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The economic impact of immigrant workers in Western Europe

Stephen Drewer

Within Western Europe policies and attitudes concerning immigrants are the subject of considerable emotional dispute. Are immigrants the cause of bad housing, crowded schools, urban slums and increased crime rates, or are they exploited minorities discriminated against because of class and colour? Such questions are seldom considered with any great detachment, and indeed it is hard to be impartial about the political and social implications concerning the growing impact of immigrant workers. However, though political and social considerations are certainly central to any overall assessment of the impact of immigration on either the donor or recipient countries, the following economic analysis should assist in creating a more objective understanding of the immigrant's role in Western European societies.

Structure of Immigration

In 1970 there were nearly 11 million immigrants in the countries of Western Europe, that is, over 5 per cent of the total population. The proportion in each country ranged from 0.6 per cent in the Netherlands to 16.0 per cent in Switzerland (Table 1). Over 90 per cent of these immigrants lived in four countries, France, Germany, United Kingdom and Switzerland, and in addition 7.1 per cent and 8.3 per cent respectively of the total Belgium and Luxembourg populations are immigrants.

Table 1
Immigrants in Western Europe (1970)

Country	Immigrants (Thousands)	Total Population (Thousands)	Immigrants as % of Total Population
Austria*	68	7,323	0.9
Belgium	679	9,581	7.1
France	3,177	49,866	6.4
Germany	2,977	62,000	4.8
Great Britain	2,603	52,304	5.0
Luxembourg*	28	335	8.3
Netherlands*	72	12,597	0.6
Sweden*	173	7,869	2.2
Switzerland	972	6,071	16.0
Total	10,749	207,946	5.2

*Indicates economically active immigrants only.

Source: Castles, S. and Kosack, G., *Immigrant Workers and Class Structure in Western Europe*, OUP (London, 1973).

The economic impact of people from one country to another is two-way, affecting both the recipient and donor countries. Spain, Portugal, Yugoslavia, Turkey, Algeria, India, Pakistan and Ireland are the main donor countries. Their incomes per head are approximately one-half of those in Switzerland, Germany, France and the United Kingdom, the main recipient countries. This flow of people, the vast majority of

whom are productive workers, is thus from the poorer countries of Southern Europe, North Africa and the Indian sub-continent – and from the poorest regions of these countries at that – to the richer countries of N.W. Europe. (Tables 2, 3.)

The period from 1950 to 1970 was one of unprecedented economic growth in Western Europe – Germany, France and Italy set the pace, followed by the Netherlands, Belgium and Luxembourg. Even the average annual economic growth rate of the UK (2 per cent – 3 per cent) was high in relation to past experience. Economies grow more rapidly if more workers can be put to work and/or for each worker more and better machinery is made available. Examples can be given from all sectors of a modern industrial economy of increased productivity resulting from mechanisation, though the opportunities for introducing new techniques more obviously exist in the manufacturing sector. Growth is therefore to a large degree related to (a) the additional numbers of workers available for work, and (b) to the proportion of workers employed in the modern, high productivity, manufacturing sector.

Economies do not grow to order, but rather as a response to stimuli which create increased demand for the output of that economy. For example, in the 1950s, international demand for German exports grew rapidly, and this increased demand stimulated new investment in plant and equipment for export industries. Increased incomes in the same industries stimulated demand for other goods and services as a result of these increased incomes. The 'bonanza' (at least in theory), should eventually have come to an end, because of a shortage of labour or materials, and the consequent effect of such supply problems. In other words, the lack of labour and materials would cause a bottleneck and slow down the rate of growth output. In fact, one of the most important features which enabled growth to be sustained at such high levels in Germany, and indeed in Western Europe, was (and is) the availability of workers, either indigenous or immigrant, to supply the ever-growing demands of industry.

Table 2

Immigrants in France, Germany, Switzerland and Britain by country of origin (thousands) 1970

Country of origin	France	G'many	Switzerland	Britain	Total
Irish Republic	1			739	740
Poland	113			118	231
Germany	43		116	142	301
France		47	50	34	131
Austria	3	143	43	30	219
Netherlands	10	104		17	131
Portugal	480	54		6	540
Spain	617	246	98	35	996
Italy	612	574	532	102	1,820
Yugosl'via	52	515	21	13	601
Greece	10	343		9	362
Turkey	9	469		4	482
Cyprus				60	60
Tunisia	89				89
Morocco	143				143
Algeria	608				608
Pakistan				75	75
India	1			240	241
Jamaica				152	152
Other British W. Indies				117	117
Others	386	482	112	710	1,690
Total	3,177	2,977	972	2,603	9,729

Source: Castles, S. and Kosack, G., *op. cit.*

Note: Figures seldom take into account illegal immigrants, about whom it is obviously difficult to obtain data. In Germany, the 1970 estimate of illegal entrants was c. 100,000.

This situation is not of itself a new phenomenon. In the mid-nineteenth century Irishmen and women entered Britain to build the railways and to work in textile mills; Polish workers were employed in both the French and German coalmines at the turn of the century, as were the Italians in the building industry of Southern Germany. Since 1950, however, the movement of workers both within and into the countries of Western Europe has been on a very large scale. In the early 1950s urban unemployed within each country were put to work and concurrently rural workers were moving to the urban industrial centres for higher pay or because of growing rural unemployment. By the end of the 1950s and into the 1960s the shortfall in the supply of labour was being made up by the immigration of workers from Southern Europe, North Africa, and the ex-colonies of the European countries. **Immigrant workers have thus been important to the sustained economic growth of Western Europe, both by reason of their numbers and because of the jobs they have performed. (Table 4.)**

The rapidly growing manufacturing industry required more workers and was prepared, or could be forced, to provide better pay and working conditions.

Table 4

Main Occupation of Immigrant Workers in France (1968) Germany (1969) and Switzerland (1968)

	% France		% Germany		% Switzerland	
	Male	Female	Male	Female	Male	Female
Agriculture	9.2	6.1	1.3	0.4	3.5	0.6
Building	35.6	1.7	21.7	0.4	33.7	—
Engineering	13.5	6.7	32.8	17.6	23.5	9.5
Clothing	0.8	6.8	5.9	18.2	1.6	15.8
Domestic Service	0.5	28.8	3.0	10.5	0.4	10.8

Indigenous workers thus moved out of the traditional uncertain, uncomfortable and relatively low paid employment in agriculture, mining and building, into modern manufacturing, and immigrants came in to fill the jobs left by these workers. This growth was to a degree self-sustaining – by projecting the trends of a successful recent past, an equally successful future was anticipated. This resulted in higher levels of investment in new technologies and a higher level of consumption from rising real incomes, which in turn ensured that a high rate of growth would be sustained. The crunch, if it was to come, would occur when this increase in demand for the economy's output could not be satisfied from domestic production due to labour shortages and was satisfied by increasing imports. By pulling in imports in excess of exports, a balance-of-payments crisis and/or inflation of prices would occur. This has been a common occurrence in the United Kingdom since 1950 but relatively less important in most of Western Europe.

Immigration has been qualitatively different in various countries of Western Europe; its impact is most clearly seen in the three main groupings shown in the Table 3 above. Germany and France have imported workers to staff building and civil engineering, heavy mechanical engineering, and services. The United Kingdom, although being a large importer of workers, has also been a large exporter, in particular to the white Commonwealth.¹ Even so, certain industries and services are substantially manned by migrants, for example, night shift work in textile factories, public transport, many grades of the hospital service, and, of course, the hotel and catering trade. In Switzerland large sections of the economy are dependent on immigrant workers; clothing and textiles, rubber and plastics, metal, food and fodder industries, building, civil engineering, and hotel and catering. In these sectors over 50 per cent of all employees are immigrants. Reaction to this high level of immigration has led to Swiss restrictions on immigrants, forcing such firms as Brown-Boveri (a large electrical engineering firm) to invest in West Germany because labour was not available.

It is of interest to look at the impact of this immi-

¹ The large number of Irishmen who man the building and civil engineering industry are not usually considered as immigrants in the same way as would be West Indians or Pakistanis, though in fact they are the largest group of immigrants in the UK.

gration on the main components of economic activity in both recipient and donor countries.

Recipient Countries

The inflow of such large numbers of immigrant workers is important in its impact on most aspects of an economy. For the sake of clarity it is perhaps best to consider it in two groupings, one relating to the workers and firms (A), and the other, (B), to the national economy as a whole.

(A) Wage levels are supposedly set by the interaction of supply and demand – the more workers available the less is the upward pressure on wages, and vice versa. It might be expected that the influx of workers into Western Europe since 1950 would have resulted in the general wage level remaining relatively stable. In fact, wage levels have considerably increased in both absolute and real terms in each of the countries. This has been mainly due to the way in which the work force has adjusted to the developments of modern manufacturing industry. This combines each worker with more and better capital equipment, which increases productivity. Over recent years, demand for goods produced has grown at a period when output for each employee has been increasing, and in a situation of buoyant demand the business enterprise has been able to keep labour by increasing wages and passing on any cost in excess of productivity improvements to the purchaser.

As previously shown, indigenous workers moved into modern manufacturing industry, tempted by higher pay and, in some cases, less exacting working conditions, and immigrant workers have filled their places in traditional industries. This concentration has been further reinforced by (1) the movement of new indigenous workers into skilled white collar professional jobs, and (2) the educational, language and social barriers which confront the migrant who attempts to move into more skilled and better paid jobs. Immigrant workers with lower levels of expectation, coming from countries with much lower standards of living have, therefore, owing to their lower wage occupations, had an impact not on **general wage levels** but rather on the **relative wage levels**. There has thus been a development towards two labour markets: one for local and the other for immigrant workers.

As far as the employer is concerned, to the extent that wages are depressed by the availability of migrant workers, profits can be increased. This needs clarifying, in view of the previous argument that the impact of immigration has increased wage levels. Employers in modern manufacturing industry have changed the productive relationships between workers and machinery. New technology has increased the importance of machinery relative to labour but equally the smaller proportion of labour required has to be more skilled. It is also relatively better paid. However, the traditional industries, where the bulk of the migrant workers are concentrated, are still relatively labour-intensive, and thus wage levels do strongly interact on profit. It is relative wage levels that we are here considering, therefore, not general wage levels.

Employers, of course, have other ways of increasing profitability, an obvious one being to increase productivity. Immigrant workers are likely to have both positive and negative effects on productivity. Workers who cannot speak the native language and are unused to local customs and methods of work take some time, a 'learning period', before they are able to reach the peak of efficiency.² This problem is aggravated if the workers have no experience of modern industry. When they are concentrated in low productivity industries such as building, there are only limited opportunities for increasing productivity, but if there are vacancies due to under-utilisation of capacity in the manufacturing sector (i.e. when plant is idle due to a shortage of workers), the contribution of the migrant worker results in increased productivity.

(B) At the general economic level the impact of immigrant workers on inflation and the balance of payments needs to be considered. Inflation, that is rising prices, is usually considered due to one or two main causes; excess demand in relation to output (demand pull), and/or the effect of rising costs which are passed on in the form of higher prices (cost push).

In order to put immigrants to work it is argued that additional investment in plant and equipment is required. There is thus an increase in investment concurrent with an increase in demand for consumption goods due to the additional incomes paid to immigrants. Now, if this were the case, then the impact of immigrant workers would certainly be inflationary, for an imbalance would be created within the economy between the production of investment and the consumption of goods.³ This would apply if there was no under-utilised capacity in the economy. If there was such spare capacity, and it seems that this has been the most usual case, then, as has been previously argued, the new workers help to increase productivity and not only exert little cost push on inflation but also reduce 'demand pull'.

A variant of this argument reasons that immigrants are inflationary because for each worker there are, say, a wife and two children to be supported. The corollary of this is that the dependent requires the provision of housing, education and social facilities, and, because these are investment goods, the effect would be similar to the provision of extra plant and equipment for immigrant workers. However, it is important to note that immigrant workers do not usually bring dependents to live with them until late in the migration cycle, and are thus making small claims on social facilities. This is evidenced by the fact that the recipient countries have not dramatically increased social expenditure as a result of the inflow of immigrants.

The balance of payments effects follows closely on from the previous discussion. Increased demand for consumer goods which cannot be met from domestic production will, as an alternative, be met from imports. The immigrants' incomes, it is assumed, will be spent partly on imports. The net effect of immi-

² Many firms prefer to recruit from one nationality to minimise language problems, and they group nationalities into blocks on assembly lines.

³ Investment goods are considered to be inflationary because their production generates incomes but not goods on which these incomes may be spent.

grants on the economy is reflected in the balance between additional exports produced and sold due to their presence, and the additional imports they consume. In this context an examination of the expenditure patterns of migrant workers is vital.

They send a relatively high proportion of their income back to their families, which, of course, reduces their capacity to spend but, in addition, being mainly in lower paid occupations, they spend a higher proportion of their incomes on housing and food. (Housing is a domestically produced and consumed commodity in Western Europe, as are a high proportion of staple foodstuffs. There is to be set against this the money that immigrants send back to their families at home. This represents a direct export of capital, and, depending on its magnitude, can be seen as the single most important negative effect on the recipient countries' balance of payments. If the workers are eventually joined by their families, the repatriation of incomes is either stopped or reduced, of course. Figures are difficult to obtain but Table 5 shows the currency drain from immigrant workers in West Germany.

Table 5

The Currency Drain from Gastarbeiter Compared with Net Outflow of Tourist Funds (1970)

to	000 million DM	Net tourist outflow 000 million DM
Italy	1,250	1,347
Greece	550	66
Spain	500	612
Turkey	900	56
Yugoslavia	1,000	428
Total	4,200	2,509

Donor Countries

Healthy young workers, possibly skilled, are for all countries, and particularly poor countries, a valuable economic resource. The main donor countries have severe problems of economic underdevelopment and at least superficially should use all their resources to improve their economies and living standards. Given this, the outflow of these workers is an economic catastrophe. In reality, however, most of these workers are either unemployed or under-employed in their own countries. Nevertheless, although in the short run migration is not a disaster, its long term effects can still be very severe, for owing to the type of people who are likely to emigrate the structure of population

in the donor country is obviously changed. The proportion of young men of working age decreases and the proportion of dependents (old people and children) increases. In such a situation, where there is an increase in dependents for each economically active person to support, the problems of development are obviously exacerbated.

