

SOCIAL EUROPE

Supplement on
PROGRAMME OF RESEARCH AND ACTIONS ON THE
DEVELOPMENT OF THE LABOUR MARKET

Studies during 1981-83



COMMISSION OF THE EUROPEAN COMMUNITIES

DIRECTORATE-GENERAL FOR EMPLOYMENT,
SOCIAL AFFAIRS AND EDUCATION

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by Giles Merritt

The reviewer is an independant journalist who has specialised in writing on employment-related issues.

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INTRODUCTION

This special supplement to SOCIAL EUROPE is devoted to an extended review of studies and reports that have been supported by the European Commission as part of its Programme of Research and Actions on the Development of the Labour Market.

Over the past ten years, the Commission's Directorate-General for Employment, Social Affairs and Education has initiated or given financial assistance to some 200 labour market research projects as part of this programme. It is now intended that the body of knowledge that has thus been built-up will serve as the foundation for an information network to be operated as an eventual EEC-level service for job creation agencies and others concerned with improving labour market efficiency.

Details of the research programme's 1975-80 activities, some 125 studies in all, are contained in a special report that was published in 1981 (V/981/80-EN). This supplement picks-up where that report left off by giving resumes of reports that have been completed during 1981-83.

In order to set these current research projects in the context of a labour market programme that seeks also to be the framework for an information system, they are reviewed here not in chronological order but by subject matter. The categories into which studies have been separated are necessarily very general and cover such different aspects as macro-economic policy, Forward Looking Employment Management, local job creation and business start-up initiatives, cooperatives, statistics and special employment problems.

In a departure from earlier practice, the European Commission has decided not to report on the 1981-83 studies in the same tersely official style as previously. Instead, as part of its effort to win the widest possible audience for SOCIAL EUROPE and an eventual labour market information network, it has asked an outside "reviewer" to give an account and an appreciation of the studies. The result is a subjective, personal view of the strengths and weaknesses of the different reports that is intended to inform both the general reader and the specialist.

The reports under discussion have themselves evolved as the labour market programme has got into its stride. The 1981-83 reports are in general more policy-oriented than had been the case in the 1970s, when the scale of the coming employment crisis was still unclear and studies were able to reflect social concerns that today must be considered secondary to practical measures.

It is the Commission's intention that an increasing proportion of the Programme of Research and Actions on the Development of the Labour Market will be directed towards work on practical employment issues such as wage costs and job creation methods. As well as providing an intra-EEC system of comparisons it is also intended to strengthen procedures for drawing more research material from non-EEC industrialised nations.

MACRO-ECONOMIC ISSUES

A number of the reports supported by the European Commission as part of the research programme have dealt with the wider macro-economic policies that have a direct bearing on labour markets' behaviour.

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The difficulties of constructing an EEC Community-level economic strategy for tackling unemployment are brought sharply into focus by a study entitled "The Efficiency of Labour Market and Employment Policy Measures" (82/6). Prepared by the Berlin Forschungstelle Sozialökonomik der Arbeit, the report examines labour market policies in France, Britain, Denmark and the Federal Republic itself.

The 400-page survey is an exhaustive guide to the macro-economic policies that have evolved to combat low growth and high joblessness in the four countries under study, and to the labour market measures that have resulted. The effect is of a report that spans the theoretical and the practical and so gives an unusually clear account of the differing government policies being applied.

The study looks systematically at four main policy elements in each of the four countries:

- Increases in the supply of available jobs by means of supply and demand-side policies.
- Influences on the supply of labour and on working time policies.
- Adaptation strategies to compensate for skills mis-matches.
- Job maintenance measures.

The study begins with a comparative analysis of the four countries' measures regarding wage subsidies, job creation schemes, public spending programmes and the encouragement of greater private investment. Inevitably, the comparisons tend to be more illuminating in themselves than the conclusions the reports' authors are able to draw from them, given the disparate macro-economic approaches involved.

That comparative first section is followed four substantial sections devoted to each of the countries. These not only offer a detailed picture of the worsening labour market in each during the late 1970s and very early 1980s, but also cover developments in mainstream macro-economic thinking during that period.

A major accomplishment of the Berlin FSA study is that it pulls together a great deal of published information and constructs out of it a readable and instructive contemporary history of labour market management and policymaking in the countries studied. A final section of the report is made-up of the authors' references, thus providing a useful country-by-country bibliography.

A useful companion covering some of the same ground and bringing matters more up to date is the three-part report on employment that could be yielded by new public spending programmes. Written under the aegis of the European Federation for Economic Research, it pulls together a number of contributions from EEC member states.

"Assembly and Assessment of Proposals for Employment Generation through Publically-financed Programmes" looks at potential job creating measures in seven countries - France, Britain, West Germany, Italy, Belgium, Ireland and, as a candidate EEC member state, Spain. The first part of the report surveys the changes in the economic environments that have taken place in each over the past ten years or so, and analyses the resulting impact on the workings of the national labour markets. The second part looks at the employment measures in force in Europe up to late 1983, while the third and concluding part assesses the pros and cons of more expansionary spending strategies.

The authors of the study are a panel of distinguished economists drawn from Cambridge University's CEPG economic policy group, France's CEPREMAP policy planning centre and the CESTA centre, also in Paris, Bremen University's FEWP European policies centre, the ISMERI institute in Rome and SEVI in Brussels. In very broad terms, they conclude that demand stimulation is crucial if Europe is to break the present circle of low growth and rising unemployment. "Means have to found," warns the study, "for expanding borrowing facilities at the international level; for containing the pressures for deflation exerted by financial markets and for correcting the trade imbalances which arrive as growth takes place."

Similar themes emerge in another multinational study of possible job creating public projects, "Investment Policy and Employment in the Federal Republic of Germany, France, Italy and the United Kingdom."

Taking as their point of departure the steady decline over 25 years in European investment as a proportion of GDP, the four collaborators responsible for the report have taken a careful look at the areas in which growth could best be stimulated by public spending.

Their study looks at the issue separately in each of the four EEC countries, and before settling down to national reports opens with a comparative discussion of investment policies to date. The report goes on to emphasise that the U.K. and Italy suffer particularly from under-average investment ratios, with investment in the U.K. standing in 1983 at only 16% of GDP against over 18% in the 1960s. But it is pointed out that West Germany, too, has seen investment spending fall from almost a quarter of GDP back in the Sixties to only 20.8%.

These reductions are not just in private investment but also in public spending. The authors therefore argue in favour of government policies that would both increase direct infrastructural investment by the State and also stimulate more private investment in key technology and employment sectors.

The study draws distinctions between three different types of investment that it suggests should be stimulated. The first is modernisation of existing capital stock, with measures like tax relief, subsidisation, risk capital financing and technology transfer assistance all advocated as means of encouraging small and medium-sized companies to expand in the new high-technology sectors of industry.

The second investment category covers items like energy saving, environmental protection and urban renewal, while the third involves "socially desirable" job creation schemes in which public spending costs must be offset against reduced social benefit costs.

Taken as a whole, the four national reports contributed by France's Centre de Recherche "Travail et Societe," the Centro Studi die Politica Economica in Rome, the Berlin FSA and the Policy Studies Institute, London, amount to a persuasive survey of the pump-priming investment policies that should be under much more active political discussion than appears to be the case throughout the EEC. Just as compelling an argument is that regarding the U.K. only which has been prepared under the aegis of the Policy Studies Institute too.

