community level. On this basis, the Commission will initiate policy, notably by submitting legislative proposals concerning

measures to be taken with a view to overcoming obstacles to:

- (i) mobility,
- (ii) access to buildings,
- (iii) employment,
- (iv) integration in schools.

The implementation of these measures could make a considerable contribution to improving the conditions of the environment of disabled people on the road to independent living. Furthermore, important activities must be undertaken in the field of the development of new technologies in order to technically compensate for various disabilities.

However, the policy of integration of disabled people will only progress in so far as one does not dwell on the negative side of a disability. That is why it is necessary to avert public opinion as to the special values and capacities of disabled people.

Poverty: A new programme proposed by the European Commission

Introduction

In adopting, in December 1988, a Council Communication on the Medium-term programme for an economic and social integration of the least-favoured groups, the Commission is showing a willingness to continue the Community efforts in the fight against poverty. This programme forms part of the accompanying measures as provided for by the Commission, as a way of reinforcing economic and social cohesion within the Community, in its working document on *The social dimension of the internal market*.¹ The budget allocated to this new programme is ECU 70 million for a period of five years, that is, double the funds granted to the second Community programme for the fight against poverty, which received ECU 29 million for four years.²

1. Why a new Community programme?

Why continue specific Community efforts as regards poverty when the macroeconomic situation in the Community has been constantly improving since 1982, and when the prospects for 1992 and beyond appear very favourable?

Between 1982 and 1987, economic growth stood at between 2.5 and 3% per year, rising to 3.5% in 1988, i.e. the highest rate recorded since the 1970s. Employment also rose, by approximately 1% per year throughout the same period. According to the 1988/89 Annual Economic Report, growth is not expected to fall below 3.5% per year over the coming years. Employment could therefore increase at the rate of approximately 1.5% per year, unemployment consequently falling by one point per year as a percentage of the labour force.

One could have expected these favourable macroeconomic developments to significantly reduce the spread of poverty. However, this scarcely appears to have been the case, and the number of poor has, on the contrary, continued to rise over the last decade in the majority of the Member States.³ In other words, it is not sufficient for the situation of the economy as a whole to improve for poverty to disappear: it is still necessary for the excess wealth to be more evenly distributed and to benefit those regions and sectors of the population most in need.

As to the prospects offered by 1992, they appear very favourable in the long term for employment and the standard of living of the Community as a whole. Yet there is the danger of serious temporary difficulties being provoked for certain categories of people who could consequently be thrown into circumstances of poverty, and these difficulties will be increased in the regions which are inadequately equipped to benefit from the economic and social transformations which the single market will bring. History has shown that major changes in society, even if beneficial, engender

new forms of poverty; and over recent years it has already been possible to note the emergence of a 'new poverty' accompanying developments on the labour market, in family structure, and in systems of social protection.

It is therefore time to intensify a political consensus in order to develop solidarity within the Community. It is also time to define the preventive measures and the most appropriate remedies in the fight against poverty. And the problem is not as easy as one may think.

Studies have shown that in countries with a guaranteed minimum income, sometimes as many as half of those entitled to it fail to claim it. Furthermore, a relatively high minimum income, that is, one sufficient for access to resources considered as minimal in a society, is very difficult to finance and competes with minimum wages, with the possible risk of acting as a disincentive to take up paid employment and serving to draw people into the black economy. For all that, debates concerning remedies for poverty are not limited to the question of minimum income alone, and it must not be forgotten that poverty is of a multidimensional nature.

¹ 'The social dimension of the internal market', Commission working document, SEC(88) 1148 final, 14 September 1988.

² 'Specific Community action in the fight against poverty' was authorized by the Council Decision of 19. 12. 1984, modified on 22. 12. 1986, to take into account the membership of Spain and Portugal. This specific Community action is usually referred to as the 'second European programme in the fight against poverty'. The Commission submitted an interim report to the Council and the European Parliament describing the first results of this action (COM(88) 621 final, 28 November 1988).

³ The problems posed by the definition and measurement of poverty have not been resolved, and all that is therefore available are estimates based on the criteria of income alone and supported by statistical sources which are difficult to compare. Subject to all these reservations, it appears that, for the 12 present Member States of the Community, the number of persons with an income of less than half the equivalent income per head for their country has increased from 38 million in 1975 to 44 million in 1985. These figures are of indicative value only and cover situations which vary greatly from one country to another.

Poverty shows itself in an accumulation of deficiencies in education, housing, health, etc., which go beyond simple inadequacy of income to engender social exclusion, isolation and dependency. The fight against poverty cannot therefore be confined to providing material aid or guaranteeing resources. It requires a body of accompanying insertion measures, with a view to achieving lasting integration and therefore the mobilization of all the actors and all the institutions.

The Commission therefore deemed it necessary to pursue a specific Community action to stimulate and streamline the interventions and policies conducted at national level in favour of the most disadvantaged. That is the *raison d'être* of the new programme as proposed which is more ambitious than previous programmes by virtue of both its content and its means: this programme seeks to mobilize, in prototype experiences, local, regional, national and Community actors, combining their efforts in a multidimensional and partnership-based approach to poverty situations.

2. The new programme

The timetable

The second European programme in the fight against poverty is in its final stages, due for completion in November 1989. The Commission nevertheless considered that it could provide enough information, while still running, to define the orientations of a new programme, and that continuity in Community actions was a prime consideration: there had been four years between the first programme (1975/80) and the second (1984/89), such a prolonged interruption having had negative effects.

The process of Community decision-making means that several months have to be allowed for the Council to approve an action proposed by the Commission. The timetable adopted does, however, allow the desired continuity: if a favourable decision is adopted by the Council during the spring of 1989, the Commission could negotiate with the

competent national authorities on the choice of sites and experiences on the basis of a timetable which would permit the operational start up of the programme by the end of 1989.

The priorities

The new programme proposes to combine interventions-remedies and preventive strategies. The interventions-remedies aim to achieve the economic and social integration of persons in circumstances of great poverty, that is, the most disadvantaged among the least-favoured sectors of the population, those who live below the minimum levels of existence: these are undoubtedly the 'traditional' poor from before the crisis, but also those who have been thrown into poverty more recently, as a result of new mechanics of impoverishment, including for example long-term unemployed, single-parent families, workers with precarious or atypical occupations, etc. The preventive strategies concern those groups who are particularly at risk of impoverishment: in particular those who live in declining zones or underdeveloped regions; they also include populations living in the poor quarters of richer towns, that is, those situated in zones which the overall economic indicators would exclude from priority status for grants from the structural Funds, but where poverty remains a far from insignificant reality or risk.

Together with these interventions, the programme will continue to further investigate the mechanics of impoverishment.

The prototype experiences

The new programme is not purely and simply the renewal, along identical lines, of the second programme which is at present nearing completion: it seeks to be more ambitious and more coherent.

Essentially, the second European programme consists of a body of 91 local actions-studies, focused on intervention within specific target groups, such as single-parent families, the young unemployed, the long-term unemployed, the aged, immigrants of refugees, or

those living on the fringes of society; there are also action projects integrated in a rural or urban area, that is, projects defined in accordance with a territorial rationale rather than a target group rationale. The scale of these various local projects varies widely, but they are, as a whole, micro-projects or, to put it another way, specific 'laboratory experiments'.

The first observable results show that it is now possible to embark upon a new stage which would capitalize on the lessons of these laboratory experiences in order to undertake 'life-size' experiments, that is, the implementation of a small number of 'prototype experiences' which would be more ambitious and wide-ranging, sufficiently rooted in the local contexts to ensure the general mobilization of the actors and institutions.

The new programme corresponds to this stage of 'development': it proposes to produce organizational models for the economic and social integration of the least-favoured groups, designed for these groups as a whole in a particular territory and involving, in this perspective, all the actors in this territory (local bodies, public or private institutions, voluntary organizations, etc.). The development of these organizational models, possibly suitable for export, will be supported by the Community through direct financial support for the actions undertaken and activities aimed at promoting the European dimension and the transnational exchange of experiences.

In concrete terms, the selected prototype experiences will be limited in number. They will be conducted, for a given territory — district, borough, agglomeration or any zone which may be pertinent in the fight against poverty — by a committee of actors committed to working together with a view to development centred on the integration of the underprivileged. The prototype experiences will therefore reflect a rationale of partnership. The actions undertaken must implement the initiatives or measures originating at central level and regional or local level. They must therefore display a multidimensional approach to poverty, that is, simultaneously tackle

the most impoverished fields of integration as a whole.

The second programme, as we saw, focused its efforts on target groups, confirming that these groups do correspond to social categories exposed to poverty. It also revealed that such categorization did not necessarily guarantee optimal efficiency in so far as many problems are in fact common to several categories (economic insertion, or housing for example). This is why the new programme as proposed will endeavour to pick out the key questions or preoccupations which apply across the board to the various prototype experiences and to use these as a basis for organizing the prototype experiences. Some of these key questions have already been identified in the projects of the current programme, and they can be briefly

listed by way of example: first of all, vocational insertion, with the extension of unemployment and precarious statuses, and measures to be taken in the field of training and job creation; subsequently, the family dimension, with the forms of isolation encountered and the forms of support to be encouraged to avoid dependency on institutions; the system of social protection and social action, with the need for coordinated interventions, whether local or national, public or private; finally, local solidarities and the support to be provided for initiatives which seek to mobilize actors with a view to integrated local development.

Specific initiatives in favour of serious poverty

Although the prototype experiences lie at the centre of the new programme,

the Commission also intends to support initiatives of more limited scope but which address populations experiencing specific forms of social isolation and exclusion. These could be, for example, the homeless, who need to be offered, in addition to emergency housing, intermediary activities in preparation for economic reinsertion, or again solidarity networks facilitating access to social rights. It is obviously desirable for such actions to receive the support of all the institutions. It is particularly important for them to be conducted at the initiative of, or with the cooperation of, experienced voluntary organizations firmly rooted in the local fabric of the regions or boroughs concerned. The importance of such actions justifies the increase of Community aid where it may be difficult to obtain equivalent local or national financing.



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Improving our knowledge of poverty

Our knowledge of poverty remains insufficient, and it is therefore essential to continue with the work commenced in the course of the second programme, in cooperation with Eurostat, particularly in order to achieve a better assessment of poverty at Community level.

This certainly means developing, on the basis of statistical sources and comparable methodologies, the analysis of the income available to the most underprivileged. It also supposes a consideration of other — non-monetary — elements of poverty, and, finally, an investigation of the present mechanics of impoverishment. In this respect, the seminar organized by the Commission in April 1988 on the 'new poverty' demonstrated the need to fill all the present gaps in our information, especially in southern Europe.

Financing and organization

The minimum estimated amount required to implement the programme is ECU 70 million for a period of five years. This budget makes it possible to envisage Community support for around 30 prototype experiences and 15 specific initiatives, together with financing of studies aimed at deepening our knowledge and of organizational tasks concerning the programme as a whole.

The Commission will act as a development agent *vis-à-vis* the actors involved in the programme. In this perspective, it proposes to be directly involved in running a network of 'research and development units' — one per country or per group of countries — which will incorporate specialists in evaluation, coordination, organizational

development and communication. These units will assist and advise, at the technical level, the teams in the field on each prototype experience, and they will organize exchanges between the various programme experiences as well as the desired liaison with other initiatives, whether or not supported by the Community, in the various Member States. In so doing, they will help to establish the Community dimension of the programme and to reduce its scope.

The Commission will also, with the help of consultants, circulate results to specialists, decision-makers and the public. An advisory committee, consisting of government representatives from the Member States, will advise the Commission on implementing the programme.

Link with the structural Funds

The European Social Fund is required, in the framework of the reform of the Community structural Funds, to contribute to the achievement of five major objectives: the structural adjustment of underdeveloped regions; the reconversion of regions affected by industrial decline; the fight against long-term unemployment; the professional insertion of young people; the development of rural areas.

The achievement of these objectives constitutes an important safety net in avoiding the exclusion and impoverishment of certain zones or certain categories of people in difficulty.

Furthermore, the structural Funds can provide, by making available training, jobs, infrastructure and services, new opportunities for the development of poor zones and the least-favoured sectors of the population, in so far as

the criteria for eligibility and the orientations for the application of these objectives are respected.

Conclusion

The 'medium-term programme for the economic and social integration of the least-favoured groups' extends and expands the specific efforts developed in the course of the first two Community initiatives (1975/80; 1984/88). It contributes to the same process of supporting and stimulating actions undertaken in the various Member States. But it will not only be a crossroads for the exchange of knowledge and experiences: more ambitiously, it proposes to contribute to the creation of organizational models in the fight against poverty, rooted in the social fabric and involving a body of public and private partners. In this perspective, the functions assured at Community level will be direct aid to life-size experiments, animating a coordination network favouring the exchange of experiences, the promotion of innovations and the reduction of their effects, the continuous evaluation of the programme, and, finally, information and assistance for reflection and confrontation.

The Community will thereby help to strengthen economic and social cohesion, it being understood that this objective requires, in addition to the implementation of this specific programme, the overall coherence of all the Community actions with an effect on the living conditions of the least-favoured groups.

Dora Van Loo

Free movement — Social protection and living conditions

Analyses, debates, studies

Demographic transition¹ and an ageing population

What does the future hold for Europe?

At the beginning of December a symposium on *Population change and European society* was held in the peaceful surroundings of the Villa Schifanoia (Florence). At the invitation of the Commission of the European Communities and the European University Institute, some 20 international experts considered the demographic future of Europe and analysed the economic and social implications of the falling birth rate and the demographic ageing of the population.²

The meeting in Florence was not the first of its kind. In 1986, the University of Louvain under the auspices of the Chair Quételet, invited numerous specialists to examine the effects of ageing. Since then, meetings on this topic have followed at regular intervals, and many of these have been sponsored by the EEC Commission.³ Recent years have also seen a proliferation of publications on this subject.⁴ It seems that the general concern with growing old is now no longer the prerogative of scientists and that it is giving rise to increasing discussion in political circles. The demographic upheavals that Europe is experiencing at the end of this century will undoubtedly have repercussions in all economic, social and political areas.

On the basis of papers presented at the 'Futuribles' conference (Paris, 4 and 5 October 1988) and the Florence symposium, it seems appropriate to provide a rapid survey of the European demographic situation, underlining the problems and examining the solutions proposed by the experts.

1. From the first to the second demographic transition

In the course of the 19th century Europe experienced a first demographic transition. The fall in the death rates especially among infants, which was followed shortly afterwards by a decline in the birth rate, produced both a rejuvenation and a marked increase in the population. It now seems that we might be at the beginning of a second demographic transition, which would in some ways be a reverse image of the first (Loriaux, 1987). The continuing decline in the birth rate has led to a reversal of trends: now deaths are more numerous than births, resulting in the virtual stagnation of the total population, and threatening a decrease in the next few decades if replacement (births and immigration) does not offset the losses.

The recovery in the birth rate that occurred after the Second World War generally referred to as the 'baby-boom' represents the only break in this long process of declining fertility experienced by all European countries since the industrial revolution. This population 'boom' did not continue beyond 1965. From that time the birth rate fell even more dramatically throughout Europe.

In the Netherlands, the general fertility index fell from 3.0 children per woman to 1.7 between 1965 and 1975; in France, from 2.8 to 1.9; in the Federal Republic, from 2.5 to 1.5 and in the United Kingdom from 2.8 to 1.8. Spain, Italy and Portugal experienced an even sharper fall in their rates owing, in particular, to its later occurrence. From 1975 to 1985, the indices of these different countries fell respectively from 2.8 to 1.4, 2.2 to 1.4 and 2.6 to 1.7 (Van De Kaa, 1988). Since the beginning of the 1980s no Member State has managed to replace its population, with the exception of Ireland (where the 1986 index was 2.4 children/woman).

This rapid reduction since 1965 is remarkable not only because it occurred simultaneously in all Western and Eastern European countries, but above all because it affected every level of so-

ciety, irrespective of religion, social status and education, and regardless of national economic growth rates, the proportion of working women or unemployment levels.

The fall in the birth rate is not an isolated phenomenon, since it occurred along with such other relevant changes as the fall in the marriage rate, the longer time between marriage and the first child, and the increasing number of divorces (Calot, 1988; Segalen, 1988). 'Common-law' marriages also increased and the number of children born out of wedlock has risen considerably (25% in France and the United Kingdom in 1985 compared with 6% in 1960; 43% in Denmark; Calot, 1988).

This change in the birth, marriage and divorce rates has had significant repercussions on the formation and composition of households. Their average size has diminished during the last two decades and there has been a rapid increase in the number of households comprising just one person and of single-parent families (Parant, 1988; Van De Kaa, 1988).