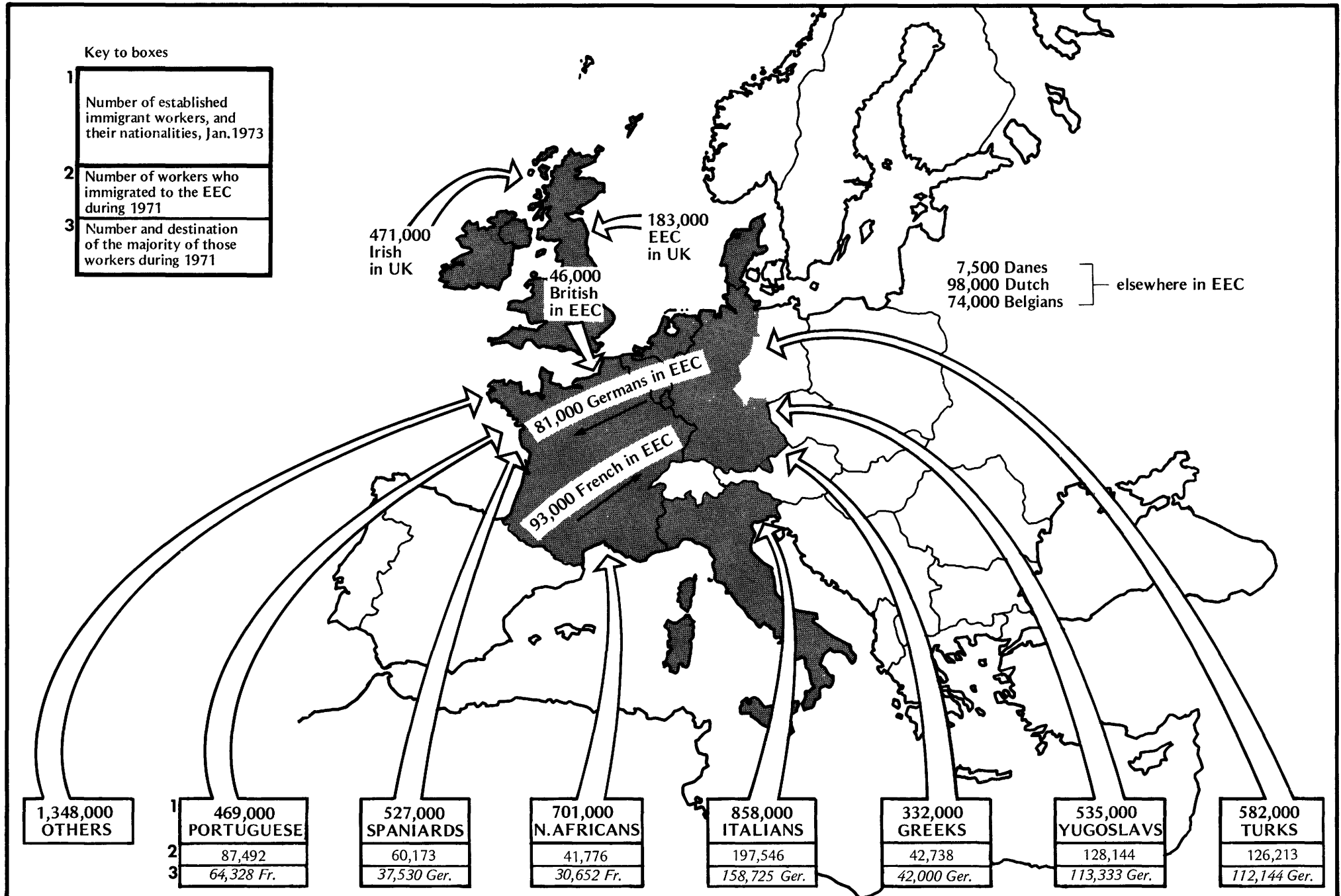
Two main arguments have to be set against this, (1) the acquisition of new skills by the workers and, (2) the inflow of currency due to their repatriation of income. The poorer countries are seeking to improve living standards by increasing the strength of their own economies, and this usually demands increased mechanisation and the introduction of new technologies which are more commonly used in Western Europe. Their labour force is experienced in traditional skills and crafts, but lacks experience in modern manufacturing industry. Workers who have acquired this experience in Western Europe often return and put it to use in the new plants within their own countries and also pass these skills on to their fellow-workers. The second benefit is that remittances of incomes are a tangible benefit to the donor country, the more so since they are in comparatively hard currencies. Lack of foreign exchange is a serious problem for poorer countries.

Conclusion

At the beginning it was suggested that an economic analysis would help to assess the role of immigrants in Western Europe more objectively. The economist cannot, however, help his reader to escape social or political judgement. He can show that immigrants have played a significant part in the development of the Western European economies and that their native countries have received some benefits from this emigration. In the long term, after the social and political considerations have been allowed for, there should be general agreement that the recent economic performance of Western Europe would be less impressive without the contribution of the immigrants.

Further reading

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Energy in the EEC

John Bradbeer

Energy is one of the fundamental requirements of any advanced industrial economy, and its supply has become a large and complex area of economic activity. For about a year or so, there has been an increasing awareness of a worldwide energy crisis, made more apparent by the Middle Eastern situation in late 1973. The energy crisis contains many elements: short-term worries about the scarcity of supply of oil and its price, the availability and cost of substitutes, and in the longer-term, the supply of energy to meet future demands, and the threats posed by consequent pollution.

Introduction

During the post-war period there has been a dramatic increase in world energy consumption, with an annual growth rate of around 5 per cent being sustained. This has led to a doubling of demand every 15 years, and the nine members of the European Economic Community have themselves experienced such rates of growth. In 1972 this energy consumption of 1,260 million tons coal equivalent (t.c.e.) was about 16 per cent of the world total and represented a *per capita* consumption of 4,950 kilogrammes coal equivalent – about two and a half times greater than the world average. Prior to the energy crisis, the EEC accepted that its energy demand would continue to rise at 4.7 per cent per annum until 1985, to give a consumption of 2,575 million t.c.e. in that year. Energy forecasting is a difficult task, however, and projections of existing trends do not always prove justified. Gladstone in his budget speech of 1863 forecast Britain's energy consumption a century hence as 3,000 million t.c.e., a figure well over twice that actually attained in 1972!

About three-quarters of Europe's energy is consumed by industry and the domestic sector. In 1972 industry used some 486 million t.c.e. and the domestic

sector only 4 million t.c.e. less. Transport is the third largest consumer, accounting for almost 15 per cent of the total, whilst the remaining 187 million t.c.e. of primary energy is converted into secondary sources, such as thermal electricity and manufactured town gas.

The total *per capita* energy consumption for each country shows relatively little variation from the EEC average. However, as seen in Table 1 below, the individual countries exhibit more diversity in their sources of primary energy. Oil is the Community's largest source of energy, as it is for each member country except Luxembourg. In Denmark and Italy, it totally dominates the energy economy. Coal is the second energy source of the EEC and is so everywhere, except in the Netherlands and Italy where natural gas fills this place, and in Ireland where peat is of importance. Natural gas is of some importance and its use is developing, especially in the Benelux countries and the United Kingdom. Primary electricity, nuclear, and hydro power, is of limited importance, even being a net consumer of energy in Belgium, Denmark and the Netherlands.

The EEC thus has an oil dominated economy, with coal, and increasingly, natural gas, making up the remaining energy. Whilst Belgium, France and West Germany conform closely to this pattern, Italy,

Table 1
Primary Energy in the EEC – 1972

	Total Consumption (million tonnes coal equivalent)	Per Capita (kg.t.c.e.)	Oil	Coal	Natural Gas	Lignite & Peat	Primary Electricity
Belgium	63.2	6,504	60.4	26.1	13.7	—	—0.2
Denmark	27.9	5,581	95.3	7.0	—	—	—2.3
France	235.2	4,568	67.3	17.2	7.1	0.6	7.8
West Germany	355.1	5,757	55.2	23.8	8.8	8.7	3.1
Ireland	10.3	3,422	69.0	10.5	—	18.5	2.0
Italy	173.1	3,189	73.9	6.4	10.6	0.2	8.7
Luxembourg	6.8	19,594	31.0	52.9	2.2	—	13.3
Netherlands	82.5	6,191	49.6	5.2	45.6	—	—0.5
United Kingdom	306.6	5,496	49.8	35.1	11.1	—	4.1
EEC	1,260.3	4,950	59.5	21.5	11.6	2.8	4.5

Source: EEC Energy Statistics 1973

Denmark and Ireland rely especially heavily on oil, but the United Kingdom with its coal and natural gas, and the Netherlands with natural gas, are rather special cases. As a whole the EEC relies on a little over 60 per cent of its energy being imported, but whilst the United Kingdom and the Netherlands manage to meet half of their requirements domestically, most of the other countries require over three-quarters of their energy to be imported. Thus any trends in the world energy market will most certainly be felt in Europe, but their impact will differ from country to country, and the exact energy mix will reflect the changing relative costs of energy sources.

Oil

Oil has rapidly come to dominate the world's energy economy as coal did before it. About 45 per cent of the world's energy supply is met by oil, but unlike coal, the EEC has very limited domestic sources of oil. Oil, until about 1970, had been both relatively abundant and cheap. It is now a much scarcer and costlier commodity and will become even more so in the future.

During the 1950s and early 1960s oil was in over-supply, with major oil fields in the Middle East and North Africa being discovered and exploited. Oil prices fell relative to other costs and oil made great inroads into coal's market, as well as meeting much of the growth in energy demand. In the early 1960s oil began to fulfil about half of the EEC's energy requirements, replacing coal as the major fuel. From the late 1960s oil moved into a position of relative shortage. The United States became, quite rapidly, a major oil importer with almost 12 per cent of its oil being imported in 1972. Oil had proved such a potent competitor that western Europe's coal industry had declined far faster than anticipated, and with nuclear power programmes running into delays, energy demands could only be met by oil, and when the pressure on oil supply became heavy, an oil shortage began to appear.

In this changing market, a major element has been the emergence, as a powerful cartel, of the Organisation of Petroleum Exporting Countries (OPEC).¹ Formed in 1960, OPEC has become effective only since 1969. Its members control just over half of the world's production (or almost 80 per cent of production outside the USA and USSR), and almost three-quarters of the world's currently known reserves. Europe draws almost 90 per cent of its oil from the OPEC members. OPEC has made two demands on the oil companies and users, the first for higher prices and taxes, and the second for greater control over operations in member countries. Between 1970 and mid-1973 oil prices rose by around 70 per cent, but in the few months after October 1973, prices more than quadrupled, and Saudi Arabian oil which early in 1973 cost \$11.17 per tonne, now costs \$51.47 per tonne. These price rises will cost the United Kingdom alone a further £1,800 million for oil imports. After the Middle Eastern war of 1973, the Arab oil pro-

ducers used the 'oil weapon' and cut back production by 15-20 per cent. This produced immediate shortages, but the oil companies re-routed supplies and the cut-back has been much relaxed, leaving price as the chief oil problem. OPEC, no doubt, will continue to make further demands, and the cartel has a strong position. During the 1980s alternative energy sources will probably temper OPEC's power and the cartel could then break up. In the meantime, however, the EEC and other importers will have to learn to live with OPEC.

Europe produced only 12 million tonnes of oil in 1972, and less than the previous year. This is only a minute amount of oil in terms of demand, but the situation will change in the next decade. The North Sea is one of the world's major petroliferous basins. (See Tables 2.) Since 1969, when the Ekofisk field was found in the Norwegian sector, some 1,600 million tonnes of oil have been found in the British sector alone. The oil is the subject of political debate at present, but could probably meet 15 per cent of Britain's oil demands by the early 1980s and probably almost all later in the decade. However, only about a third of Europe's oil needs will eventually come from the North Sea, and the oil is rather light, yielding less heavy fuel oil than other crudes, and will cost between ten and twenty times as much as Middle Eastern oil to produce. It will, however, be safe and close to centres of demand, and hence fully competitive in European markets.

The long-term prospects for oil are not bright. It is a question of when, rather than whether, oil reserves become exhausted, for quite simply, demand is infinite and reserves finite. During this decade more oil will be consumed than in all previous years put together, and existing reserves will last for a very short time. Chronic depletion of oil reserves will thus probably take place in the early part of the next century.

Coal

Coal has declined rapidly from a dominant position in the energy economy. As late as 1964 in the original six members and 1971 in Britain, coal was the chief energy source. Coal production in the EEC has been falling at around 7 per cent per annum since the late 1960s. Rising costs and competition from oil have been the chief causes of coal's demise. However, the recent surge in oil prices has made coal an attractive proposition again, and Europe contains large reserves - some 90,000 to 100,000 million tonnes, or enough to sustain all current energy needs for almost 75 years. (Britain has a high proportion of Europe's coal reserves and recently a further 500 million tonnes were discovered at Selby in Yorkshire, and an even larger basin is known at depth beneath North Oxfordshire, perhaps containing as much as 5,000 million tonnes).

Coal has declined in all member countries and government efforts have largely consisted of attempts to control the rate of run-down. American coal can still undercut European coal in many places, and the EEC's largest coal industry, that of Britain, has suffered from labour problems, and in 1972 had debts

¹ Members of OPEC are Abu Dhabi, Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia and Venezuela.

of £400 million written off. There is some doubt about the ability of Europe's coal industry to respond to increased energy demand without massive new investment. Broadly speaking, though, coal will probably be able to meet a slightly greater share of Europe's energy needs than expected, owing to the rise in energy costs. (See Table 3.) Problems of mining and waste disposal will have to be considered if the environment is not to be further despoiled by the industry, however.

Natural Gas

Natural gas has done much to alter Europe's dependence on imported energy. Gas was first found in large quantities in Groningen in the Netherlands in 1959 and during the 1960s the North Sea has yielded several gas fields. Some natural gas is imported in liquified form (mainly from Algeria) but as yet there is no major international trade in gas, and Europe has to meet its own requirements.