The principal author is former British cabinet minister Mrs Shirley Williams, who is now President of the Social Democrat Party (SDP). She prefaces her report "Institutional Obstacles to the Development of Employment-generating Public Investment" (82/1) with the following comments: "The purpose has been not only to identify institutional obstacles to the adoption of low-cost employment creating investments, nor only to make proposals to overcome them, but to cooperate directly with public and private companies, agencies and organisations to ensure that these proposals are put into practice. This is, therefore, research leading directly to action, not a conventional academic research study."

Mrs Williams report walks a narrow dividing line between being a perceptive, at times abrasive, analysis of Britain's structural deficiencies and being political propaganda. The study's strength, however, is its constructive proposals for precisely targetted public works programmes that would probably leak comparatively little inflation into the U.K. economy as a whole. Sewerage, claims the author, badly needs modernisation and current repair costs amount to £100 million yearly. Yet a £60 million investment programme could yield up to 7,000 new jobs in addition to the sewerage industry's present payroll of about 20,000 people in Britain. The institutional obstacles to be overcome, meanwhile, stem from the fact that control of sewerage lies in the hands of ten regional water boards and the 369 local authorities who act as their agents.

An equally compelling case is also made for a major energy savings programme in the U.K. The study reveals that there is already a Department of Energy estimate in being that by the latter 1990s some £7 billion a year, or 20% of Britain's energy bill could be saved by cost-efficient energy saving measures. Yet for 1983/84 government spending on precisely such measures is put at about £14 million.

The PSI report goes on to cite other independent studies made in the U.K. that suggest a £10 billion energy conservation programme over ten years would generate 50,000 extra jobs a year, while a more intensive programme costing £25 billion over the same ten year period would yield 123,000 additional jobs yearly.

Something of a "whirlwind tour" of employment subsidies and schemes that have been applied in the U.K. in recent years is offered by the authors of an Institute for Fiscal Studies report on the subject.

The conclusions reached by J.A. Kay and V.C. Fry in "Analysis of Techniques of Public Intervention (Premia and Subsidies)" are, broadly, that subsidisation has a more certain short-term role rather than proven long-term usefulness. Many of the questions regarding its longer term effects on structural and wider economic problems, and on international competition for instance, remain open.

The U.K. report covers direct intervention in the labour market for the period 1975-84, and therefore includes a variety of schemes such as the Temporary Employment Subsidy (TES) and the Small Firms Employment Subsidy (SFES). It looks, too, at job creation programmes and labour supply reduction stratagems such as job release schemes, short-time working and job-sharing.

To a considerable extent, however, the Fiscal Studies Institute's study is a survey of British governments' various interventions in the labour market, and not a critical analysis of subsidies as such. A more pan-European report might have placed the U.K. measures in a wider context and thus have yielded some instructive comparisons.

The authors of "EEC Labour Market Studies" (81/23) are all three from Cambridge University's Department of Applied Economics, and make no bones in their introduction about their standpoint in the debate over whether high wages actually price people out of jobs.

"The policy discussion of the 1970s," say Jill Rubery, Frank Wilkinson and Roger Tarling in their report, "has been centred on the control of inflation, and the principal point of view which has guided the discussion is the monetarist proposition that there is a trade-off between wages and employment.....But macro-economic analysis of the 1970s has been unsatisfactory... ..There has been little discussion of how macro-economic aggregates, such as average wages, the level of employment and aggregate productivity, and their inter-action, may be influenced by heterogeneous behaviour of the individuals, groups and establishments which comprise the aggregate."

The study sets about rectifying that deficiency, and divides into three sections in order to discuss separately flexibility in the use of labour and fixed wage costs, income maintenance and, lastly, inflation.

The same team from Cambridge has also written another report as part of the EEC programme, entitled "Inflation, Employment and Income Distribution in the Recession." It is a detailed and lengthy account of how the 'poverty trap' phenomenon of low household incomes leading to dwindling job opportunities now operates in France and the U.K.

The authors seem to characterise their study as being not so much a milestone as a signpost. They are quick to point out that the data available to them was not wholly adequate, and therefore "leaves open many interesting questions." But this modest disclaimer introduces a study that is in fact both comprehensive, well documented and clearly written.

Following an introductory chapter defining the authors' conceptual framework, and taking to task national income accounting systems for their shortcomings, the report briefly surveys in largely tabular form basic economic and household indicators in Italy and West Germany as well as in France and Britain.

But the main sections of the report are devoted to the changes in income distribution that have occurred in Britain and France since 1974 and the onset of a sustained period of recessions. The work is a solid academic research achievement and not an at-a-glance guide to the social or political implications of prolonged economic recession. Yet the authors nevertheless manage to define the poverty trap problem in dramatically stark terms.

"The effects of the recession of the 1970s and early 1980s that can be seen in the data collected," they conclude, "are quite frightening. The loss of jobs reduces the flow of wage income to households simply because fewer people are able to obtain jobs. But two additional changes make the reduction in household incomes larger. Firstly, real earnings either fall or rise much more slowly and, secondly, the new job creation which occurs is part of a restructuring demanded by employers to increase their flexibility of costs and their ability to survive."

The result, warn Rubery, Wilkinson and Tarling, is that those jobs there are tend to generate lower earnings, so that "more households therefore find themselves permanently forced into a dependancy on transfer payments."

The effects of transfers and of tax on labour is also studied, from a wholly different angle, by C.V. Brown of the University of Stirling. In "Taxation and Labour Supply," a second edition to his 1979 report on the effects of the tax/transfer system on labour supply, Brown broadens his look at basic price theory by discussing the effects on work incentives of indirect as well as direct taxes, and by surveying, too, tax avoidance and evasion. The 200-page book is intended chiefly, it should be stressed, as a purely academic introduction to taxation and work incentives theory.

FORWARD LOOKING EMPLOYMENT MANAGEMENT

Forward Looking Employment Management (FLEM) is the overall term that since 1981 has increasingly been applied to a range of techniques for increasing labour market efficiency and manpower utilisation. To that end, a number of reports have been initiated by the European Commission and others into different aspects of FLEM.

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FLEM is something of a catch-all description, for it covers a variety of measures and projects ranging from local to enterprise-level efforts to streamline and coordinate employment measures. It can embrace, for instance, projects as distantly related as cooperatives or craft workshops and multinational corporations' pickaback schemes for encouraging small business start-ups in areas where they have declared redundancies.

In an effort to define, and eventually refine, the FLEM formula so as to make it part of an EEC-level strategy, a two-part investigation into FLEM techniques has been undertaken by the Institute of Manpower Studies at Sussex University. In separate reports, IMS authors together with various French and German collaborators, looked at FLEM in small and medium-sized enterprises and at FLEM at regional and local level.

The decision to separate the two studies is a sensible one, even though it may at times be mildly confusing to the reader. The forward planning approach to personnel issues that is needed at plant level is very different to the wider measures that local level planners and the social partners in the community must consider as ways of boosting employment.

FLEM is thus as much a manner of thinking as it is a set of recognisable guidelines. It is a response to the employment crisis that will certainly continue to dominate the rest of the 1980s and quite possibly the 1990s too. Chiefly, it requires of employers and of government the sort of considered, longer-term thinking on employment issues that in the past has generally been reserved for, say, capital investment or production and sales strategies.

The IMS report "Forward Looking Employment Management in Small and Medium-sized Organisations" (81/45 a) sums-up the nature of FLEM by describing it as "more of an approach and style of management than a package of specific remedies." Prepared in conjunction with Rainer Schultz-Wild, of the Institut für Sozialwissenschaftliche Forschung, and Claude Vermot-Gaud, of CEGOS at Boulogne-Billancourt, Paris, the study by Malcolm Bennison and Geoffrey King amounts to a critical examination of manpower management practices among European industrial SMEs.