¹ 'Demographic transition is generally defined as the passage from high birth- and death-rate populations to populations in which the levels of these variables are low', Loriaux, M. 'Will ageing Europe survive? A new transition and European demographic prospects', in *Wallonie* 87. No 83, 6, pp. 275-310.

² Demographic ageing is:

1. A process which is reflected by an increase in the proportion within a population.

2. The result of this process'. Paillat, Paul, 'The vocabulary of ageing: from concepts to remedies', in *Chaire Quételet 86: The elderly and the ageing population*, Louvain-La-Neuve, 6 to 10 October 1986.

³ *Demographic change in Europe and its socio-economic consequences*; this conference organized by the Centre for Policy Studies was held in Brussels from 30 March to 1 April 1987. Reference should also be made to the EEC symposium, *Ageing and the working population*, held in Brussels, on 7 and 8 September 1988 and the symposium on *Demographic ageing: trends, challenges and strategies*, organized by Futuribles International on 4 and 5 October 1988 in Paris.

⁴ Easterlin, Richard, A., 'Population and the European economy: Making mountains out of molehills?' in Symposium on population change and European society, provides a rapid survey of recent publications on the subject.

⁵ The general fertility index indicates the total number of children per woman.

The changes are equally marked in the case of mortality. 'While, at the end of the last century, the average life-span in Europe was between 40 and 50 years, with an infant mortality rate of 10 to 20% (...), life expectancy at birth is now well above 70 years, approaching — and sometimes even exceeding — 80 years for women; infant mortality is less than 1%' (Calot, 1988).

The greater life expectancy of women (six to seven years on average) as well as a substantial fall in the death rate among the very old has reinforced the imbalances within the category of old persons. This category — those aged 75 and over — is becoming numerically and proportionally more and more significant with women clearly in the majority (more than 2/3 in 1985).

In 1973, following the first oil crisis, there was a marked reduction in the high levels of immigration into Europe which had been characteristic of the 1960s. Currently, entry is restricted to certain categories of migrants, who are admitted either for humanitarian reasons or for the purpose of reuniting families. Moreover, the return of immigrants to their country of origin is actively encouraged (Lesthaeghe, 1988).

The combination of these different elements, the falling birth rate, the increase in life expectancy at birth and the reduction in the influx of immigrants, has had an impact on all social structures and, more particularly, on the age structure of the population. Europe is growing older, and even if this is happening slowly at present, one can detect the first signs in the age-bracket distribution of the population. The young, 0 to 14 years old, still constitute roughly 1/5 of the total population, and as much as 1/4 in the Iberian Peninsula and Ireland; people of 60 years and over represent around 17%. At the same time as this decrease in the proportion of young people and an increase in the number of older people, the proportion accounted for by the 15–60 age group, has stabilized and will even show a slight increase until 1990-2000 owing to the presence of the 'baby-boom' generations in this age bracket. It should be

remembered, however that this ageing of the population commenced earlier in some countries than in others. The Federal Republic of Germany, the United Kingdom and Denmark occupy the first three places in the league table of demographic ageing, with 20% of their populations already in the 60 and over category. United Nations, Eurostat and OECD projections indicate a convergence of this phenomenon in all the Member States around the year 2010. By that date, people aged 60 and over, of whom 30% will be older than 75, will on average account for more than 24% of the population of the Twelve compared with only 17% in the case of young people (see Table 1).

The changes in the working population seem less worrying than an examination of the changes in the overall population might lead one to believe; the numerical decline of the former will commence later than that of the latter. The availability of work will continue to rise until 1995 and thereafter remain constant until 2010. The increasing number of women in employment and the presence of the large post-war generations accounts for this stabilization. This trend will be reversed from 2010 when the first of these 'cohorts' reaches retirement age.

But what are the economical and social implications of this ageing of the European population?

2. The socio-economic implications of an ageing population

One of the major questions posed by the falling birth rate, zero population growth or population decline and demographic ageing concerns the consequences of these trends for long-term economic growth and their impact on social expenditure (pensions, education, health). What will the repercussions be on the job market and productivity?

A cursory examination of the distribution of social expenditure shows that this is essentially directed to certain age groups. Benefits and pensions are

mainly allocated to older age groups while family benefits are reserved more for young, as in the case of benefits linked to education. As regards jobs, expenditure is directed towards workers and the unemployed. Where health is concerned, it covers all age groups, but is generally higher for the old, the very young or women of child-bearing age.

One way of defining the impact of current demographic trends on social expenditure is to examine the ratio of the employed to the unemployed, better known by term 'dependency rates'.¹

An analysis of the development of the three rates (see Table 2) reveals a continuing fall in the dependency rate of the young, from 1970 to 2010, as a result of the decrease in births. By contrast, the dependency rate of older people is on the increase. The total dependency rate will diminish up to 1990, and then remain constant for 20 or so years at its 1970s level, the decrease in the number of young people offsetting the increase in that of the old. In economic terms, this means that the average share of expenditure devoted to education and family benefits will be reduced owing to the reduction in the numbers of young people; on the other hand, one must expect a substantial increase in the amounts allocated for health and pensions. While, in 1960, this social expenditure was distributed equally between the different sectors, the amount earmarked for pensions and health has continued to increase, since the beginning of the 1980s.

In 1986, the 10 Member States set aside 42% of this social expenditure for pensions and 36% — of which a large proportion was destined for elderly people — for health (Guillemard, 1988). Indeed, 'OECD estimates show that health expenditure on those aged 65 and over is on average 4.3 times higher

¹ The calculation of this rate assumes that all members of the 15 to 64 age group are economically active and contributing to the satisfaction of the needs of 'dependent' groups of the population. It is also assumed that all individuals under 15 and over 64 years of age are reliant on aid provided by the working population through the transfer of resources' (OECD, 1988).



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than that on the under-65s. The amounts spent on the very old are even higher, since per capita expenditure on persons aged 75 and over is 5.9 times greater than that on the under-65s' (OECD, 1988).

In 1960, social expenditure represented an average of 14% of GNP; today, it hovers around 25% (Guillemard, 1988; Holzmann, 1988). This rapid increase in pensions and health costs is giving rise to concern among the Twelve with regard to the effects of ageing on the financing of existing social security systems.

Should we, on the basis of the foregoing estimates, accept the widespread claim that the future workforce will not be large enough to finance the pensions of today's workers owing to the low birth rate? Must we believe in the impending

failure of the present pension system? A rapid examination of the literature on the topic reveals two types of approach.

The first stresses the importance of demographic factors for long-term economic development and seeks to promote pro-birth policies in order to ensure an increase in the working population in sufficient time (doubtless because of the political implications, few policies promoting further immigration are put forwards); the other minimizes demographic considerations and emphasizes the need for new economic and social policies, involving, for example, a reduction in pension levels, replacement of an allocation by a capitalization pension system, the creation of a reserve fund (Kessler, Pestieau, 1986) or, lastly, an increase in pensionable age. As regards old people, a re-exami-

nation of the concept of old age and its perception — taking into account the heterogeneous nature of this category — is desirable, notably in order to employ this 'old human capital' effectively and to avoid inter-generation segregation.

Although demographers can make long-term forecasts on the basis of clearly defined hypotheses, they are very careful in predicting the future development of contributor/beneficiary ratios, which are, in fact, the crucial element in the financing of social costs. The number of contributors will not be determined by demographic factors but by the number of jobs available, itself a function of economic development, which will depend on investment capacities, the international situation and technological development (Surault, 1986).

The results of the analysis presented in Florence by Easterlin support this interpretation.

According to the latter, the levels attained by current dependency rates are far from exceptional. In fact, the pre-First World War period and the 1960s are characterized by the same rates. Around the year 2000, these rates will be even lower than those recorded at the beginning of the 1960s, the decline in the dependency rate of the young compensating for that of the old. The essential question is, therefore, how to channel the savings on family benefits resulting from the decrease in young dependants in such a way so as to finance social expenditure on old people. For Easterlin, there is no need to dramatize the situation or to exaggerate the weight of the financial burden on those in employment; whether it is of a fiscal or a social nature, the solution to the problem is political.

Commenting on the changes in health and pension costs, Guillemard notes that the very marked increase in these expenses cannot be attributed solely to demographic factors, but rather to factors deriving from political policies. Quoting Holzmann, she recalls that ageing has so far had a limited impact on the increase in pensions expenditure; from 1960 to 1975 it accounted for only a quarter of the rise and this proportion has grown only slightly since. The extension of the retirement system to more and more categories of the population, a reduction in the retirement age and improved calculation of pension rates are the main factors affecting the amounts allocated, but these are due more to political decisions than to the size of the elderly population.

The same conclusion can be drawn with regard to health. Holzmann observes that in the case of an average annual increase in health expenditure of 13.7%, 7% is accounted for by the higher cost of medical care and 5.6% by the increase in the provision of care per individual. Only if the present legislation were to be retained unamended could ageing lead to a rapid increase in social expenditure at the beginning of the next century. There is still some time avail-

able in which to deal with this problem, since the 'baby-boom' generations will not reach pensionable age, until 2010.

The increasing presence of women on the job market is also a positive factor to which reference should be made in any discussion of the financing of social expenditure. They constitute an ever-growing number of potential contributors, at the same time promoting the rejuvenation of the working population. In this connection, it is interesting to note that the increase in the rates of female employment — which is desirable in present circumstances given the ageing population — is not always incompatible with a rise in birth rates. In this respect, Sweden currently provides a significant example. According to Gustavsson, the introduction of subsidized child-minding facilities, parental leave, the separate taxation of couples and flexible working hours, including their reduction in the case of children under eight, has had a double impact on female employment and birth rates. Even though, from 1970, Sweden's birth rate gradually fell below the threshold ensuring population replacement, it was still around 1.9 children per woman in mid-1988.¹

As for long-term economic growth, it seems — again according to Easterlin — that this will be little affected by the ageing population if at all. In this connection, it should be remembered that, in addition to a decline in population growth rates, the 20th century is characterized by an increase in gross national product.

Productivity and the mobility of labour are another cause for concern. Here also, Easterlin — along with Pestieau — adopts a reassuring attitude.

To date, no empirical study has established a direct relationship between population ageing and falling productivity. On the contrary, it appears that an ageing population ensures higher rates of productivity, thanks to skills acquired with age. Nevertheless, the two authors emphasize the key role played by continuing education, vocational training, re-training and international trade which, they claim, will affect economic growth

and productivity far more directly than any demographic measures. The effects of technological development are themselves far from insignificant; for example, robots are increasingly facilitating the execution of onerous tasks and thus enabling workers to remain in employment over a long period, without any harmful effects to their health.²

Finally, from the standpoint of mobility, it seems that action by the public authorities to promote the training and re-training of workers throughout their careers could increase the flexibility of elderly workers, who are often unwilling to change their job or field of activity (OECD, 1988).

Thus, whether they stress the financing of social security, productivity or mobility, different authors agree on the need for, and feasibility of, political intervention to offset some of the adverse economic effects of the present demographic structure.

¹ On the subject of technical progress, Surault noted the following comment in *Le Monde* of 30 August 1985: 'If, in spite of the electronics revolution, productivity growth rates remain at their present (comparatively low) level of 4% per year, in 25 years, each of our children (and there will only be 10% fewer than necessary) will be producing 2.7 times more than us' (Surault, op. cit., 1986).

² Bernhardt's speech and conclusions were in the same vein. 'There seems to be a general fear that women's increasing labour force participation will make it impossible for the industrial countries to attain fertility levels at, or at least near, full replacement. The inverse relationship generally found between women's employment and fertility may, however, be said to reflect a situation where working mothers were a minority and therefore strongly selected. In most countries in Western Europe this is probably no longer true. Moreover, it may be argued that the typical male pattern of continuous lifetime employment as a full-time worker (meaning at least 40 hours/week) is outmoded, both for males and females. A transformation of conditions of working life in combination with a more egalitarian approach to parenthood would make gainful employment compatible with family life. Since incompatibility is largely structurally determined, solutions must be found at a societal level'.

3. Conclusion

In conjunction with the industrial revolution, Europe experienced its first demographic transition in the course of the 19th century; it is now on the threshold of a second transition. Fertility has declined appreciably throughout this century, leading to the virtual stagnation of the population, and even its decline in the longer term, as well as its demographic ageing. A substantial increase in longevity has temporarily offset the effects of the falling birth rate whilst, at the same time, increasing the proportion of elderly people. Reactions to this new situation, which has nevertheless been developing for nearly two centuries, are often alarmist. Without denying that the problems exist, it seems necessary to modify the unfavourable assessment generally made.

Demographic ageing is surely the symbol of one of the most ancient aspirations of humanity: to live — if not for ever — at least for longer! Moreover, as a result of technical progress, and advances in science, education and health, the image of a passive old age has now been replaced by a far more dynamic vision. Better educated, better trained, more productive and more flexible — these are the characteristics of the 'new elderly'. Finally, the effects of ageing will not really be felt until the turn of the century; it is therefore up to us to make judicious use of the few years that remain and, as recommended by numerous authors, to equip ourselves with the necessary political tools to preclude any deterioration in the situation. The welfare State, population policies, immigration or family policies, the promotion of training and retraining, an emphasis

on education ... the range of choice is considerable. The only relevant criterion is that the implementation of these policies should lead to an improvement in present living conditions and the general conditions affecting the replacement of the population. The challenge is considerable but deserves to be accepted.

Nicole Malpas

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Table 1: Population distribution, EUR 12, based on the larger age group, 1970-2020 (per thousand inhabitants)

	0—14		15—59		60+		Total	
	N	%	N	%	N	%	N	%
1970	75 198	24.8	175 106	57.9	52 201	17.3	302 507	100.0
1980	69 427	21.8	192 188	60.4	56 529	17.8	318 142	100.0
1985	63 886	19.9	197 726	61.6	59 440	18.5	321 051	100.0
1990	61 257	19.0	200 548	61.9	62 152	19.1	323 955	100.0
2000	61 528	18.6	200 667	60.7	68 187	20.7	330 380	100.0
2010	58 580	17.7	199 001	60.0	73 798	22.3	331 380	100.0
2020	57 176	17.3	191 853	58.1	81 069	24.6	330 097	100.0

Source: United Nations, *World population prospects. Estimates and projections assessed in 1984*. New York, 1986, 330 pp.
 United Nations, *Global estimates and projections of population by sex and age. The 1984 assessment*. New York, 1987, 383 pp.

Table 2: Dependency rates, EUR 12, 1970-2020

Age groups	1970	1980	1985	1990	2000	2010	2020
Total (a)	73	65	62	61	65	68	72
0—14 (b)	43	36	32	30	31	29	30
60 + (c)	30	29	30	31	34	37	42

Source: Projection from Table 1.

- (a) Relationship between the number of people under 15 and those aged 60 and over to the 15 to 59 age group.
- (b) The dependency rate of the young corresponds to the ratio of individuals aged 0 to 14 to the working population (15—59).
- (c) The dependency rate of elderly people corresponds to the ratio of 60-year olds and over to the working population (15—59).

Education — Vocational training

Actions and guidelines

Evaluation of the Erasmus programme

The Erasmus programme (European Community action scheme for the mobility of university students), adopted by the Council in June 1987, places Community support for inter-university cooperation on a new plane, and has stimulated an enormous response from the higher education institutions of the Twelve. In view of this, and considering both the wide spectrum of activities currently being implemented and the significant budgetary sums made available to this end a considerable amount of effort has been devoted in recent months to reflecting upon the design and the implementation of appropriate arrangements for the monitoring and evaluation of the programme. An attempt has been made to take stock of experience with the functioning of the programme hitherto, to try to ascertain to what extent the programme is achieving its policy objectives and to determine the main problems which have arisen so far. With regard to the future development and possible adaptation of the programme in the coming years this is a particularly important exercise.

An attempt has been made to distinguish between immediate, short-term measures of evaluation and the need for a medium and longer term underpinning of the programme by a continuing process of evaluation. In the short term, more operational aspects will be paramount: the preparation both of the reports on the functioning of the programme required by the Council Decision of 1987 and of a draft of possible adaptations to the Decision Text itself, in as far as these are considered appropriate. Thus the emphasis will be initially on the evaluation of those aspects of the programme which can be considered as relevant in this respect. In the longer term perspective, however, the educational impacts of study abroad on staff members and students involved will become increasingly important.

An initial brain-storming and exchange of views on appropriate evaluation measures for Erasmus took place during an informal meeting of the Erasmus Advisory Committee in late September 1988. In the light of these discussions as well as of more general experience gained with the implementation of the programme in the last two years including a first assessment of the reports submitted by 1987/88 grant-holders, it is possible to identify a number of aspects which will form focal points of the envisaged evaluation exercise.