The distribution of natural gas reserves is shown in

Table 4
Natural Gas in the EEC and Norway

	Declared Reserves 1972 10 ⁹ m ³	Developed Reserves 1980 10 ⁹ m ³	Annual Output 1980 (million tonnes coal equiv.)
On-shore			
Netherlands	2,250	2,750	150
Germany	400	650	40
Italy & France	300	450	40
Off-shore			
Southern North Sea	1,250	2,500	125
Middle North Sea	750	1,580?	90
Northern North Sea	—	1,580?	90?
	4,950	9,350	445

Source: Adapted from P. Odell (1973), *Indigenous oil and gas developments and Western Europe's energy policy options*. Energy Studies 1, pp.47-64.

Table 4. The bulk of existing reserves lie onshore in the Netherlands and by 1980 could perhaps meet a little under 10 per cent of the EEC's energy requirements. The North Sea gas finds (Table 2) are rather more difficult to evaluate. Although it is probable in time that their reserves will exceed those on-shore, development will depend on rates of oil production, as natural gas in the northern part of the North Sea is usually found in association with oil, unlike the southern part where gas is found alone. The rate of exploration has slackened in the British sector after the initial burst, and one of the factors in this has been the pricing policy for the gas adopted in

Britain.² However, by 1980, the British sector alone could be supplying enough gas to meet the existing total energy needs of Italy. On-shore gas reserves in France, West Germany and Italy are quite small and will play a lesser part in the economy of the energy market.

Developments in the Mediterranean and in the Celtic Sea could well add further to Europe's natural gas reserves, and this very useful energy source will become more important, perhaps exceeding the 15-20 per cent share of the energy market allocated to it for 1985. In the longer term, of course, natural gas reserves, like oil, will be depleted to the point of exhaustion.

Nuclear Energy

Nuclear energy at present represents a very small proportion of the EEC's total energy economy, for it meets only a little over 1 per cent of primary energy consumption. It represents around 5.7 per cent of electricity generated, although in the United Kingdom 10.5 per cent of electricity is generated by nuclear stations. However, Europe is one of the world's major centres of nuclear research, and nuclear energy will certainly be called on to meet the bulk of energy requirements in future.

Through the Euratom agreement, the six founder members of the EEC began a nuclear research programme, with independent national programmes and American reactors either bought or built under licence. Only Luxembourg, Ireland and Denmark are without nuclear power stations. However, nuclear engineering is very demanding and costly, and although Britain's programme is furthest advanced, it has run into difficulties. The earliest type of reactors, if costly to build, are successfully working, but the second generation (the advanced gas cooled reactor (AGR) has been seriously delayed and no new power stations of this type will be ordered. To meet increased demands the Central Electricity Generating Board proposes to buy American light-water reactors (LWR's). This decision has not yet been confirmed and is being fought on technical and safety grounds but could be a serious setback to a European nuclear programme.

Future nuclear power stations, it is hoped, will be of the fast-breeder reactor type (FBR), which actually produce more plutonium than they use. However, only prototypes exist (the British one is at Dounreay in Scotland), and no power stations of this kind will be generating until the mid-1980s at the earliest. The FBR would vastly extend existing uranium reserves, for which Europe has been largely dependent on the USA, and this would give it added attractiveness. Further research in nuclear power will probably be into nuclear fission, rather than fusion, as at present, but the problems of safety in nuclear engineering will dominate the research programme for some time yet. Not until the end of the century will nuclear energy become a major energy source, by which time the problems of radio-active waste disposal will be acute.

² The British Gas Corporation has monopoly purchasing rights, and the price it has fixed for buying natural gas is about half that obtained in other parts of Europe.

Other sources of Energy

Both for the present and foreseeable future, coal, oil, natural gas and nuclear energy are Europe's chief energy sources. Although other sources such as hydro-electricity, geothermal power, tidal and solar energy exist, they are either limited in potential or pose problems of utilisation, and make only a small contribution to meeting demand at present.

Hydro-electricity meets only about 3 per cent of the EEC's energy requirements, and the bulk of development is found in Italy and France. Shortage of suitable sites makes further expansion unlikely and its relative importance will decline. Pumped storage schemes, where surplus electricity is used to pump water into storage lakes and the water, when released, flows out through turbines generating electricity, will become more important as more electricity is produced, and will be used in conjunction with major power stations, as at Trawsfynydd in Wales.

Geothermal energy is currently used only in Italy, where it generates a little under 2 per cent of the electricity, mainly in Tuscany, but potential is fairly limited and geothermal energy will never make a major contribution to Europe's energy resources. Tidal power has been utilised only on the Rance estuary in France, where a 240 Mw station has been built. A number of other possible sites exist in north west France and western Britain but there are no development plans for the immediate future. Solar energy remains the largest potential source of energy in Europe but serious problems have to be solved if it is to be effectively used.

Energy Policy

Since its formation, the EEC has made some efforts towards establishing an energy policy, but the changing world energy market and the membership of three new states in 1973 has not helped progress. Difficulties are further compounded because (1) control of the energy industries is in the hands of many bodies, both private and state owned, and national interests are often deeply involved, and (2), there are several goals for energy policy, and reconciling these and other conflicting interests is especially difficult.

Since its formation, the European Coal and Steel Community sought to implement common goals for the coal industries of its members. As coal's position in the energy economy declined, problems associated with its falling output became important, but also overall control of the energy economy became more difficult to attain. In 1964 deliberations began on the evolution of a Community energy problem and in 1968 'First Guidelines for a Community Energy Policy' appeared as the basis of policy for the subsequent fifteen years. Energy sources were to be secure and low cost and gradually policies of members were to be harmonised. The advent of Britain, presently a major coal, and in future an oil producer, as a member, obviously altered the pattern.

In most of the member countries, the majority of the energy industries, especially coal and electricity,

are under state control. However, cooperation between such state bodies has been small, and control of the major energy source, oil, lies outside Europe. Although France, Italy and Britain have state interests in oil companies, and the Dutch and British, through Shell, have a major oil company, American based multinational corporations dominate the oil industry in Europe. Evolution and implementation of energy policies, **even within individual countries**, has therefore been a complex and as yet relatively unsuccessful process.

The rapid expansion of demand for oil, whilst it offered cheap energy, threatened the viability of domestic coal industries. Some countries, especially Britain, tried to temper the competitive edge of oil by a special tax, whilst the Dutch have planned to run down their industry and assist the mining areas of Limburg. At the same time, imported energy is not secure, as the events of 1973 have shown, and with the effective ending of cheap energy, new policy directions will have to be found.

Development of existing indigenous sources of energy, especially coal and North Sea oil and gas, will be stepped up, and renewed efforts made in nuclear research. **As important, however, will be efforts to economise and increase the efficiency of energy use, and transport policy**, to take one instance, will certainly reflect a considerable shift of emphasis in this decade. By a concerted attempt to conserve energy, existing energy resources can last far longer, and the threat of pollution by waste heat, gases, and solid wastes, will cause more rational approach to energy use. As yet, no such energy policy has evolved, although these are all recognised as key issues.

Europe's energy problems are thus many and complex. In the medium- to long-term, oil will lose its dominant position and eventually nuclear energy will replace it. The evolution of policies to see the change through will be difficult, but with newly discovered oil and natural gas reserves as well as coal, Europe is at least in a far better position to make the transition than ten years ago. In the longer term, environmental problems, both large and small scale, posed by the vastly increased energy consumption will have to be faced. Their solution will likely prove far more difficult than today's period of energy shortage.

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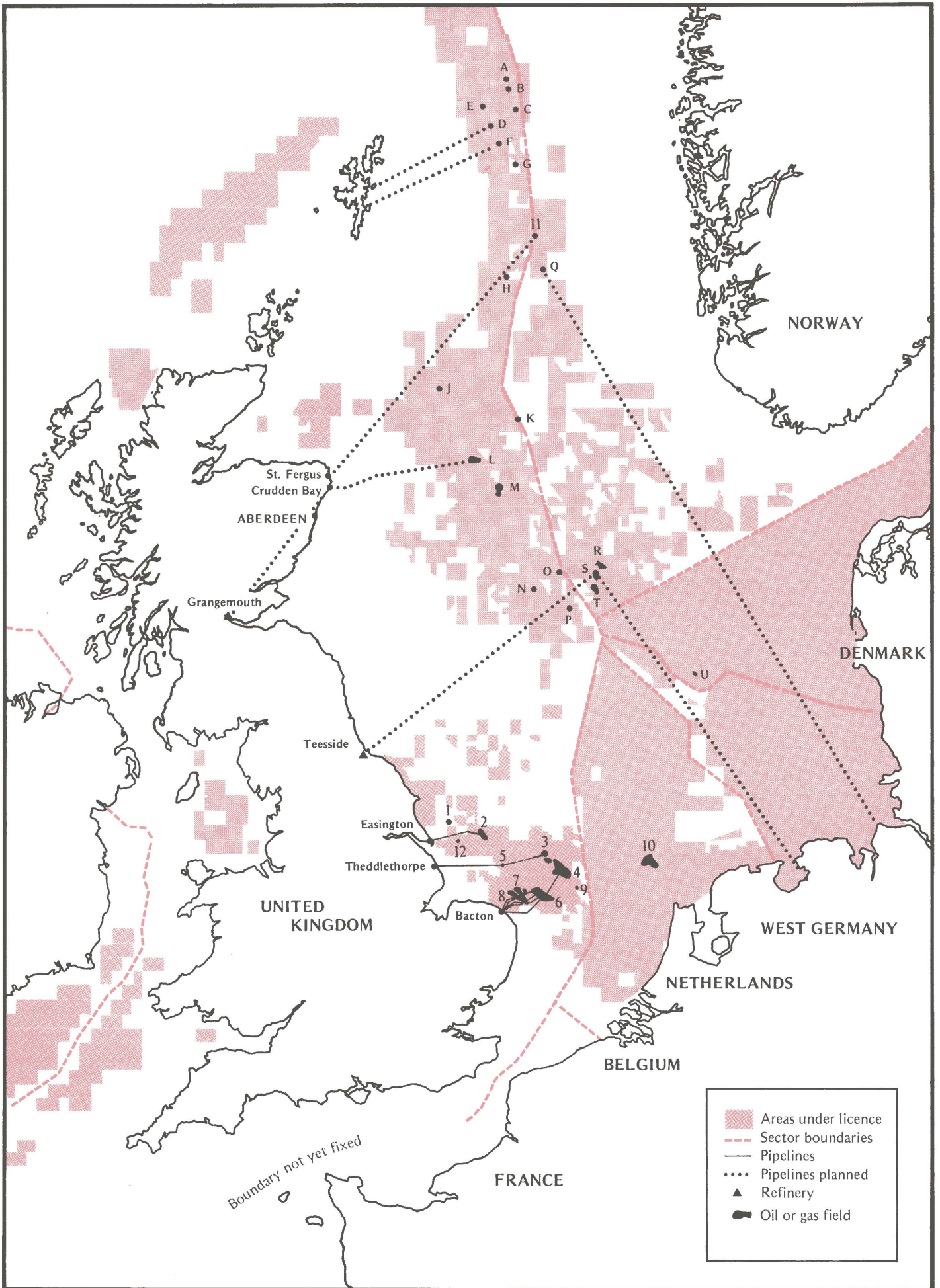
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NORTH SEA OIL AND GAS FIELDS

Table 2



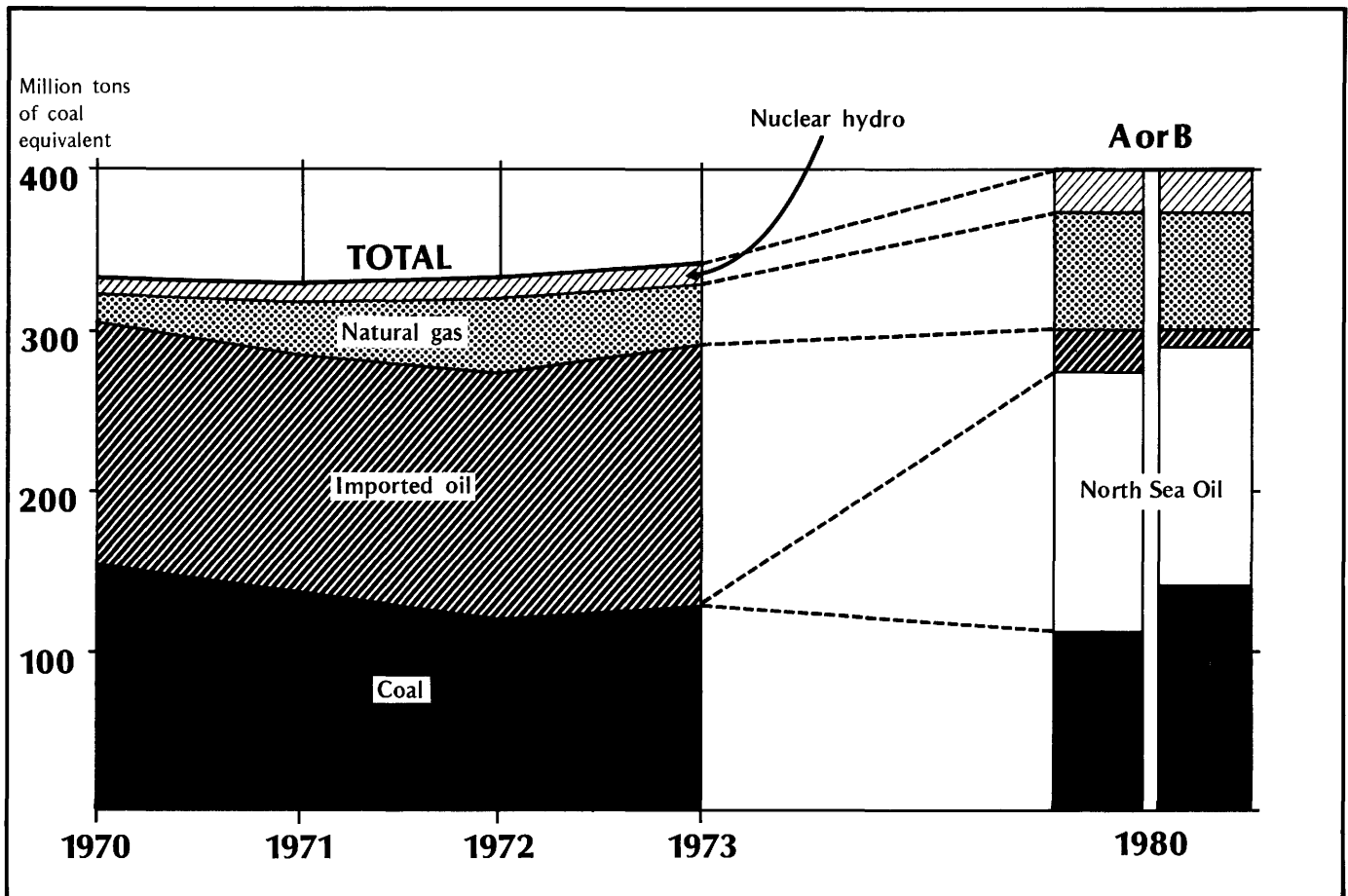
ENERGY

Table 2

GAS FIELDS	Eventual estimated Production capacity m. m ³ per annum	OILFIELDS	Eventual estimated Production capacity m. tons per annum
1 Rough	1,5550	A Thistle	5
2 West Sole	1,750	B Dunlin	5-10
3 Viking	6,450	C Brent	15
4 Indefatigable	6,900	D Hutton	12
5 Broken Bank	1,550	E Cormorant	5-10
6 Lemian	17,000	F Ninian	15-20
7 Dottie	7,550	G Alwyn	5
8 Hewett		H Beryl	5
9 Sean		J Piper	12.5
10 Placid	—	K Maureen	2.5
11 Frigg	12,400	L Forties	20
12 Amethyst	750	M Montrose	2.5
		N Auk	2
		O Josephine	5
		P Argyll	3
		Q Heimdall	5
		R Torfeldt	
		S Ekofisk	40
		T Eldfisk	
		U Dan	2

BRITAIN'S FUEL

Table 3



In 1973 Britain burned 132m tons of coal, but this accounted for less than 39% of our total energy requirements. Oil reached the equivalent of 158m tons of coal and even natural gas was up to 40m tons. But coal's long decline could be over. Subject to many uncertainties, about oil prices, nuclear performance, and

the pace of North Sea development and our economic growth rate, the chart shows two possibilities for 1980, A and B giving room for 110m – 140m tons of coal a year.

