

European Communities

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Working Documents

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DOCUMENT 1-87/83

Report

drawn up on behalf of the Committee on
Social Affairs and Employment

on the employment situation in the European
Community

Rapporteur: Mr E. PAPAEFSTRATIOU

PE 82.472/fin.

At its sitting of 14 October 1982, the European Parliament asked the Committee on Social Affairs and Employment as the committee responsible to draw up a report on the employment situation in the European Community in connection with the decision to hold a special part-session on the employment situation in Europe¹. The Committee on Economic and Monetary Affairs was asked for an opinion. On 7 February 1983 and 7 March 1983, the Committee on Regional Policy and Regional Planning, the Committee of Inquiry into the Situation of Women in Europe and the Committee on the Environment, Public Health and Consumer Protection were authorized to deliver opinions.

The Committee on Economic and Monetary Affairs and the Committee on Regional Policy and Regional Planning have decided to table separate reports on this subject.

The Committee on Social Affairs and Employment decided to include the following motions for resolutions in its report.

(a) At its sitting of 15 December 1982, the European Parliament referred the motion for a resolution tabled by Mr GLINNE and others on unfair dismissal in times of crisis (Doc. 1-1042/82) pursuant to Rule 47 of the Rules of Procedure to the Committee on Social Affairs and Employment as the committee responsible and to the Committee of Inquiry into the Situation of Women in Europe for an opinion.

(b) At its sitting of 12 January 1983, the European Parliament referred the motion for a resolution tabled by Mr KALLIAS on a study of measures for tackling unemployment (Doc. 1-1054/82) to the Committee on Social Affairs and Employment as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on External Economic Relations for an opinion. The Committee on Economic and Monetary Affairs decided not to deliver an opinion.

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OJ No. C 292, 8.11.1982, p. 70 et. seq.
Resolution tabled by Mr Bonaccini and others - Doc. 1-702/82

At its meeting of 23 March 1983 the Committee on Social Affairs and Employment considered the draft report and adopted the motion for a resolution as a whole by 14 votes to 11 with one abstention and appointed Mr PAPAEFSTRATIOU rapporteur.

The following took part in the roll call vote requested:

<u>For</u>	<u>Against</u>	<u>Abstentions</u>
<u>Group of the European People's Party</u> -----	<u>Socialist Group</u>	<u>Non-attached</u>
Mr Papaefstratiou, rapporteur	Mr Peters, acting chairman	Mr Eisma
Mr Barbi (deputizing for Mr Barbagli)	Mr Abens (deputizing for Mr Dido)	
Mr Brok	Mr Boyes	
Mr Chanterie	Ms Clwyd	
Mr Del Duca (deputizing for Mrs Cassanmagnago-Cerretti)	Mrs Duport	
Mr Ghergo	Mrs Van Hemeldonck (deputizing for Mr Van Minnen)	
Mrs Maij-Weggen	Mrs Salisch	
Mrs Lentz-Cornette (deputizing for Mr McCartin)	Mrs Vayssade (deputizing for Mrs Charzat)	
Mr Verroken (deputizing for Mr Estgen)	Mr Vgnepoulos (deputizing for Mr Pattison)	
<u>European Democratic Group</u>	<u>Communist and Allies Group</u>	
Mr Patterson	Mr Ferrero (deputizing for Mr Damette)	
Dame Shelagh Roberts (deputizing for Sir David Nicolson)	Mrs Squarcialupi (deputizing for Mr Ceravolo)	
Mr Simpson		
<u>Group of European Progressive Democrats</u> -----		
Miss de Valera		
<u>Liberal and Democratic Group</u>		
Mrs Tove Nielsen		

The explanatory statement will be presented orally.

The opinions of the Committee of Inquiry into the Situation of Women in Europe, the Committee on the Environment, Public Health and Consumer Protection and the Committee on External Economic Relations are attached.

The report was tabled on 25 March 1983.

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The Committee on Social Affairs and Employment hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

on the employment situation in the European Community

The European Parliament,

- having regard to the motion for a resolution by Mr Glinne and others on unfair dismissal in times of crisis (Doc. 1-1042/82),
- having regard to the motion for a resolution by Mr Kallias on setting up a working party to prepare an economic forecast and propose radical short, medium and long-term measures for tackling the problem of unemployment (Doc. 1 - 1054/82),
- having regard to the resolutions tabled by Mrs Salisch¹, Mr Ceravolo², Mr Calvez³, Mrs Squarcialupi⁴, Miss de Valera⁵, Mr Calvez⁶, Mr Papaefstratiou⁷ and Mr Eisma⁸, adopted by the European Parliament,
- having regard to the report of the Committee on Social Affairs and Employment and the opinions of the Committee of Inquiry into the Situation of Women in Europe, the Committee on the Environment, Public Health and Consumer Protection and the Committee on External Economic Relations (Doc. 1-87/83),