While there is no dissent with regard to the importance of the European university network as the basis for the long-term development of the programme there is felt to be a need for the critical appraisal of a number of aspects, notably:

- (i) the balance between academic disciplines within the programme. At present the relatively limited number of programmes supported (1 091) almost inevitably means that the possibilities for participation are restricted and this often militates in favour of disciplines such as modern languages or business administration with a longer established tradition of exchange;
- (ii) the representation of Member States and of regions within the pro-

gramme. Although considerable progress has been made in this respect since the adoption of the programme special action in the field of information and stimulation is nevertheless still considered necessary to attain the objective of a balanced geographical representation;

- (iii) the time-scale of support for ICPs, which is at present awarded on an annual basis. The possibility of transforming this time-scale from an annual into a system of pluriannual grants should be investigated as an effective means of guaranteeing long-term commitment on the part of the universities concerned;
- (iv) arrangements for academic recognition and certification. This aspect is at the very centre of the Erasmus programme. Student mobility is based on the assumption that recognition is granted to all students participating. It is considered indispensable to investigate the different forms of academic recognition emerging and the problems which may arise with regard to varying interpretations of what recognition means.

A number of aspects related to Erasmus student grants will also have to be looked at closely:

- (i) the parameters used to determine the total amount of the student grants allocation made to each Member State. Widespread consensus exists that it is indispensable for each Member State to be provided with a minimum grant allocation which also takes into consideration the level of student demand in the country in question;
- (ii) the application at national level of the criteria laid down in the Council Decision for the allocation and distribution of grants. Problems have arisen above all as in certain Member States the total amount awarded to each individual student by the respective national grant-awarding authority (or the universities on its behalf) has been very small. This question is closely linked to the very different grant-awarding systems in

operation at national level which in some cases make it difficult to ensure complementarity of national grants and Erasmus grants, the latter being intended only to offset the additional costs of mobility. Particular problems arise in those Member States in which students may have no other support than their Erasmus grant;

- (iii) the identification of important categories of students hitherto excluded from Erasmus support.

The need to ensure good cultural and linguistic preparation of all students spending a period of study in another Member State is recognized as being crucial to the continued success of the Erasmus programme. This makes it indispensable to investigate more closely the different forms of linguistic preparation being made available to students at present. At the same time, in view of the considerable problems which have already been registered in this respect, action is held to be necessary above all to encourage the teaching of less widely taught Community languages as well in respect of the linguistic preparation of students specializing in disciplines other than languages.

Another aspect of the integration of incoming students is the need to provide satisfactory accommodation and other reception services for them on their arrival at a university in another Member State. This is important with a view to achieving the most complete integration possible of students in the host institution.

A number of measures have been introduced by the Commission in 1988 with a view to investigating these issues more closely and thus creating a basis upon which it will be possible to make well-founded suggestions and recommendations with regard to the future development and adaptation of the programme, notably:

- (i) an analysis of each Member State's participation in Erasmus with particular reference to problems of ad-

ministration, regional distribution, balance between subject areas and more specific national issues;

- (ii) the compilation of a series of case-studies on a number of the most promising arrangements introduced so far within inter-university cooperation programmes for the linguistic and cultural preparation of students with a view to making this information readily available to all concerned as an example of particularly effective means of preparing students for their stay abroad;

- (iii) a study on curriculum adaptation, credit transfer and academic recognition within inter-university cooperation programmes, initially in the ECTS relevant fields of history, business studies and chemistry with a view to producing a catalogue of specific types and models of agreements already established between institutions in different Member States;

- (iv) an analysis of the obstacles to participation in Erasmus of subject areas under-represented until now (fine arts, teacher education, medicine) with a view to formulating recommendations on how to improve the representation of these subjects;

- (v) an investigation of the means of improving flows of information on Erasmus to the southern European Member States with a view to identifying the most effective national support lines in the four countries concerned (Greece, Italy, Spain and Portugal);

- (vi) an analysis of Action 2 (student grants) operations so far with particular reference to the role of 'free-movers' in order both to highlight the main problems encountered so far and make suggestions for the improvement of the student grants' administration procedure as a whole;

- (vii) a study on the dissemination of information on Erasmus to students with a view to formulating recom-

mendations on how to improve information flows on the basis of a case study on the situation in Belgium.

In addition a series of informal meetings have been organized for the purpose of obtaining information on the implementation of the programme and more particularly on the reception of students, both with the directors of a representative selection of inter-university cooperation programmes from all Member States and all subject areas and a similarly diversified group of Erasmus students.

Alongside these more immediate, short-term measures of evaluation appropriate arrangements for collecting, storing and processing data on Erasmus students are being developed which will make it possible to carry out detailed statistical analyses on students who have participated in the Erasmus programme and, in the longer term, to assess the impacts which study and teaching in other Member States are having on the students, teachers and institutions involved.

Within the context of the future development and adaptation of the programme these evaluation measures will be of paramount importance, above all in the coming year. In accordance with Article 7 of the Council Decision which provides for the submission to Council before 31. 12. 1989 not only of a report 'on the experience acquired in the application of the programme' but also 'if appropriate, a proposal to adapt it', 1989 will see the preparation by the Commission of a draft of possible adaptations to the Decision text, in as far as these are considered necessary. Thus, in the short term, efforts will be concentrated on the evaluation of those aspects which may be considered as relevant in this context. The aim of the Commission is to make improvements in the implementation of the programme and to increase substantially the number of students participating from all Member States.

Innovation in education

The formulation of innovation is closely linked to the context and environment in which it will operate. The single market of 1992 will soon become the structure of the new school environment. The goal of 1992 has made people aware of the fact that investment in human resources is one of the conditions of the success of the internal market. 1992 has become synonymous with change, innovation, progress and hope. The challenges faced open new perspectives for innovation. In this context the Commission has presented a medium-term programme which will make it possible to enter a new stage of cooperation within the Community.

What is innovation?

Educational innovation can be defined as every attempt to transform the educational system and its relations with the environment, either as a whole or in specific aspects.

Within this perspective, educational innovation can aim at:

- (i) all teaching levels (in the form of an overall reform) or one single teaching level;
- (ii) the day-to-day running of all schools, a certain type of school or one isolated school;
- (iii) curricula and teaching subjects;
- (iv) teachers as a socio-professional category, or a group of teachers (in connection with the teaching level, a subject or a school);
- (v) a broadening of the partnership participating in the school's affairs, traditionally restricted to the head, the teachers and pupils.

Innovation basically involves the transformation of an idea into a product, a process or a new or improved service satisfying a real need, recognizable by a significant number of users; a concept which can be applied to industry, the business world and the social sciences.

However, one specific aspect of educational innovation is closely linked to the essence and nature of things: either the activities to be carried out or the final results to be obtained.

The nature of the activities and the final result arise from situations created by the people concerned, which makes it vital to take account of the personal 'image' in the minds of all those involved, once they are faced with the innovation process.

Another specific feature of education concerns the fact that it is not always inevitably seen as an invention.

Factors acting in favour of innovation usually arise in a context of social crisis or conflict; which very often explains their origin 'outside' the system. Some people consider changes in the school

as inseparable from changes in the educational environment.

Community cooperation in education, which started in 1976, has already proved several times to be an inexhaustible source of innovation in itself.

The programmes and activities developed at Community level over the last two decades have permitted the transfer and sharing of an enormous variety of experiences. Some inventive and innovative experiences at national level have very often been recreated in another situation and at another time in a different Member State, benefiting from the transfer of mutual expertise.

The scale of transformations in the economy and the inadequacy of the job market will continue to exert strong pressure on educational systems in the years to come.

However innovation has an inherent momentum of its own, and elements which at the moment are considered as defective factors could play a large part in future changes in relations between the educational system and other elements of society, particularly the job market.

Of all the potential factors which have already furthered educational innovations at Community level, including the strengthening of links between education and training, the following should be noted:

- (i) the crisis of diplomas, and the inability of educational systems to diversify into forms of excellence by responding to the profiles required and desired by employers;
- (ii) the persistence of unemployment among young people, which hits hardest the poorest and most underprivileged sections of society.

The process of innovation

Formulation

The formulation of innovation is closely linked to the context and environment in which it will operate.

The single market of 1992 will soon become the structure of the new school environment. Within this space the free movement of people will affect a population of 320 million citizens, 20 % of whom are at present under 20 years old. The free movement of people is the starting point for the free movement of property and capital.

The object is to define innovation strategies at Community level based on this new reality, and capable of exploiting the huge asset represented by the diversity of education systems in the Community.

Within these strategies, the Commission will play the part of a promotion agent for innovation, by favouring:

- (i) horizontal transfers and contacts between the institutions of different Member States, at national and regional level;
- (ii) mutual expertise;
- (iii) evaluation of innovations through the strengthening of research action in education;
- (iv) circulation of innovations.

The innovations can appear in various different forms, notably:

- (i) as a reform of the system, where the idea is fixed by decree;
- (ii) as a new research and development (R&D) model, emphasizing the role of the educational system in translating basic research into applied research;
- (iii) as measures for the encouragement for grassroots innovation.

In the 12 Member States of the Community, according to their tradition as centralized or decentralized systems, innovation has been presented either as a reform formulated at central or regional level, or in a more spontaneous form, formulated at school level.

The current trend is to consider school heads and teachers as the driving forces behind innovation; its formulation is made in partnership with other individuals, until now excluded from all involvement within schools.

Implementation

The implementation of innovation, which sometimes seems like a relatively simple step in the process, especially where spontaneous innovation is concerned, is in fact very complex.

The integration of a new idea presupposes an interactive process of two elements:

- (i) changes in the attitude of the people involved (personal viewpoints and image);
- (ii) changes in organization (teaching methods and practice, and institutional relations).

For a certain period of time, whose length is impossible to predict at the start, the existing and new organizations should coexist, in a situation which very often becomes a source of conflict between those desiring change and those refusing it.

The success of the innovation is closely linked, at this stage, to the implementation of a programme for the piloting and evaluation of the process, and also to the satisfaction of training needs identified by the participants themselves. Thus evaluation, research and the training of the people involved are three inseparable activities in the implementation of innovation.

Institutionalization

The institutionalization of an innovation normally means the stabilization of the initial process of change, often established after considerable conflicts during the implementation phase.

When an innovation is institutionalized it takes its place in the normal routine. If the environment is still favourable and if the agents of change are still in place, the moment has come to start up the formulation of another innovation.

When the intention is to transform education systems, a distinction must be made between innovations decided at central level and institutionalized by decree, and innovations institutionalized within the school through the consen-

sus of the different individuals involved in the process.

The true mark of success of an innovation comes when its institutionalization in the system takes effect from the moment of its formulation within the school.

Innovation is a continuous process whose final results cannot easily bring a satisfactory answer to:

- (i) the formulated aims;
- (ii) the expectations held by each person for the organization in which he operates;
- (iii) individual interests.

Circulation of the results

Circulation of the results is first of all a multiplying factor for innovation. But it is also essential for admitting any outside viewpoint on the innovation.

Very little information exists on educational innovations and their circulation mechanisms; this is also felt in the context of Community cooperation in education. Educational innovation often relies on the mobilization of a few individuals who have not considered the role of research in their evaluation and piloting during the implementation stage.

The main agents behind innovation are normally highly qualified and change jobs or professions several times during their career. Very often they are the sole possessors of information, which they have never published. It is precisely this kind of experience during implementation that is the richest in lessons for other potential innovators. Knowing the hurdles, analysing them and finding means of overcoming them will allow others to make quicker progress, and enable the innovation to have an effect on the system. But the majority of teachers are not traditionally used to gathering information on this progression, leading to a 'loss of memory' on school developments.

Several pilot projects have been carried out at Community level, and once the actions are over the links and con-

tacts disappear. The Commission could make a contribution in this area towards recovering the 'memory' of all projects developed within Community cooperation, and from this expand this activity to benefit all potential agents of change.

Investment in research into educational science has been very weak at Community level. Few links exist between basic and applied research in this field, which explains the lack of a bibliography on this subject in Europe.

In the innovation process which has just been described, the initiatives of Member States should concentrate on the stages of formulation and institutionalization of an innovation; Community initiatives should concentrate rather on supporting its implementation and circulating the results.

Innovation in schools is developing within the perspective of 1992

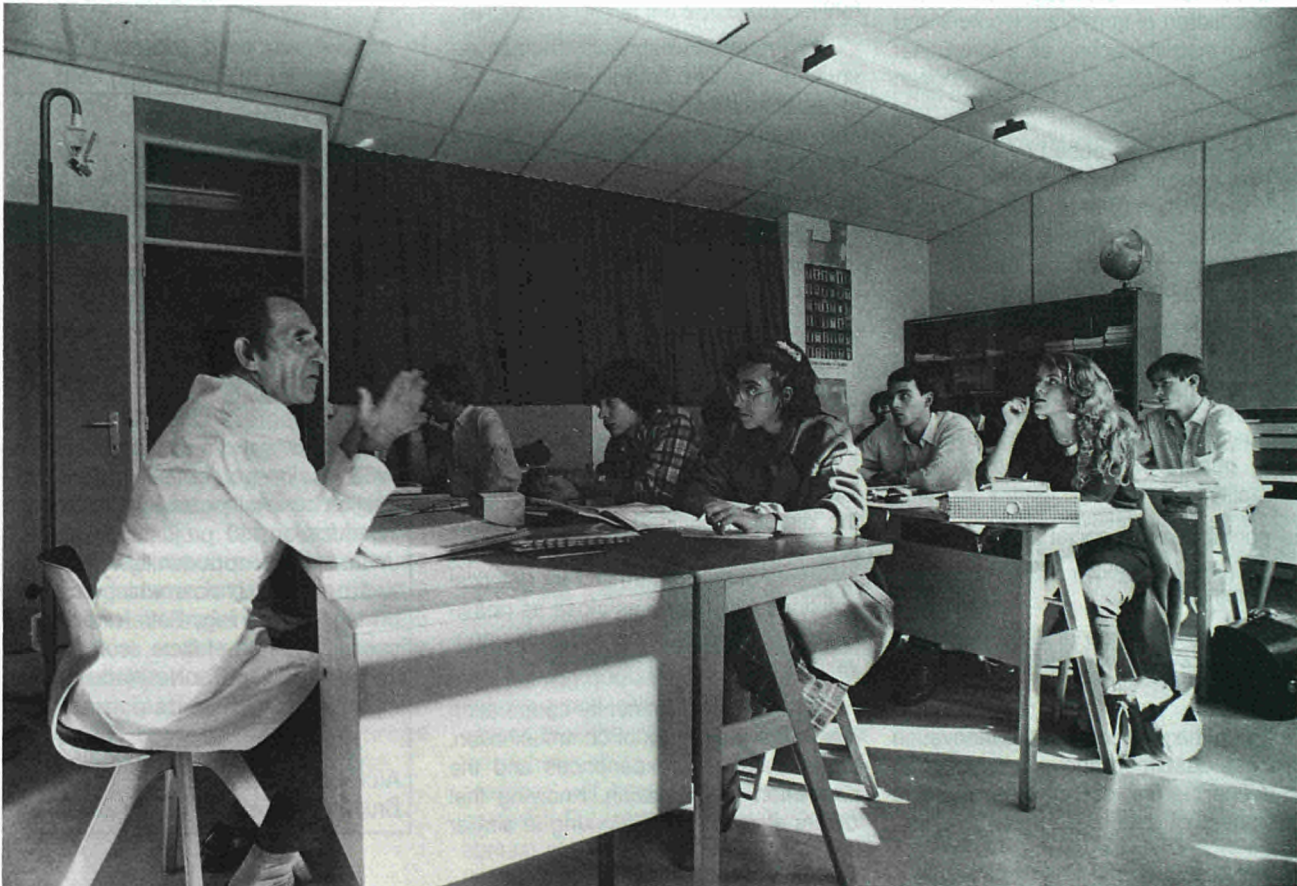
The goal of 1992 has made people aware of the fact that investment in human resources is one of the conditions for the success of the internal market. 1992 has become synonymous with change, innovation, progress and hope.

An ambitious policy of human resources is inextricably linked with promoting the quality of teaching. By failing to invest in the skills of young people, Europe will find her capacity for innovation diminished and her faculty for creating wealth and prosperity weakened, even while the social conditions of European citizens are improving.

With a view to 1992, the main features of change in the educational environment are:

- (i) serious problems in society created by an environment undergoing rapid transformation, exposed to numerous centres of innovation (media, new industrial technologies, scientific innovations in genetics, physics, biotechnology);
- (ii) the crisis of educational systems faced with the challenges and uncertainties of the future; and in the light of the failure of the grand qualitative aims which lay behind successive waves of global reforms.