Source: Sunday Times February 24th 1974.

Shop-Floor Trade Unionism in Western Europe

Anthony Carew

The Shop Steward is one of this country's best known institutions, even though large numbers of people are ignorant of his real function. This ignorance has been compounded by a long-standing press campaign in which the shop steward is presented as the personification of all that is irresponsible in British Trade Unionism. Furthermore, to the extent that unfavourable comparisons are drawn between our own unions and those of various western European countries, it is very often the British shop steward system that is held up as the source of trouble.

These international comparisons are usually very crude and fail to get down to the real issue. Contrasts between our allegedly archaic system of shop-floor industrial relations and the harmony of factory life elsewhere only tell us something if that orderliness and harmony is genuine, lasting, and is shown to be attributable to the absence of powerful shop stewards or their equivalent. However, as other countries are gradually discovering, the question is not whether there should be in-plant trade union representatives, but rather what form of democratic trade union representation employers will inevitably be forced to accept.

Britain

The British shop steward system has traditionally had much to do with democracy and direct control by workers over their immediate working environment. We should consider the development of this system before looking at the shop-floor situation elsewhere.

The British trade union movement had reached a stage of institutional maturity by the second-half of the nineteenth century. But even as this form hardened into a permanent system, the conditions in which the unions operated were changing in a way that highlighted the inadequacies of the existing institutional form. The unions had become national bodies, and for the first time there emerged union bureaucracies. Hitherto they had been locally based or were small enough to manage their affairs without professional administrators. The system was more directly democratic. Head office functions alternated among different branches; policy proposals were initiated at the base without being filtered by the leaders; and decisions were taken by referendum. With the growing size of membership, decision-making by representative bodies began to be used. However, the parliamentary concept of representative democracy has never ousted the more immediately democratic notion of decision-making by delegate meetings in British unions.¹ (The present engineering union, AUEW, provides a living example of government by delegate bodies).

Thus a certain amount of local control was being removed from the rank and file. This was accentuated in the last decades of the nineteenth century and the early years of this century when the system of district level settlement of wages and conditions started to erode. The challenge came with the rapid introduction of piece work which, because standards were unilaterally set by employers at the place of work, shifted the emphasis to the shop-floor level and left the union with very little voice. Later still, district wage and condition settling was challenged when national employers' federations were formed, making it possible for labour/management dealings to take place on a national level.

By the 1890s shop stewards had emerged as a rank and file response to the spread of piece work which was undermining union influence over established rates of pay and conditions. They had arrived, in most cases, far in advance of any constitutional provision for them in union rules. However, the development of national labour/management negotiations

¹ The essence of a delegate meeting involves the mandating of participants to vote according to the wishes of their constituents.

increased their importance, for national negotiations can only deal in broad issues and there is an inevitable tendency for them to become divorced from the situation as it is experienced on the shop-floor. The shop stewards' task has always been to represent their members' interests by improving on nationally negotiated terms and conditions at the shop-floor level, obtaining agreement on matters that are otherwise unregulated, and providing an immediate defence of the gains already won by the unions.

Though shop stewards were long denied official recognition or approval by many unions, their importance has always been accepted at the base. Indeed they are a spontaneous creation of this level where the union often is just 'the shop steward'. The main point to note, therefore, is that shop stewards emerged to fill a necessary function within the unions when the 'primitive', direct democracy of the early unions ceased. In the shop stewards, with their direct election, their immediate accountability at the place of work, their power to obtain immediate redress of grievances without recourse to long, bureaucratic procedures, we find an attempt to preserve an important element of traditional direct democracy in unions. At present there are between 300-350,000 of them, representing some 10 million British trade unionists, an intense form of local democracy with approximately one shop steward to every 30 union members.

In contrasting the British system with the position elsewhere we need to consider a number of points. Firstly, how extensive and entrenched is shop-floor union representation? Secondly, how much power do these people have to negotiate for their members and resolve problems at their point of origin? (Effective negotiation of this type necessitates the right to initiate industrial action). Thirdly, how democratic is the process of selecting them? And lastly, what is their formal status within their union?

Germany

Perhaps the single most important element in understanding the present position with regard to shop-floor trade unionism in Germany is the fact that after the war the labour movement was rebuilt from above. The institutional structure was largely devised by occupying forces and the central organs were established first. In other words, the national trade unions in post-war Germany are not the final product of a natural process of a growth upwards from the base. Rather, they are constructed from the top downwards and shop-floor bodies have always been totally dependent on the upper levels of the union hierarchy.

The main form of in-plant worker representation in Germany is the works council, though this is not a union body as such. Works councils were established under a law of 1952, the members being elected by the entire work force of a factory, whether unionised or not. Nevertheless, the unions take great pains to see that their members are elected, and 90 per cent of the works council members are in fact proposed by the unions.

The works council is an institution of 'social partnership'. It must represent the interests of all workers and a conscious effort is made to ensure that the council is distinct from the union. Economic information received by the works councillors is regarded as confidential and must not be passed on to the union. Council members are forbidden to call or lead strikes and in the event that a strike does take place the councillors who are union members usually resign from the works council to protect themselves. Unofficial strikes in Germany are any way illegal, and strikers can be liable for losses sustained by the employer.

Within the plant it is the works council members who have the highest status. In large plants one council member for approximately every 1,000 workers will be allowed to devote himself full-time to his council work on full pay. These are the only people who are released from work. Works councils have the right to negotiate with management over a limited range of issues so long as these have not been covered in a collective agreement at a higher level. The negotiable items include: plant rules, pay structures, and piece rates. On personnel matters such as hiring and firing, and questions relating to plant re-location, the works council has the right to be consulted. However, there is very little plant bargaining in Germany of the type that takes place in this country. All major collective bargaining is at the national or regional level, and in the past the employers have often had a fairly free hand to adjust plant conditions unilaterally.

All of this has meant that plant level union activity has tended to be of secondary importance and consequently there has been a widening gulf between the rank and file and union leadership. To stem this trend the unions have introduced a body of 'confidence men' (*der Vertrauensmann*) at the plant level. These are union activists who are given the job of liaising with the works council and trying to cement the links between the membership and the hierarchy. Between a quarter and a half of them are also works council members. This makes it difficult to identify the work of the 'confidence men'. They have, moreover, an obligation to assist the works council in its activities, a clear indication of their subordinate status.

'Confidence men' have been growing in number over the past few years, and they have been recognised in a national collective agreement since 1969. In the better organised sectors of industry there is one 'confidence man' to, roughly, every 15 union members, but this ratio can vary widely from factory to factory. Sometimes they are elected but usually they are appointed by the local union for a three-year term. During this term the union can remove them from office if it wishes. They have no official functions or status in the plant, they are not allowed time off from work with pay to engage in union activities, and no special facilities, such as office space, are provided for them. However, there is a growing tendency for them to be granted protection from victimisation arising from their union work. As far as employers are concerned their activities are regarded as an internal union matter. For the most part they merely serve as dues collectors or as a channel for information to and from the members and leadership. They can pass on grievances to the works council members but they are not allowed to take these up themselves with management.

There are indications that this attempt by the unions to strengthen their influence amongst the workshop membership has not been altogether successful. In recent years, when plant level strikes have taken place (and these are becoming increasingly more frequent), the workers have looked to the works councillors for leadership rather than to the unions' own appointees among the 'confidence men' - and this in spite of the fact that the works councillors are members of an essentially non-union body. Clearly, German workers in the factories are becoming more militant, though as yet they have no local union institution of their own creation and under their own immediate control through which this militancy can be directed.

Belgium

In a number of respects the Belgian union situation more closely resembles that of this country than anywhere else in Europe. The trade unions are numerically strong, with about two-thirds of the work force organised, and the unions have had a strong physical presence on the shop-floor, especially in the post-war years. In the most important sectors such as engineering, chemicals, mining and petroleum, almost 90 per cent of manual workers are organised. The Belgian labour movement has a long standing tradition of militancy. Industrial relations are conducted in a non-legalistic fashion, there being no laws governing the conduct of union/management dealings.

There are three institutionalised forms of union representation in the plants - the union delegation, the works councils and the safety and health committee. To some extent these three bodies share the work of representing the workers since there is a great deal of overlapping, both in terms of jurisdiction and of membership. The works council, with half of its members proposed by the unions and elected from the shop-floor, has basically a consultative and advisory role on matters of economic and social policy, but is responsible for drawing up workshop rules. The more important body is the union delegation.

These exist in most medium and large unionised plants under the terms of a national agreement signed in 1947.² The principle of a union presence on the plant was something that the employers were morally forced to concede at the end of the war, given the leading role that the unions had played in war-time resistance, and the esteem in which they were popularly held. There is still no legal obligation on the employers to recognise a delegation, and the matter may well be resolved by a test of strength. Delegations are only permitted under the 1947 agreement in establishments employing 50 or more workers, and the size of the delegation depends on the number of workers; it can range from two to a maximum of 21. But about 36 per cent of Belgian workers are in plants with less than 50 workers and they therefore have no in-plant representation. In a well organised sector the socialist metalworkers have about 1,000 delegates, i.e. about one delegate per 150 workers.

These representatives enjoy a degree of protection from victimisation and, although they can be fired, actual separation from employment must be deferred until a joint labour/management commission has investigated the case. A certain number of hours are set aside for the delegation to attend to union business without loss of pay. At the moment this ranges from 20-680 per month, depending on the size of the work force. Factories with 7,000 or more workers allow 680 hours to the delegation, which means three or four delegates can work full-time on union business. But this is a contentious area and the unions are pressing for more paid time off.

Members of the delegation can be elected by the union members every four years, but more frequently they are appointed by the full-time union officers. The delegates are responsible for taking up individual and collective agreements and negotiating over matters of wages and conditions that have not been settled by collective bargaining at a higher level. This permits a certain amount of shop bargaining on things like piece rates and wage grades, while ruling out negotiations at this level over general wage increases. There is thus a constraint on plant level negotiations, but it is not insurmountable and in situations where the rank and file are strong, better rates of pay and conditions can be negotiated in the plant.

Since the early 1960s the Belgian unions have accepted a system of multi-industry bargaining at the level of the national economy, with the detailed terms and conditions subsequently negotiated within each industry. With this system the unions have accepted the need for a 'no strike' commitment during the length of the fixed period agreements. In recent years agreements have lasted as long as five years and, although there is no legal obligation to keep industrial peace, this moral commitment has had the effect of reducing the plant delegates' former scope for using industrial action to win better terms and conditions.

France

There is a special problem in evaluating the significance of trade unionism on the shop-floor in France. The difficulty

² The National Inter-Industry Agreement of June 16th, 1947.

arises from the fact that the French unions have always emphasised the role of their local units as the nucleus of trade union activity and have long employed revolutionary sounding rhetoric to extol the virtues of militant action at the grass-roots level. The reality has been rather different. In practice, unions are often at their weakest at this point and until very recently their activity has been mainly at the national and regional level. French union leaders rationalise this situation on the grounds that the main task at the base is an educational one – a battle for men's minds. Yet, in evaluating the unions' strength on the shop-floor, account must be taken of their patent failure to win much in the way of concrete gains for their members.

The main fact about French trade unions is that numerically they are chronically weak. At the most, only a quarter of the work force is unionised. On the other hand the employers are well organised, and for all the unions' revolutionary language they have probably had less success in whittling down the range of exclusive 'managerial rights' than any other union group in Europe.

Historically, French unions have also tended to dismiss collective bargaining as a means of obtaining gains for their members and have relied on winning material improvements in social and working conditions from the state. This is partly a product of their revolutionary tradition. But it is also partly the inevitable result of their organisational weakness in industry.

In post-war years machinery was established whereby intermittent labour/management negotiations took place, mostly at the provincial level. There was almost no bargaining at the national level in individual industries, and for most of the period none at all at the plant level. That plant negotiations did not develop was due to management refusal to meet the unions, who in turn decided to concentrate on negotiating minimum conditions at national level whenever this was possible. The result was that for the most part plant earnings and conditions of work were subject to unilateral decision by management.

All that existed in the plant by way of worker representation were two non-union institutions – a works council, a purely consultative body elected by all the workers, and 'personnel delegates', again elected by the entire work force and responsible for processing grievances. Until December 1968, unions had no legal right to any direct recognition within the plant and, except for a few cases where gains were made during the May 1968 strikes, unions were effectively barred from the factories. Union members were not allowed to collect dues or distribute union literature at work under pain of immediate dismissal.