¹OJ No. C 260, 12.10.1981

²OJ No. C 260, 12.10.1981

³OJ No. C 260, 12.10.1981

⁴OJ No. C 66, 15.3.1982

⁵OJ No. C 267, 11.10.1982

⁶OJ No. C 267, 11.10.1982

⁷OJ No. C 292, 8.11.1982

⁸OJ No. C 292, 8.11.1982

- A. having regard to the alarming scale of unemployment in the European Community as well as in other regions of the world, and the great social problems created as a result for many citizens of Member States of the Community,
- B. having regard to the many difficulties facing the Member States, particularly the disadvantaged regions of the Community, given the high degree of interdependence in the Community, for national economies in isolation to achieve a rapid improvement in the overall economic situation,
- C. aware of the exceptionally adverse effect of the two energy crises on the economies of the countries of the European Community, which are particularly sensitive as far as their supplies of suitable energy sources are concerned, and the present state of instability and uncertainty prevailing in the international oil market,
- D. whereas the seriousness of the crisis is the result of:
- external factors such as the disarray of the international monetary system, major fluctuations in exchange and interest rates, the oil crisis, failure to comply with the GATT agreements, the considerable indebtedness of the Third World countries and the danger this represents for the banking system, and the competition created by the new international division of labour;
 - internal factors such as the substantial budget deficits, the rise in production costs, the rigidities affecting the mobility of the factors of production, low investment, the high level of fiscal and para-fiscal charges, the increased use of technologies which are mainly imported and destroy jobs, and the weakness of our industries in the advanced sectors,
 - the absence of a coordinated counter-attack by the European governments, which have acted in a disorganized fashion, some opting for reflation, others for deflation, and all trying to shift their unemployment problem onto each other, either by competitive devaluations or by covertly resorting to disguised protectionist measures,

- having regard to the great danger to our society arising from the situation in which an increasing number of people are unable to obtain either training or employment, and which is likely to undermine social solidarity,
 - having regard to the drastic changes in industrial structures and the shift in the location of industry following the build-up of indigenous industrial production in non-member countries (textiles, steel, shipbuilding) and the resulting need to provide alternative employment for hundreds of thousands of employees,
 - having regard also to the agricultural-based economies of certain Member States and their associated industries such as food processing, fertilizers and farm machinery and equipment, which have suffered serious losses in recent years both in terms of employment and income,
- E. whereas, despite the emergence of this new technology, there has as yet been no sign of any attempt to adapt economic and social orthodoxy to the changed social circumstances with the result that mass unemployment is steadily increasing, thereby placing what is now a dangerously heavy burden on the social services, which is bound to have repercussions on political democracy,
- F. whereas it will only be possible to improve the nature, and particularly the timing, of adjustments of our economy to change, and thus to create sufficient extra jobs in good time by developing new products and services, if determined efforts are made to improve investment opportunities and incentives and completely to remove the numerous obstacles to competition still existing on the internal European market,
- G. convinced that the problems known to all Community citizens can be dealt with only in a spirit of solidarity by all concerned, and in the knowledge that the structural crisis can be overcome only by the cooperation and united effort of both sides of industry in the Member States of the European Community,

- H. aware that increased private and public investment is the decisive factor in creating employment and that increased private investment can only be expected where the net return is adequate,
- I. whereas the lack of a timely European policy for microelectronics production has prevented more than one million new jobs from being created,
- J. whereas more than 4 million of those currently unemployed in the Community have been out of work for a year or more, and rarely benefit from existing schemes to promote job creation,
- K. whereas approximately 1 million new jobs would have to be created each year in order to improve the unemployment situation,
- L. whereas unemployment in the Community is going to increase for the eleventh year in succession and, without a radical change of policy at national and Community level, the number of unemployed, which is already intolerably high today, will probably rise above 12 million this year and may even reach 15 million by 1985,
- M. whereas it is forecast that, even to keep unemployment down to its present levels, a growth in GNP of 3-4% per annum will be needed, a rate not achieved since the 1960s,
- N. whereas the desired revival in investment activity will not generally lead to the creation of new jobs, since some of the investment will inevitably be required for the technological restructuring of traditional sectors with a view to safeguarding their international competitiveness, leaving only the remainder to be used selectively to create new, as yet unfamiliar sectors, which will obviously take longer,

- O. whereas since approximately half those unemployed in the European Community are under the age of 25, special attention to their employment opportunities in productive jobs must be considered as a priority,
- P. whereas owing to the failure of many people, including a large number of women, to register as unemployed, the number of people really unemployed is higher than the number officially registered as in search of employment,
- Q. whereas, finally, the rise in unemployment has evidently not been controlled or checked by the measures hitherto adopted; whereas in view of the numbers involved, the rate of increase and the prospects held out by the new international division of labour and further technological restructuring, unemployment is assuming completely new structural characteristics and there is therefore a pressing need for the Council of Ministers to recognize the absolute novelty and urgency of the problem and introduce emergency measures which can cope with the sheer scale of unemployment and its dynamic growth,