The field of operation educational innovations is also vast. Innovations carried out in various places in the different



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Member States, which can be seen in the different actions supported by the Commission and by national authorities, serve to show the wealth and variety of the initiatives currently in progress:

- (i) in the strengthening of links between the school and its economic partners;
- (ii) in the role of school heads and teachers as the driving forces behind innovation;
- (iii) in the role of research, and of training of teachers in the innovation of their practice;
- (iv) in the role of vocational counselling in schools;
- (v) in research into new forms of evaluation which take account of the growing variety of the school population;
- (vi) in the integration of intercultural practice and curricula, making allowances for the previous experiences of children of immigrant workers and their mobility; acting as a forerunner for the education of future European citizens.

The challenges posed by 1992 open up new perspectives, and have allowed the Commission to enter a new stage in Community cooperation by presenting a medium-term programme on the outlook for 1989-92, which was adopted by the Council.

This programme is built around three priorities:

- (i) guaranteeing that the free movement of people will become a practical reality;
- (ii) contributing to social and economic cohesion through education and training;
- (iii) creating a Europe of skills in human resources, more qualified and better trained.

From the viewpoint of the innovation process described above, it is tempting to define the first objective, aiming at a guarantee of free movement, as a de-

stabilizing agent; destabilizing the balancing act of national policies based on immobility, rigidity and an inability to change, which is what characterizes certain educational systems.

The second and third objectives aim to achieve social and economic cohesion and investment in human resources. These are two parts of the same single concern, that of improving the quality of education and training.

However, concerning social and economic cohesion, specific measures must be envisaged to raise the level of education and training of the most underprivileged groups.

Answering the needs of these populations leads to a search for innovative solutions: the transformation of programmes, the introduction of new forms of positive evaluation, the diversity of curricula and finally an acknowledgement of the variety of school populations.

As regards investment in human resources, the strengthening of links between the school and its economic partners must be envisaged. This leads to a search for new solutions, involving:

- (i) greater participation from partners outside the school, even in the definition of aims and curricula, especially in secondary education;
- (ii) training periods for teachers in companies, and the opportunity for the school to recruit professional technicians to teach in specific fields.

The tangible trends which are emerging today are already moving in the direction outlined above, that of a search for partial solutions in precise elements of the system and for practical solutions which stay as close as possible to the people concerned in the innovations.

The role of Community cooperation lies in the promotion of communication, the exchange of experiences and the circulation of innovation. Knowing that others elsewhere are working in similar

ways is a lever for maintaining the necessary energy for this mobilization of educational resources.

Free movement will enable people to exploit the diversity of educational systems, offering exchanges to the various individuals participating in innovation at Community level. These exchanges will be:

- (i) between national and regional institutions;
- (ii) between teachers and headteachers;
- (iii) between agents and promoters of innovation;

and free movement will offer the opportunity for working out projects in common, by formulating the innovations to be introduced in different contexts: in order to transform educational systems, however diverse they may be.

Rita Veiga da Cunha

For information

A network of 30 projects run within the two programmes on transition from school to adult and active life (1976-1988); pilot projects in the schooling of immigrant children (a total of 50 projects since 1976, of which 15 are in progress); action research within the campaign against difficulties in school and illiteracy (17 projects in progress since 1988); a network of 15 projects in progress since 1987, run in the context of the introduction of new industrial technologies in education; 10 projects developed under equal opportunities for girls and boys in schools which focuses on teacher training; Petra (training of young people after compulsory schooling); EuroTecNet (adult training).

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Young worker exchange programme — Future options

Background

This is the Community's oldest established activity in the field of youth exchanges. Although the programme was launched in 1964, its roots lie in Article 50 of the Treaty of Rome which reads as follows: 'Member States shall, within the framework of a joint programme, encourage the exchange of young workers'. The programme is essentially designed to give young workers (18—28 years) an opportunity to live and work in another Member State of the European Community.

The principal objectives of the third joint programme (1985-1990) as set out in the Council Decision of 13 December 1984 (84/636/EEC) are as follows:

- (i) to develop the vocational knowledge and enrich the practical experience of the young people concerned,
- (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.

The third programme has proved to be an important turning point in the history of exchanges of young workers. The doubling of Community resources allocated to the programme in 1986 has given a degree of financial flexibility which in turn has enabled the Community to boost the number of young people participating, diversify into innovative sectors and encourage new organizations to participate.

Practical results and experience

The practical results to date of the third programme which are detailed in the first report presented by the Commission on the first three years of operation (1985-1987) COM(88) 382 final, can be summarized briefly as follows:

- (i) Over the period 1985-1987, close to 8 000 young workers/job seekers participated in exchanges. In its first three years, the third programme has almost outstripped the combined first and second programmes in terms of the number of young people involved.
- (ii) In 1987, unemployed young people accounted for 46% of the total number of participants in the programme.
- (iii) 50% of participants are young women.
- (iv) Exchanges in the tertiary sector now predominate with 51% of total operations. The secondary sector accounts for 32% and the primary sector for 17%.
- (v) Innovative programmes, i.e. exchanges taking place in new and neglected areas, account for 47% of all exchanges.

Options for long-term development of the programme

The advent of 1992 and the completion of the internal market has seen a corresponding upsurge of interest in the programme from employers, young people, training bodies, government representatives and others. It is widely accepted that the opportunity to transfer 'know-how', share experience and good practices will become increasingly important if European industry is to keep abreast of the latest developments and remain competitive, particularly with the USA and Japan.

The current Decision (84/636/EEC) governing the third joint programme should be reviewed by the Council of Ministers not later than 31 December 1990. In preparation for this, the Commission has started to examine the possible content and scope of a fourth programme. To this end, we are currently undertaking a pilot study to evaluate the impact and effectiveness of the programme based on the experience of participants. This report will provide details on the various aspects of the programme e.g. language tuition, work placements; skills development; feedback on the organization of exchanges alongside an overall assessment of the results achieved. The completed study will be available in early 1989. In addition to this, the Commission recently held a 'Brainstorming' meeting which gathered together people who have been directly involved in the programme and a number of outside experts, to discuss future options for the development of the programme.

The main ideas which emerged from this debate are the following:

- (i) the primary focus of the programme should remain working life particularly with a view to 1992 and the need to facilitate labour mobility as a key element in the realization of the internal market;
- (ii) there is a considerable demand to extend the programme to trainees/apprentices thereby enabling them to carry out a training course/work placement in another Member State;
- (iii) we should concentrate the limited resources available to the programme and narrow the eligible age group from 18—28 years to 18—25 years;
- (iv) given the wider catchment group envisaged, we should move away from the strict long-term/short-term type exchanges in the direction of the following:
 - (a) *Short term*: study visits (3—8 weeks) primarily aimed at employed young people with a view to introducing them to the working world in



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the corresponding sector in another Member State;

- (b) *Medium term:* programmes (8–24 weeks) primarily aimed at job seekers offering them a real possibility of working in another Member State and at young people in training, enabling them to follow a training programme in another Member State (language training provided where necessary);
- (c) *Long term:* programmes (24 weeks plus), where participants receive language training which is funded by the Community, and where the prac-

tical (working) phase must be conditional on the offer of a full and proper work contract i.e. the normal wage in the host country for the post filled;

- (v) the Commission should consider making financial provision for 'animation' i.e. assistance to facilitate group dynamics, interpreting intercultural learning and evaluation;
- (vi) in view of the 1992 prospect we should envisage assistance to enable employers in small and medium-sized enterprises to exchange

staff directly between similar-type companies in other Member States;

- (vii) we should support young people's own initiative e.g. young people who have identified work placements abroad but who require financial assistance, notably for language training, to become mobile.

The Commission will, in the course of 1989, be examining all possibilities prior to formulating its proposal for a fourth programme.

Barbara Nolan

Education — Vocational training

Analyses, debates, studies

Secondary education — Seminar at Maastricht

The first seminar of heads of secondary schools from the 12 Member States of the European Community, entitled 'The education of tomorrow's Europeans', was held from 17 to 20 November 1988 in Maastricht, the Netherlands, with support from the Commission in the context of its education action programme.

The main objective of the conference was to found the European Secondary Heads Association (ESHA). The Association aims to be both a stimulus to and a guarantee for the necessary continuity in the activities of the secondary heads in favour of European integration. The initiative of creating this new European association was taken jointly by the Dutch and English organizations of school heads. The conference was also supported by the Dutch Ministry of Education and by industrial sponsors.

The conference began with a formal opening session on the evening of Thursday 17 November with speeches by Mr Wim Deetman, Dutch Minister for Education and Science, Mr Domenico Lenarduzzi, Head of the Education Division of the Commission of the European Communities in Brussels and Mr Cor van der Klugt, President of Philips. Philips also provided an exhibition of new information and communication technology throughout the conference and in this context laid on the first demonstration in Europe of CDI (Compact disc interactive) technology for the participants of the Maastricht conference.

As from the Friday morning, nearly 120 heads and deputy heads of schools from all the Member States, observers from several non-EC countries and the representatives of the 12 Ministries of Education joined in the different working groups. These lasted a day and a half, and focused on the following subjects: Partnership between school and industry; new technologies in education; integration of ethnic minorities in European education; modern language teaching; school exchange/study visits; European seminars/in-service training; school programmes and extra-curricular activities.

Each group session was introduced by an expert in the field. The discussions were very rich and fruitful, and drew on the very diverse experiences of the secondary school heads participating. They were summarized in recommendations which were unanimously adopted at the final plenary session. In all the groups the role that secondary heads can play in stimulating innovation and progress in the different areas concerned was an essential part of the discussion.

The recommendations serve on the one hand as a common basis for further action for the participants, and on the other as suggestions to the Commission for policy developments in the field of education.

On the Saturday afternoon the Foundation of the European Secondary Heads Association became a fact; the

birth of ESHA was enthusiastically applauded, as was the nomination of Mr Anton van Rooijen, first President of the new Association. Twelve Members, one from each Member State, were chosen to form the Board and the smoothness of their election not only symbolized the harmonious atmosphere amongst the participants of this conference, but augurs well for the future activities of the Association.

In his maiden speech, Mr van Rooijen, who addressed his audience in four Community languages, drew attention to undeniable, significant, political, social, economic, cultural and (particularly) technological developments now facing Europe.

He predicted that 'in Europe and worldwide, the transition from the 20th to the 21st century will be attended by vaster changes than ever before. On the one hand let us, the school heads of Europe, act as treasurers of Europe's multiform inheritance, stored in the culture, the language, the art and the landscape of each individual country, each individual city, even each individual village of the EC. On the other hand, let us, the school heads of Europe, resolutely and decisively take the lead in guiding the young European competently on his way to the new Europe of tomorrow. For us, this is both an honour and a duty. Europe can depend on us'.

Mr van Rooijen also underlined that the Association responded to the spirit of the Resolution of the Council and Ministers for Education, meeting within the Council on 24 May 1988 in Brussels. It is ready and capable of helping to implement that Resolution in secondary schools throughout the Community, and looks forward to a close partnership with the Commission in so doing.

Concluding his speech, Mr van Rooijen underlined the important role of European heads of schools in guiding young European citizens competently on their way to the new Europe of tomorrow. The way and the goal are obvious:

'The European Secondary Head's Association is the doorway to the EC's

school heads, the heads are the doorway to the EC schools, the schools are the doorway to the EC's youth, young people are the doorway for the EC's future — since the Association has the will and the way to build up a very useful network of heads of schools of young Europeans'.

The conference received wide publicity. In the Netherlands, radio, television, and especially the press, all reported on the conference. Dozens of articles and interviews were published. The European Secondary Heads Association will be dedicated to the education of tomorrow's Europeans and will be open to all

the secondary heads and deputy heads in the European Community, regardless of their political, social or religious affiliations. The strength of the Association lies in the fact that its sole preoccupation is education.

The Association has already presented a plan of action to the Commission, including the twice-yearly publication of a journal for every school head in the European Community, containing information on a broad range of educational issues, both national and European. Every two years a follow-up conference will be organized and study vis-

its and exchange programmes for heads, teachers and pupils will be promoted. The first steps towards the realization of this programme have already been taken.

In the coming months the European Secondary Heads Association's ideas and ideals, and above all its enthusiasm, must be conveyed to all the secondary heads and secondary schools in the European Community, so that the enthusiasm generated in Maastricht can lead to the creation of an Association whose strength and reputation will lie in its accomplishments, not just in the words of its constitution.

In-service teacher-training strategies in the countries of the European Economic Community

Seminar in Thessalonika, 10 to 12 November 1988

This seminar, organized jointly by the Greek Government and the Commission of European Communities, brought together the following participants:

- (i) the members of the Committee of Education;
- (ii) representatives in charge of in-service teacher-training policy in the different Member States;
- (iii) the experts chosen by the Commission to carry out the strategy studies presented during the seminar;
- (iv) Greek officials dealing with this subject: officials from the Ministry of Education and Religions, university academics, trainers, etc.

This seminar marks a decisive step in the working process undertaken by the Commission, resulting from the conclusions adopted by the Council and the Ministers for Education meeting in the Council on 14 May 1987:

'So as to enrich developments in this field within the Member States, they ask the Commission:

- (1) To develop meetings between organizations (national or regional) responsible for the same tasks in the different Member States. A first meeting of this type brought together around 60 participants for a summer university in Madrid in July 1987.
- (2) To coordinate case studies and analyses of training strategy, prepared by representatives and experts of different Member States, on key points concerning the effectiveness of Inset.
- (3) To organize a new meeting of senior officials to examine the results of this work. The meeting of Thessalonika corresponds exactly to this stage of the work.
- (4) To examine, in close collaboration with the Committee of Education, other initiatives considered necessary in the field of in-service teacher training.

They ask the Commission to present them with a report on the results of activities undertaken for 31 December 1989.'

It is within this context that the Commission chose to carry out national or regional project studies in in-service teacher training, and entrusted the work to a group of experts, chosen by the Commission and coordinated by François Piettre, Director of Temsis. Each of the experts chosen was, at the same time:

- (i) responsible for running one of the projects under study;
- (ii) in charge of studying a project chosen in another Member State, piloted by another expert.

Some major trends, common to all the Member States, emerge from these studies; trends which go beyond the simple diversity of educational systems:

- (i) A willingness to professionalize teachers: All the Member States believe that there is more to the situation of the teacher than a simple 'vocation'; it is a profession in need of strengthening and professionalizing: the intention is to make up for deficiencies in initial training, develop new forms of professional behaviour, prepare for rapid changes in teaching syllabuses etc.
- (ii) The school in an urban area, or the group of schools in a rural area, are considered more and more by officials of educational systems as places of educational production. It is here that concrete pedagogical problems are posed and where teachers do their job every day. The school is becoming the proper place to analyse teachers' training needs and to improve the quality of their work.
- (iii) The concern to involve the teachers themselves in the conception and implementation of in-service training activities. Everyone regards this involvement as a way of increasing the effectiveness of in-service training. The scale of teachers' needs next to the financial possibilities involved, has brought out a concern among officials to look for optimum effectiveness.

Within these perspectives different strengths and weaknesses have appeared in the Member States: these can be listed as follows:

Strengths:

- (i) Inset has become a subject for negotiation between different partners;
- (ii) new roles for teacher trainers are starting to emerge;
- (iii) the contents of Inset are widening in scope;
- (iv) training forms are diversifying.

Weaknesses:

- (i) relations between Inset, innovation and research are still very weak;
- (ii) relations between initial and in-service training are often non-existent;
- (iii) Inset activities are often very short in length;
- (iv) training of trainers and school managements remains underdeveloped;
- (v) procedures for evaluating the effectiveness of training are still few and far between.

The discussions which took place during the seminar, notably on Commis-

sion work, enabled some in-depth analysis of these issues, emphasizing the following main points:

- (i) great efforts are needed to strengthen links between initial and in-service training, to consider them as essential elements in a continuous career-long process;
- (ii) more development of participative management in Inset activities is desirable, in order to involve teachers more in the changes taking place in their profession;
- (iii) a balance needs to be found, between the need to take account of national targets for the development

of each educational system and the aims and expectations expressed in the field by teachers and schools;

- (iv) development of Inset activities is required as a means of increasing the quality of education.

In this sense, the Thessalonika seminar made it possible to stress the need for more exchanges on these issues, and to develop concrete forms of collaboration between training officials in the different Member States. The perspectives of the single market, and the socio-economic requirements it poses, go to strengthen the importance of cooperation on these questions.