Since 1968 unions have a legal right to set up plant sections. One person, or in a large factory, two people, can be designated as union delegates and these are granted between 10 and 15 hours away from their work, with pay, each month. In larger plants the union delegates may be provided with office space and a telephone. But such 'facilities' are often derisory and at the giant Renault factory at Boulogne-Billancourt, the most management can provide the delegate with, to assist him to get about, is a bicycle. Unions can now arrange to collect dues and give out literature at work, though usually not on the shop-floor. Union meetings can sometimes be held in the plant although in some cases management insists on their right to attend. Moreover, the Industrial Relations Act of 1971 now specifically permits plant bargaining.

This is the background against which French unions are attempting to build up their strength in the plants. Since 1968 there has been a noticeable change in their outlook and they now begin to appreciate the need for concrete achievements at this level. The main stimulus here comes from the Democratic Socialist Federation, the CFDT, which has come to recognise the importance of a strong physical organisation. But even so, progress is likely to be difficult. For one thing, there is little indication that the employers have conceded that there is any limit to their managerial rights, and recent figures indicate that there are probably far fewer than 1,000 plant agreements in force in the entire country.³

Holland

Dutch unions are certainly the most bureaucratic in western Europe, a fact very largely attributable to traditional Dutch

conservatism within the labour movement. In the post-war years the bureaucratic element has been strengthened by the fact that a rationalisation of trade union structure has taken place, with unions from related industrial sectors being merged into one large organisation. This restructuring was from the top down rather than the product of a spontaneous development from below. During the same period there has been a succession of very tight, centrally operated incomes policies in which all major wage questions have been decided at the highest levels of the economy, with only the national union leaders participating. Not surprisingly, this has not produced an atmosphere conducive to the development of vigorous shop-floor union organisation.

As in other countries there have been signs of rank and file dissatisfaction with this state of affairs in recent years. The extreme centralisation of wage bargaining that characterised the early post-war years and under which national negotiations fixed maximum as well as minimum wages, began to break down in the mid-60s. But even so, most collective bargaining in each industrial sector still takes place at the national level.

Within the plants there are, as in all western European countries, works councils. These are not union bodies but are elected by all workers, unionised or not, and are chaired by the employer. Their functions are almost entirely consultative and advisory in personnel or economic matters while in social questions they have the right to negotiate over such limited issues as scheduling of holidays, and starting and stopping times in the plant. A certain amount of membership unrest (some of it a reflection of latter day radicalism within sections of the Dutch Catholic community), has prompted the unions to try, as in Germany, to strengthen their position in the factories. This has been developing slowly for 10 years but most of the progress has been in the last two or three years. And in most cases the absence of any real grass-roots organisation has made it necessary for the union to start building from scratch.

As in Germany, Dutch unions have 'confidence men' – perhaps one for every 15 to 20 workers. These may be works councillors, safety committee members or simply activists appointed by the union. And at the head of the core of 'confidence men' in some factories there is a 'contact man' (*bedrijfscontactman*) who acts as the overall union spokesman. Given the preoccupation in Dutch works councils with economic questions and productivity performance, the 'contact man's' job is to focus attention on social and human consideration within the plant. This is seen as a challenge to the Dutch style of management. As much as anything it is basically an educational exercise designed to remind workers who have long been made conscious of the question of productivity, that they too have some basic human rights at work. The educational work of the in-plant representative also involves responsibility for training other plant level union officers.

As part of their effort to 'capture' the shop-floor, unions in the manufacturing sector are moving towards a system of factory based, rather than geographically based, branches. The idea is that within each factory there should be a 'contact man'. In larger factories there is a committee of 'contact men' with one man assuming the role of factory representative. The 'contact men' are appointed by the regional union officers for a period of three years, and there are no elections. At present there exist probably no more than 200 factories with an in-plant union representative of this sort, and where they do exist they are under the close supervision of regional full-time officers with special responsibilities for the 'contact men' in their area. To date 'contact men' have only been involved in collective bargaining to a very limited extent, and then only in the few big firms where bargaining tends to be at the company level. In such negotiations they merely act as a support for the full-time official who is the chief spokesman on the workers' side.

However, within the last 18 months there has been growing pressure on employers to accord the plant representatives more recognition and more facilities. Last spring, for only the second time in post-war years, the Dutch witnessed large scale industrial action. This in itself was something of a minor revolution in a country where, in the past, any industrial action has tended to contain an element of a strike action against the government. On this occasion, amongst the complex demands being made was one that 'confidence men' and 'contact men' be given wider recognition. Facilities for them were sought, including the right to hold meetings with union members in working

³ G. Adam, J. D. Reynand, J. M. Verdier, *La Négotiation Collective en France*, Les Editions Ouvrières, Paris, 1972, p.70.

time on the shop-floor, freedom to give out union literature at work, and 24 hours per year per member off work for 'contact men' on union business. There was a considerable amount of acrimony over these last points and it is apparent that there will be a long struggle to establish general union rights within the plants of Dutch firms.

Denmark

The Danish trade union movement, the oldest in Scandinavia, has been influenced by both German and British trade unions. The chief resemblance to British unions is in the fact that, unlike most Continental labour movements, Danish unions have developed on craft rather than on industrial lines. There is relatively less union centralisation in Denmark than in the other Scandinavian countries. And as in Britain, shop stewards are a long established feature of Danish trade unionism. In fact, as recognised union officials, Danish shop stewards pre-dated their British counterparts by a number of years.

Worker representatives first began to appear in Danish manufacturing industries in about 1870, and by 1900 the main engineering union has succeeded in obtaining a special provision in the collective agreements covering the recognition of shop stewards. Moreover, two years later, in 1902, the Danish engineers won a further provision in the collective agreement which guaranteed shop stewards protection. This was 19 years before the British Engineering Employers' Federation conceded recognition of shop stewards. Of 22 large national unions, 12 had obtained recognition for shop stewards before 1920.

Shop stewards must be recognised in establishments which have more than five trade union members. They are elected every year – in some cases two years – by the entire work force. In this respect the practice differs from the British pattern, where only union members are entitled to vote. In factories where different crafts are represented there is likely to be a shop steward for each craft group. And in larger factories where there is a shop steward for each department, one steward is chosen as chief representative. There are rather more than 15,000 recognised shop stewards in Denmark, or about one steward to 55 workers. The ratio of shop stewards to members varies from industry to industry and is lowest in the traditional craft unions like engineering where there is one shop steward to every 27 workers. Agreements are made on a factory by factory basis as to the amount of time they may devote to union business without loss of pay, and all stewards are given protection against arbitrary dismissal. At least four months notice must be given and this has to be worked. Discharge can only be for compelling reasons and during the period of notice litigation can take place.

The key to the Danish shop stewards' function is the fact that a considerable amount of piece work is practised in the country. This means that there is considerable scope for in-plant bargaining over actual rates and time allowances. But the distinctive feature about piece work in Denmark is that it has traditionally been on an individual rather than a group basis. This means that negotiations basically take place between the individual worker and the foreman. The shop steward intervenes if there is a failure to agree at this level.

In the past piece work often operated on a sub-contracting system with shop stewards acting as a sort of sub-contractor to his members. This placed him in a role half way between management and union. With the introduction of rather more sophisticated wage payment systems in the early 60s, this arrangement has now died out. But the steward still fulfils the role of a 'fixer'⁴ – somewhere between management and the workers. The engineering collective agreement, for example, specifically states that it is the shop stewards' duty to maintain and promote cooperation at the work place. This is a curious feature of Danish trade unionism. But the somewhat contradictory role of the shop steward is in itself a reflection of a deep-rooted mentality in the labour movement, where union officials at all levels of the hierarchy regard themselves as mediators rather than sectional representatives of their membership.

While Danish industrial relations are less centralised than those in Sweden or Norway there is still only limited scope for shop stewards to engage in collective bargaining over general issues. Collective bargaining rounds occur every two years and

negotiations take place nationally within each industry. Only the manner of applying the terms agreed at this level are negotiated by shop steward bodies at the local level and in the shops. A limited period of a month or two is allowed for this stage, after which the union intervenes at a higher level to impose some form of settlement. Thereafter there is a strict insistence on industrial peace. Disputes arising have to be resolved by the labour court while work stoppages result in the union being fined. The high degree of financial liability for breach of contract leads the unions to impose a high degree of internal discipline. And since the national union is the legally contracting party in collective bargaining, the shop stewards' influence on the collective agreements is rather limited.

Italy

Trade unionism in Italy has been subject to so much recent change that it is difficult to talk about hard and fast patterns of practice. Since shortly after the end of the war the unions have been fragmented three ways along political lines, and this has been the main influence on the nature of trade unionism. Moves to merge the three union confederations are now well advanced and in the case of engineering a new federated union with 900,000 members has recently been formed, thus making it one of the largest unions in western Europe. The three-way split in the union movement after the war and the close identification of union groups with different political parties resulted in the emergence of an 'instrumental' form of trade unionism in which union activity was designed to fit in with the posturing of the particular political group. For a number of years workers witnessed the most cynical manipulation of the unions by their leaders and the vigorous rank and file organisation that had been so active in the wartime resistance was effectively neutralised.

Collective bargaining was for many years the most centralised in western Europe, with all decisions taken at the TUC or the national industrial union level. Not until the mid-50s did the Christian Democrat CISL (*Confederazione Italiana Sindacati Lavoratori*) federation begin to build factory-level union groups, and even then it was not for the purpose of encouraging autonomous collective bargaining at this level. Any negotiations that did take place below the national level were concluded by full-time regional officers of the union. For a long time the unions were suspicious of plant-based union organisations which they regarded as a threat to the power of national unions. All that existed by way of in-plant workers' representation was the non-union works council. For Italy this was basically a consultative body which otherwise had responsibility for overseeing the application of the collective agreement and for handling grievances at the initial stage. So ineffective was this institution that in many instances resulting worker apathy caused them to become inoperative.

The pattern of remote, manipulative trade unionism began to break down in the early 1960s, however, through rank and file pressure for more control at the base. The engineering unions and employers concluded a national collective agreement with a clause calling for the detailed application to be negotiated in the plants. Theoretically, the extension of collective bargaining to the plant level was supposed to be accompanied by a 'no strike' clause during the term of a collective agreement. However, this has always been ignored and is effectively a dead letter. Thus bargaining in the factories by elected plant delegates began to get under way by the mid-1960s and this trend was reinforced by a change in policy within the largest union federation, CGIL (*Confederazione Generale Italiana del Lavoro*), which now placed its emphasis on the workers' own grass-roots fight for better pay and conditions. This coincided with the first signs of a rapprochement between CGIL and CISL, and in subsequent years the growth in strength of shop-floor organisation and the tendency towards unification of the union movement have gone together.

The biggest gains in shop-floor organisation were made in 1969 during Italy's own version of the May 1968 events in France. Factory delegates began to be elected haphazardly and without regard to the divisions in the union movement. Demands were put forward by factory delegate committees and industrial action was taken locally to back these up. The new emphasis on local decision making proved to be a stimulus to trade union democ-

⁴ See J. Raffaele, *Labour Leadership in Italy and Denmark*, Univ. of Wisconsin Press, 1962. p.156.

racy and in many places the plant delegates were subject to constant supervision and susceptible to immediate recall by mass meetings of workers.

In the aftermath of the 1969 strikes, a new industrial relations act has been passed which legalises the union presence in the plant and recognises one union representative for every 300 workers (500 workers in big plants). These representatives are allowed eight hours off work with pay each month to attend to union business, and in plants with over 200 workers they must be given an office. The law also permits union meetings to be held in factories during working hours. Although not required by law, employers have been forced to recognise factory, delegate committees. In the better organised sectors of industry such as engineering there tends to be one delegate for every 40 members or so. These delegates are the foundation of the revitalised in-plant union organisation and their multi-union origin has been the basis on which union mergers have become possible.

Conclusion

All of the countries discussed here have experienced waves of industrial militancy. In the case of Germany, Holland and Denmark, 1973 saw some of the most militant action in post-war years. Germany experienced an unprecedented wave of unofficial strikes in engineering last autumn. Holland had more strikes in early 1973 than at any time since the war. And last spring Denmark was for a time paralysed by a general strike in certain sectors. The peaceful industrial image of these countries is taking a beating. Much of the militancy has manifested itself in the form of industrial action on a plant by plant basis, with the demands often including calls for recognition of, and facilities for, factory union representatives. In many cases the unions have officially placed this among their priority demands. But in almost all cases the demand originates from the base. It is an attempt to even out the balance of power between the workers and the employer at the point of production. It is equally an attempt to redress the balance of power within the union, between the base and the national leadership, although in a number of cases the unions have kept this within manageable bounds.

Insofar as the extensiveness of shop-floor organisation is concerned, Italy and Denmark are the only countries that come close to matching Britain's dense network of plant representatives. And in the case of Italy it must be remembered that the difference in union strength between advanced industrial sectors like engineering and some of the other sectors is very great. Not many Italian industries possess a factory delegate system like that in engineering.

Perhaps the key question in judging the shop-floor organisation as a true emanation of the base is the degree of democracy present in the election of representatives. The German and Dutch in-plant representatives, and to a large extent the Belgians too, are more often appointed than elected. In the two former countries this means that they tend to act as extended arms of the national leadership rather than spokesmen for the base. In Denmark and in Italy it is to be noted that the delegates are elected by the workers as a whole rather than just the union membership. This is alien to the British practice.

The extent of the delegates' power to represent their constituents effectively tends to be more a product of the prevailing mentality in the labour movement than any official provision in law or a collective agreement. After all, in most of the countries of the Nine there have been unconstitutional or illegal strikes in recent years. The scope is narrowest in Germany, where the 'confidence men' play such a subordinate role to the works council, and in Holland where the long absence of local bargaining and a tradition of conservatism will take a lot of breaking down. In France and Denmark, local bargaining can take place – except that in many places French unions haven't the necessary muscle, while the Danish workers' organisational strength at the base may be weakened by the tradition of individual bargaining in the plant. Only in Italy and Belgium does more or less autonomous bargaining take place in the factories on a wide range of issues, and in Belgium there is a tendency for the leaders to try and tie their plant delegates closely to the official union and make them subject to control from above.