The survey covers Ireland as well as France, West Germany and the U.K. In all, almost 100 different companies were visited, and the result is a fairly detailed cross-section of different manpower requirements and personnel policies. In very broad terms, the authors tentatively find that larger SMEs with over 200 employees tend to be more oriented toward personnel planning along FLEM lines.

The 1982 report emphasises that it is itself no more than a pilot project, and therefore recommends that many more detailed case studies should be conducted in EEC member states in order to identify specific FLEM techniques that might be generally applied to European industry.

The second FLEM report mounted by the IMS during 1982 is entitled "Local Labour Market Planning in Europe" (81/47). It is an investigation of local level employment initiatives and provides some useful guidelines both for enterprise initiatives and job creation schemes.

It covers the same four EEC countries as the SMEs study, and consists to a large extent of accounts of local level initiatives that are now under way in each of them. Richard Pearson and Roger Fox of the IMS have been assisted by Paulette Pommier of the French Ministry for Employment, and by Aribert Peters of the Berlin-based IIM Institut für Management und Verwaltung des Wissenschaftszentrums. Between them, the authors provide a comprehensive picture of schemes that have been launched by public and private sector organisations.

The French account stands out from the German, Irish and British sections because it consists mainly of case histories drawn from four regions of France where CLEs, or local employment committees, have successfully coordinated various projects by taking a broadly similar approach to them. The French experience is therefore rather homogeneous whereas the others are not.

The structure and scope of France's CLEs is dealt with at greater length as part of another study reviewed here, conducted by two Limerick-based researchers into local labour markets in the EEC. There clearly is something to be said for grafting elements of the French framework onto the practices of other Community countries, for the IMS report's account of the very disparate types of initiative being launched as FLEM schemes in West Germany and the British Isles firmly underlined the positive advantage of having a well-defined structure such as that provided by the CLEs.

In March 1981 the French Employment Ministry issued a circular to interested parties aimed at encouraging the setting-up of these CLEs, or Comites Locaux pour l'Emploi, whose role would be to identify and promote new employment measures. The idea was not really new, for ever since 1971 it had been gradually adopted in unemployment blackspots so that a decade later there were 15 such committees in being. But since 1981 the phenomenon of CLEs has blossomed dramatically across France and the local committees currently cover at least 55-60% of France's active population.

The significant thing about these committees, say the French themselves, is their carefully balanced tri-partite structure that groups local employers and trade unionists with local government. The functions of the CLEs covers such employment measures as working time adjustment, job sharing and early retirement and are deliberately intended to introduce a greater spirit of industrial democracy into local employers' decision-making on these issues.

More importantly, the CLE committees are also concerned with new employment schemes in the community, youth training programmes and other measures aimed at school-leavers, management/labour employment and productivity pacts known as 'contrats de solidarite' and business start-up efforts. The CLEs provide the basis for an efficient information network throughout France on employment techniques.

Details of the French CLE system are set out at some length as annex material attached to the main report by Professor D.L. Coombes and Mrs Brigid Laffan, both of Ireland's National Institute for Higher Education at Limerick, which is entitled "The Relationship between Public Authorities, Employers and Trade Unions with respect to Local Labour Markets." Yet their analysis of the CLEs is also the heart of the authors' case for improving the use at local level of Forward Looking Employment Management (FLEM) methods.

The study takes in the broad outline of relevant local and regional organisations in member states, but makes it very plain that much more detailed research is needed to supplement this September 1983 study before fuller proposals regarding local employment bodies could be put forward. The report suggests that a Community-wide survey should therefore be mounted, with at least three in-depth case studies to be conducted in West Germany, France, the U.K., Italy and at least two other EEC member states, so that an EEC level approach to local FLEM can be taken.

The Limerick institute's largely positive view of French policy concerning FLEM at local and regional level is not, however, echoed by another study that examines industrial applications of FLEM in France. "The Role of Public Employment Agencies in the Promotion of Forward Looking Employment Management" (81/44) begins by making a number of Franco-Canadian comparisons that generally show French corporate managers as much less inclined toward manpower management techniques than their Canadian counterparts.

The report, by Jean-Francois Colin together with Dominique Welcomme and Jean-Claude Cros, is a very detailed survey of industrial personnel practices and employment policies applied by government. It distinguishes between two elements of FLEM, which it suggests are complementary if separate. Forward looking crisis management, which is intended to correct companies' short-sightedness by encouraging to look ahead to spot developments affecting employment levels, is not the same as Human Resource Planning, which should seek to reconcile employment interests with a company's financial and market goals.

A further look at FLEM in France is provided by a CEGOS study of the techniques being applied by personnel executives in a representative sample of French industry. Thirty different concerns employing less than 500 people were interviewed, and the authors rapidly established that it is not so much size that determines whether managements tend toward FLEM-style manpower planning as it is industrial sector and a company's function.

The CEGOS report, which like one of the IMS studies is also entitled "Forward Looking Employment Management in Small and Medium-sized Enterprises" (81/45 b) comes up with the somewhat surprising finding that, contrary to what one might expect, industrial equipment producers are less inclined toward FLEM personnel techniques than companies engaged in such other activities as textiles and distribution and retailing where labour is mainly unskilled. The 35% of the sampled companies that replied they did not plan personnel decisions ahead by at least a year were found to be largely made up of light engineering concerns and equipment manufacturers. These had sometimes tried FLEM planning but had dropped it.

Companies involved in heavier engineering processes, where the introduction of new technologies often meant substantial reorganisation and re-training, proved to be much more enthusiastic about FLEM methods than light engineering workshops. The reason, it emerged, was that in plant where operatives often man a small machine apiece rather than a larger one as part of a team, training and other reconversion methods can be applied flexibly. The need for long-term planning is therefore reduced.

The study also provides a variety of interesting insights into French industrial practices, and attempts to set out a package of proposals for encouraging the wider adoption of FLEM by small and medium-sized companies. To a large degree, however, the report remains an analysis of industrial management trends in middle-ranking French companies rather than offering a compelling argument for FLEM.

A useful look at the ways in which FLEM techniques can be applied to personnel management problems has been conducted by the giant Italian State-owned petrochemicals group ENI. In a study called "Report on ENI's Experience of Forward Looking Personnel Management", the authors analyse the ways in which forward planning of a corporation's activities can inter-act with personnel management planning.

LOCAL EMPLOYMENT INITIATIVES (LEIs) & COOPERATIVES

Local employment initiatives range from grassroots schemes to those sponsored or organised by central governments, and also include attempts by large companies to promote new business start-ups through pickaback techniques.

Indeed, a major problem shared by EEC member states is that at present there exists no information network for exchanging experiences and analysing techniques. To date, all too many job creation schemes have found themselves "re-inventing the wheel" in terms of finding out for themselves what other schemes elsewhere may well have discovered already. This section reviews a number of studies that have a very direct bearing on job creation techniques and which could form the basis of an eventual EEC information service. The European Commission has itself reviewed the rapidly growing LEI phenomenon in its November 1983 Communication to the EEC Council of Ministers[COM (83) 662 final] and as a result of the Council's June 1984 Resolution on the subject the Commission in October of that year helped to set up the organisational structure of ELISE information network and exchange on LEIs. The Brussels-based ELISE groups the CECOP cooperatives committee, the EGLEI European LEIs group and The Planning Exchange network of local economic development information services.

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An instructive survey of the LEI situation throughout the Community is provided the programme of research and action that the European Commission has initiated. Among the more broadly based ones is that reported on by London-based Peter Kuenstler of the Centre for Employment Initiatives.