'European Employment Pact'

1. Since the Community's financial resources are insufficient for it to fulfil its tasks as defined in the Treaty, but unemployment and social adjustment require a coordinated European social development and industrial policy, which can be financed only by a restructured Community budget, urges that a European Employment Pact be concluded, embodying a commitment by the Member States to concerted action in the field of social policy, education and training, regional policy, industrial development policy and research and energy policy; this Pact must be drawn up in cooperation with both sides of industry and in consultation with the European Parliament;

2. Calls, first and foremost, for the adoption of a package of extraordinary social and economic measures which add up to a comprehensive emergency strategy capable of arresting the rise in unemployment and reversing the upward trend;
3. Calls on the Community to use its best endeavours to devise a scheme - complementing the measures designed to combat unemployment - to coordinate all the financial resources earmarked at Community level for the creation of jobs and to boost and coordinate the resources set aside by the individual Member States for the same purpose;
4. Calls for the stepping up of private investment and, with due regard for currency stability, increased productive investment by the public sector with a view to safeguarding or creating employment; calls, therefore, on the Commission of the European Community to draw up as a matter of urgency a careful survey of this issue and to inform the European Parliament of its conclusions;
5. Considers it necessary, to this end, to provide improved framework conditions at national level;
 - (a) measures to improve company profitability in particular by means of improved access to the capital market,
 - (b) a continued policy of gradually reducing interest rates,
 - (c) improving the structure of public expenditure, channelling it towards productive investment,
 - (d) reducing national budgetary deficits, which adversely affect the capital market by inhibiting investment;
6. Calls on the Commission to submit a plan to relaunch investment in Europe to the Council of Ministers as soon as possible. This plan must contain a practical arrangement whereby those Member States whose balance of payments situation, inflation rates, etc., would clearly permit them to invest more extensively should, at the same time, submit a package of measures designed to stimulate the economy;

7. Calls on both sides of industry to exercise wage and price restraint in order to encourage the necessary self-financing opportunities for the promotion of private investment;
8. Believes, therefore, that the countries of the Community should undertake to devote at least 1% annually of their gross national product to joint investment in sectors which contribute to this end, for instance, research, new technologies and energy saving;
9. Is convinced that the most vital investments are those designed to reduce gradually the dependence of countries of the European Community on external sources of energy. For this reason, it recommends that a joint investment programme be undertaken in collaboration with other industrialized countries as well - aimed at storing and saving energy and exploiting new sources both on land and at sea. It believes, however, that attempts to achieve a recovery will only succeed provided that first there is a steady reduction in dependence on external sources of energy;
10. Requests that a special quota of the investment resources earmarked by the various Funds for development purposes should be strictly reserved for the creation of jobs, as distinct from the restructuring investments aimed at shedding jobs. Such investment should be directed towards the smaller undertakings, both private and cooperative, which have introduced or are set up to introduce, in the new public and private services sectors, new products or technological production processes associated with the protection and improvement of the environment, scientific and technological research, energy, technical assistance, etc;

Internal market

11. Insists that priority be given from 1983 onwards to the realization of the internal Community market, which is one of Europe's most important means to combat unemployment, by achieving a greater degree of economic convergence; by permitting mass production on a larger scale and guaranteeing a certain volume of sales, for example, the internal market increases international competitiveness; all non-tariff, administrative, fiscal and technical barriers to trade must therefore be removed and in addition the constraints faced by Member States in the peripheral regions of the Community must be investigated since this is vital to the success of small and medium-sized enterprises as well as craft industries;
12. Calls for low-interest loans to be made available to investors in the context of the 'Mediterranean Plan' adopted by the European Parliament with particular attention being given to service industries, small and medium-sized undertakings and craft industries; under the integrated Mediterranean programmes, the revolving fund for the plan should be used in conjunction with other European and national financing instruments;
13. Considers that at the same time due attention should be paid to the external market so as to achieve a worldwide and stable economic recovery. To this end development programmes for Third World countries must be implemented and credit made available principally for investments in the energy sector, since dependence on external sources of energy is a factor which slows down efforts to achieve economic recovery;
14. Considers it necessary to pursue a common external trade policy without breakaway action by individual nations, which would enable the Community to halt the growing deficit in the Community's global balance of trade and to recognize that the Community and the Member States should avoid damaging by protective measures free international trade from which they in particular profit;

Economic, monetary and fiscal policy

15. Expresses regret and alarm at the indifference of the Community institutions responsible and the governments of the Member States as regards the setting-up of a European economic and monetary union, and draws the attention of the above-mentioned bodies to the consequences, which are already visible, of a total lack of coordination in the sphere of economic and monetary policies of Community countries;