Without doubt workshop organisation is growing stronger within common market countries. Nowhere is the development as advanced as in Britain. But starting from different levels of maturity, with different historical backgrounds and traditions to contend with, organised workers are gradually feeling their way towards a system of shop-floor organisation which offers more democracy and more control than they currently enjoy. Perhaps the single best feature that British unions could export to their European counterparts is their shop steward system. Undoubtedly the increasing contact being made between continental unions and our own will facilitate this.

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The main union confederations in the Community, 1971

	Union membership As percentage active population	Main union confederations	Known as	Political tendency	Affiliated to *	Members	Strong in
France	3-4 000 000 15-20 per cent	Confédération Générale du Travail	CGT	Communist	WFTU	1-2 000 000	Metal, chemicals mining, electricity
		Confédération Française Démocratique du Travail	CFDT	Ex-Christian, now Socialist	WCL	6-800 00	Metal, textiles, public health
		Force Ouvrière	FO	Social Democrat	ICFTU	5-600 000	Civil service
		Confédération Française du Travail	CFT	Gaullist	—	50 000	Motor industry
		Confédération Fr. des Travailleurs Chrétiens	CFTC	Christian	WCL	150 000	Mining
		Confédération Générale des Cadres	CGC	—	—	250 000	White-collar
		Fédération de l'Éducation Nationale	FEN	Socialist	—	450 000	Teaching
W. Germany	8 000 000 30 per cent	Deutscher Gewerkschaftsbund	DGB	Social Democrat	ICFTU	6 500 000	Metal (2 000 000) Chemicals (550 000)
		Christlicher Gewerkschaftsbund Deutschlands	CGD	Christian Democrat	WCL	190 000	White-collar
		Deutsche Angestellten-Gewerkschaft	DAG	—	—	500 000	Commerce, banking
Italy	4-6 000 000 20-30 per cent	Deutscher Beamtenbund	DBB	—	—	700 000	Civil service
		Confederazione Generale Italiana del Lavoro	CGIL	Communist Socialist	WFTU	2 000 000- 3 500 000	Metal, chemicals
		Confederazione Italiana Sindacati Lavoratori	CISL	Christian	ICFTU	1 500 000- 2 000 000	Metal, transport, civil service
Belgium	2 000 000 55 per cent	Unione Italiana del Lavoro	UIL	Social Democrat	ICFTU	5-700 000	Regionally, e.g. Romagna
		Conféd. des Syndicats Chrétiens de Belgique	CSC	Catholic	WCL	950 000	Building (175 000)
		Fédération Générale du Travail de Belgique	FGTB	Social Democrat	ICFTU	850 000	Building
Luxembourg	45 000 35 per cent	Centrale Gén. des Synd. Libéraux de Belgique	CGSLB	Liberal	—	120 000	Building, metal
		Confédération Générale du Travail	CGT	Social Democrat	ICFTU	30 000	Metal
Netherlands	1 500 000 30 per cent	Conféd. Luxembourgeoise des Synd. Chrétiens	CLSC	Catholic	WCL	15 000	Metal
		Nederlands Verbond van Vakverenigingen	NVV	Social Democrat	ICFTU	570 000	Civil service, metal
United Kingdom	10 000 000 40 per cent	Nederlands Katholiek Vakverbond	NKV	Catholic	WCL	400 000	Building
		Christelijk National Vakverbond	CNV	Protestant	WCL	250 000	Metal
		Trades Union Congress	TUC	Social Democrat	ICFTU	9 400 000	Transport (1 950 000) Engineering (1 460 000) Public service (1 200 000)
Ireland	360 000 30 per cent	Irish Congress of Trade Unions	ICTU	Social Democrat	560 000†	All manufacturing	
Denmark	1 100 000 50 per cent	Landsorganisationen i Danmark	LO	Social Democrat	ICFTU	895 000	Metal (250 000)
		Faellesraadet for Dansk Tjenestemaends - og Funktionaer Organisationer	FTF	—	—	210 000	Civil service

Union membership often uncertain, in France and Italy wildly uncertain.

* World Federation of Trade Unions; World Confederation of Labour; International Confederation of Free Trade Unions.

† Including 200,000 in Northern Ireland. Most of these also belong to the British TUC.

Europe's Frontier Regions

Jean-Louis Smith

Almost by definition, a frontier region is either beneficiary or victim of its geographical position. Certainly in the past the impact of frontiers on their immediate regions has more often than not been negative. Putting together again what treaties and systems of law over the centuries have torn apart is at best a slow process. In 1970, the European Commission at Brussels concluded that after twelve years there had been little worthwhile progress in promoting joint regional development policies in transfrontier areas of the EEC. The present article attempts to provide a general background to the problems involved.

Frontiers – scars of history

In an age when international integration in one form or another is an increasing reality, national boundaries continue to hinder the rational development of frontier regions. Inevitable distortions in regional organisation have resulted from artificial and often arbitrary political boundaries. Regions which for centuries were historically and geographically united have found themselves seemingly irrevocably divided. Traditional trade flows have been broken, the functional coherence of urban and industrial regions dislocated. More generally, the strategic location of many frontier zones made them militarily vulnerable and, as a result, economic development was retarded. In short, international boundaries today remain lines of great economic significance and often serve to accentuate persistent regional disparities.

Obviously within the EEC it is no longer simply a problem of customs barriers but normally one of direct conflict in the basic legal and institutional practices of adjacent countries, not least the territorial competence and specific powers of the local authorities involved. The juxtaposition of two national economies still presupposes different social and economic structures, policies, even attitudes. Wage and price levels, tax and welfare payments operate largely within national money and credit systems. Thus, the possibilities for transfrontier coordination between local authorities are clearly limited unless backed by internationally ratified bi-lateral or multi-lateral agreements.

The resultant disadvantages become very evident in the case of those regions which are potentially bound by natural socio-economic links but which straddle one or more boundaries. Such regions can rarely be considered as geographic or economic wholes and develop accordingly. Almost invariably, past planning and development have been carried out strictly according to national affiliations and frequently under the control of national governments to whom frontier regions are, as the name itself suggests, outposts of a centralised empire. To take the case of France, it is somewhat ironic that the very regions situated on its land frontiers which can claim to have escaped the centralising influence of Paris have for the most part been overshadowed by stronger neighbouring economies across the borders.

Types of frontier

No world area of comparable size is as politically and territorially fragmented as Europe. Hence the particular problems of frontier regions assume special importance in regional organisation and development, not least in their geographical extent. Within the boundaries of the old EEC, the so-called frontier regions between the six member states covered some 20 per cent of the total area and accounted for over 25 per cent of the total population. For example, West Germany's land frontiers with nine states total 4,244 kms in length. Excluding those with East Germany and Czechoslovakia this leaves 2,507 kms of 'open' frontiers across which, particularly since the signing of the Treaty of Rome, there has been a growing free movement of daily workers, albeit highly localised in particular border areas.¹

What has been the influence of different types of frontier on their adjoining regions? Few 'natural' frontiers are evident in the present day political map of Europe. Centuries of continuous conflict and change have left a complex mosaic of boundaries and states not without numerous local anomalies. At a very general level, three types of frontier are traditionally recognised, but each with varying impact depending on different circumstances.

1. **Natural physical frontiers.** At first sight these might appear to represent nature's own boundaries. Thus, with the exception of a few restricted localities, the line of the Pyrenees is seen to form an imposing mountain barrier between France and Spain. The presence of this land frontier, reinforced for a long period by the general economic stagnation and isolationist policy of Spain, turned south-west France into a *cul-de-sac*. As a result, until very recently, it has been Aquitaine's maritime frontier which has determined this region's main lines of development through long established overseas trade links.

In contrast to the Pyrenees, the Alps have been less effective as a barrier, in fact quite the opposite. By virtue of controlling a number of high watershed passes, the whole history of the Swiss confederation has centred on its character as a *pays de passage*. This then was a zone of

¹ The distances of 'frontalier' movements are governed by international agreements. The earliest between West Germany and France (1950) and Belgium (1952) applied to a zone 10 kms wide either side of the border. The EEC Commission later extended this to 20 kms and further modifications are allowed by mutual agreement of the states involved.

contact and not of division, as through these mountains passed the great medieval trade routes between northern Europe and Italy. Today, this spirit of international exchange remains strong, and cooperation focuses particularly on improving cross-frontier communications (Great St. Bernard Tunnel 1964; Mont Blanc Tunnel 1965).

2. **Maritime frontiers** can also exert either a positive or negative influence on economic location and urban growth in coastal areas. In the already cited example of Aquitaine, the alternating periods of regional prosperity and crisis can be related largely to the fluctuating fortunes of Bordeaux's commercial history as influenced notably by external events. Of course, Europe as a whole has always been outward looking so that not surprisingly the economic primacy of many port regions has remained unchallenged. It is the importance of maritime trade, added in turn to the geographical advantages of high market accessibility, which has conferred insuperable advantages on the great and small ports of the 'narrows' – London, Southampton, Le Havre, Dunkirk, Antwerp, Rotterdam. The growth and integration of this 'junction zone' can only receive further impetus from the completion of the projected Channel Tunnel.

3. **Historical frontiers.** These lines of history have hitherto often proved to be the least permanent as the size and shape of European states have changed in almost kaleidoscopic fashion. Yet regionally and nationally their impact has been most significant. Thus for nearly half a century (1871–1918) the northern half of Lorraine, first annexed by France in the mid-seventeenth century, was lost to Germany, a division which only served to further intensify the already ancient rivalry between Metz and Nancy, the two regional capitals of this frontier province. Unlike Lorraine, the once politically unified province of Hainaut, intact until the seventeenth century and again under Napoleon, now remains divided between northern France and Belgium. This century, however, the post-war 'iron curtain' boundary between West and East Germany has provoked more far-reaching problems. Along the West German side of this border zone – 'Zonenrandgebiete' – regional development has been stifled by the proximity of this highly sensitive frontier. The impact of this 'closed' international frontier is all the stronger because this boundary coincides with the line between opposing political ideologies.

The variable impact of frontiers on socio-economic development provides a recurrent theme in the political geography of Europe. No better laboratory exists for the study of frontier regions than the great transcontinental region or 'back-bone of Europe' which focuses for the most part on the course of the Rhine. Yet this central core region has always posed an obvious paradox – a contradiction between unity and disunity.

The Rhine – axis or frontier?

The Rhine has provided Europe with one of nature's great thoroughfares. Few areas of the world have witnessed so much history and such a concentration of human activity. Today, the Rhine has become a symbol of European integration, a major axis of economic growth. Historically, however, the region has long been one of conflict, a frontier zone between the great powers of France and Germany which eventually disintegrated into a

'political shatterbelt' made up of small buffer states. Accordingly, the present day cultural fragmentation of this European heartland derives as much from its pattern of political boundaries as from its linguistic divisions. That neither coincides has only added to the complexity of the political map, with many bi-lingual and even tri-lingual states.

The Rhine's alternating rôle as unifier or divider has been largely determined by the political vicissitudes of war and peace, economic growth and technological progress in developing the Rhine waterway. Certainly from the French side it was always easy to view the Rhine as a pre-described natural frontier – 'France's destiny on the Rhine' – although today it is the national boundary for only 150 kms. It was the Roman 'limes' established along the Rhine up until the third century which first emphasised the river's frontier rôle. Centuries later at the Treaty of Verdun (AD 843), the division of Charlemagne's Empire and particularly the creation of the great buffer state of Lotharingia confirmed the definitive separation of France and Germany. At the same time it heralded over a thousand years of conflict for the control of this extensive 'march' zone. The eventual break-up of Lotharingia in the early medieval period saw the whole of this politically fragmented area incorporated into the Germanic Empire, bounded to the west by the 'four rivers' (Escaut, Meuse, Saône and Rhône).

Between the thirteenth and sixteenth centuries the Rhine flourished as part of a trans-European routeway. In 1230, the St. Gotthard route had been opened and a thriving medieval trade, not least the transport of English wool to be woven in Lombardy, assured the development and prosperity of a chain of Rhine towns. Ironically the simplification of the political map of Europe between the seventeenth and nineteenth centuries destroyed this regional integration. This arose firstly through the growth and competition of maritime trade with the newly-found colonies, and secondly as a result of the mounting political instability within Europe stemming largely from the growing military confrontation between Germany and France. In 1648, the middle Rhine had once again become a fortified international boundary, and largely remained so during the subsequent events of 1870, 1914 and 1939. The line of buffer states that finally emerged created a 'new Lotharingia but in bits'.

Even as wars raged during the last century, the foundations for a renaissance of the Rhine's axis rôle were being laid. The internationalisation of the Rhine waterway had been proclaimed in principle at the Congress of Vienna (1815) and free navigation established by the Treaty of Mannheim (1868). The canalisation of the Rhine had been completed upstream as far as Strasbourg by 1890 and to Basel ('Grand Canal') by 1933. The St. Gotthard rail tunnel was opened in 1882. The massive industrial growth of the late nineteenth century in nearby coal and iron and steel regions now depended on the Rhine for transportation. In the twentieth century, this renewed vocation has been emphasised even further by the parallel development of electrified rail links, motorways and pipelines along what has become indisputably the main economic artery of western Europe. However, not all regions astride this axis have benefited equally. Reference to two case studies illustrates both the positive and negative effects of frontier status.

Switzerland – frontiers on the crossroads of Europe

For a small land-locked state like Switzerland, questions of frontier relations and external links are crucial. Not surprisingly, the state has sought constantly to exploit to the full the positive benefits from the position of its land frontiers, whilst preserving the country's neutral status. The importance of Swiss frontier regions is three-fold:

1. Two of the country's three major agglomerations – Basel and Geneva – have frontier locations and trans-frontier spheres of influence. Basel, in effect, is tri-national with a significant proportion of its population resident in West Germany and France. Similarly, two smaller towns, Chiasso on the Italian border and Schaffhausen on the German border, find themselves in the same frontier category.

2. Switzerland is completely dependent on external commerce and trade. In fact, its *per capita* value of external trade is over twice as high as that of her European neighbours. From its position in the heart of Europe, favoured by well-developed transport links, Switzerland has always derived considerable wealth from transit trade.

3. The new politico-economic division of Europe since 1957 has not, however, been especially advantageous to Switzerland. Being a member of EFTA facilitates exchanges with Austria, but this affects only 167 kms out of a total frontier of 1,857 kms. The benefits of any decision to join the EEC must be weighed against losing the country's centuries-old neutrality.