Entitled "Local Employment Initiatives - A report on a Series of Local Consultations held in European Countries 1982-83" (82/7), it is a revealing account of some 22 'consultations' held in cooperation with a variety of local organisations in rural and urban communities. These consultations were held within the framework of the EEC programme on new employment initiatives at local level, and provide a vivid if somewhat random picture of the various projects that have been springing up.

The material in Peter Kuenstler's 100-page report has been cleverly arranged to mix geographic areas with subject headings and topics - thus a coffin makers' cooperative in the foothills of the Pyrennees is used to illustrate the importance of training programmes in remote rural areas!

Nine of the EEC's ten member states are concerned in the consultations, Luxembourg having been grouped with Belgium. Care has been taken to provide as representative a cross-section as possible of LEAs in each country, so that in all eight of the case studies are concerned with inner-city areas, eight cover mixed urban/rural communities and six are set in small villages.

The breadth of activities covered is instructive - the LEAs documented span classic activities like artisanal crafts, workshops, clothing manufacture and engineering, and also range right across to electronics, tourism and dental care. The conclusions that emerged from the consultations, however, emphasise familiar points. More information, training and finance is needed if LEAs are to be a significant source of new jobs.

The very particular problems faced by LEIs as they attempt to face both the employment crises and the social problems of the 1980s are highlighted in "Local Employment Initiatives: An Evaluation of Support Organisations" by the Brussels-based Centre for Research on European Women (CREW): The study describes and analyses a number of support organisations in seven regions of the EEC member countries. The research was carried out through questionnaires, on-the-spot-visits and telephone interviews.

Businesses which have dealt with the agency were asked to assess the help they had received and to comment on how it compared to other advice they had received from other organisations.

The study concludes that job creation obviously cannot be embarked on lightly. These initiatives have to take place as part of coordinated employment and economic policies so as to ensure that they do not create a second economy of marginalised workers with low-paid jobs and bad working conditions. The study also emphasises that without public recognition and financial support the impact of LEIs will remain limited. There is a danger that local action will slowly die without a response from the public authorities.

For a further picture of developments in the world of fast proliferating Local Support Organisations, two studies by the London-based Centre for Employment Initiatives are worthwhile. One of the studies looks at the U.K. only, while the other reports on Europe as a whole.

"Local Enterprise Agencies in Great Britain" looks at the impact, operational lessons and policy implications to be drawn from the LEAs that have in the U.K. blossomed from just 23 in number in 1981 to 180 by mid-1984. The second report, "Local Employment Initiatives: A Manual on Intermediary and Support Organisations," is much wider in scope. It is a directory-cum-guide that lists the major new support and back-up operations.

The Europe-wide 'manual' gives an at-a-glance sketch of the principal support organisations that are of interest in the local initiatives sector. The report on the U.K. is, of course, more exhaustive in its detail, but also raises some of the questions that such studies often prefer to leave well alone. For instance, in its look at the overall economic policy implications of the LEA phenomenon, the study raises the criticism that such local schemes can constitute unfair competition to existing businesses because they subsidise marginal activities. That, and a number of other prickly queries about the LEAs long-term development, provide some interesting food for thought.

A valuable word of warning about job creation and its pitfalls is provided by Wallonia, the hard-hit French-speaking industrial heartland of Belgium. With so much being published about the positive aspects of local job creating initiatives, a 'warts and all' report from the Belgian Centre de Sociologie du Droit Social strikes a note of realism. Its study, "Job Creation Techniques for Unemployed Young People" analyses the results of a special scheme for school-leavers that was introduced in the medium-sized town of Huy.

Over a ten-day period in February-March of 1984, some 67 young unemployed people took part in a brainstorming session that was designed to throw up local employment ideas. Of some 30 schemes proposed, just four were found worthy of support; a jewellery boutique, a motor-cycle spare parts shop, a tyre re-treading operation and a crafts centre. The report paints a vivid and instructive picture of the job creation process that began with all of Huy's 370 unemployed under-25 year olds being invited individually to submit their ideas, and which ended with only one of those four theoretically viable projects mentioned being found to qualify for Belgian government and EEC Social Fund support.

Another illuminating report on business start-ups is the "worm's eye view" look at small company launches in the Nord and Pas-de-Calais areas of northern France that has been carried out by the ESPACE "boutique de gestion" that has been involved there.

"Local Employment Initiatives - the Problems and Opportunities for Small Business Start-ups" tells the tale of 'winners' and 'losers' in the struggle to launch a business, survive and then prosper. The report lays particular emphasis on the job generating characteristics of these start-ups, of which 20 out of the total of 71 projects were companies, 21 were workers' cooperatives, 18 were self-employment businesses and 12 were associations of one sort or another.

On the employment front, the ESPACE study is in no doubt: "Small new ventures are job generators," it says, and adds that after an average period of 21 months from start-up, the 328 people originally employed in the different concerns had grown to become a collective payroll of 565 people, with an estimated 74 further jobs being prevented only by a "lack of wages."

Although at times inclined to generalisation, given the comparatively small sample actually involved, the ESPACE report nevertheless provides a first class analysis of how small companies can best be helped to grow and thus provide an expanding number of genuine 'market' jobs.

A very useful adjunct to the ESPACE report is the publication "The Creation of New Enterprises" which contains the account of the proceedings at a European colloquium on business start-up methods. The conference was held in Brussels in March 1983 and was organised in cooperation with a Belgian boutique de gestion, Enterprise, which is active in both Wallonia and the Brussels region.

Detailed analysis of the employment generating process, from new company launches to non-profitmaking local initiatives, is crucial if the various techniques are to be understood and improved on. At times, researchers provide such a wealth of detail that it can be difficult to draw any broadly useful conclusions. For general policymakers, such risks being the case with the ambitious five-part survey "A Study of Small Business Start-up Assistance Agencies at the Local Level" prepared by a team working under the aegis of the Brussels-based European Foundation for Management Development.

The report gives considerable detail of the practical help available to small firms at local level in Britain, West Germany and France. It was written by Allan Gibb and Mike Scott of the Durham University Business School, Gay Haskins of the EFMD in Brussels, Detlef Hunsdiek of the Institut für Mittelstandsforschung and Lister Vickery of INSEAD at Fontainebleau. Yet very few 'transportable' ideas and techniques seem to have emerged from their studies that might be used elsewhere.

The report offers detailed case histories drawn from St Etienne and Bordeaux in France, Duisburg and Stuttgart in West Germany and Sunderland and Bristol in the U.K. But analysis at the local level tended, unfortunately, to be just that; local and lacking in wider policy implications. A useful comparative section is nevertheless provided by volume II, which consists of matrix-style listings of the local services, complete with telephone numbers, that are available in each country. It also gives an idea as to the different emphases given in each.

An important contribution to an eventual information network on LEIs is made by a study entitled "Local Employment Initiatives" by Stephanos Grammenos of the European Centre for Work and Society, Maastricht. For his survey of more than a hundred local organisations interested or active in promoting LEIs not only provides an invaluable checklist but also is intended as a feasibility study into the setting-up of some kind of information exchange mechanism. (see on page Information ELISE).

of whether they are aimed at one or more of the chief problems facing new entrepreneurs and start-up companies: Training, financing, technological innovation, positive discrimination in favour of a particular social group, and efforts to counter-attack unemployment in blackspots are all subject headings that the report tackles.

The 40-page report is accompanied by two annexes. One lists all the organisations and institutions with any interest in local initiatives, while the other details in simple tabular form all the main local projects now under way in each of the member states. Finally, the report comes complete with a detailed questionnaire that the Maastricht centre had used for compiling the information

The Brussels-based European Committee of Workers' Cooperatives (CECOP) has come up with a set of sensible and practical proposals for EEC-level action to stimulate workers' cooperatives and encourage their job creating and job saving propensities.

