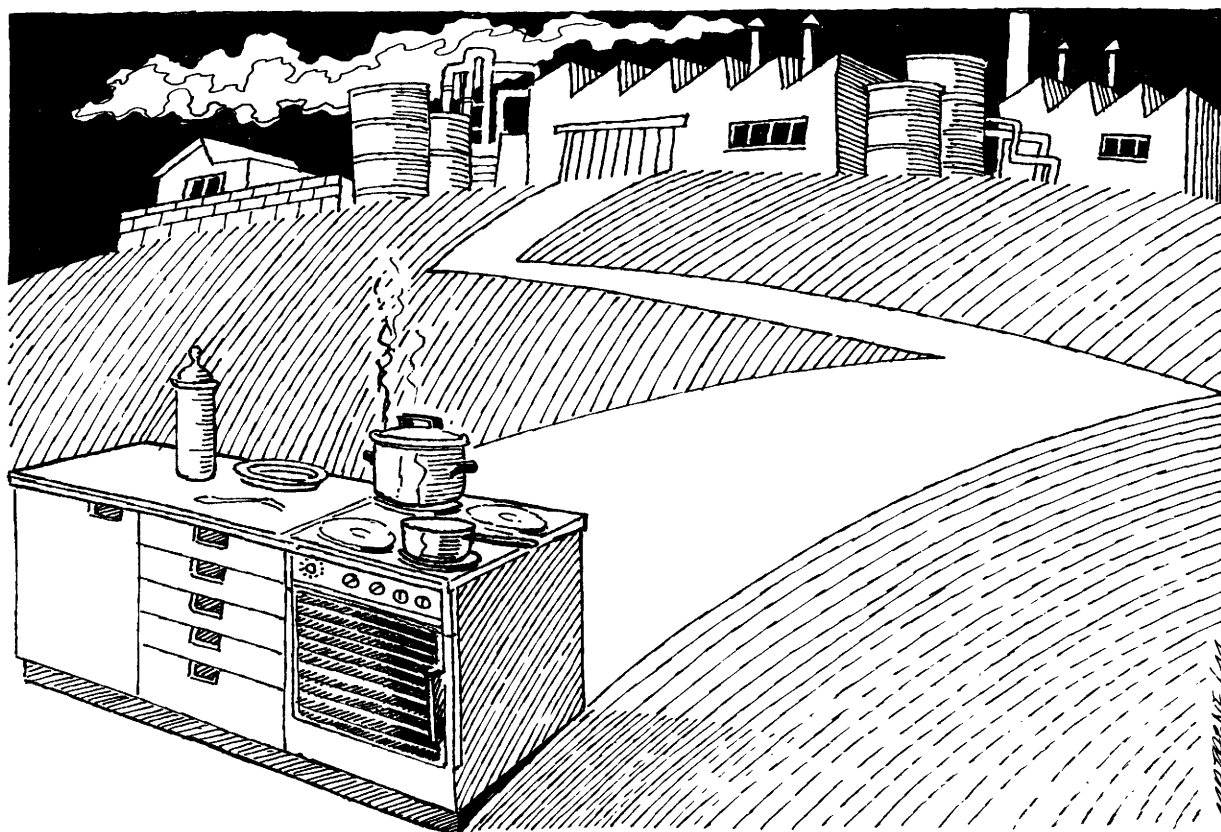


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Back to work after 40 years - the French show you how (see page 3).

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++ 1978 ECONOMIC FORECASTS MORE OPTIMISTIC

1978 could see a 3% increase in gross domestic product, a decrease in inflation to below 7% and a stabilisation of unemployment at around 5.6%.

In Annex 1, Euroforum examines the forecasts drawn up by the European Commission.

++ 1985 EMPLOYMENT PROBLEMS

The recession is one factor causing unemployment, but the baby boom of the sixties is likely to be another source of joblessness in the coming years. By 1985 it will cause a sharp increase in available manpower. The alternative for the Community is to accept a deterioration in unemployment or improve the share out of the available work.

The population forecasts and the views of the European Commissioner Henk Vredeling, are outlined in Annex 2.

++ IMAGINATION TACKLES UNEMPLOYMENT

Despite the economic crisis, women who wish to return to work after an absence of many years may still find a job if they take part in courses being run by an organisation in Paris which aims to conquer their basic lack of confidence.