Nature, of course, often imposes its own constraints. Economically the positive impact of Switzerland's frontiers is clearly highly localised (Map C). Most of the 734 km border with Italy lies along mountain crests which are largely uninhabited areas. The same applies along the Jura boundary with France. However, the few nodal regions which have developed in frontier locations are now of great political and economic importance. In each case, the frontier town controls a strategic route-way: Basel is the 'gateway to the Rhine', Geneva to the Rhône corridor, Chiasso is on the St. Gotthard-Como-Milan route, and Schaffhausen on the route which skirts around the north-west of the Jura into southern Germany. Well over half of Swiss exports and nearly three-quarters of imports pass through Basel. As a result, the growth rates and relative prosperity of all these regions have been exceptional. Bâle-Ville enjoys the highest *per capita* income of any canton in Switzerland, one-third above the national average. In view of Swiss industry's traditional manpower shortage, frontier regions have been additionally well placed to recruit 'frontalier' workers from neighbouring countries into often specially located industries. Three out of every five French workers commuting across the borders from regions of eastern France² in 1972 came to jobs in Switzerland, either in Basel or Geneva. But the country's major recipient region of 'frontaliers' in recent years has been the Canton of Tessin (Chiasso). Of nearly 20,000 workers entering daily into this region, almost half originate from southern Italy having now taken up residence near the border because of controls on obtaining entry permits into Switzerland.

² From Lorraine (nil), Alsace (13,300), Franche Comté (3,500) and Rhône-Alpes (20,700).

Undoubtedly the privileged status of these Swiss frontier regions owes much to international cooperation. Physically, many of these regions appear almost as enclaves within neighbouring states. Geneva, virtually surrounded by French territory, is only attached to Switzerland by a corridor sometimes barely 5 kms wide. Although tightly contained by these political boundaries, the socio-economic influence of Geneva (as in other Swiss border towns) penetrates far across the frontier. Fortunately, the reality of this situation has been recognised by the development of free trade zones, which for Geneva go back to the Treaties of Paris (1815) and Turin (1816) and which were finally confirmed by the International Court of Justice at The Hague in 1932. Yet, despite such necessary agreements, frontier regions by their very nature must always remain to some degree vulnerable. The intrusion of this negative factor is suggested by the comparative evolution of Basel and Zurich. Both towns have similar histories, first as industrial (textiles) and later as tertiary (banking and commerce) centres. However, today, Zurich is twice the size of the frontier town of Basel. In the latter case, the physical constraints of site certainly preclude the development of heavy industry. But perhaps of more significance is the fact that growth is ultimately dependent upon the macro-economic decisions of either public or private interests which, at least in the past, have tended to operate within national frameworks, proving less easily adaptable to transfrontier situations.

Alsace-Lorraine – France's remote frontier

It is on the Franco-German border area that national differences in political and institutional structures help to explain obvious contrasts in regional economic performance, either side of the frontier. Both Alsace and Lorraine have so far failed to develop the European vocation suggested on any map by their cross-roads position within the EEC. In fact, within France, these eastern frontier regions appear as remote outposts, blaming many of their respective difficulties on the neglect of a distant and centralised administration in Paris. Naturally their situation is made all the less bearable by the striking progress achieved in the neighbouring regional economies of Baden and Saarland which, as the imbalance increases, is having the inevitable effect of pulling the weaker French regions into their orbit.

The problems of the two French regions differ in degree rather than in kind. In Alsace, the effects of German annexation after the Franco-Prussian war undoubtedly stifled its economic development, a situation which effectively continued during the inter-war years of this century because of the German 'glacis' policy towards the returned French province. In the post-war period, Alsace has shown a markedly slower rate of growth than the neighbouring regions of Baden and Basel. In fact, during the last decade, the increase in total industrial employment on the German side was five times that on the French side! For too long Alsatian industry has remained dominated by small- and medium-sized firms. The long-established textile industry has seen crisis and contraction in the twentieth century and not until recently has there been any real evidence of new industrial growth. In contrast, Baden has clearly

benefited in its post-war growth from links with Württemberg (centred on the great industrial capital of Stuttgart) together with an influx of skilled young immigrants from East Germany. The expansion of mechanical and electrical engineering industries is particularly important, and in Karlsruhe (e.g. Siemens, Singer, Daimler-Benz) accounts for some 60 per cent of the industrial workforce. What has become clear is that while Baden's economy is strongly export-based that of Alsace has an increasing deficit in its trade balance. In its regional development, Alsace has suffered from not having a major regional growth centre. Strasbourg still possesses inadequate infrastructures to fulfil the rôle and has not been able to rival the attraction of Basel and Stuttgart, or even Karlsruhe.

While Alsace has experienced some growth over the last decade, Lorraine has suffered a complete reversal of fortune since the 'boom' years of the immediate post-war period. Once called the 'French Ruhr', the region's troubles are those of many other worn-out industrial areas that today remain over-dependent on declining industrial activities. In this case, the iron and coal mines, the textile and steel industries have proved most vulnerable. Despite its designation in 1964 as an industrial adaptation zone, together with additional state incentives made available in 1971 because of its frontier status, Lorraine has not so far succeeded in developing the further processing of its steel in engineering industries on the scale of those in neighbouring Saarland. The German Saar was also once a disfavoured border region faced with similar problems of industrial reconversion but, in its fight for renewed prosperity, has clearly gained from having its own regional government within a decentralised federal constitution.

With one region overshadowing the other, the effect of the frontier has been to generate one-way movements to the benefit of Germany and Switzerland. Both Alsace and Lorraine have increasingly become dormitory areas for 'frontaliers' working across the borders in neighbouring regions. Officially, the total number has nearly doubled from 21,300 in 1969 to 37,600 in 1972. Yet only 15-20 years ago, the flow was in the opposite direction. Attracted by better and more varied jobs and particularly higher wages (gross pay up to 50 per cent higher in West Germany), this young, mixed, mobile labour force even exerts its own influence on new industrial location decisions. Faced with a scarcity of labour on the German side, Mercedes-Benz located a factory a few kilometres north of the Alsace-Palatinate border so as to be able to recruit Alsatian workers.

The other solution has been simply to build plants across the frontier in France, and this in turn brings additional benefits in the ready availability of land, direct access to French markets, and in parts of Lorraine, development area grants. The increase in German investment in Alsace-Lorraine during the last 15 years has been impressive (Map D). Up until the late sixties, over 40 per cent of new industrial jobs in the Alsatian department of Bas-Rhin were in plants set up by German firms. In order to be as close as possible to parent plants in Germany, many of the new factories are located near to the border (e.g. Siemens at Haguenau is closely linked to their Karlsruhe plant). But this geographical concentration also relates to the question of language, as firms obviously prefer to remain within the Alsatian language area where bi-lingual workers find it easier to pick up the German necessary for their jobs.

The influx of foreign capital for investment has not been confined to industry. It is the departure into the field of property which has provoked most discontent amongst the people of Alsace. The purchase by Germans of *residences secondaires* in parts of the Moselle and the Vosges, and by Swiss in Haut-Rhin, is not a new phenomenon, but the rush now to buy plots of land as well is meeting with increased local opposition. This continuing economic encroachment by rich neighbours across the border is even viewed by some observers as the 'reannexation of Alsace'!

Towards transfrontier cooperation and integration

Although international boundaries are no longer difficult barriers for men or goods, for the frontier regions themselves they often remain dividing lines which in the past have made more for rivalry than for cooperation. In the postwar period, the Franco-German agreements over completing the improvement of the Middle Rhine as a waterway only date from 1956. Certainly the canalisation of the Moselle, opened jointly by three heads of state in May 1964, was seen as an important symbol of a new found European cooperation in regional planning. Perhaps the most important general initiative of recent years was taken in 1971 when a permanent Working Party on European Frontier Regions was formed at Bonn with the support of the EEC Commission. This conference consisted of the three so-called Eur-Regions (Dutch-German), the various transfrontier associations for the Upper Rhine (Franco-German-Swiss), the Saar-Lorraine-Luxembourg and Franco-Belgian border regions (Map A). It has since been joined by other groups and has become an invaluable forum for the exchange and pooling of ideas.

Transfrontier cooperation takes many forms. Most such inter-regional associations have grown up as a result of specific projects: a canal widening scheme in Zeeland - Oost Vlaanderen, a natural park in Ardennes - Eifel, coordinated communications development in Corinthia-Styria-Friuli-Slovenia, pollution control in the Bödensee. However, the initiative has not always originated from the public authorities most concerned. For example, the Institut pour la Cooperation Inter-regionale (I.R.I.) which promotes cooperation between Saar-Lorraine-Luxembourg is a privately financed organisation based at the European Academy of Otzenhausen.

Inevitably, by the nature of frontier problems, progress towards transfrontier cooperation has been very much a slow *ad hoc* process. Even when objectives of mutual interest are agreed between adjoining frontier regions, implementation is by no means automatic.

Work on the Franco-Spanish road tunnel between Aragnouet and Bielsa through the Pyrenees, virtually completed in 1970, has long been halted as a result of a financial dispute between the contractors and regional authorities involved. Such problems are often exacerbated by incompatible legal and institutional systems. In this respect, the necessary adaptation of administrative regulations and practices will usually require ratification by agreement at an inter-state level. The trends towards decentralisation and regionalisation now apparent in the majority of European states provide a step in the right direction in

transferring certain powers and prerogatives to regional and local authorities. For example, it would appear essential for local authorities in France to acquire a degree of autonomy, flexibility and control over financial resources that will place them on equal terms with their counterparts across the border, whether the authority be a 'Land' as in the case of the Saar, a 'municipality' like Basel or a 'Canton' like that of Geneva. Ultimately, there may well be a need to create transfrontier public authorities under some kind of state aegis. The only working model that approaches this ideal, at least in spirit if not in law, is the Swiss-Franco-German venture on the Upper Rhine, and centred on Basel (Map B).

Regio Basiliensis – revival of ancient ties

History and geography have combined to endow Greater Basel with a natural international vocation as a trans-frontier region. Situated at the elbow of the Rhine – *à cheval sur trois pays* – the physical growth of Basel is no longer contained on the Swiss side but spills out into neighbouring Alsace and Baden, and beyond which its urban region covers an area with nearly two million people. Intra-regional links, particularly economic ties, have always been very strong. Admittedly, political unity only came in the Middle Ages, with Mulhouse part of the Swiss Confederation until 1798. In the free-trading nineteenth century, these ties had brought about a degree of regional integration across frontiers without precedent in other parts of Europe, and reinforced by innumerable cultural associations within the region.

Reviving the idea of 'Regio Basiliensis' came first in 1959 with a new journal of that name published by the Basel University Institute of Geography and dealing specifically with the various problems of the tri-national Basel region. The initiative to promote the reality of

'Regio Basiliensis' as a properly constituted body came from local industrial, academic and administrative interests in 1961. By 1967, the first major task of publishing a comprehensive atlas of the 'Regio'³ had been completed. Created essentially to promote regional cooperation in planning, culture, education and sport, the work of the 'Regio' took an important step forward in 1971 with the setting up of a tripartite German-French-Swiss Conference for Regional Coordination which now meets twice yearly. The new joint working programme (in cooperation with the neighbouring Middle Alsace-Breisgau Association set up in 1964) is much more ambitious in preparing basic research data and guideline studies for future regional plans. Consultation has also been sought on a number of more immediate local problems such as environmental pollution, the expansion of the international Basle-Mulhouse airport, intra-regional suburban train and bus transport, and not least the growing influx of 'frontalier' workers from Alsace. But, perhaps more than anything else, the pioneer work of 'Regio Basiliensis' has demonstrated the special importance in a transfrontier region of encouraging detailed joint research as the only basis for successful regional coordination.

Selected bibliography

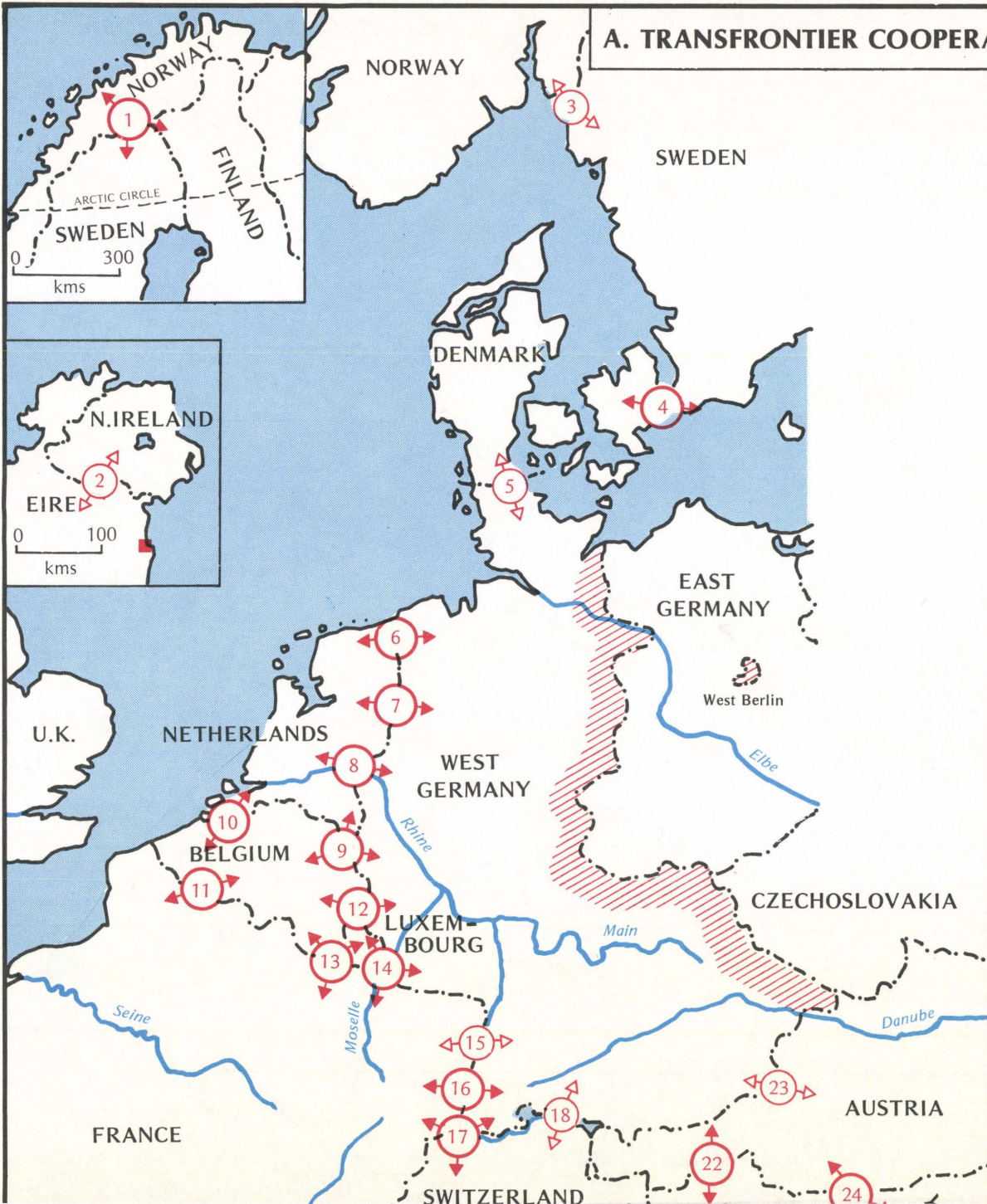
Economies et Sociétés: *Les Régions Frontière et la Polarisation Urbaine dans la Communauté Economique Européenne*. Cahiers de l'ISEA. Tome V, 1971.