16. Calls, therefore, for the expansion and extension of the European Monetary System and the creation of an autonomous central monetary authority and a European currency; this would very soon answer the international need for a central stabilizing factor in the world monetary system, the prerequisite being coordination of external monetary policies and substantial progress towards convergence in economic policies, which cannot be achieved except by Community authority: the continuing divergence in rates of inflation, the lack of tax harmonization and different economic strategies give cause for concern and prevent any lasting improvement in economic trends;

17. In view of the absence of an economic and monetary union and of appropriate coordination between policies of Member States, proposes inter alia that the financial instruments of the Community, such as the European Investment Bank, increase their action in tackling the problems of recession and, by extension, of unemployment by making the maximum and best use of the borrowing and lending facilities available to them on the international financial market. This applies not only to infrastructure but also to innovation. The New Community Instrument (NCI) is a step in the right direction;
18. Is of the opinion that taxation systems should be restructured in such a way as to become an effective instrument of labour market policies which, by differentiating taxation on income according to how it is to be used, would encourage its reinvestment in new manufacturing plants or the modernization of existing equipment and which would have a dual function: on the one hand granting investment incentives and on the other penalizing tax evasion, which leads to excessive burdens on public sector deficits;
19. Acknowledges the importance of risk capital as a means not only of promoting investment in new technology but also of creating new and appropriate employment opportunities; therefore urges the Commission to draw up proposals for a specific policy making risk capital more easily available;

Technological cooperation

20. Calls for the creation of a large, homogenous European microelectronics market, since this is the only way to achieve international competitiveness in this sector and create jobs in the Community which would otherwise be exported;
21. Notes that, at international level, technological progress is not subject to any form of control as regards the acceptability of its social repercussions, and that it is therefore up to the Member States of the European Community to initiate a fresh approach by concluding an agreement on technological cooperation and, above all, on the planning, the nature and the amount of technological investment in Europe; considers that, together with the Employment Pact, such an agreement should provide a solution to the concomitant social problems, and that it could also provide a basis for agreements between European undertakings; stresses that the formation of nationally controlled undertakings is not a European solution: the objective must be cooperation at European level between private and public concerns in key industrial sectors with the participation of all Member States;

Small and medium-sized enterprises, craft industries, cooperatives and job creation

22. Draws attention to recent surveys of employers which show that, even in circumstances of an economic upturn, a third of the jobs lost in the recession will not be recreated; and calls on the Commission to carry out the following two studies:
 - (i) an examination into who generates jobs, where they generate them, who controls these jobs, and who is most likely to respond to economic development incentives, to include an analysis of the basic ways in which employment changes take place;
 - (ii) a study of the number and description of job vacancies in the Community, and of their relationship to:
 - (a) shortages of skilled labour
 - (b) labour costs, (wage rates, social security and tax costs, etc.)

- (c) profit levels in the sectors under consideration
- (d) the comparative development of prices and salaries in the branch of industries under consideration
- (e) the development of money market rates;

23. Considers it particularly important to help small and medium-sized businesses to improve their competitive position and the prospects they offer as regards job creation and linked work and training schemes; urges moreover that these firms be encouraged to be more active in the field of environmental protection, particularly in view of the latter's growth potential;
24. Calls, therefore, for support measures for the establishment of new undertakings, e.g. tax concessions, premiums and credit on favourable terms and also for the provision of subsidies for workers for setting up house repair programmes;
25. Believes that expanding the service sector in the Community could generate considerable employment;
26. Recognizes, moreover, the important growth potential of craft industries in the Community which to date have been largely ignored despite the fact that they offer long-term job opportunities for skilled workers and believes that the development of cooperatives should be assisted by the Community;

Vocational training

27. Considers that greater use should be made of the Community financing instruments and the Social Fund and that this should be coordinated for integrated job creation and vocational training projects in conjunction with CEDEFOP, in order to help combat youth unemployment, and for the retraining of employees, particularly in regions affected by structural crises;

28. Notes that the promotion of further employment, or the protection of existing employment, is related to improving the level of management skill within new and existing firms so as to increase their competitiveness both in home and export markets and points out that there is generally no history of developed management skills in the Community's priority regions and therefore calls on the Commission to retain support for the training of persons for higher qualifications in these areas;
29. Takes the view that the priority objective - namely the fight against unemployment - demands that real expenditure by the Regional Fund and the Social Fund should be doubled over the next few years; the reform of the Social Fund and the re-shaping of vocational training in the '80s must concentrate on employment for young people, women and the long-term unemployed, as well as on retraining employees, particularly in disadvantaged regions and in regions affected by the structural crisis;
30. Stresses the significant role of apprenticeship training schemes in the provision of a fully skilled work force for the future but, due to the continuing economic depression, fears that there will be a decline in the number of apprentices being sponsored by employers and requests that new means of encouraging employers to provide valuable work experience be introduced;