In Annex 3, Euroforum discusses three vocational training pilot projects, the results of which could provide new directions for the European Social Fund.

++ PRICE RISES SLOW IN JANUARY

The downward swing in price rises continued in all countries in January 1978. The increase over January 1977 was as follows:

<u>Over 10%</u>	<u>Around 10%</u>	<u>Less than 6%</u>
Italy 13.8%	UK 9.9%	Belgium 5.7%
Denmark 12.2%	France 9.2%	Netherlands 5.0%
Ireland 10.8%		Luxembourg 3.8%
		Germany 3.2%

These rates are equal to or lower than those of the preceding month. Community price rises in January were 8.3% against 9.5% in November and 9.1% in December 1977.

The most recent period with rates as low as this was 1970 to 1973.

++ 40 HOUR WEEK FOR FARM WORKERS

Within four years, workers in the crop farming sector will benefit from a 40 hour week (instead of 48 hours) together with four weeks paid holiday per year, as was recommended by the European Commission. Agreement on this has just been reached between the European organisations of agricultural workers and employers. The organisations have also agreed to begin negotiations to extend the 40 hour week to other farming sectors.

++ ABSENCE OF EURO-PLANES FROM U.S.

"Aircraft built by the American aerospace industry represent 92% of world air traffic, whilst those built in Europe only account for 7%. In the military sector, the supremacy of American industry is also immense. As has been confirmed by recent experience, the products of the European aerospace industry have not, up until now, had any chance of penetrating the American market, despite their indisputable qualities". This is how Ernst Müller-Hermann of the European Parliament described the aero-space market in a question to the European Commission on measures it has taken to put to rights the commercial imbalance between Europe and the USA in this field.

According to the Commission, the adoption of complementary programmes to the current versions of the Airbus - thereby creating a family of European civil aircraft - should strengthen the chances of success for European aircraft on the US market. The European Commission is currently preparing measures to ensure concerted action by the Nine concerning the aerospace programmes. The Commission takes the view that only with such a coherent strategy can commercial problems be discussed in the right conditions with the administration and Government of the USA.

++ NUCLEAR AND BIRD PROTECTION LESSONS

Some forty advocates of environmental teaching in schools will be taking part in a European seminar being organised by the European Environment Bureau (EEB) in Brussels, June 15-16, with the assistance of the European Commission. The participants from all nine Community countries will be discussing two types of lesson : one for primary school children dealing with bird protection and the other for secondary school children dealing with nuclear energy. For further information, write to EEB, 31 rue Vautier, 1040 Brussels.

++ NON-FERROUS METAL AND URANIUM RESEARCH

Two new research and development programmes have just been adopted by the Council of Ministers. The first is in the non-energy raw materials sector (particularly non-ferrous metals), and the other is for the exploration and extraction of uranium.

The "raw materials" programme in which the Community is investing 18 million units of account (1 u.a. = + 1.2 dollars), is spread over a four year period and will cover the exploitation and processing of minerals as well as the development of mining technology.

The "uranium" programme will last 3 years, and aims to assist uranium prospection and extraction through the development of a number of special techniques. The Community contribution is 3 million u.a.

The aim of the projects is to avoid duplicated effort (by coordination) and to give industry the financial incentives to make technological progress.

++ BATHING WATER EXAMINATION

The European Commission is currently examining how Member States have modified their national legislations to incorporate the Community directive on the quality of bathing water (see Euroforum 2/75 and 4/75). This directive was adopted December 8, 1975, by the Community's Council of Ministers.

++ COMPETITION LAW AND PRACTICE

A new work entitled "Common Market law of Competition" has just been published for those interested in the practical applications of the Community's competition regulations. A first edition of the work appeared in 1973 but since then, jurisprudence relating to competition in the Community has doubled in volume.

The revised and updated edition of "Common Market Law of Competition" by C.W. Bellamy and Graham D. Child is published by Sweet and Maxwell, price £19.75.

++ SMALL INDUSTRY FINANCES

The most serious problem facing small and medium sized industry in the Community is to obtain the resources they need for expansion. This is the view of UNICE (Union of Industries of the European Community) who have set up a working group of officials from the European industrial federations

and representatives from institutions who finance Europe's small companies. The group has produced a report which reviews all the questions of financing and puts forward recommendations for action likely to reduce the difficulties.