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³ 'Atlas du Nord-Ouest de la Suisse, du Sud de l'Alsace et du Sud de la Forêt Noire', Bâle et Stuttgart, 1967.

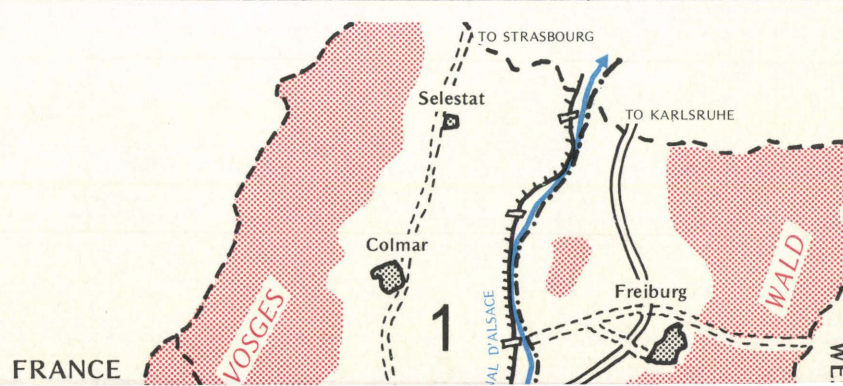
A. TRANSFRONTIER COOPERATION IN REGIONAL PLANNING IN WESTERN EUROPE

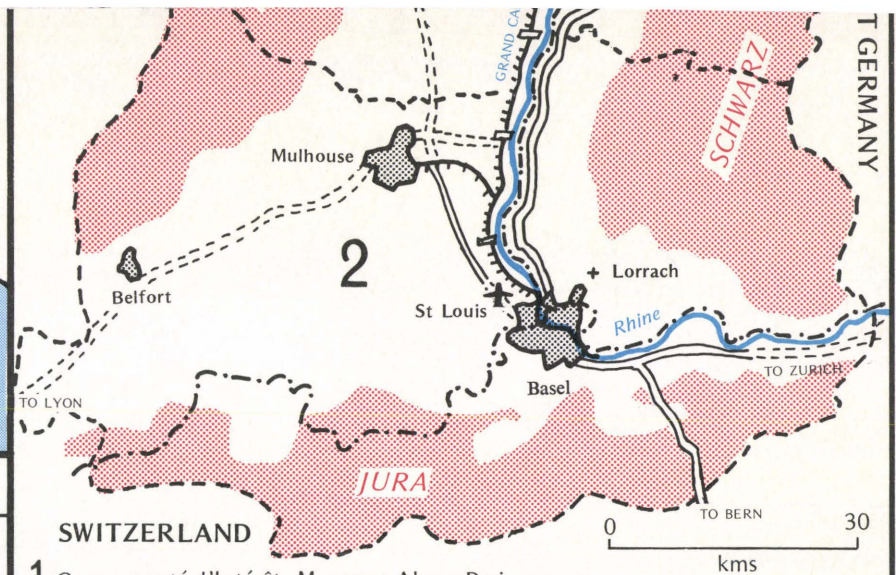
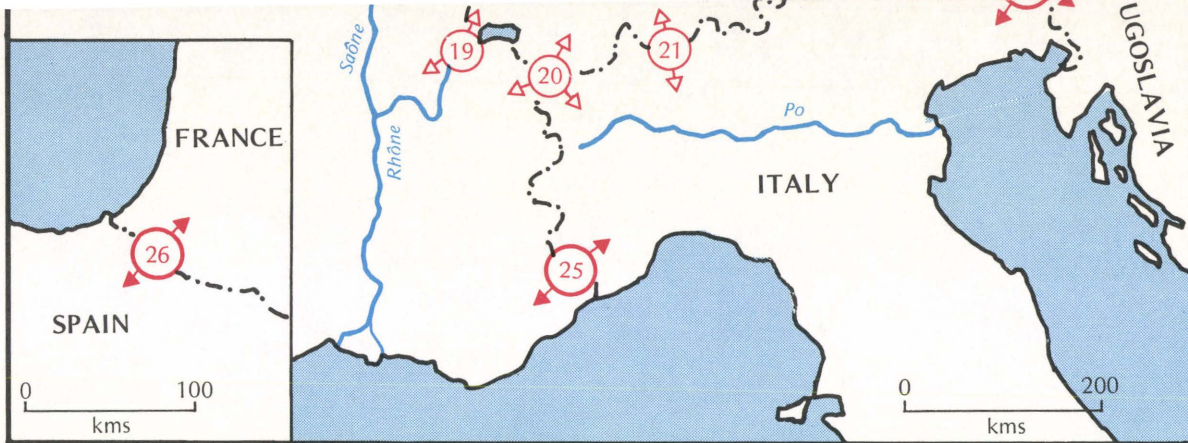


- International boundary
 - Formally constituted transfrontier regional association.
 - "Zonenrandgebiete" (West German Eastern border zone)
 - Informal links between local authorities concerned.
- | | |
|-------------------------------------------------|-------------------------------------------|
| 1 Nordkalotten | 12 Ardennes / Eifel |
| 2 N. Ireland / Republic of Eire | 13 Arlow / Longwy / Esch |
| 3 Halden / Stromstad | 14 Saar / Lorraine / Luxembourg |
| 4 Copenhagen / Malmo | 15 Strasbourg / Mittelbaden |
| 5 Flensburg / Aabenraa | 16 Moyenne Alsace / Breisgau |
| 6 Groningen / Aurich | 17 Regio Basiliensis |
| 7 Euregio (Ijssel / Ems)]* | 18 Lake Constance |
| 8 Regio Rhein / Waal | 19 Geneva |
| 9 Hasselt / Liège / Maastricht / Aachen | 20 Savoie / Valais / Aosta |
| 10 Zeeland / East Flanders | 21 Chiasso |
| 11 Nord-Pas de Calais / West-Flanders / Hainaut | 22 Innsbruck / Bolzano |
| | 23 Salzburg |
| | 24 Carinthia / Styria / Friuli / Slovenia |
| | 25 Franco / Italian Alpes-Maritimes |
| | 26 Cantabria / Aquitaine |
- * German / Dutch Permanent Regional Planning Committee

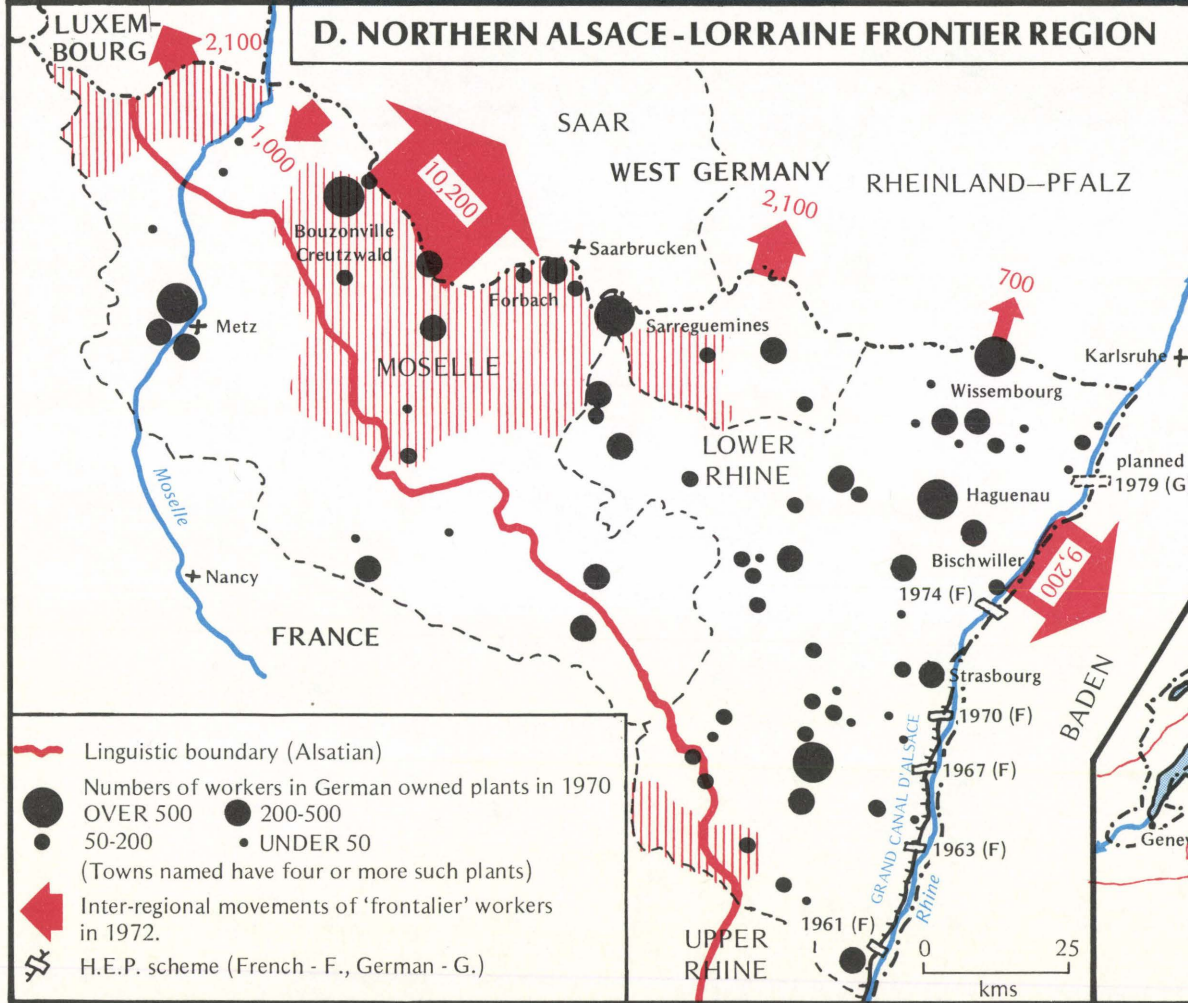
B. TRANSFRONTIER REGIONS ON THE UPPER RHINE

- H.E.P. Scheme
- International airport
- International boundary
- Regional boundary
- planned Motorway
- existing Motorway
- OVER 500 m.



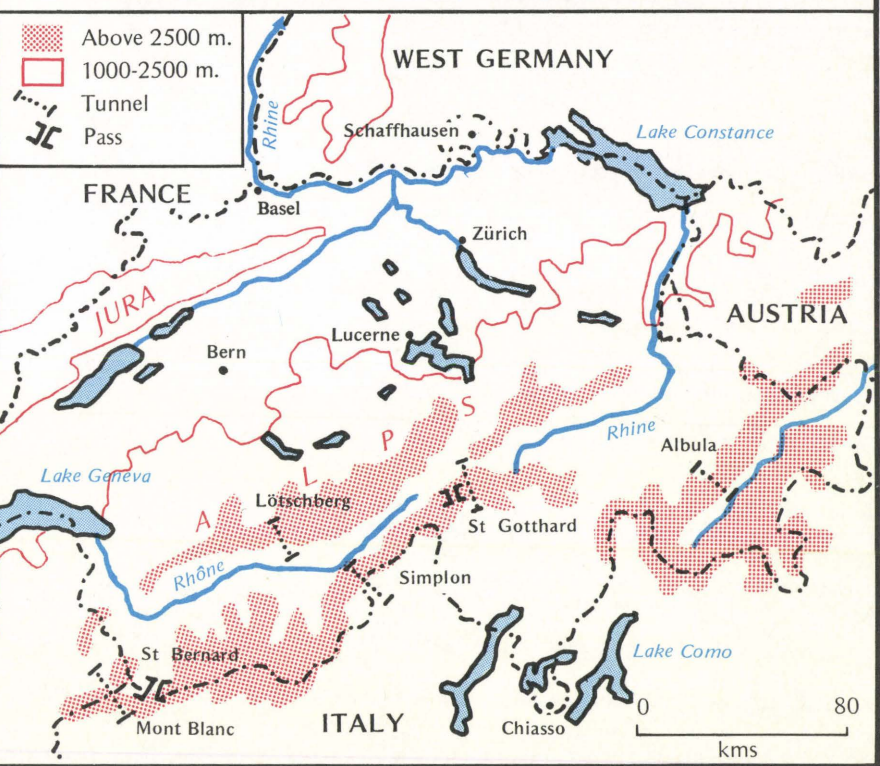


D. NORTHERN ALSACE-LORRAINE FRONTIER REGION



- 1 Communauté d'Intérêts Moyenne Alsace-Breisgau
- 2 Regio Basiliensis

C. SWITZERLAND'S FRONTIER REGIONS



- Linguistic boundary (Alsatian)
- Numbers of workers in German owned plants in 1970
 - OVER 500
 - 200-500
 - 50-200
 - UNDER 50
 (Towns named have four or more such plants)
- Inter-regional movements of 'frontalier' workers in 1972.
- H.E.P. scheme (French - F., German - G.)

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