Reorganization of working time

31. Considers that, to ensure effectiveness and rapid results, the new European employment policy should include general commitments to
 - secure in the near future a significant reduction in the daily or weekly and annual working hours and in working life (early retirement, holidays) so as to curb significantly the growth of unemployment (for full details of this complicated operation, see the Commission Memorandum and the resolution adopted by the European Parliament on 17 September 1981),

- leave the social partners free, within the terms of the objectives set out above, to negotiate in accordance within the specific requirements of their country, sector or undertaking, while conforming to the rules applicable in the individual Member States,
- provide a package of concessions and compensatory measures designed to spread the cost of reducing working hours fairly among the social partners, the Member States and the Community in such a way that the efficiency of individual undertakings and the system of production as a whole is not weakened but strengthened,
- refrain from reducing the overall purchasing power of the population, while leaving open the possibility of a redistribution of income to promote new employment,
- changes in the organization of work, e.g. more part-time jobs, more job sharing and, for shift work, the introduction of an extra shift, should be given particular attention;

32. Believes that a study of the increased leisure time resulting from both the high unemployment levels and the reduction in working time should be undertaken by the Commission, particularly with a view to the prospects for employment in leisure-related industries;

Social security

33. Considers that wage demands and expectations concerning social services and consumption must inevitably be adjusted to take account of lower profitability, poorer world economic growth prospects and the competitive situation. Particular consideration must be given to the lower income brackets; notes that the social security systems are having to contend with difficulties in all the Member States; urgent measures should therefore be taken to strengthen the financial base of social security so as to ensure that the main objectives of mutual solidarity are attained during periods of economic recession; priority must be given to raising the level of real earnings of the lowest income bracket; a rationalization of social security structures must be based on an analysis of its functions¹;

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The Committee on Social Affairs and Employment has two reports in preparation on the problems of social security.

Worker participation

34. Takes the view that the major effort demanded of workers in helping to make undertakings more competitive should be accompanied by the necessary information on job-creating investment by their undertaking in accordance with the report adopted by the European Parliament on informing and consulting employees in transnational undertakings or undertakings with complex structures¹ and with the Fifth Directive on Company Law, in accordance with the resolutions adopted by the European Parliament;
35. Proposes measures to facilitate the introduction or participation by employees in productive capital on an individually disposable basis. An appropriate first step in this direction is the introduction of the investment wage, which assures a fairer distribution of ownership and provides undertakings with a stronger basis as regards investment and capital resources; the Member States should provide the necessary framework measures;
36. Proposes that migrant workers should be given the possibility of making attractive and individually disposable investments in production in their country of origin by means of direct holdings and/or through regional development funds, and that they should be given particular support in their country of origin with regard to capital savings and loans;
37. Instructs its President to forward this resolution to the Council and the Commission.

¹OJ No. C 260, 12.10.1982
OJ No. C 13, 17. 1.1983

MOTION FOR A RESOLUTION

(DOCUMENT 1 - 1042/82)

tabled by Mr GLINNE, Mrs DURY, Mrs VAN HEMELDONCK, Mrs VIEHOFF, Mrs WIECZOREK-ZEUL, Mr GAUTIER, Mr SIEGLERSCHMIDT, Mr NIKOLAOU, Mr LINKOHR, Mrs FUILLET, Mrs VAYSSADE, Mrs HOFF, Mrs VAN DEN HEUVEL and Mr PONIRIDIS
on behalf of the Socialist Group

pursuant to Rule 47 of the Rules of Procedure
on unfair dismissal in times of crisis

The European Parliament,

- A - noting that in various Member States women are victims of unfair dismissal and discrimination,
 - B - having taken note of the dismissal of 13 female workers from the Belgian company Bekaert-Cockerill, at Fontaine-l'Evêque in Belgium,
 - C - fearful lest similar cases occur elsewhere in the Community,
1. Calls on the Commission to investigate without delay the situation in Member States regarding compliance with European directives on equal treatment of men and women;
 2. Supports the petition lodged with the European Parliament on 14 December 1982 on behalf of the 13 workers dismissed by Bekaert-Cockerill and demands rapid action;
 3. Calls on the Commission to condemn those Member States which do not comply with the equal treatment rule;
 4. Instructs its President to forward this resolution to the Commission and Council of the European Communities.

MOTION FOR A RESOLUTION

(DOCUMENT 1-1054/82)

tabled by Mr KALLIAS

pursuant to Rule 47 of the Rules of Procedure

on setting up a working party to prepare an economic forecast and propose radical short, medium and long-term measures for tackling the problem of unemployment