The report has been published by UNICE, 6 rue de Lozum, Boite 21, 1000 Brussels.

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1978 ECONOMIC FORECASTS MORE OPTIMISTIC

In 1978 the average annual increase in gross domestic product (GDP) stood at around 3% for the whole Community according to the latest national economic growth forecasts.

1978 forecasts for the nine Community countries

In 1978, the European Commission estimates that:

	<u>GDP in volume will increase in % :</u>	<u>Unemployed as a % of the working popu- lation will be:</u>	<u>The implicit cost of private consump- tion will increase:</u>
D	1.5%	6.4%	10.5%
G	3.1%	4.1%	3.5%
F	2.7%	5.1%	7.0%
IRL	6.0%	8.9%	6.5%
I	1.7%	7.25%	12.0%
NL	2.1%	4.5%	5.5%
B	2.3%	7.3%	5.5%
L	1.4%	1.4%	4.0%
UK	3.6%	6.0%	8.4%
EEC	2.8%	5.6%	6.9%

Three postulates

The new 1978 forecasts imply that:

- the economic recovery measures adopted since last autumn are completed;
- there is a certain spontaneous increase in business and consumer confidence (which seems to be taking place according to the latest Community industrial and consumer surveys);

- the hypothesis is true that the moderate expansion in world trade will be less than that of last autumn.

The implementation of the measures announced by Japan at the end of 1977, and by the USA at the end of 1978, as well as the temporary freeze in oil prices, will probably tend to weaken the world economy over the coming year.

As far as the Community is concerned, the changes in exchange rate parities resulting from the weakening of the dollar could have a negative impact on growth in 1978, of the order of 0.5% of GDP in real terms, and would affect all Member States.

Holding back unemployment

One of the objectives fixed by the 1978 annual report is to stop unemployment increasing and improve the situation in the job market. Since last summer, the unemployment trend seems to have stabilised and this was confirmed in January's figures. Following a 5.7% peak in the third quarter, the total unemployment rate for the Community, adjusted for seasonal factors, stood at 5.5% in January.

Moreover, the relationship between the number of jobs available and the numbers out of work has improved in several Member States. This trend seems attributable to the specific measures taken.

Overall, the unemployment level for the Community could well increase on an annual basis, though the rise will be much less than that of 1976 and 1977 (forecast unemployment rate 1978 : 5.6%, 1977 rate : 5.4%, 1976 rate : 5%).

Reducing inflation

With regard to inflation, the target set in the annual report was to reduce the level to a 7-8% average for the Community, and to reduce the gap between the extremes to a maximum 4% and 10%. The inflationary trend in most Member States shows that this target, though ambitious, is still within the realms of possibility. The rise in the cost of private consumption fell to an annual 11% in the first half of 1977 to around 7.5% for the second half of the year. If the trend continues, the rate of inflation should fall below 7% for the whole Community. However, the difference between consumer price rises in Member States will be slightly greater than expected at the outset.

These provisional figures emerge from a report which the European Commission has presented to the Council of Ministers as part of its first quarterly analysis. The aim of the report is, where possible, to make proposals to the Council to modify the economic guidelines adopted last November in function of recent economic changes.

The document also states that even if the 4 to 4.5% target for economic growth in the Community in 1978 cannot be achieved, the guidelines fixed by the annual report are still valid. They still correspond to the current needs for a coordinated policy for assistance to the economy and to the unemployed, and for moderate increases in production costs and the search for Community solutions to encourage industrial change.

1985 EMPLOYMENT PROBLEM

The growing shortage of jobs in the European Community is not only due to the economic recession. Population factors are also responsible. The baby boom of the sixties affected most European countries and the increase in birth rate is now working its way through to the job market and will mean a large increase in available labour up until 1985.

The European Commission has been examining the forecasts to assess the demographic aspect of the problem and the results are alarming : by 1985 the population in the Community is expected to increase by 4.4 million. Available labour will increase by 9.7 million over the same period. Each year until 1985, 1.5 - 2 million people between the age of 15 and 65 years will be added to the total working population.