Health and security

Actions and guidelines

Europe and health

The Commission's programme of work for 1989 in health-related fields

Talk given by Dr Hunter in Copenhagen to the Regional Office of the WHO, April 1989

Introduction

The European Community was set up in order to foster the economic and political integration of its 12 Member States and 320 million inhabitants, with the principle objective of creating a common market in which there is free movement of goods, people, services and capital, healthy competition and coordinated national economic policies.

The original versions of the Community Treaties have been supplemented, modified and extended by a number of agreements. The most recent stage in this process of continuing development is the Single European Act, which the Member States adopted in 1987, and which sets out the medium-term objectives for the revival of the integration process, with the creation of a frontier-free area by 1992 as its main focus. At the same time, it provided the Community with more effective decision-making procedures.

The social dimension was incorporated in the Single Act with the provisions for enhancing the Community's capacity to act in this field by legislation (Article 118a), by agreements (Article 118b), and by the policies linked to its efforts to achieve greater social cohesion. On this basis, the following measures have been taken:

- (i) Six directives have been transmitted to the Council on improving the health and safety of workers (a framework directive and five implementing directives on workplaces, machinery, personal protective equipment, visual display units and heavy loads).
- (ii) The Commission has encouraged the Social Dialogue at Community level, leading to the adoption of four joint opinions by the two sides of industry on the introduction of new technologies and the need for economic growth which generates

more jobs. At the plenary meeting held on 12 January, it was agreed that, in addition to the consultations arising out of the Commission's own efforts, dialogue should concentrate on education and training, and on the prospects for the European labour market as the process of implementing the Single Act continues.

- (iii) It is an integral part of the reform of the structural Funds that the additional resources allocated by the Community to structural policies should be devoted to combating long-term unemployment and assisting the integration of young people into the workforce.

The Hanover European Council spelled out what was meant by giving a social dimension to the single market, in particular that it must not give rise to social regression and that it must improve living and working conditions for ordinary citizens.

Environment policy is also enshrined in the Single Act, even though unanimity is still required on any decision in this field. This requirement reflects the legitimate concerns felt over an issue on which sensitivity varies from one Member State to another. The Commission has taken account of environmental protection requirements in a number of proposals on the internal market, where it has recommended high standards. There have been several successes recently especially in combating pollution. But the Commission will have to initiate new action as part of an overall programme geared to making environmental protection and all its international implications a matter of priority closely linked with the single European market.

The Commission will also have to make a major effort to revitalize consumer protection policy.

Priority areas

At its meetings in Hanover and Rhodes, the European Council designated priority areas in which decisions would have to be taken in 1989.

Certain of these areas have a health component, namely:

- (i) abolition of physical frontiers;
- (ii) closer alignment of technical standards; and
- (iii) abolition of physical checks on animal and crop products.

Abolition of physical frontiers

The Commission intends to place special emphasis on making real progress in abolishing physical frontiers, particularly where individuals are concerned. This will have to go hand-in-hand with a tightening of controls at external frontiers and improved cooperation in the fight against terrorism, drug trafficking and crime.

Closer alignment of technical standards

Turning to standardization, the general obligation to notify proposed national technical rules will come into force in 1989, paving the way for the systematic prevention of infringements. Implementation of the new system will need to be given top priority. The first Council decisions under the new approach to technical harmonization must be followed by other important decisions on machine safety, mobile plant and metrology. But the Council must above all define the main features of a policy on the recognition of tests and certificates early in 1989.

In the agri-foodstuffs sector, the Commission, in addition to finalizing the basic proposals on additives, materials in contact with food, dietetic foods, food and nutrition labelling, and irradiated products will have to embark on management of the new approach by formulating proposals to implement the additives Directive.

In the pharmaceuticals sector the rapid progress being made on Community harmonization will lead to consideration being given to the need, in the interests of European companies, for a Community authorization system for placing pharmaceutical products on the market. In cases where fair treatment so requires, measures will be taken to harmonize minimum quality standards.

Abolition of physical checks on animal and crop products

The abolition of physical checks on the movement of animal and crop products involves a harmonization effort which must be speeded up to compensate for accumulated delays. The Commission feels that no exceptions to the liberalization of trade in this sector can be tolerated on 1 January 1993. Hence, the effort to eradicate diseases must be intensified, and harmonization must go ahead, particularly in matters where it is likely to facilitate the free movement of products. The Commission will this year present the majority of the proposals still outstanding. It will also continue its work on the arrangements for imports of products from non-member countries.

Development of an integrated economic and social area

The Commission is undertaking health-related actions in:

- (i) Social policy.
- (ii) Research and development.
- (iii) Environment.

Social dimension

The new internal market must not be left to fend for itself in the absence of action to direct the process of change, and without appropriate means of economic

and social regulation to ensure that the process will be durable and stable and will promote growth. The objective should be to pursue a European system of industrial relations by setting up dynamic mechanisms to ensure the harmonization and convergence of economic and social forces. For its part, the Commission will pursue its efforts to ensure complementarity between public legislative action and autonomous action by labour and management, while maintaining balanced relations between the two via the social dialogue so that the diversity of practices and social traditions can be managed and the advantages of the Community can be exploited.

By promoting this dialogue, by improving it in response to the concerns of some and the aspirations of others, the Commission has set itself the goal of ensuring that increased competitiveness between firms and stronger growth with more job creation potential are accompanied by social progress. The Commission has accepted the opinion of the Economic and Social Committee delivered in March 1989 and will propose the adoption of a Community charter of fundamental social rights (social protection, social dialogue, collective bargaining, employment contracts, health and safety of workers, continuing education, equality for men and women at work, information and consultation of workers, etc.). Essentially the charter will be an expression of the European concept of society, social dialogue, and individual rights on the labour market.

This year the Commission will also seek to promote the progressive harmonization of measures to improve health and safety at work. In particular the Commission will go beyond the directives proposed in 1988 which include the proposal for a framework Directive on the use of machines by workers. It proposes to tackle specific high-risk sectors (safety signs at the workplace, construction, etc.). At the same time the measures under discussion at Council on the protection of workers from risks related to exposure to dangerous substances (carcinogenic, biological agents, etc.) should progress.

Research and technological development

The Community needs a research and technology strategy if it is to improve its industrial competitiveness in the long term, enhance the quality of life for Europe's citizens and promote the advancement of fundamental research.

To make progress towards that objective the Commission will present the final version of its report on the state of science and technology in Europe, the first version of which was published last year. This report is designed to provide a factual basis for a wide-ranging debate on all aspects of European science and technology, including the Community's strengths and weaknesses in relation to its main competitors, consistency between the individual Member States and duplication of effort. The aim is to encourage the Community to establish the facts of the situation, to draw conclusions from those facts, and to decide on the priorities of a strategy.

The initial report will be enriched with the opinions and reflections of the other Community institutions, the scientific community, industry and the world of education. At the same time the Commission will take the necessary steps to prepare and publish a similar report every two years. This report has already made it clear that Europe's performance is hampered by inadequate coordination of national policies. Most European research is carried out in a national context and is largely funded from national budgets.

The process of creating a single European market militates in favour of an unambiguous recognition of the need for a clear commitment to the practical coordination of national policies in line with the Single Act. For this to happen, the tasks assigned to the Commission and the Member States by Article 130h must be carried out with determination.

The Commission will be setting out its views on the problems, the issues involved and the ways and means of coordinating national policies.

Before the summer the Commission will be proposing substantial changes



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to the 1987-91 framework programme designed to strengthen its catalytic role so that it becomes the expression of the strategy chosen by the Community, closely linked with the specific commitment of the Member States to coordinate national policies.

The conclusions of the final report on the state of science and technology will be the starting point for a definition of the priorities of the framework programme and of its role as catalyst.

Environment

Pollution recognizes no frontiers. The Community pays a heavy price not only because of the pollution itself but also because of the resulting disruption of the balance between man and nature (rural depopulation, urban problems,

etc.). The Commission believes that in order to guarantee the support of Europe's citizens for the consolidation of the Community it is necessary not only to restore a sound environment, but also to ensure that the creation of the single market and economic growth effectively serve this end. It is also clear that the Community's international competitiveness is closely linked to the development and application of strict environmental standards at home. Completing the legislative framework for pollution control is therefore regarded as a priority task by the Commission in the immediate future.

In order to meet this new challenge at Community level, the Commission will propose setting up a European environmental measurement and verification system, foreshadowing the estab-

lishment of a European Environmental Protection Agency, in order to interlink and if necessary set up regional or national, public or private facilities as part of a Community measurement, verification, certification, information and early warning network. The network would be available to our neighbours and could be linked up to other international systems. It would draw on the lessons learned from the Corine programme for gathering, coordinating, ensuring consistency of information on the state of the environment. A proposal for extension of this programme beyond its current experimental phase will be considered in 1989.

In view of the rapid deterioration in living conditions in inner city areas and the danger of gradual undermining of the architectural and natural heritage in

our towns and cities, the Commission hopes to prepare a green paper setting out the broad lines of Community action to protect the urban environment.

Existing legislation on water needs to be revised or, in some cases, looked at again. Proposals will be made for simplified procedures for reviewing directives dealing with quality objectives and for establishing an ecological quality of water. In addition to its recent proposal dealing with pollution by nitrates as a result of the use of fertilizers, the Commission will advance work for tabling a proposal on the use of phosphates (eutrophication), thus giving renewed impetus to the efforts to reduce water pollution by specific substances. Limiting sea pollution from land-based sources entails stepping up the measures taken to control discharges to internal waters.

The 'greenhouse effect' lends unprecedented urgency and priority to the question of atmospheric pollution. The Commission will be proposing appropriate modifications to existing Community legislation dealing in particular with CFCs (chlorofluorocarbons). Proposals will also be made in this field for Community measures relating to reductions in sulphur dioxide emissions, to ensure that the Community comes into line with the Helsinki and Sofia Protocols to the Geneva Convention. Furthermore, following the adoption of the directives on large combustion plants and municipal waste incinerators, the Commission will propose measures to reduce polluting emissions from small combustion installations. In 1989, a proposal will be made for a further limitation of the lead and benzene content of petrol.

Waste management will also receive renewed attention. The Commission will outline in the first months of 1989 a waste strategy covering the three aspects of this crucial field: prevention and production of waste, recycling and reclamation, and safe disposal of unavoidable residues. Specific proposals will be tabled on the question of responsibility of waste producers. On waste recycling, this year will see the tabling of a proposal to amend the 1986 directive on the use of beverage containers, so that

a uniform stamp is provided on refillable containers.

In the course of the year the Commission will present a proposal for a regulation on the systematic evaluation of existing chemicals. Such a measure should, in particular, impose on industry the obligation to test as a matter of priority chemicals which pose risks to man and to the environment. On the classification and labelling of dangerous substances, in addition to ongoing work on adaptation to progress, a proposal will be tabled to establish a harmonized procedure for industrial chemicals (inclusion of those marketed in quantities less than one tonne per annum): this should remedy the present situation where each Member State imposes its own requirements, thus producing considerable variation throughout the Community.

The basis for Community action on nuclear safety must be strengthened as regards prevention, harmonization of rules and regulations, information for the workforce and the population, and improvements to Community mechanisms which aim to respond efficiently to emergency situations. Work in the area of radiation protection will be mainly directed to the preparation of a Council decision establishing a Community radiation protection inspectorate. Other priority areas which will be addressed will extend from dose limitation for the public and workers to protection measures for the population in the event of a nuclear accident. Several other initiatives will be undertaken and measures will be proposed in this respect, in particular on the supervision and control of transfrontier shipments of radioactive waste, on dose registration of occasionally exposed workers, and on the protection of the public against doses arising from radon in houses, on which work began in 1988.

The Community is also to be regarded as an appropriate forum for resolving environmental problems, particularly in relation to the broader international and continental dimension that current environmental policies imply. In several areas where the value of com-

mon action is closely linked to effective enforcement of Community action the Commission will put strong pressure on the Member States to ensure effective Community participation and coherence of national positions with Community objectives, regarding in particular key questions like global warming (greenhouse effect).

Towards a European society

The Community's aim is not simply to bring into being a frontier-free market — or even a common economic and social area. Starting this year, the Commission will endeavour to put some flesh on the Community's bones, i.e. not only to make it more tangible and real to the individual, but also to provide a response to educational, cultural and social aspirations.

As Mr Delors stressed in his speech to Parliament on 17 January, the goal will be, without waiting for 1992, to systematize exchanges in such a way as to bring into being a fifth freedom — the freedom to exchange ideas — which will ensure that all Europeans share certain values and can assert the Community's identity more effectively in the face of the challenges confronting civilization.

The Commission will cooperate with the relevant authorities and take account of the role played by federal, regional and local bodies in this field.

Social solidarity

Following the symposium organized in December 1988 by the European University Institute in Florence, the Commission intends to continue its analysis of demographic trends in Europe and will define its position on the ageing process and the problems of the elderly.

Consumer protection

The completion of the internal market gives a new dimension to consumer policy, which must now be seen as a major flanking policy aimed at ensuring that consumers can adjust to a larger

and more diversified market for goods and services. Progress must be secured both as regards product safety — in relation to which a framework directive will be proposed during the first half of the year — and as regards protection measures to be adopted in the key areas.

On toy safety specifically, application of the directive adopted last year will call for the implementation of additional measures. On textiles, the Commission will press ahead with the work under way on the drafting of a possible directive on sampling and labelling. It will also make proposals in many other sensitive areas such as flammability, labelling and information on pharmaceutical products, nutritional labelling of foodstuffs and liability for defective services.

On consumer information, 1989 will see the launching of a European campaign to heighten awareness of child safety. Another priority area is information on home and leisure accidents involving consumer products. The Commission will consider the conclusions to be drawn from the experience gained with the system for the rapid exchange of information on dangers arising from the use of consumer products (Ehlass). Practical proposals will be presented to improve the transparency of access to services offered by the professions and facilitate consumer redress.

Cancer

On 17 December 1986 the Commission submitted to the Council of Minis-

ters a programme entitled 'Europe against cancer'.

This action programme runs from 1987 to 1989 and covers the following areas: cancer prevention, information and health education, the training of personnel employed in health care, and cancer research.

In June and December 1985, the Heads of State or Government of the 12 Member States of the European Community said 'that it would be useful to set up a European action programme against cancer', in order that the task of constructing Europe might include not just an important contribution to the fight against this disease but also a new dimension, one that would do more to answer the needs and concerns of the citizens of the European Community.



The programme prepared by the Commission takes these considerations into account and contains proposals on the combating of tobacco consumption, the improvement of diet protection against carcinogenic substances, as well as on routine medical check-ups and early detection, public awareness campaigns, health education and research work. The programme also proposes that measures already taken at Community level to combat cancer (e.g. the protection of workers against carcinogenic substances) should be strengthened.

The Commission hopes that the Council will soon adopt the proposals for directives which seek to improve consumer information on the harmful effects of tobacco, notably through the harmonization of labelling, and will give rapid examination to new proposals for a Directive on the prevention of smoking concentrating on the marketing of tobacco products, and a decision on the second action plan (1990-94) of the 'Europe against cancer' programme. On prevention and early detection, the Commission will co-finance the Community-wide extension of innovatory measures initiated in 1988. As far as the training of health professionals is concerned, an initial series of grants will be provided for training in oncology for doctors and nurses and training seminars on detection by mammography. Turning to the question of health information and education, 1989 has been designated 'European Cancer Information Year'. Over the next few months, all the forces involved in the fight against cancer will be marshalled and mobilized throughout Europe. The main objective will be to promote the 'European anti-cancer code', with a view to reducing deaths from cancer by 15% between now and the year 2000. 'Ten Prevention Commandments' will be formally presented to Parliament, by the delegations of the 12 Member States, in Brussels on 9 May. 'European Anti-cancer Week' (9-15 October) will be another high spot of this European action programme.

Drug abuse

The development of health protection measures will continue in 1989 with a view to:

- (i) The drawing up of pilot programmes to provide education and information about drugs, aimed especially at parents, teachers and care personnel.
- (ii) The drawing up of drugs education programmes aimed especially at children and young people.
- (iii) The improvement of information given to drug addicts.
- (iv) The exchange of experience and information regarding methods and practices generally employed in Member States for the treatment and social integration of drug addicts.
- (v) The promotion of pilot projects of a therapeutic and social nature.
- (vi) The improvement and coordination of existing methods of treatment and rehabilitation.

AIDS

On 29 May 1986, the Health Ministers of the Member States meeting within the Council adopted a Resolution on AIDS.

Community actions designed to consolidate the effectiveness of national measures are assumed to be both possible and necessary in the following areas:

- (i) Health information campaigns and health education.
- (ii) Common initiatives to combat the transmission of AIDS by substances of human origin (e.g. blood, blood derivatives, organs, semen), and to deal with the medical, psychological and social problems facing people who are seropositive, particularly those actually suffering from AIDS.