The European Parliament,

- A - whereas unemployment, especially of young people and women is the most tragic problem of our time, and is having a severe impact on the European Economic Community. There are 12 million unemployed and unemployment is proportionally twice as high among people under 25 as among the remainder of the workforce; this poses a threat to social harmony and, if it does not actually undermine the basis of the economic system, at any rate it shakes people's confidence in it,
- B - whereas great concern has been expressed by all the institutions of the EEC, namely the European Council, the Council of Ministers, the Commission and in particular the European Parliament which has repeatedly adopted resolutions and is to hold a special part-session on tackling the problem of unemployment,
- C - whereas a special permanent committee on employment has been set up to advise the EEC on ways of tackling unemployment. This committee comprises representatives not only of Community institutions but also of workers' organizations,
- D - whereas, despite the concern that has been constantly expressed, satisfactory solutions have not yet been found or implemented,
- E - whereas the measures to be taken must be designed to achieve results in the short and medium, but also in the long-term. This, however, requires a basic economic forecast to be prepared while preserving a free market context. This forecast will enable all aspects of the problem to be tackled. Decisions taken and attempts made to invest and thus to create new jobs without a programme will not solve the problem of finding outlets for the goods thus produced; indeed, the problem will only be postponed if plans are not made for at least 20 years ahead as regards which investments should be encouraged and which outlets will be available for goods produced, taking account of competition not only from the major competitors of today but also from countries which

have so far only been consumers and remained relatively undeveloped, but which will develop in future and probably attain self-sufficiency,

F - whereas in the interests of a global approach account must be taken of all factors which might contribute to finding solutions and in particular distinguished experts in this field must be consulted,

G - for this purpose a special working party must be set up to take into account not only the present but also future position of the European economy in the world economy,

Decides,

1. To set up a working party composed of various elements to prepare a development plan aimed principally at tackling the problem of unemployment both in the present and in the foreseeable future. This party shall be composed of the Community institutions responsible and of representatives of
 - (a) the principal parties concerned, namely workers and employees,
 - (b) employers,
 - (c) political parties,
 - (d) distinguished experts and sociologists and specialists of every kind;
2. The working party shall be set up by joint decision of the Presidents of Parliament, the Council of Ministers and the Commission;
3. The working party shall submit the first draft of its report within a period of 6 months and the final form within one year;
4. The working party shall consider the short-term measures it intends to propose so that they can be implemented immediately;
5. Part of the working party shall be made permanent so as to monitor the implementation of these measures and propose necessary adjustments;
6. Instructs its President to forward this resolution to the Council and the Commission of the European Communities.

OPINION

of the Committee of Inquiry into the Situation of Women in Europe

Draftsman: Mrs GAIOTTI DE BIASE

As the European Parliament has decided to hold a special part-session on unemployment, the Committee of Inquiry, at its meeting on 20 and 21 January 1983, instructed Mrs GAIOTTI DE BIASE to draw up a motion for a resolution on the problem of women's unemployment.

On 7 February 1983 the President of the European Parliament formally authorized the Committee of Inquiry to deliver an opinion on this subject in the form of a motion for a resolution for the Committee on Social Affairs and Employment.

The Committee of Inquiry considered the draft motion for a resolution at its meeting of 14 and 15 March 1983 and adopted this motion for a resolution at that meeting by 7 votes with one abstention.

The following took part in the vote: Mrs Cinciari Rodano, chairman; Mrs Roberts and Mrs Vayssade, vice-chairmen; Mrs Gaiotti de Biase, rapporteur; Mrs Le Roux, Mrs Martin, Mrs Spaak and Mrs Wieczorek-Zeul.

MOTION FOR A RESOLUTION

tabled by the Committee of Inquiry into the situation of women in Europe
pursuant to rule 47 of the Rules of Procedure
on the employment situation for women

The European Parliament,

(a) deeply disturbed by the current situation of economic crisis, which results in an extremely high rate of unemployment,

(b) convinced that, because of the economic links between the Member States and the weakness of the instruments available to the Community institutions, only coordinated action at Community level has any chance of succeeding,

(c) considering that, from a structural point of view, a characteristic feature of unemployment at present is the very high percentage of adult women and, above all, young women

- that the entry of women into the labour market is now an irreversible phenomenon linked to the changing characteristics of our economies and to the socio-cultural features of a free society,
- that action based on the illusion that the problems can be solved by using the traditional method of ousting women from the labour market which has been employed in previous crises, is proving to be impracticable,

1. Calls on the Member States to cooperate with one another and with their world partners with a view to reviving economic activity and thus creating jobs;

2. Stresses the need to provide at all stages for a specific policy of support for women's employment within the context of the measures agreed for the purpose of giving fresh impetus to the economy and increasing employment;

3. Declares that, at the present stage of technological change, the policy of basic training, vocational training and retraining particularly in areas of new technology, in the advanced tertiary sector and in the services sector, is valuable as an investment and is intended to guarantee higher social productivity of services

- and calls for an increase in training for women, whose jobs are particularly threatened,

4. Considers that specific action must be taken to support employment for women in the sector of small and medium-sized undertakings, industry, craft trades, commerce and cooperatives, by means of loans at low interest rates, vocational training, tax relief, etc.;