Imbalance in the UK and Germany

The strongest imbalance between population growth and the increase in the working population will be found in the U.K. and Germany. In Germany the total population will shrink by 1.4 million whilst the labour force will expand by 2 million. In the U.K., population increase will be limited (+ 0.4 million) but available labour will increase (1.9 million). In France, Italy and Denmark, the total increase in population will be virtually equal to that of the labour force. Ireland is the only country where the growth of the labour force will be lower than that of the total population.

In addition to the massive influx of young people on to the job market, the size of the working population will also be swollen by the decrease in the number of people retiring. The two trends will only be reversed after 1985.

For the whole Community, population change will be:

	<u>Number of young people reaching 16 years (in millions)</u>	<u>Number of persons reaching 65 years (in millions)</u>
1975	4.0	2.7
1976	4.1	2.6
1977	4.2	2.8
1978	4.2	2.8
1979	4.3	2.8
1980	4.4	2.5
1981	4.3	2.0
1982	4.3	2.0
1983	4.2	1.9
1984	4.1	2.3
2985	4.0	3.3
1986	3.8	3.1

After 1985, growth in available labour will greatly slow down in the Nine, though it will increase in countries such as Greece, Spain and Portugal.

Jobs for the newcomers?

In a period of healthy economic growth and full employment, such a manpower increase up until 1985 would have been a great benefit, as points out Henk Vredeling, European Commissioner responsible for social affairs. However, with unemployment currently approaching 6.5 million, it amounts to an additional problem for economic and employment policies. It is already difficult to reach a sufficient economic growth level to occupy the present working population.

Though the job situation is not actually deteriorating, it is also not showing any signs of improving. Consumer and investor confidence is weak, the growth prospects in the Community are still mediocre and there is little indication of expansion in the world economy outside of the Community.

The unemployment situation in the Community seems to have changed little between January and February 1978.

The number of registered jobless decreased relative to the month before, it still stands at around 6.3 million people, or 5.9% of the civil working population as opposed to 6.0% in January 1978, and 5.5% in February 1977.

More jobless or better division of work?

Faced with this situation, Mr. Vredeling presents the alternatives : "we have to ask ourselves if a better division of the work available would not be better than finding more people out of work".

According to the Commissioner, worrying about the cost of measures needed to provide a better share out of work is a false problem. "The cost involved in implementing these measures should not be attributed to the measures themselves but to the inability of our economic system to create sufficient jobs to satisfy the needs of the working population". Every unemployed person and every person forced to quit the job market represents an expense, since they can no longer work and no longer produce anything.

The production loss or, if you prefer, the cost of the loss in production is already being shared out to a certain extent since unemployment payments and other social benefits are taken from the income of those with jobs.

IMAGINATION TACKLES UNEMPLOYMENT

The French association "Retravailler" has for the last two years been trying to help women over 35 years old who wish to return to work or take a job for the first time. In its short two year existence, "Retravailler" (trans. work again) has already inscribed 1,400 women at its Paris headquarters, not to mention those dealt with by its provincial centres. The women usually undertake five week courses in which for four hours a day, they "reveal" their aptitudes, are given a basic preparation for work and are supplied with a wealth of information on the types of work they could undertake. With this basis, the women find their own direction.

In their first year of operation, 1975, right in the middle of the recession and high unemployment, 35% of the participants in the scheme found jobs within two months of finishing the course. 46.5% undertook further specialised courses before job-hunting. The encouraging results were significantly better than the performance of other training centres aimed at women. So much so that the European Commission has financed a study on the activities of "Retravailler". The Commission's objective is to enable other organisations to be able to imitate this initiative and benefit from the French organisation's experience. The study should indicate the most effective methods to use and the pitfalls to be avoided.

From kitchen to workshop

The study has been carried out by the founder and President of the "Retravailler", the sociologist, Evelyn Sullerot. She stresses, in the report, that bringing women back into the world of work cannot succeed if those trying to help them cannot understand perfectly the mood and feelings of the candidates, and cannot help them overcome their fears, their lack of self-confidence and their frequent states of depression, which can often be rapidly improved.

The women who have turned to the organisation vary in age from 30-60 years, with the majority being over 40 years. These are for the most part married women who have more children than the national average. Of these, one woman in three has been in the situation where she has suddenly found herself alone, either through divorce, death of husband or, as most often happens, separation. They come from all types of social backgrounds. Generally they have a somewhat mediocre level of education but, above all, show the symptoms of a veritable identity crisis : the feeling of

being useless, feeling guilt towards the husband, the children and even herself, and highly nervous about work.