As part of an ambitious 240-page review of the cooperative movement, "The Role of Production Cooperatives in the Maintenance and Creation of Jobs" (82/8), the CECOP authors suggest that training programmes involved in producing qualified managers for cooperatives should be expanded, that different legislation in EEC member states that affects cooperatives should urgently be harmonised, and that EEC financial instruments, notably the ERDF, should be used to fund more cooperatives than has been the case to date.

The CECOP study reports that from 1976-81 some 223,000 new jobs were created in EEC countries through the setting-up of 6,700 workers' cooperatives. In all, the report reckons there are now about 13,900 cooperatives throughout the Community with a combined payroll of 520,000 people and combined sales that could be as great as \$8 billion yearly. Given the further increases in the cooperatives' activity since the report was published, its 1981/82 figures probably paint a rather conservative picture.

The report "Workers' Cooperatives and their Environment : A Comparative Analysis with a View to Job Creation"(81/39) consists mainly of a survey by the Mutual Aid Centre in London of the strengths and weaknesses of cooperatives in Britain, the Irish Republic and the Netherlands.

To put the three countries into perspective, authors Marianne Rigge and Michael Young note that in the U.K. there were only 19 workers' cooperatives in 1975, and by 1982 there were over 500. In Ireland that sort of rapid development has yet to take place, even though we are now approaching the centenary of Horace Curzon Plunkett's foundation in 1893 of the Irish Cooperative Organisations Society that it to this day the leading cooperatives support body there.

In Holland, says the report, cooperatives can trace their origins back even further to the early 19th Century, yet they are now chiefly agricultural. The workers' cooperative sector "is still in its infancy", although there are signs that a surge of growth is about to begin. In all, the 114-page report is a well-documented survey that highlights the various types of support required to stimulate the further growth of cooperatives in each of the countries concerned. In particular, it reviews the need for trade union support, government finance, greater access to other forms of finance and improved education and training schemes.

A companion study to the Mutual Aid Centre's report is "The Development of New Areas of Employment Growth"(81/38) by the Paris-based TEN Cooperative de Conseils. This takes a similar look at the already very substantial and well-established cooperative movements in France and Italy, and concludes with a detailed and closely argued proposal for EEC-level action to help ensure that in future cooperatives should benefit from positive discrimination.

The idea behind "Trade Union Attitudes to Producer Cooperatives in Three Member States: Italy, Ireland and Britain" is an excellent one. It goes straight to the heart of an extremely thorny political question; are cooperatives, with their overtones of 'worker capitalism' and self-regulating industrial democracy the friend or foe of trade unions?

Joan Crowley, of the Trade Union Research Unit, Ruskin College, Oxford University, has made a most workmanlike job of analysing the situation in the three European countries mentioned. Yet here detailed 157-page report throws up more questions than it answers, which perhaps, points to the problems underlying this subject matter.

Crudely, the report finds that trade unions support cooperatives when they are for one reason or another an integral part of the labour movement, and ignores them or contests them when they are not. In broad terms, Italy's trade unions tend to be more supportive, Britain's are guarded and even negative while in Ireland there has so far been little interest, even though the Irish Republic may apparently be on the threshold of a new cooperative breakthrough.

Some of Joan Crowley's conclusions are debatable; not least her assertion that in Britain the cooperative movement "must relate its economic strategies and ideals to broad working class traditions" if it is not to become "marginal to the labour movement." Arguably the reverse, that it must adapt to classless new technologies, is the case.

A practical look at the ways in which trade unions can give their support to new workers' cooperatives is taken by the study "Developing Support Structures for Worker Cooperatives - An Evaluation of the Potential Role of Trade Union Organisations." Undertaken by Denis Gregory also at the Trade Union Research Unit, Oxford, the report is based on the experience of the Wales Trade Union Council (TUC). This, it should be stressed in order to put the study into context, was chiefly because the trade unions in Wales appear much more disposed to encourage cooperatives than unions elsewhere in the U.K.

The study's practical bent is best illustrated by its focus on the organisational and administrative tasks involved in aiding cooperative projects. An important section of the study, meanwhile, is devoted to a proposed investment fund for workers' cooperatives that could help to overcome most financial institutions' in-built conservative bias against funding co-op launches. Given the wider problem of adapting the financial institutions' practices to ensure that job generating start-up schemes should no longer be discriminated against, Gregory's fund deserves the widest possible discussion.

A very different aspect of cooperatives is examined by the Brussels-based Centre for Research on European Women in its report on "New Types of Employment Initiatives, Especially as Relating to Women" (81/26). It is a thorough, survey of the potential job-creating importance of womens' cooperatives and collectives.

The research was carried through questionnaires, which were sent out to some 400 different organisations and initiatives in Italy, France and the U.K. The study, which is largely made up of annexes with case studies on various womens' cooperatives and collectives in existence at the time of writing, gives a useful indication of the spread of such projects. It does provide valuable information on such social aspects of womens' cooperatives as creches and kindergartens. It also covers as far as it exists, the spread of such cooperatives outside traditional areas of female employment into new sectors like electronics and construction.

SMALL AND MEDIUM-SIZED ENTERPRISES

In what must stand for some years as a thorough account of job creation by the EEC's small and medium-sized companies, Daniel Baroin and Patrick Fracheboud of the University of Paris IX - Dauphine have brought together a wealth of relevant national studies of the subject.

Their October 1982 report "The Contribution of Small and Medium-sized Enterprises to Employment in Europe"(81/28) takes the reader through from the 1960s, when large companies were often the major job generators, to the present day in which the most crucial employment role is that being played by smaller companies.

The study marshals in orderly form a great deal of useful published information on SMEs' job creating characteristics, both from around the EEC and from the U.S. The 170 page main report and policy recommendations is also supplemented by a further 200 pages of detailed annexes covering separately Belgium, Denmark, France, Italy, the Netherlands, West Germany and the U.K. These provide full analytical and statistical pictures of the different national positions.

"We are far from (any) satisfactory explanations of the job generation process," comment the authors of "An Overall View of Employment in Small and Medium-sized Enterprises in the EEC"(81/29) by way of introduction to their report on SMEs and their job creating potential.

Available data does not offer much of a guide to the complex interactions of industrial births, deaths, expansions, contractions and amalgamations, so the study by ABT Forschung, of Bonn, confines itself to analysing observable trends amongst Europe's SMEs rather than looking at their job generating capacities per se.

The study is an admirably clear exposition of European employment trends in both manufacturing and services during the 1970s. In the first half of its 87 pages the report sets out the broad developments that have made up the switch from manufacturing to service jobs, and in some 40 pages of appendices it also marshals a variety of pertinent Eurostat tables containing EEC statistics.

At a time when the emphasis of public policymakers is so firmly on the SMEs and their employment potential, the ABT Forschung report serves the useful purpose of setting out some of the weaknesses of smaller companies, while underlining the continued importance of larger corporations.

Manufacturing employment in the EEC, the reader is reminded, remains dominated by major establishments of 1,000 or more employees, with the notable exception of Denmark where workforces of 10-49 employees predominate. Otherwise, though, in West Germany 37% of all manufacturing companies have over 1,000 workers, and in the U.K. the comparable figure is 32%.

In services, however, the situation is much more polarized, with very small and very large companies both providing the highest numbers of jobs, so that roughly only a third or so of service jobs are now in companies occupying a huge middle-ground with payrolls of between 50 and 1,000 people.