5. Considers that welfare services and the social, cultural and recreational infrastructures should be strengthened, not least as a tertiary sector in which employment in general, and female employment in particular, can be consolidated: and considers that decisions on cuts in social expenditure should be confined to the elimination of the possible wastage, distortions and bureaucratic excesses associated with such expenditure,

6. Considers that the policies of workers' employment services should be harmonized by including lists of specific jobs available on the basis of the directive on equal treatment, and that any priorities to be guaranteed in the drawing up of lists for workers seeking employment must take into account the fact that parents have an equal responsibility towards their children,

7. Recommends that it be ensured that no direct or indirect discrimination against women is introduced as regards the grant of unemployment benefits

8. Requests that maternity leave be harmonized and that a Community directive on parental leave enabling the economic aspects of family life and the upbringing of children to be more equally shared, be speedily proposed, adopted and applied;

9. Calls upon the two Community institutions, the Commission and the Council, to propose integrated development programmes in regions with a high level of unemployment amongst women, and in particular to enter in the European Social Fund and the European Regional Development Fund appropriations commensurate with this aim;

10. Requests that the funds allocated to measures aimed at creating employment should be used to benefit women at least in proportion to the percentage of unemployed workers constituted by women;

11. Urges the Council and the Commission, on the occasion of the reform of the Social Fund, to retain a separate budget heading for this purpose and to increase the appropriations under that heading for employment policy measures in favour of women, in particular in the sector of basic vocational training in occupations which are not traditionally women's occupations and for the reintegration of women into working life;

12. Calls on the Community institutions to provide particular support for training schemes through pilot projects and the provision of information on the most advanced methods in the various Member States, particularly with regard to training in new techniques in industry and the services sector;

13. Requests the Commission to speed up the implementation of the experimental network for monitoring the employment of women, regularly to submit a report to Parliament

to strengthen further the links between the various national commissions on equal opportunities, so as to find out which common measures are the most effective.

OPINION

of the Committee on the Environment, Public Health and Consumer Protection

Draftsman : Mrs B. WEBER

On 24 February 1983, the Committee on the Environment, Public Health and Consumer Protection appointed Mrs WEBER draftsman of the opinion.

The Committee considered the draft opinion at its meeting of 22/23 March 1983 and on 23 March 1983 adopted its conclusions by 15 votes to 2 with 3 abstentions.

The following took part in the vote: Mr COLLINS, chairman; Mr RYAN, and Mr JOHNSON, vice-chairmen; Mrs WEBER, vice-chairman and draftsman; Mr BOMBARD, Mr FORTH, Miss HOOPER, Mrs LENTZ-CORNETTE, Mr LYNGE (deputizing for Mrs PANTAZI), Mrs MAIJ-WEGGEN (deputizing for Mr DEL DUCA), Mr MUNTINGH, Mr NORDMANN, Mrs SCHLEICHER, Mrs SEIBEL-EMMERLING, Mr SHERLOCK, Mrs SPAAK, Mrs SQUARCIALUPI, Mr VANDEMEULEBROUCKE, Mrs VAN HEMELDONCK and Mr VERRGKEN, (deputizing for Mr ALBER).

The opinion was tabled on 25 March 1983.

A. Introduction

1. The Council resolution of 7 February 1983¹ on the continuation and implementation of a European Community policy and action programme on the environment describes the significance of environmental protection for the solution of the employment crisis in the European Community in the following terms: 'In accordance with Article 2 of the Treaty establishing the European Economic Community, part of the latter's task is to promote throughout the Community a harmonious development of economic activities and a continuous and balanced expansion, which, even in changed economic circumstances, is inconceivable without making the most economic use possible of the natural resources offered by the environment and without improving the quality of life and the protection of the environment. Account should be taken of the economic and social aspects of environment policy, and particularly of its potential to contribute to the easing of current economic problems, including unemployment'.

Environmental policy must be concerned 'to help in creating new jobs by the promotion and stimulation of the development of key industries with regard to products, equipment and processes that are either less polluting or use fewer non-renewable resources'.

2. There is no longer any doubt that industrial activities and industrial products are responsible for a considerable part of the damage and destruction caused to the environment. Any economic growth must therefore no longer be pursued at the expense of nature.

3. In the present crisis in the economy and employment, measures can only be acceptable if they create jobs and do not harm the environment or if they help to prevent or reduce environmental damage.

B. Economic policy aspects of environmental protection

4. Even in times of economic recession jobs connected with the protection of the environment have proved durable and secure. Environmental protection does not mean the dismissal of technology. On the contrary, we need more

¹OJ No. C 46, 17.2.1983, p. 1 et seq.

technology but better technology which is more compatible with the environment. Environmental protection is not a finite matter. An OECD study shows that pollution of the environment causes damage amounting to between three and five percent of the gross domestic product.

5. Workers are particularly affected by environmental damage and stress. Persistent measures to protect the natural and working environments are not only in their natural interest but also in their economic interest inasmuch as such measures mean long-term security for their jobs.