(iii) Exchanges of information and experience.

(iv) Coordination of the measures with initiatives by other international organizations.

This resolution has been followed by a series of conclusions, namely:

(i) The conclusion of 15 May 1987 concerning AIDS lays down the basic principles for a joint approach and sets up the *ad hoc* Working Party on AIDS.

(ii) In their conclusions of 31 May 1988 concerning AIDS the Council and Ministers for Health reaffirm and specify their joint approach.

(iii) The conclusions of 31 May 1988 on the rapid and periodic exchange of epidemiological data on AIDS at Community level are of a technical nature.

(iv) The conclusions of 31 May 1988 on the regular exchange of information at Community level on national measures for the fight against AIDS provide for both a general exchange of information and an exchange of experience in specific areas, an initial list of which is annexed to the conclusions; moreover, in these conclusions, the Council and Ministers for Health instructed the Working Party to propose coordinated or concerted measures to fight AIDS.

(v) In the conclusions of 15 December 1988 concerning AIDS, four topics are covered: improving and extending the system for the regular exchange of epidemiological data on AIDS cases; preventing AIDS in drug addicts; AIDS and the place of work; the exchange between Member States of qualified personnel.

(vi) The conclusions of 15 December 1988 concerning AIDS and the place of work encourage firms to provide information on AIDS and to promote a humane attitude towards workers who are HIV-positive or suffering from AIDS.



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Conclusion

For its priority actions in the field of public health, the Commission will apply the principle of subsidiarity, in order to minimize duplication. In consequence the Commission does not intend to undertake actions that can be better performed either by Member States or by other international organizations, but will seek to concentrate its actions on those which will achieve most from a Community approach.

In order to achieve success with these actions, the Commission will need to work closely with other international organizations, in particular the World Health Organization, so that maximum benefit can be obtained from the optimum use of available resources.

In so doing, the Commission considers that it will underline its commitment to improvements in public health and thereby contribute to the WHO's objective of 'Health for all by the year 2000'.

Health protection in the ECSC Treaty

The European Coal and Steel Community was the first Community body to address the question of the health and safety of workers. Its first action concerned social research in accordance with Article 55 of the ECSC Treaty, and has been developed by means of a number of multi-annual programmes. These have been adopted by the Com-

mission in the following areas: ergonomics, health and safety in mines, and the control of nuisances and pollution at the place of work.

In February 1988 the Commission published the fifth medical research programme on the 'Protection of workers against risks arising from work in the coal and steel industries'.

The following themes are to be examined over the next five years as part of this programme:

- (i) occupational cancers,
- (ii) occupational hypoacusis,
- (iii) occupational respiratory diseases,
- (iv) occupational muscular-skeletal complaints,

- (v) diseases linked to exposure to certain chemicals,
- (vi) training and information of those involved in the industries, and
- (vii) methods for measuring exposure.

Other ECSC research programmes cover:

- (i) industrial hygiene,
- (ii) safety,
- (iii) ergonomics, and
- (iv) pollution.

The right of establishment in the health-care professions

In order to ensure the free movement of persons, Article 57 of the EEC Treaty calls upon the Council of Ministers to issue directives for the mutual recognition of diplomas, certificates and other evidence of formal qualifications, together with directives for the coordination of provisions laid down by law, regulation or administrative action in Member States concerning the taking up and pursuit of activities as self-employed persons. It is in the field of medicine that greatest progress in this area of Community law has been made: in 1975, separate Directives for recognition and coordination were issued for doctors, and subsequently for other persons in the medical profession such as dentists, pharmacists, midwives and nurses. The recognition Directive for doctors provides for the recognition of those qualifications issued in application of the rules laid down in the European Directives. The Directive for coordination deals with regulations governing the training of doctors, and establishes minimum requirements in terms of both quality and quantity.

Pharmaceutical products

In the 20 years or so that have elapsed since the harmonization of legislation on medicinal products began, the Council has issued 11 important Directives and two Recommenda-

tions on medicinal products for human and animal use. These Directives cover most medicinal products. Vaccines, blood products, radioactive substances and homeopathy are excluded for the present. By 1990 the Directives should cover previously untested medicinal products.

The impact on the medicinal products market in the Community has been fivefold:

- (a) Criteria governing the quality, safety and efficacy of medicinal products, as well as certain aspects relating either to the authorization procedure for marketing (cost, justification, notification) or to production (quality control, inspections) have been progressively harmonized.
- (b) Analytical, clinical and toxicological/pharmacological testing of medicinal products need not be repeated within the Community provided the initial testing conforms to Community legislation.
- (c) Checks of manufacturing inputs in the country of production are recognized by the other Member States.
- (d) The general provisions for labelling and package inserts have been harmonized.
- (e) A common list of permitted colorants for use in medicinal products has been adopted.

Under current Community legislation, the 12 Member States still have unlimited responsibility for issuing authorizations for the marketing of medicinal products.

In spite of extensive harmonization, it is clear from decisions taken by the authorities responsible in each Member State for the marketing of medicinal products that differences of opinion do exist. In order to reduce these differences, the Committee for Proprietary Medicinal Products — consisting of representatives of the Member States and the Commission — was set up in 1977. This Committee can be asked by Member States and the Commission to give its opinion on the unwanted effects of medicinal products.

The adoption by Member States of a common position on marketing authorization for medicinal products has thus been simplified, since the manufacturers of such products have two types of Community procedure at their disposal. The procedure governing the marketing of high tech or biotechnological medicinal products allows manufacturers to ask the Committee for proprietary medicinal products to deliver an opinion before the introduction of national legislation. The second procedure allows a company which has been granted authorization in one Member State to ask for this authorization to be recognized in other Member States.

The Directives require the competent authorities in each Member State to inform all other Member States of any important information relating to the quality, safety and efficacy of medicinal products, and to inform the Committee for Proprietary Medicinal Products immediately it becomes aware of any refusal or withdrawal of marketing authorization, or of any delivery ban. The Commission, in collaboration with the Member States, has regulated the exchange of information relating to dangers arising from the use of medicinal products.

A list of contacts, which is constantly being updated, allows urgent information of this type to be exchanged by telex or telefax. Every two months (or every month if necessary), the Committee for Proprietary Medicinal Products examines all outstanding questions relating to the unwanted effects of medicinal products. The task of monitoring medicinal products has developed very rapidly over the past few years; between 10 and 15 medicinal products are examined at each meeting. Where necessary, the manufacturers concerned may be asked to submit to the Committee a written or verbal opinion. The Committee also looks at questions that are discussed in the European Parliament, and papers contributed by European consumer organizations.

The Commission has sent the Council a proposal for a Directive on the transparency of measures regulating the pricing of medicinal products for human

use and their inclusion within the scope of the national health insurance system (COM(86) 765, 23. 12. 1986 and OJ C 17, 23. 1. 1987).

This proposal represents the first legislative initiative of the Commission in the complex and controversial field of price controls and restrictions on reimbursements for medicinal products. Legal proceedings have in the past been brought against several Member States for infringement of Article 30 of the EEC Treaty; in 1986 the Commission adopted a Communication to Member States outlining its interpretation of the appropriate jurisprudence of the Court of Justice (OJ C 310, 4. 12. 1986).

The purpose of the proposal is to ensure that any measures taken by Member States to control the price of medicinal products, manufacturers' profits or the range of products covered by the national health insurance systems be applied in an appropriate and transparent fashion. In view of the complex methods of price control in Member States, a fundamental harmonization of national regulations seems unrealistic and has therefore not been proposed. In the meantime, increased cooperation at Community level is being encouraged.

Foodstuffs

The Commission has submitted to the Council a package of proposals for Directives on the harmonization of national legislation on the monitoring of foodstuffs.

The trading of foodstuffs is of central importance to the common market. All Member States of the Community are aware of the importance of protecting the health and economic interests of their consumers by means of suitable monitoring of foodstuffs.

In the first instance it is more appropriate to approximate the general principles relating to the monitoring of foodstuffs. At a later date, special provisions designed to supplement these general principles may be issued, should this prove necessary.

To achieve this objective, the Commission has submitted to the Council a proposal for a Directive on the official monitoring of foodstuffs. This contains general principles on the official monitoring of foodstuffs, with particular regard to inspections, samples and analyses, examination of personnel, the checking of information and technical data, as well as the examination of any monitoring systems installed by the undertaking.

Draft Directives on the approximation of national legislation on additives, colorants and flavour enhancers permissible in foodstuffs, as well as on deep-frozen food, low-calorie food, cocoa, fruit juices, jams and the labelling of foodstuffs, are also before the Council at the present time.

Differences in national legislation governing foodstuffs could lead to unfair competition and thus adversely affect the creation or smooth functioning of the common market. The approximation of such legislation is thus indispensable for a free market in foodstuffs.

Toxicology

At their Council meeting of 29 May 1986, the Health Ministers of the Member States decided on a Community action programme on toxicology and health protection.

One of the main objectives of this programme is to contribute towards the improvement of information essential to Community-level sectoral work in the field of toxicology. This includes information on pharmaceutical products and cosmetics, foodstuffs for human and animal consumption, chemicals in the environment, pesticides and harmful substances in the home and at work.

By promoting experimental and clinical toxicology and taking due account of experimental, clinical and analytical data, the programme should help ensure that the data and test procedures are of a uniform quality and can be properly compared. By concentrating on existing experimental installations and tests currently being done, the pro-

gramme should help avoid unnecessary duplication of toxicological experiments and thus make Community activity in this field more competitive and economical.

A specific proposal which the Commission is currently preparing concerns a Council decision on the information available from anti-poison centres in order to improve protective measures.

Aim

The Council of Ministers and the European Parliament are currently considering a Commission proposal for a Community project on medical and bio-informatics (AIM), which would initially run for a period of 18 months.

This project should, in conjunction with public and private projects being conducted at national or international level in the field of medical and bio-informatics (MBI), increase the competitiveness of both industry and the suppliers of medical services in the Community; the benefits arising from improvements in the medical welfare services should be passed on to the public and medical institutions in a fairly short space of time and at very little extra cost. The project thus fulfils both social and scientific objectives.

The project aims to create a common conceptual framework for cooperation, pre-legislative work and explanatory work of a technical nature, and to analyse the non-technological factors needed to promote concerted action at European level and so bring about an improvement in health care services.

Health card

The Resolution of the Council and of the representatives of the Governments of the Member States, meeting within the Council, of 29 May 1986 concerning the adoption of a European emergency health card (OJ C 184, 23. 7. 1986, p. 4) recommends the introduction of a standard emergency health card for all Member States with the objective of protecting the health of European citizens

with serious health problems. This Resolution is also in line with measures to achieve a people's Europe, by enhancing their freedom of movement.

Alcohol abuse

The Resolution of the Council and the representatives of the Governments of the Member States, meeting within the Council of 29 May 1986 on alcohol abuse (OJ C 184, 23. 7. 1986, p. 3) ex-

pressed concern for public health as a result of the growth in alcohol abuse in the Community.

The Commission was invited to submit proposals for a policy on the matter.

Renal dialysis

The objective of the Resolution of the Council and the representatives of the Governments of the Member States,

meeting within the Council, of 26 June 1986 concerning the protection of dialysis patients by minimizing the exposure to aluminium (OJ C 184, 23. 7. 1986, p. 16), is to protect dialysis patients by laying down recommendations concerning the monitoring of aluminium levels in dilute solutions for haemodialysis and in plasma intended for persons undergoing a dialysis, on the basis of a Community programme aimed at improving the quality of analysis methods and establishing reference methods.

Health significance and early detection of nephrotoxicity

An international workshop on the health significance of nephrotoxicity was organized in the framework of a joint effort between the Health and Safety Directorate of the Commission of the European Communities and the IPCS (International Labour Office, the United Nations Environment Programme and the World Health Organization).

Sixty-one leading experts in kidney function and disease from 16 countries met in Luxembourg between 26 and 29 April 1988. The 24 invited scientific papers and the extensive discussions focused attention on the function of the kidney in health and disease, methods and techniques for examining kidney function, the early detection of adverse effects and factors influencing susceptibility to kidney damage. The working papers and consensus report including recommendations will be published in *Toxicology letters* (Elsevier Science Publishers) early in 1989.

The present report summarizes the major concerns, conclusions and recommendations which arose from the workshop.

Introduction

It has become increasingly apparent over the last decade that a number of nephropathies develop as a consequence of exposure to therapeutic agents and to chemicals in the workplace and environment. Nephrotoxicity can be broadly defined as 'the adverse functional and structural renal changes induced directly or indirectly by chemical and biological agents (or their metabolites) that are inhaled, ingested, injected or otherwise absorbed'.

The aim of the meeting was to assess existing markers and recommend where new biological markers should be developed, which could be used to detect early changes in renal structure and function, before irreversible damage develops. Early diagnosis is important to reduce the high incidence of kidney failure and the associated escalating costs of dialysis and organ transplant, and other diseases related to renal injury.

The kidney has many important functions, which include the regulation of fluid and electrolyte levels, the control of acid-base balance, elimination of metabolic waste products, detoxification of certain drugs and synthesis of hormones (e.g. renin). Each of the anatomical components of the renal parenchyma can be affected by chemicals and drugs, i.e. the glomeruli (filtration function), proximal and distal tubules (reabsorption function), interstitium and vessels. The kidney is particularly susceptible to the deleterious effect of chemicals because it has a high metabolic activity and diverse specialized functions. Chemicals can act by direct toxic effects from the parent compound (or a metabolite) or as a result of indirect effects (e.g. such as immunological modifications). The sensitivity of the kidney to nephrotoxic agents may also be related to the functions of producing urine where active transport carries very high concentrations of substances into cells: and the elevated intracellular concentrations result in cell damage (often to a specific cell type).

The kidney has a substantial functional reserve and repair capacity and

therefore low-grade injury gives minimal clinical symptoms. In fact there are almost no functional defects which alert for the need to consult a doctor. It is only once damage has progressed and is extensive that there are symptoms, by which time a renal disease can easily be diagnosed. It is therefore most important to have reliable and sensitive indicators of early renal damage which enable intervention at a stage when renal functional changes could still be reversed or chronic renal failure prevented. Such markers would permit due screening of populations at risk and the early institution of preventive programmes.

Most of the advanced changes in the kidney can be easily monitored through simple and inexpensive tests. The problem is how to establish if such tests have a predictive value: namely, if an abnormal result is able to predict a decline of renal function which may progress to renal insufficiency. Some parameters, e.g. serum creatine only increase when 75 % of the renal tissue has been irreversibly damaged.

Origins of renal damage

Renal damage can be classified as acute, chronic or end-stage renal failure. Some of the chemicals known to be associated with a raised incidence of these diseases are listed in Table 1. The degree of the problem is emphasized by the fact that, at present, at least 50 % of the chronic renal failure cases are of unknown aetiology. These cases may be related to environmental factors, occupational and domestic exposures or clinical therapies.

The following statistics emphasize the importance of the socio-medical costs associated with such diseases. In Belgium, 30 % of acute renal failure patients require dialysis. The chronic renal failure patients require long-term dialysis, one third are candidates for transplantation with an average waiting period of two years before they receive a renal allograft. At present treatment of each haemodialysis patient in the European Community costs more than ECU 50 000 annually: at the end of 1986 there

were 65000 haemodialysis patients in the EEC. The incidence of chemically-induced nephropathy with the best established cause, analgesic nephropathy, underlies the amplitude of the problem. At least 2200 patients were registered with this syndrome in the EEC in 1986 (estimated on a 3% prevalence rate, computed from the European Dialysis and Transplant Association Registry) which cost over ECU 110000000 per year. Indeed, recent epidemiological data suggests that the incidence for analgesic nephropathy is an underestimation. The other drugs, metals etc., listed in Table 1 may also induce chronic renal failure, but the extent of the problem is not known due to lack of adequate markers for early diagnosis and epidemiological studies.

Table 1: Some chemicals known to induce kidney functional changes

Acute renal failure

- Antibiotics (mainly aminoglycosides)
- Radiographic contrast agents
- Non-steroidal anti-inflammatory drugs (taken for connective tissue diseases, acute and chronic pain syndromes)
- Cyclosporin A (cardiac and kidney transplant patients)
- Cisplatin (chemotherapy agent effective against testicular carcinoma, ovarian and bladder carcinoma, osteogenic sarcoma)
- Diuretics

Chronic renal failure

- Non-steroidal anti-inflammatory drugs
- Lithium therapy
- Lead and cadmium exposure
- Analgesic abuse

The extent of chemically associated renal dysfunction will depend on many factors such as: the toxicity of the agent, exposure time and frequency of exposure, interaction with other agents, site of kidney affected, clinical status (dehy-

dration, hypertension, blood pressure, nutrition), and individual susceptibility which may be related to genetic make-up, age, sex.