The point is, of course, that small start-up companies have predominated in service sectors and in the weaker manufacturing industries where big companies have either died or diversified away. The problem, as the authors see it, is that SMEs are in effect being restricted to the weaker industries because large companies crowd them out from the more profitable and productive growth sectors of manufacturing.

"If we want to break this dualism" (in which SMEs face tough barriers that prevent their penetrating into growth industries), warns the report, "social and economic policies must be geared towards facilitating the process of adaptation to dynamic productions and services in favour of SMEs."

To the extent that job creation techniques can be made to 'travel' from one industry or country to others, the Italian authors of a study of employment generated by SMEs in the steelmaking town of Brescia have accomplished a useful analysis of the main factors involved.

The northern Italian town of Brescia is noted for its many small, independent steel producers - the "Bresciani" who have managed to defy the worldwide slump in steel by continuing to be efficient and show profit. The study by Cooperativa Centro Studi Michele Capra is an interesting examination of how these efficiently managed middle-ranking companies and SMEs can operate a socially responsible employment policy while remaining more competitive than heavily subsidised national steelmakers across Europe.

Whether the lessons contained in "The Factors Affecting Job Creation in SMEs : The Italian Situation with Special Reference to Brescia" can be widely applied is as open a question as whether the major European steelmakers can ever follow the example of the Bresciani.

SPECIAL UNEMPLOYMENT CATEGORIES

A number of the studies commissioned as part of the labour market research and actions programme have been directed particularly at specific problem areas like long-term and youth unemployment. Not surprisingly, the findings of some of these reports are still not definitive. The European Commission's research programme, however, is increasingly directed towards such areas, and provides both an 'input' that helps shape policy proposals to EEC member governments and an 'output' in the sense of offering follow-up analysis of areas where data is insufficient. On the issue of employment promotion for young people, the Commission proposed a coordination framework for national measures in its April 1983 Communication to the EEC Council of Ministers [COM (83) 211 final], and that yielded in January 1984 a Council Resolution on the issue. Similarly, a September 1984 Communication to the Council [COM (84) 484 final] on actions to combat long-term joblessness was adopted in a December 1984 Resolution.

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The first results of what should turn out to be an invaluable five-nation study of measures to tackle long-term unemployment are contained in an ambitious study by Theo Miltenburg, of the Institute for Applied Sociology at the Catholic University of Nijmegen. In his study "Effectiveness of Measures to Improve the Job Opportunities of the Long-term unemployed", Miltenburg has pulled together findings from West Germany, France, Italy and the U.K. together with his own Dutch material to give a picture of the risks and likely developments in long-term unemployment. The report also surveys the different national governments' main schemes for countering the growth in the number of people out of work for a year or more.

By way of contrast, Peter Auer's examination of public measures to combat long-term unemployment demonstrates the advantage of a single author with a clear structure for his study. "Reintegration of the Long-term Unemployed : An Overview of the Public Programmes in Eight Countries" is a straightforward and useful resume of governmental actions in Britain, France, West Germany, Belgium, Holland, Denmark, Sweden and Canada.

Auer, of the Policy Information Group of the IIM Wissenschaftszentrum in Berlin, surveys special placement measures, training programmes, wage subsidies, job creation programmes, voluntary work schemes and sheltered employment techniques and examines, too, special measures designed to encourage the long-term unemployed to withdraw from the labour market. The conclusions reached by the author are on the whole not particularly encouraging. Programmes for the long-term unemployed, he notes, "have made only a minimal contribution toward a lasting solution to the problem."

A similar analysis, restricted to French measures only, has been attempted by Nathalie Debrus and Nicole Kerschen, of the IRERP Institut de recherche sur l'Entreprise et les Relations Professionnelles of the Universite de Paris-X at Nanterre. In their study "Job Replacement Measures for Long-term Unemployed : The French Situation", the authors offer a technical assessment of the effects of the 1982/83 so-called "Operation Le Garrec" that was mounted by the French minister of that name against long-term joblessness.

The authors have taken the Rouen and Valenciennes areas of north-west and northern France respectively as their testbeds, and at a technical level the report offers a detailed look at the Mauroy government's attempt to target measures that would most affect those who had been out of work for over 12 months in areas hit by structural industrial decline. The full conclusions of the report are, though, at present still in preparation.

A contribution to the debate over whether school-leavers and other young unemployed people are pricing themselves out of work has been made by David Marsden and Amin Rajan, of the London School of Economics and of the Institute of Manpower Studies at Sussex University. In their paper "Young Workers' Pay and their Employment" the authors analyse existing research in different EEC countries and give a preliminary assessment of the Young Workers' Scheme in the U.K.

The report finds that in a number of European countries there are econometric studies that support the idea that demand for young workers is affected by increases in their pay relative to that of adult workers. The 80-page study offers a good deal of detailed information on youth employment trends and on youth-adult earnings differentials. But it is also generally cautious in drawing conclusions that would significantly influence the overall debate on youth pay rates.

A complementary study on the youth unemployment problem is the exhaustive three-part report that has been prepared by the Personnel and Social Relations Division of CEGOS, of Boulogne-Billancourt, Paris. Entitled "Young People's Employment Difficulties", the study is an investigation into French and Italian companies' recruitment policies as they affect youthful job seekers. In all, a dozen companies were studied closely in order to establish just how it is that despite various schemes and incentives youth unemployment now represents some 40% of the total EEC jobless.

The analysis shows that with the onset of economic recession there has been a considerable standstill within companies regarding new jobs, while the emphasis has also been that when vacancies do occur employers tend to look for experienced workers to replace departing staff.

The 16-18-year olds emerge as the worst affected of all the under-25s, and predictably enough they are in much the same situation as the uneducated and un-trained. This survey suggests, however, that wages are not so much a problem as the skills and experience question. Personnel managers are perceived to be responding to the youth employment crisis by favouring the hiring of young people, but it is the operational managers in industry who are over-ruling them in favour of older and more experienced recruits.

A third study of the same general problem area is the report "Wage differentials Between Adults and Young People" which has been conducted in France by the Paris-based Societe d'Etudes pour le Developpement Economique et Social. It consists of some detailed case studies of two French companies, one in the clothing industry and the other in the construction sector. It looks at wage levels and hiring patterns and provides chapter-and-verse on the steadily worsening employment for school-leavers in France during the five-year period up to end-1982. It also looks at at the situation as it affects young immigrant job seekers in particular.

The particular problems of youth unemployment in France, Belgium and the U.K. have been analysed by Professor H. Le Marois for the Boutique de Gestion at Marcq-en-Baroeul in northern France. In his study "The Employment Difficulties of Young People: Some Possible Solutions", the author examines job creation ventures undertaken by young people. He identifies three separate categories, with well qualified young entrepreneurs launching at the top end some high technology start-up companies, and then at the medium and lower ends of the spectrum finding themselves less well placed. He recommends specific training measures that might improve the situation.

At a time when politicians and others involved in shaping public policy seem increasingly tempted to use early retirement as a labour market safety valve, the Italian authors of a report on the problems of elderly workers have made a valuable effort to clarify thinking on the question.

Alberto Valentini and Manuel Guttierrez have directed a team of researchers for the Rome-based IREF and produced a major 220 page study of the factors determining both old and young peoples' job options, "Problems Connected with the Employment of Elderly Workers; An Analysis of the Current Position and the Outlook for Integrating the Elderly into Youth Employment Projects". The September 1984 report is an illuminating social document. It establishes the financial and other motives of the majority of retirees who in fact wish to remain in work, and offers a wealth of well-written case studies of Italian projects where old and young have, instead of vying for work, been able to work complementarily alongside one another.