In the view of most of the women who have taken part, the main benefit of the courses seems to be the group spirit and the opportunity to discover other women in the same situation as themselves. The group experience enables a number of personal characteristics to be developed through self-criticism and self-improvement which enables the women to discover themselves and their most suitable roles.

In concluding the study, Mme Sullerot proposes a number of preventive measures to avoid problems with job placement:

- to train special teachers and counsellors who follow the progress of young girls for one whole year before they take on the responsibility for their professional guidance;
- to inform the girls when they decide to get married of all the possibilities open for training and retraining;
- to inform doctors, lawyers and medical support personnel of all the possibilities there are for bringing women into their profession;
- to multiply and improve adult guidance centres;
- implement new solutions for child-minding problems.

From workers to leaders

Through the European Social Fund, the Commission has financed another vocational training pilot project which has been conducted in Italy at the initiative of E.N.I. (Ente Nazionale Idrocarburi). The aim is to develop a training system which can obtain the maximum impact from the experience gained by the workers : principally by turning them into vocational training protagonists. The method was tested on 15 workers of average age, 43 years years, with a mean of 22 years of service behind them. They were selected from three broad sectors : oil, chemicals and textiles.

After 21 weeks of alternate theoretical and practical courses, an initiation into teaching and group dynamics, the participants in the project were all assigned to training units for a minimum period of two years.

Eventually they will return to their places of work but at a higher level. The period given over to vocational training greatly improves their organisational capacities and their relationship with people, the report explains.

In view of the results obtained, the Italian industrial group E.N.I. decided to use this method as the basis of a permanent vocational training policy. E.N.I. hopes thereby to assist problems of technological restructuration brought on by the economic crisis, and also meet trade union demands to increase professional standards.

Anti-discrimination courses

Several European countries are confronted with the problem of integrating migrant workers. The basic approach up until now has been to help the immigrants and their children to adapt to the new living and working conditions through reception services, language courses etc. A pilot project undertaken in several UK textile mills took the scheme one step further and accomodated the other element of the problem : training those nationals who are in contact with the immigrants at work in order to give them a better understanding of their different social and cultural behaviour and make them aware of the difficulties faced by immigrants planted in an unknown environment.

According to the people involved, the project has three different objectives :

- The immigrants (Asian and Italian) have followed English spoken-language courses accompanied with slides showing production processes. The courses are given at work one hour before the night shift. The objective is to improve the effectiveness of relationships at work.
- Immigrant representatives took part in a five day session to familiarise them with their trade union and to inform them on the British textile industry.
- The personnel, trade unionists and the directors of the companies concerned took part in four day sessions (films, conferences, discussions and case studies) which gave them a greater understanding of the immigrant point of view and thereby helped them improve inter-racial relations. The most positive results were recorded in this latter group. The working climate changed significantly.

This small scale project opens the way to other training schemes in Community countries and has consequently been given financial support from the European Social Fund.

In brief, the European Social Fund is a sort of "kitty" which gives financial support to training and vocational retraining programmes, in the nine Community countries. Distribution from the Fund is the responsibility of the European Commission which regularly decides on the sums to be allocated and the deployment to priority areas (see Euroforum NO 2/78 for the Fund's 1978 programme). To obtain greater knowledge about the root of the priority problems, the European Social Fund finances a number of studies and pilot schemes, (dealing with groups of less than 30 persons). The conclusions of the preparatory work help determine the choice of projects the Fund wishes to finance.

Wide range of pilot schemes

The three pilot projects mentioned above are only three examples taken from a wide range. In the latest series of projects are also schemes for:

- the reconversion of workers leaving farming (in Venice);
- study of measures to deal with the shortage of qualified personnel in data processing (study undertaken in the UK);
- the training of unqualified women in urgent need of finding a first job, or retraining to work (in Paris). The 26 participants all found secretarial jobs;
- development of a programme for industrial divers (UK). The aim of the project is to improve the standard of professional divers and reduce accident risks;
- the training of organisers for the vocational retraining of handicapped adults (Metz and Mulhouse);
- the training of public service employees dealing with regional development (in the underdeveloped regions of Ireland);
- the realisation of a "European guide to vocational training assistance" - (this guide looks at the systems of aid used in the Nine and also that of the European Social Fund).

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