The toxicity of drugs and chemical substances will lead, first to subtle alterations in cell function, then to focal lesions and finally to more extensive acute or chronic damage to the kidney tissue. The assessment of the progress of the degenerative change is difficult with present diagnostic tools.

A number of novel markers have been suggested (Table 2), but none of these provide early markers that quantify the site or severity of injury. One of these markers, enzymuria is discussed in some detail below as it is a good example of the difficulties encountered with existing markers in the diagnosis of kidney damage. Changes in serum enzymic activity, for example, lactate dehydrogenases and transaminases have proved invaluable markers for detecting necrosis, in liver and heart respectively. No equivalent organ and/or site specific enzyme is available for the kidney. Part of the difficulty is that the urine formed by the kidney is an 'open system', whereas serum enzymes remain in the circulation for a considerable time. There is also no way of distinguishing enzymes shed from normal cell turnover and regeneration as opposed to those related to the renal cell necrosis. Where enzymes are measured in urine it is generally preferred to measure them on the basis of their protein antibody properties rather than their activity, since the latter may be modified by pH

changes and proteolytic enzymes during collection, handling and storage. It should also be borne in mind that heavily diseased tubules do not produce or excrete urinary enzymes and false negatives and positives are inevitable.

Chemical and drug exposures implicated in renal damage

Many potentially nephrotoxic medicines are vital for therapeutic purposes. Thus the difficulties associated with the diagnosis of renal damage after these medicines are super-imposed on those of other nephrotoxins to which man is exposed. This leads to a number of pitfalls and unknown factors associated with the test methods in a selection of exposure situations associated with kidney damage. These include:

- (i) drug therapy e.g. aminoglycosides, cyclosporin, analgesics;
- (ii) association with other illnesses e.g. diabetes;
- (iii) exposure to environmental substances e.g. mycotoxins.

1. Aminoglycosides

Despite the introduction of new classes of wide spectrum antibiotics, the aminoglycosides (e.g. gentamicin) are still essential for the treatment of life-threatening infections. In the United States, 5 million courses of aminoglycosides are administered annually: equivalent figures are not available for Europe.

Table 2: Markers of renal injury

<i>Class of marker</i>	<i>Example</i>
High molecular weight proteinuria	transferrin
Low molecular weight proteinuria	Beta-2-microglobulin
Urinary excretion of kidney antigens	antigens from brush border
Enzymuria	Beta-N-acetylglucosaminidase (NAG)
Circulating antibodies	anti-glomerular basement membrane antibodies
Immune reactions	raised IgE
Changes in membrane charge	red blood cell membrane
Urinary dilution/concentration ability	osmolarity

On average 10—15 % of patients will experience a nephrotoxic reaction. This risk needs to be put in perspective in view of its reversibility, and the severity of the diseases for which it is prescribed.

2. Cyclosporin

Cyclosporin is of proven value in successful organ transplantation but a most serious side effect is nephrotoxicity. At therapeutic doses cyclosporin causes a decrease in renal function in almost every patient (serum creatinine increased by around 30 %). Morphological lesions occur in both tubular and vascular systems, but no such effects were reported in the prior screening conducted in animals. Thus cyclosporin (like lead and halogenated organic compounds) had different effects in man and animals. This result emphasizes the difficulty in extrapolating nephrotoxicity data from one species to another.

3. Analgesics

More than 30 years have passed since the first publication linking analgesic abuse with end-stage renal failure and upper urothelial carcinoma. The causal relationship between analgesics and these diseases still remains controversial. It is, for instance, not certain which analgesic is the causative or most potent agent, what is the quantity of mixed or single analgesic required to cause the primary lesion (estimates vary between less than 1 to 35 kg of analgesic compounds), what are the predisposing factors and what is the clinical course of the disease. The study of analgesic associated nephropathy is difficult because the earliest lesion (papillary necrosis) is not easily diagnosed.

Phenacetin was originally thought to be the toxic agent and the pharmaceutical industry have removed phenacetin from most proprietary analgesic mixtures or reduced their availability. In some countries, e.g. Sweden and the UK such measures have apparently led to a reduction in the number of dialysis patients, but it is now known that other analgesics also have the potential to cause papillary necrosis.

Attempts have been made to explain analgesic abuse, which is widely different from one country to another and tends to be concentrated in 'pockets' (in Europe the highest prevalence is in Switzerland and some areas of Belgium and the Federal Republic of Germany). Addiction to caffeine, a frequent co-component of the tablets, has been suggested as an important psychosocial factor. Many researchers have been intrigued by the wide national incidence differences and felt compelled to ask the question whether the diagnosis of analgesic nephropathy is sometimes being missed? This would seem to be the case in countries like Italy and Portugal and emphasizes the need for unifying diagnosis procedures.

4. Diabetes

A frequent complication of diabetes is a nephropathy where there is evidence that the initiation and progress of renal disease is associated with lack of metabolic control. However not all patients develop nephropathy, thus there may be as yet unknown permissive factors. It has been shown experimentally that rats rendered diabetic resist the toxic effects of gentamicin, it is not known if diabetic patients also benefit from such protection.

While urinary glucose indicates diabetes *per se*, an abnormally elevated urinary excretion of microalbumin in the absence of clinical proteinuria is widely used as a sensitive predictor of diabetic nephropathy.

5. Occupational exposure to lead and cadmium

Exposure to lead results in an accumulation of the metal in the proximal renal tubule cells. Acute nephrotoxicity is reversible by treatment with chelating agents, but continued exposure may result in irreversible loss of kidney function and renal failure.

Similarly, when cadmium accumulation in the renal cortex exceeds a critical concentration of about 200 $\mu\text{g/g}$, tubular dysfunction occurs. This is probably not

reversible even after cessation in exposure. A persistent urinary excretion of retinol-binding protein or beta-2-microglobulin is associated with cadmium metallothionein-alpha nephrotoxicity and seems to predict a progressive deterioration of renal function.

6. Exposure to mycotoxins

A major chronic renal disease observed in South-Eastern Europe 'Balkan nephropathy' is believed to be caused by a fungal or mycotoxin, ochratoxin A, contamination of the foodstuffs. Elevated urinary beta-2-microglobulin has enabled screening in endemic areas, but only detects advanced tubular dysfunction. The role of mycotoxin exposure in other types of renal injury is not clear and needs to be established.

Risk factors or risk groups

Present practical applications of markers to individuals and groups at risk

The functional structure of the kidney is so complex that it would not be advisable to measure a single parameter for the early detection of renal dysfunction. The early indicators of renal damage reflect damage to (and dysfunction of) the proximal tubules and not at the glomerular distal or interstitial level. A measurement of the osmolality of urine may be useful in assessing distal tubular function. As far as advanced proximal changes are concerned, several tests are available. Some may be considered more appropriate for monitoring at the individual level, others for groups at risk.

At the individual level, only microproteinuria has so far been found to have some predictive value in diabetic subjects (microalbuminuria) and beta-2-microglobulin and other low molecular weight proteinuria in cadmium-exposed workers. The health significance of other changes (e.g. circulating anti-glomerular basement membrane antibodies, membrane negative charges) are insufficiently documented to allow an individual assessment of the risk.

For groups at risk, the determination of urinary high molecular weight protein and a low molecular weight protein such as retinol binding proteins, would seem appropriate as a minimal combination of tests. These tests have the advantage that they can be associated with the examination of urine with a classical reagent strip, dipstick, enabling the detection of urinary abnormalities like glucosuria and haematuria at the same time, on a 'spot' urine sample (provided a correction is made for diuresis on the basis of urinary creatinine). The types of test selected and the frequency at which they should be performed will be different in the occupational and domestic setting. Confirmed, repeated abnormal values would indicate the need for intervention like removing one patient from the workplace and undertaking a detailed clinical follow-up.

The workshop formulated the following recommendations:

1. Actions

- (i) Recommend the responsible authorities and private bodies to take appropriate steps to reduce accessibility and prohibit inappropriate combinations of analgesics. This step has already resulted in a dramatic decrease in the incidence of nephropathies in some countries.
- (ii) Reappraise critically the use of known nephrotoxic drugs and

chemicals and encourage the rational design and improved screening for new, less nephrotoxic compounds on the basis of progress in basic sciences.

- (iii) Give positive encouragement to efforts devoted to the rational design and improved screening of new, less nephrotoxic drugs.
- (iv) Explore means of reducing nephrotoxicity associated with those drugs for which there is no substitute. These may include improving schedules of administration, adapting dose schedules, and administration of protective agents.
- (v) Educate health care professionals to make full use of the protection by the recognizing of risk factors in patients.
- (vi) Implement appropriate surveillance programme for workers exposed to nephrotoxic chemicals in order to detect adverse renal effects as early as possible and adapt preventive measures accordingly.

2. Studies be undertaken to obtain insights into mechanisms of chemically-induced renal injury

- (i) To define the primary site of interaction between a chemical and identify cellular and molecular events leading to cell dysfunctions.

- (ii) To develop markers for clinical application to identify injury and site specific lesions.
- (iii) To understand the extra-renal functions, especially immunological changes that effect the kidney after chemical exposure.

3. Human health studies be undertaken

- (i) Studies of selected, high risk populations should be performed to validate the significance of specific and/or new markers of nephrotoxicity.
- (ii) Such studies should be designed and supervised by an appropriate advisory group.
- (iii) Over 50 % of end-stage renal damage (ESRD) is of unknown aetiology. As a significant proportion of renal degeneration is caused by nephrotoxic chemicals this represents a major opportunity for reduction of risk and prevention. Therefore, physicians should be encouraged to inquire about past occupational and environmental exposures to potentially nephrotoxic chemicals in all cases of end-stage renal disease of unknown aetiology.

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Summaries of studies carried out for the Commission of the European Communities

Introduction

Every year, the Commission of the European Communities, in particular the Directorate-General for Employment, Industrial Relations and Social Affairs, charges a number of research centres, universities, experts or reflection groups with the study of specific subjects in the social field. The studies carried out for DG V also contain a range of information and data which will undoubtedly prove of interest to readers of *Social Europe*.

This article includes summaries of five studies on different subjects: anti-smoking legislation, training in the retail trade, the social situation of older women, developments in the role of employers' organizations since 1980 and the situation of women managers in the sector of the new technologies.

Anti-smoking legislation in the countries of the European Economic Community¹

Tobacco addiction is one of the most widespread scourges of our age. Tobacco is responsible for many kinds of cancer, a considerable proportion of cardiovascular complaints, the majority of chronic lung complaints and reproduction problems. In order to protect the consumer against tobacco, tobacco-based and similar products, it is necessary to exercise control over advertising and packaging labelling, protect children, define tobacco products and ban certain products, and limit if not prohibit smoking in public places.

1. Advertising

In view of the impact of advertising on behaviour, regulations must be imposed to limit advertising for tobacco and similar products. Consensus among the Community countries is, however, difficult to achieve as certain Member States want to adhere to the principle of free enterprise. As in the case of all legislative texts, there is the problem of free interpretation or non-respect of the texts, fines having little dissuasive effect. There are sometimes clear regulations on indirect advertising but in practice infringements of such regulations are often common. In certain circumstances voluntary agreements between the State and tobacco industries prove more effective than legislation to which there is too frequent recourse.

Limits on advertising budgets or surfaces are the most effective, if rarely used, measures to combat this form of advertising.

Failing an all-out ban on tobacco advertising, which would be difficult to conceive or obtain, governments are attempting to legislate in a way which ensures that the advertising becomes very neutral and non-effective or non-suggestive.

2. Packaging labelling

All the EC countries are aware of the need for the packaging to display a warning indicating the health risks of tobacco. These must be direct warnings if they are to have a significant impact on consumers. All countries have current or pending legislation/regulations in this field.

The 'shock effect' of the warning varies from one country to another. It ranges from vague terms ('excessive smoking is dangerous') to the use of words such as 'death' and 'cancer'.

To add to the effect, the warning may be signed by the medical authorities, a signature by the minister or government seeming less credible in this context.

One insufficiency should be noted regarding the systematic indication of tar and nicotine content on packaging. If imposed, it only applies to cigarette packaging.

Certain countries believe that the majority of people are only in fact aware of the health warning.

¹ Sasco, Annie J. and Van Der Elst, Pierrette, *Comparative study on anti-smoking legislation in the countries of the European Economic Community*, Unité d'Epidémiologie Analytique Centre International de Recherche sur le Cancer, Lyons, July 1988, 68 pp. Study carried out for the Commission.

Table 1: Advertising

	TV/Radio ban	Press regulations	Advertising hoarding regulations	Sponsorship regulations	Indirect advertising regulations	Warnings
Belgium	X	X	X		X	X
Denmark						(X)
FR of Germany	X					
Greece	X					
Spain	X	(X)				
France	X	X	X	X	X	
Ireland	X	X	X	X	X	X
Italy	X	X	X	(X)	(X)	
Luxembourg	(X)	(X)	(X)	(X)	(X)	(X)
Netherlands	(X)		X			
Portugal	X					
United Kingdom	X	X	X	X	X	X

X: Legislation or regulations in force.
 (X): Legislation or regulations pending.

	Limits on advertising budget	Ban on promotional offers	Various
Belgium Denmark		X	No advertising for cigarettes with over 20 mg tar
FR of Germany Greece Spain			
France		X	
Ireland	X	X	
Italy Luxembourg Netherlands Portugal			
United Kingdom	X	X (for under 18 s)	No advertising for cigarettes with a high tar content (over 18 mg). Compulsory indication of tar category

Table 2: Packaging labelling

	Packaging regulations	Labelling of tobacco components	Labelling of tar content	Warning
Belgium	X	X (cigarettes)	X (cigarettes)	X
Denmark	(X)	X (cigarettes)	X (cigarettes)	X
FR of Germany	X	X (cigarettes)	X (cigarettes)	X
Greece	(X)			
Spain	X			X
France	X	X (cigarettes)	X (cigarettes)	X
Ireland	X			X (cigarettes, chewing tobacco)
Italy	(X)	(X)	(X)	(X)
Luxembourg	(X)			(X)
Netherlands	(X)	X (cigarettes)	X (cigarettes)	X (cigarettes, loose tobacco)
Portugal	X	X (cigarettes)	X (cigarettes)	X (cigarettes)
United Kingdom	X	X	X (cigarettes)	X (cigarettes, hand rolling tobacco)

X: Legislation or regulations in force.

(X): Legislation or regulations pending.

	Indication of warning authority	Warning characteristics	Maximum tar content
Belgium		X	
Denmark	X		X advertising prohibited if content > 20 mg
FR of Germany	X	X	
Greece			
Spain	X		X 24 mg for new brands
France		X	
Ireland	X	X	
Italy		(X)	
Luxembourg			
Netherlands			
Portugal		X	
United Kingdom	X	X	X advertising prohibited if content > 18 mg

3. Protection of children

At the present time, a ban on the sale of tobacco products to young people

under 16 years of age exists only in Spain, UK and Ireland. However, the majority of EEC countries have provisions, either in force or pending, banning smoking in schools and other places

frequented primarily by young people under 16. Also, advertising regulations for tobacco products stipulate in most countries that this advertising should not be directed at young people.

Table 3: Measures for the protection of children

	Sale prohibited (age limit)	Ban on smoking in schools and places where young people are present	Ban or restrictions on advertising aimed at young people	Other provisions
Belgium	no	yes	yes	Ban on smoking in public for young people under 16
Denmark	no	no (pending)	no	
FR of Germany	no	yes	yes	
France	no	yes	yes	
Greece	no	no	no	
Spain	yes (16 years)	yes	no	
Ireland	yes (16 years)	no	yes	
Italy	no (pending)	yes	no	
Luxembourg	no	no (pending)	no (pending)	
Netherlands	no	no (pending)	yes	
Portugal	no	yes	no	
United Kingdom	yes (16 years)	no	yes	

4. Definition of tobacco products and the banning of certain products

Not all the national legislations have precisely defined tobacco products as such or the substances permitted in their composition. The same applies to the maximum permitted content of such substances. The emphasis is more generally placed on tar content. The aim of the EEC is to bring this legislation into line, before 31 December 1992, by imposing a maximum content of 15 milligrams of tar per cigarette.

At the present time, in none of the EC countries, with the sole exception of

Ireland (Skool bandits), is there a specific ban on tobacco products, their definition being sufficiently broad to include products such as are banned in Ireland and Hong Kong.