There is a refreshing forthrightness - some might call it brusqueness - about the report "VUSEC - Voluntary Work and Unemployment in the Countries of the European Community". It sets out to put the record straight on how voluntary work can make a contribution to combatting the ills of unemployment, and seeks to dispel a number of misconceptions that may be quite widely held.

Published by the Policy Studies Institute in London with major contributions from France, Belgium and the Netherlands, the 300 word VUSEC report gives an overview of voluntary work and supplements it with national annexes detailing the situation in those three countries as well as the U.K.

"Voluntary work is not mainly done by women, is not mainly in social welfare or charity work, and is not done only by middle-aged people," snaps the report. "Voluntary work is done by very large numbers of people in each country, it takes place in every part of society, it is an essential feature of some organisations that claim to oppose it, and it does reflect the general social roles of women and men."

With that no-nonsense declaration, the PSI study sets out to show that voluntary work already accounts for a remarkable share of economic activity, and argues for measures that could boost that share further. It proposes, for instance, a three-year European Commission programme for developing as demonstration projects a number of promising voluntary work schemes.

NEW TECHNOLOGY

Some cherished popular myths are coolly demolished by the study "New Technology and Changes in Industrial Relations: An Anglo-Saxon Comparison"(81/21). The report is an investigation into the impact on industrial relations in Britain and West Germany of information technology, and it finds that workforces faced with displacement by new IT equipment react in ways that are far from conventionally Luddite.

"Neither pay, hours or jobs - perhaps surprisingly - appeared as major issues or problems at work-place level," comment the authors. "The main debates were over work reorganisation, demarcation, status, supervision, training and working conditions." They add that, as a consequence, "the likelihood of new technology being the sole cause of industrial relations conflict would appear to be small."

The study, prepared by the Jim Conway Memorial Foundation, Stockton on Tees, Cleveland, U.K., analyses the industrial relations effects of word processors being introduced to offices, computers to banking and computerised CAD/CAM manufacturing and design methods to the factory floor. And it finds consistently that in both German and British companies the reception is much more enlightened and flexible than is widely supposed.

"Information Technology was seldom isolated as a problem," report the authors, "but was viewed as one element in a changing economic and working environment. Even when it was treated as an issue separate from others, it was invariably placed in the context of wider organisational factors, e.g., markets, competitiveness, investment, growth, efficiency and job prospects."

The study provides a wealth of data regarding the various procedures for introducing technological change, surveys the attitudes of management, trade union representatives and employees and looks at the impact on industrial relations procedures. At the outset, the report emphasises the authors' own view that technological advances have traditionally been welcomed by organised labour. "Where trade unions have placed obstacles in the way of technological change," they assert, "they have invariably done so to influence that change not to oppose it."

An adjunct to the Jim Conway Foundation's study of the introduction to companies of new technology is the report on "Changes in Organisation, Employment and Worker Representation" (81/42) that focusses on changing employment factors in the Federal Republic of Germany.

Prepared by Fritz Bohl, assisted by Klaus Dull, both of the Munich Institut für Sozialwissenschaftliche, Forschung, the study looks at the strategies being adopted by employers to handle technology-based workforce reductions. The July 1982 report makes the point that technical innovations do not so much lead to sweeping redundancies but rather they trigger a more sophisticated process of personnel selection and rejection. Less qualified and other less suitable employees are identified and then removed in a variety of ways.

The study also makes the point that companies involved in the process of technological streamlining enter a circle - vicious or virtuous, depending on one's viewpoint - in which manpower reductions brought about by innovation mean that before long a company has less available labour and so must seek out further labour-saving technology in order to raise output.

The survey was chiefly conducted among companies in the West German metal and engineering industry, but is believed to hold good for German manufacturing industry as a whole. The authors suggest it might serve, too, as a pilot for other studies in European countries, and they therefore set out the various points that could form the basis of any future international comparisons.

A report that attempts to look at the technological revolution from almost the opposite point of view is "New Information Technologies and Small Scale Job Creation" (81/31). Because micro-electronics technology promises, through improved telecommunications, more decentralised social structures and also represents no ecological threat, it "shows a definite affinity to the goals, structures and values of the alternative economy." The result, says the author of the report, has been an encouraging increase in the number of information-based high technology projects amongst communes, self-help groups and other 'alternative' organisations in the United States.

The study, by Shirley Van Buiren of the Batelle Institut, is sub-titled "the alternative economy and job creation in USA with policy recommendation applicable to the European context." In some sense that is a more accurate guide to the contents than the main title.

The 80-page report consists chiefly of an account of the alternative economy in the U.S., with details of the farm-based communes, barter networks, ecological and craft-based enterprises and urban and rural cooperatives that make up this informal sector across America. Toward the end, the author includes some technology-based projects such as packet-switching, having explained that once alternative groups ceased to reject computers as "power instruments of the elite of the conventional capitalist economy" they took happily enough to micro-computers because, of course, small is beautiful.

The recommendations at the end of the study suggest that European countries should be ready to help finance social innovation as much as technological and industrial innovation. Areas where Shirley Van Buiren's ideas may find greater interest are those she touches on concerning urban renewal. She very usefully details the growth in the U.S. of mainly Washington D.C.-based national organisations such as the Institute for Local Self-Reliance; the Center for Community Economic Development; and the National Self-help Resource Center.

STATISTICAL RESEARCH

A formidable statistical base has been laid for the benefit of all concerned with employment analysis and policy proposals by Jacques A. Zighera and a number of his colleagues at the Centre d'Analyse Statistique des Structures et des Flux, at the University of Paris X, Nanterre.

Zighera's dissection of the ways in which the EEC member states' labour markets are developing and evolving has in recent years contributed five separate reports to the Commission's Research and Action Programme. His July 1981 study "The Age Structure of Male and Female Employees in Service Industries, 1973-75-77-79"(81/22) was prepared in collaboration with Dominique Guerin, and identifies phenomena such as rising and falling average ages, recruitment tendencies favouring particular age groups and womens' employment developments in commerce, transportation, banking and insurance, and in general administration.

That study was followed a year later by Zighera's joint report with Hubert Madinier entitled "Evolution and Projections for Salaried Employment in Various Economic Sectors, Classified by Age and Sex." The short-term projections covered the then future period between 1982 and 1985, and were based on an original method designed by the Nanterre team and which they suggest enables distortions in the overall pattern followed by successive generations of workers to be detected. The report analyses EEC labour market statistics relating to most manufacturing and service sectors, and provides an essential statistical framework for work on youth employment policies.

Jacques Zighera's third contribution to the programme is the study, undertaken with Moustapha Najar, called "The Structure and Evolution of Employment, 1973-81, by Economic Sector." It traces the shifts out of the different manufacturing sectors together with the corresponding take-up in jobs by the service industries. It was followed by "Evolution of Young Peoples' Employment According to Economic Sector", which was written in partnership with Marie-Laurence Jaspar and Mouloud Dey and also spans the period 1973-81.

The most recent Zighera analysis, conducted with Najar and with Boujemaa Haddoudy, is his comprehensive September 1984 report pulling together data for the 1973-81 period entitled "The Structure of Employment in the European Community; Working Lifetimes of Men and Women, and Female and Youth Participation."

In parallel to the Nanterre projects, a study on "Trends in Employment in the Medium-term" has been contributed by the U.K. specialist consultancy Gwilym Jenkins & Partners. The August 1983 report covers the development of an updated system for employment forecasting, the updating of employment forecasting models to accommodate definitional changes in 1982, and the generation of forecasts in both the 1982 and 1983 forecasting rounds.

A warning that government incentives for encouraging new company start-ups should be provided on a very selective basis, and also made conditional on 1½-2 years of successful operation, has been issued by the authors of an Italian statistical and empirical study of small and medium-sized manufacturing companies there.

Called "The Determinants of Productivity and Employment in Italy's SMEs in Manufacturing: A Cross-section Analysis 1973-77-81", the report by a team from Turin-based R&P Ricerche e Progetti, under the direction of Bruno Contini, offers a detailed picture of 'births' and 'deaths' of new manufacturing ventures, and analyses too the employment creating potential of these start-ups.

LABOUR MARKET POLICIES - MISCELLANEOUS

An interesting account of how Sweden's Arbetsmarknadsstyrelsen (AMS) labour market board oversees tri-partite cooperation on employment measures is given by Professor Gosta Rehn, of the Swedish Institute for Social Research.

In his January 1984 paper entitled "Cooperation between the Government and the Social Partners on Labour Market Policy in Sweden", Rehn maps out both the political background to Sweden's expensive but effective range of employment measures and the economic factors. He surveys the programmes operated by the AMS - which with a budget sometimes amounting to 3% of GNP has been called a state within the state - and examines, too, the complementary work being done at local level by the 100-plus County or District employment boards in Sweden.

Rehn's account of the Swedish system is succinct, but the author himself doubts that any immediate lessons can be drawn that would apply to the EEC. "It is difficult to make any very detailed and specified comparisons," he writes, "between the Swedish form for tri-partite cooperation and the forms applied in the member countries of the EEC, as these are rather diversified. Anyone familiar with conditions in his own country should be able to note differences and similarities and judge whether the Swedish experience may be applicable."

An idea for using an EEC-level framework that groups local authorities as the basis for a Community drive on local employment measures has been tentatively investigated in "Labour Market Actions : Local Government Initiatives" (81/35). It examines the notion of funnelling EEC funds through local authorities, using the organisational structure already provided by the Community's Standing Technological Conference of European Local Authorities (STCELA).

In this preliminary report by STCELA's London-based secretariat a variety of options are set out that could be further developed. These not only cover possible funding mechanisms but also the setting-up of information exchange networks.

STCELA groups an impressive number of municipal and local government organisation throughout the EEC, but at the same time the report is careful to emphasise that the organisation's primary purpose is somewhat different. It was formed to give its members a collective voice in their dealings with national governments, especially on issues like new legislation, taxation and local governments' spending and procurement policies. The report adds, furthermore, that "in some countries there are doubts whether the associations have a mandate to involve themselves in combatting unemployment."

Stockholm-based Gosta Rehn's first survey of employment subsidies that can be considered to be non-inflationary stimulatory measures took the reader up to mid-1979 only, while a second study covers 1979-82. The earlier report analyses the various employment premia in general use then, and examines their specific applications in France, West Germany, Ireland, the U.K., Sweden and the U.S.

The range of countries covered, and therefore the disparities between the schemes they have each deployed, provides an unusual bird's eye view of employment premia. And a striking aspect of the survey, to the general reader at any rate, may be the economic assumptions and political preoccupations that marked the pre-employment crisis years under review in "Anti-inflationary Growth Policies"(82/19).

The second volume of Rehn's survey, which is entitled "Marginal Employment Subsidies : Experiences and Reflections", is both more contemporary and more tightly targetted. It summarises and evaluates work done by others into the effects of the U.K.'s Temporary Employment Subsidy (TES) of 1975-80, and into three different Swedish schemes concerned with training and recruitment subsidies.

The author indicates that this follow-up report is intended to make a contribution to the evolving debate over subsidy schemes that could be designed to encourage employers to opt for lower prices and higher sales rather than the stagflationist reverse that is characterised by higher prices and lower production levels.

Not enough money is spent by European governments on the employment counsellors whose role is to direct the jobless toward suitable vacancies, and a further study should be funded that would establish new objectives. That, in sum, is the message of "The Training of Employment Office Staff"(82/20), a report prepared by Belgium's Office Nationale de l'Emploi.

The 100-page survey provides a detailed comparative examination of British, French, German and Belgian practices in the field covering the recruitment, training and operations of both placement officers and occupational counsellors. What it does not attempt, however, is any guide to the general reader as to the cost/benefit of the employment offices that are so firmly placed in the front line of EEC governments' battles against rising unemployment. Some figures on how much employment services cost and what their function is with regard to tackling employment mis-match problems would have been most interesting. So too would have been a detailed look at the inter-relation between employment offices and public and private training schemes.

The Italian system of employment offices and agencies is the subject of four different surveys by Rome-based analysts. In the first, "Follow-up on Work Promotion Policies by the CRI Regional Commission", the ISFOL authors have looked hard at the role of the newly-created CRI authorities with regional responsibilities. The second, "Report on Job Creation Agencies" by CREL researchers examines the new-style ACNOS agencies being introduced in Italy, and places them in the context of job creation agencies elsewhere in the European Community. The third, by the ISRIL think-tank in Rome, is entitled "Employment Agencies, their Role and Objectives" and studies the effectiveness of such agencies as instruments of government intervention in the labour market, particularly in unemployment blackspots. Lastly, "Employment in Italy in the Eighties" by the Centro Europeo Nord/Sud attempts an objective and dispassionate analysis of both the strengths and weaknesses of the Italian labour market and of official employment services.

"New Patterns in Employment" is the title given to a report consisting of resumes of three important seminars under that collective name that were organised on behalf of the European Commission in 1982 and early in 1983.

Prepared by the organisers, the Maastricht-based European Centre for Work and Society, the reports each give a brief and very readable account of the meetings; the first was in Copenhagen, where the topic was "Employment Generation in Europe", the second in Dublin where it was "The Structure of the Labour Market and the Implications for Social Security Systems in Europe", and the last of the three seminars was held in Nice and discussed "Local Initiatives for Employment Creation."

Analysts at the West German Bundesanstalt für Arbeit at Nuremberg have taken a dispassionate look at the mis-match problem that throughout Europe is resulting in worrying skills shortages even where record-level unemployment occurs.

In "Analysis of Vacancies in France, Great Britain, the Netherlands and the Federal Republic of Germany"(82/21), the Federal Employment Institute's experts have assessed the efforts of government employment services in those countries and their success in tackling the difficulty of 'hard-to-fill' vacancies. The first part of the study analyses the different vacancy notification and placement systems being operated, and part two surveys the various techniques being used to resolve the hard-to-fill vacancy problem.

Political debaters in the EEC who are concerned by both the scale and the effects of workers' rewards could usefully take note of the Swedish experience regarding employee participation in capital formation schemes. In an August 1983 study called "The Debate on Employees' Capital Funds in Sweden", Professor Gosta Rehn of the Institute for Social Research in Stockholm reviews the arguments that have raged there since 1975, when LO trade union leaders first called for compulsory contributions by companies to capital funds that would be managed by and for their workers. The furore over the suggestion still continues in Sweden, and Rehn manages to describe the peculiarly Swedish arguments on both sides with clarity.

The increasingly imperfect workings of European labour market mechanisms, thanks in large part to the stresses of high unemployment, have given rise to a variety of research projects on the subject of labour market segmentation. Some Italian researchers have even taken to describing particularly irregular and dislocated local labour markets as being part of an "occult economy." In a tightly argued report prepared under the aegis of ISVET in Rome, a team of senior Italian economists have contributed their findings on the matter to "Segmentation of the Labour Market; Theoretical Developments in Italy and Preliminary Hypotheses for the Design of an Operational Model for Use at Local Level"(81/49).

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