5. Smoking in public places

The majority of EEC countries have regulations which are more or less exclusively limited to smoking in public places. This does not, however, mean that they are rigorously applied. At the present time, there are no regulations on smoking in the place of work but this

situation could change in response to the legitimate concerns of non-smokers.

In all the Community Member States there is some form of anti-smoking legislation or regulations, but there is great variation in the degree of precision of the texts. Over about the last 15 years, the texts in force have been progressively modified and new regulations introduced. But, if a law is to constitute an effective instrument in the fight against smoking, it also needs to be applied and the penalties for infringement must be sufficiently dissuasive. Furthermore, one should bear in mind the research into and systematic use of these shortcomings in the law by the tobacco industry.

Table 4: Places where smoking is banned or controlled

	Schools and places where young people are present	Hospitals and care centres	Public transport	Theatres, cinemas, etc.	Exhibitions, museums	Sports halls	Places of work	Other
Belgium	+	+	S/NS	+	+	+		Places where elderly people are present
Denmark	(+)	+	(S/NS)				(+)	
FR of Germany	+		S/NS					
Greece		+	+	+				
Spain	+	+	S/NS					
France	+	+	(25%) S/NS (50%)	+				Handling of food or toxic products
Ireland	(+)	(+)	(+)	(+)				
Italy	+	+	+	+	+			
Luxembourg	(+)	(+)		+	(+)	(+)		
Netherlands	(+)	+				(+)	(+)	
Portugal	+	+	S/NS (50 to 100% depending on journey times)	+	+	+		Places where elderly people and pregnant women are present
United Kingdom			+					

+ : Anti-smoking legislation or regulations in force. (+) : Legislation or regulations pending.
S/NS: Separation of smokers/non-smokers with, between brackets, the area reserved for non-smokers.

Training in the retail trade, with a view to 1992¹

The retail trade employs 11% of the working population of the European Community. As consumers become ever better informed so they demand better qualified sales staff.

In order to discover the structures of the profession and training needs in the retail trade sector, the Institut interuniversitaire de formation et de développement (IFD) prepared a survey by questionnaire in the Member States of the EEC and EFTA.

The 64 tables in the report demonstrate that this sector employs a majority of women and full-time workers. Although Belgium is the only country where there is no specific type of training or vocational training in this field, a standard qualification is considered necessary in all the other countries of the Community. For the rest, especially as regards satisfaction with the existing structures, opinions are divided and the replies divergent, a phenomenon which

is linked to the need for a common policy as regards training in the retail trade.

¹ EEC Seminar, 18 and 19 October 1988 'Retail trade: Objective 1992'. Report on the survey by questionnaire: 'Training in the retail trade', Pardon, Chantal; Cassiers, Nora; Vaes, Nora; Teughels, Elisabeth. 63 pp. + annexes. Study carried out for the Commission.

The economic and social situation of older women in Europe¹

In the framework of its 'Equal opportunities' programme, the Commission of the European Communities requested the ACIOG (Age Concern Institute of Gerontology, London) and the NFB (Nederlandse Federatie voor Bejaardenbeleid) to carry out a study on the condition of older women in the Member States.

Older women were defined as being 50 years of age or more, an arbitrary choice which makes it possible to include women who are still active professionally.

The world population of older people is constantly increasing: from 290 million in 1987, it will reach 410 million in the year 2000. The category of over-75s is growing the fastest of all. Europe too is experiencing this phenomenon. In North-Western Europe it has been apparent for several decades already. The main cause of this ageing of the population lies in the fall in the birth rate. Among older people, the number of women is growing in proportion to the

increase in age: there are 52% women in the 55–64 age group and 70% in the 75+ age group. This phenomenon is also partly due to the heavy war casualties of the twentieth century. As women marry men who are older than themselves and men remarry more easily, there are a large number of widows: 65% of women over 75 years of age are widows. Furthermore, as there are many more single women than men, older women are more likely to live alone.

The participation of older women in economic life, even if single, is low in Europe. Those who work are mainly concentrated in the primary and tertiary sectors, in subordinate and poorly paid jobs. Their lack of training and family responsibilities are partly to explain for this situation. Earning less during their working life, as women become older they have less savings to draw upon. In conclusion, if older people on average have less income than the population as a whole, older women are even more disadvantaged.

As regards health, women are more vulnerable than their male companions. Being more fragile, they have more problems in daily life. For this reason and because they live longer, older women are more likely to need health care and assistance. The policy of the majority of the European countries is to prevent these older people from remaining at home, when the assistance of the family or others is indispensable. This task is often reserved for older women, to the detriment of their health and well-being.

The older population lives in old buildings, of a low standard and without comfort, especially in the countryside, with people living alone and/or very old.

Older women are a particularly disadvantaged class in our society. It is a subject for reflection. If this generation of women are to be better equipped to face the problems of old age, due to their education, profession etc., it is now that action should be taken to restore the balance in favour of older women.

The development of the role of employers' organizations since 1980: Belgium, the Netherlands, the Federal Republic of Germany²

A country's industrial relations are determined by its history and its people. The organization of employers in Belgium is highly centralized with a tendency towards regionalization; in Germany the organization is very structured, while in the Netherlands we are seeing a real intertwining of associations representing the employers.

As a general rule, in the three countries studied, the social partners mutually recognize the other party as being both legitimate and representative, while defending the interests of their own

members. Employers' organizations are making a major and successful effort to improve their public image in society. The increasing importance of the 'service' function within these organizations should be noted, a development linked to progress in informatics and which is helping to reinforce or consolidate their influence.

Belgium

The organization of employers in Belgium is not difficult to grasp: on the

one hand it lies outside distinctions between federations of an economic vocation and federations of a social vocation and, on the other hand, it lies outside denominational distinctions.

¹ *The social and economic situation of older women in Europe*: Joint report of two research projects, Coopmans, Marianne; Harrop, Anne; Hermans-Huiskes, Marijke; ACIOG-NFB, 1988. 92 pp. Study carried out for the Commission.

² Castin, Franz. October 1988, 86 pp. Study carried out for the Commission.

The structure in Belgium consists of a pyramid of sectoral organizations of varying solidity and size with, at the summit, an interprofessional federation known as the *Fédération des entreprises belges* (FEB) and its 30 000 members. Alongside this there are three regional organizations:

- (i) the *Vlaams Economisch Verbond* (VEV);
- (ii) the *Union Wallonie des entreprises* (VWE);
- (iii) the *Union des entreprises de Bruxelles* (UEB).

The division of responsibilities between the FEB and the regional organizations was laid down by the protocol of 21 April 1981: the FEB is responsible for national and international affairs, while the regional organizations represent the companies before the authorities responsible for regional and community matters. These four organizations have set up a contact committee of 12 members which should meet at least six times a year.

The majority of union members are represented by two major unions. The *Fédération générale du travail belge* (FGTB), of socialist leanings, and the *Confédération des syndicats chrétiens* (CSC). Union membership is very high in Belgium (70%).

Generally speaking — and this affects the situation of the FEB — the unions, due to the effects of the crisis, have been more muted in their demands, demands which have, however, once again become more vigorous over recent months.

Since 1980, there has been a move towards greater acceptance of the enterprise and economic reality. Social dialogue has been helped by this and more moderate settlements have been reached. Also, due to the effects of the crisis, there are fewer ideological conflicts; greater importance is attached to concrete solutions. Such developments have been to the benefit of the FEB which remains in an essentially strong position. At present, balance is being

restored to the relative strength of the two sides of industry.

The Netherlands

The network and the structure of Dutch employers' organizations are markedly asymmetric. Due to a history of religious pluralism, denominational differentiations have been retained in employers' organizations and trade unions. The strong national tradition of individualism is an important element to be borne in mind in studying this country.

At the summit, there are two central employers' organizations which unite the sectoral organizations:

- (i) the *Verbond van Nederlandse Ondernemingen* (VNO),
- (ii) the *Nederlands Christelijk Werkgeververbond* (NCW).

The VNO, the largest organization, does not itself negotiate; the role of negotiator is reserved to the sectors. The job of the VNO is to coordinate this system, leaving it free to develop the general lines of economic and social policy. There is no direct sanction as regards the members, but the two employers' organizations possess a joint 'strike fund' allowing them to withdraw support from a company on strike if it fails to adhere to the federations' directives.

A Council of Employers' Federations (*Raad van Werkgevers Verbonden*) allows consultations between the two organizations, each of which retains full autonomy of representation. At a more general level, the *Raad van Centrale Ondernemingsorganisaties* (RCO) brings together all companies. In addition to the VNO and NCW, there is also the *Algemene Werkgevers Vereniging* (AMV), a major employers' organization with wide-ranging authority and a member of the VNO, yet including members of organizations affiliated to the NCW or even the two employers' organizations. The principal role of the AMV is that of coordinator and adviser.

The trade union organizations are partly intertwined. Trade union member-

ship is low in the Netherlands (29% of workers, with a loss of 10% over the last decade). The unions are moderate and may be broken down into four families:

- (i) unions with social and Catholic leanings;
- (ii) unions with Protestant leanings;
- (iii) unions of junior employees;
- (iv) unions of civil servants.

In addition, the NVW is a member of the Alliance of Christian organizations (protestant) and the consultative Committee of Catholic organizations, forums where employers, workers and farmers of the same religion can meet.

The growing trend towards collective negotiations at a lower level, coupled with the increasing diversity of companies, is contributing to a loss of influence on the part of employers' organizations, a loss which they are attempting to compensate for through the organization of services. In the economic circumstances of the past decade, the organizations of Dutch employers are, however, finding their position strengthened with regard to the other part of industry.

The Federal Republic of Germany

To a greater extent than in Belgium and the Netherlands, the social partners in Germany accept the system. Instinctively suspicious of the State and very sensitive to their contractual autonomy (*Tarifautonomie*), employers' and trade union organizations are keen to play the part of social partners to the very full, without any outside interference. They are very politically independent and do not seem to have been affected by the economic crisis.

Two major conflicts have marked industrial relations over recent decades: the right to co-determination and the banning of the right of lock-out.

There remains quite a substantial differentiation between socially orientated employers' organizations, represented by the Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA), and the economically oriented employers' organizations, the Bundesverband der Deutschen Industrien (BDI).

The BDA unites all the private sector employers, except for the federation of employers in the iron and steel industry. The heterogeneous nature of its membership makes it difficult to adopt common positions. The BDA cannot accept representatives of employers' associations linked to the trade unions. The BDI unites 700 associations from the industrial sector. The two employers' associations (BDI and BDA) represent 80% of private sector employees. In addition, there are the Chambers of Commerce and Chambers of Craftsmen, associations under public law, to which the companies also have to belong. They defend the interests of their members at district level.

At the summit, the 'Gemeinschaftsausschuss der Deutschen Gewerblichen Wirtschaft' is responsible for co-ordination between the employers' federations.

The German trade unions (43% of workers) consist of:

- (i) the Deutscher Gewerkschaftsbund (DGB), an industrial union representing 83% of German union members;
- (ii) the Deutsche Angestellten Gewerkschaft (DAG).

Office workers have the Deutscher Beamtenbund. There is also a Christian union: the Gesamtbund der Christlichen Gewerkschaften, with 280 000 members.

German trade union action is increasingly aimed at the legislator, that is, the State. Current demands concern wages policy and working hours.

The BDA is the largest employers' organization in Germany: it unites 82% of companies and 800 company asso-

ciations. There are 46 sectoral organizations at Federal level (Fachspitzenverbände) and 11 interprofessional organizations per *Land* (Überfachliche Landesverbände).

The federations of the BDA defend the social interests of their members *vis-à-vis* the trade unions and the authorities. The State must remain neutral. Stable in structure and membership, the most influential members belong to the 'Gesamtmittel'. The roles of mediator and coordinator, and the service function through a data bank accessible to all companies and federations, are assuming increasing importance.

In conclusion, industrial relations in Belgium, the Netherlands and the Federal Republic of Germany are relatively stable, without any major rifts. Conflicts concern more specifically unemployment and shorter working hours. Solid employers' organizations have weathered the economic crisis without too much difficulty and have succeeded in integrating into society.

The situation of women managers in the sector of the new technologies¹

The entry of women to the world of work is one of the major changes in employment in Europe over the past 20 years. Women now represent 37% of the working population of the EEC. The two occupations which, in absolute terms, employ the greatest numbers of women are those of shop assistant or similar (excluding representative) and secretary/typist. Almost half of the women (45.4%) are employed in the services sector, where the greatest number of women managers is consequently also found.

The 1970s and 1980s saw a change in the social behaviour and attitudes of women, a change apparent as regards their enrolment at university or advanced business schools. Why then is it that so few women occupy managerial positions?

This study is designed to approach the situation of women managers in the sector of high technology on the basis of existing literature and a survey conducted among 46 women managers in five different countries (Belgium, France,

the Netherlands, the Federal Republic of Germany and the United Kingdom). The survey does not necessarily corroborate the conclusions of the literature.

Over recent years, the situation of women in management has improved. However, they tend to occupy peripheral positions, outside the key areas such as

¹ *Analysis of the situation of women managers in the sector of the new technologies*, BISO, Institut belge de recherche sociale, April 1988. 135 pp. Study carried out for the Commission.

sales, financial matters and production. Although the majority of women managers are found at the top or intermediate level, they do not usually sit on the Board of Management. Highly mobile from one company to another, and highly functionally mobile within a single company, women do not generally follow the career envisaged by the company but are rather promoted due to their own initiative or good fortune.

Discrimination against women can be shown in two different patterns of approach:

1. Greater attention is paid to the career of men;

2. A certain amount of scepticism on the ability of women to balance the demands of family and professional life.

Women have to overcome a series of obstacles, whether educational, legislative, socio-cultural, collective or psychological, and this is also true of the sector of new technologies which is relatively welcoming to women. A woman always has to make a great deal more effort to prove her abilities, to reach the same level as a man and gain acceptance. There is also evidence of discrimination as regards salaries, this applying to all categories of experience except

that of under five years, and discrimination concerning training and hiring (in which private and family life seems to act to the advantage/disadvantage of the women candidate). The women interviewed do not seem to have suffered due to these generally accepted obstacles. However, the survey was carried out among women who had achieved success. None the less, they were aware of a difference between the opportunities open to men and women managers, as regards salary, power of decision-making, recruiting . . . and confidence.

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Within the framework of the Toxicology action programme, the Health and Safety Directorate wishes to draw attention to the publication in May 1989 of Volume 1 of a series entitled **The toxicology of chemicals.**

1. Carcinogenicity. Summary reviews of the scientific evidence; edited by A. Berlin, M. Draper, E. Krug, R. Roi and M. Th. Van der Venne, under the reference number EUR 12029 EN 1989. ISBN number 92-825-9381-9. Catalogue number CD-NA-12029-EN-C.

This is the first volume in a series that is planned to cover the carcinogenicity, the reproductive toxicity and the immunotoxicology of chemicals. It has been produced with the objective of providing readily available summary reviews of the salient scientific evidence that underlies the assessment of a particular chemical in terms of carcinogenicity. The first 36 of these

reviews are presented in this volume and it is planned that subsequent volumes will appear annually. Such condensed authoritative reviews should be useful as a source of quick reference to those with responsibilities in establishing and implementing safety measures for chemicals and for general practitioners, who are becoming increasingly aware of the importance of enquiring about the possibilities of chemical exposures at the workplace. They are also intended for the use of those responsible for such activities as classification, labelling, prohibition, limitation of use, protection of workers and the establishment of exposure limits.

The reviews do not set out to be encyclopaedic but rather to provide concisely and systematically the most relevant scientific findings from studies in animals, from the results of short-term tests for mutagens and

carcinogens and from epidemiological studies that together are utilized in the risk assessment of a chemical. The references cited are such that those who wish to follow up any particular aspect can have easy access to the wider literature on the subject. The label 'carcinogen' covers a broad spectrum of carcinogenic potency and in many practical situations, among others, on the factory floor, it is desirable for those with responsibility for chemical safety to have some background information to help them to appreciate where on the scale of potency, admittedly as yet crude, a particular chemical might be placed. It is hoped that this and subsequent volumes will assist in this difficult area.

The book is available from the Office for Official Publications of the European Communities, 2 rue Mercier, L-2985 Luxembourg. Tel (352) 49 92 81.



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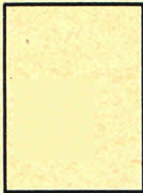
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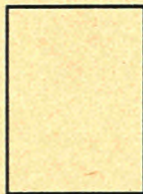
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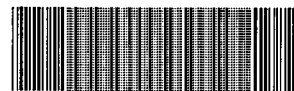
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