6. The European Community can act as a trailblazer here by introducing a type of industrial production and products which are socially and environmentally acceptable. A great opportunity awaits the Community here particularly in its competition with the United States and Japan and for exports of environmentally acceptable products to the Third World.

From 1971 to 1978, environmental protection measures accounted for 13.4% of investment costs in Japan, 7.7% in the United States and 4.8% in the Federal Republic of Germany (IFO figures). Despite this high proportion an increase is to be expected in Japanese exports because environmentally compatible production processes are more efficient, consume less raw materials and make for higher productivity.

7. Environmental protection has already become one of the main factors of employment policy in the small and medium-sized undertakings sector. In the Federal Republic of Germany some 125,000 people in 1,100 firms are engaged in manufacturing products for the protection of the environment. In 1981 these firms showed a growth rate of 30% (e.g. the district heating survey carried out in the Federal Republic of Germany indicates that the construction of plants to cover 25% of heat requirements would create 50,000 jobs and a further 10,000 jobs would be needed to operate them, not counting the spin-off from the conversion of old plants).

8. Likewise, preventive environmental protection (environmental compatibility testing) is entirely in the interest of the economy. Surveys conducted by the World Bank since 1970 have shown that it is cheaper to take account of environmental considerations beforehand than to repair damage done to the environment afterwards. The Swiss, for example, start out from the premise that the investment cost of a motorway will be 22.7% less if environmental surveys are carried out beforehand (see Neue Zürcher Zeitung of 28.10.1982). Furthermore, by avoiding damage it is possible to reduce the burden on the

insurance sector substantially and limit insurance premiums. On average, savings amount to 2.2% of the amount of the project (acc. Neue Zürcher Zeitung).

9. To avoid uncertainty in the minds of investors and firms it is important that the Member States should firmly establish pollution values acceptable to human health and wellbeing and to the balance of the environment. Between 1975 and 1979 some 70,000 jobs in the Federal Republic disappeared chiefly because of the confusing legal situation and environmental laws the implications of which were unclear.

10. 'The experience of various OECD countries shows moreover that suitably designed environmental protection programmes can be placed effectively in the service of employment policy (OECD, Paris 1978). It has been estimated that, between 1975 and 1979, an average of at least 370,000 jobs a year in Germany could be attributed to the environment policy. By contrast the negative effects corresponded to 76,400 jobs. The OECD has also made international comparisons as regards the effects of environmental protection programmes on price levels. The USA for example has calculated that, between 1970 and 1983, its environment programme caused a 4.7% rise in the consumer goods index, which corresponds to an increase of roughly 0.4% per annum'. (Quote from communication on a confederal law on environmental protection in Switzerland of 31.10.1979).

C. Conclusions

11. The Committee on the Environment recommends that the committee responsible should incorporate the following suggestions into its motion for a resolution:

- whereas environment policy can contribute to the easing of the current economic problems, including unemployment¹;
- whereas in the present crisis in the economy and employment, measures can only be acceptable if they create jobs and do not harm the environment or if they help to prevent or reduce environmental damage;
- calls on the Commission and the Council to adopt the following priorities for employment measures with an environmental policy dimension;

¹ Cf. Community action programme on the environment 1982-1986, OJ No. C 46, 17.2.1983

= regions with structural weaknesses

= energy

= transport policy

= agricultural policy

= waste management

= environmental technology

= health and social sectors

= urban renewal

= elimination of damage

- points out that environmental protection has already become one of the main factors of employment policy in the small and medium-sized undertakings sector and has a high growth rate;
- underlines that the innovatory nature of environmental protection technology can improve the competitiveness of industry and the rational use of capital.

OPINION

of the Committee on External Economic Relations

Draftsman : Mr PESMAZOGLOU

On 16 March 1983, the Committee on External Economic Relations appointed Mr Pesmazoglou draftsman of the opinion.

The Committee considered the draft opinion at its meetings of 23 and 24 March 1983 and adopted it unanimously on 24 March 1983.

Present : Sir Fred Catherwood, chairman; Mr van Aerssen, vice-chairman; Mr Pesmazoglou, draftsman; Mrs Baduel Glorioso, Mrs Hooper, Lord Harmar-Nicholls (deputizing for Mr Spencer), Mrs Lenz (deputizing for Mr Lemmer), Mr Mommersteeg, Mrs Moreau Louise, Mr Pelikan, Mrs Poirier, Mr Pranchère (deputizing for Mr Galluzzi), Mr Radoux, Mr Rieger, Mr Seeler, Sir John Stewart-Clark, Mr Tolman (deputizing Mr Jonker) and Sir Fred Warner.

The Committee on External Economic Relations wishes to emphasize that a systematic and lasting reduction of unemployment requires a powerful policy for sustained increase of employment. Rising levels of employment depend on economic growth and an expansion of world trade. In the twenty years between the early 50s and the early 70s the rise of economic activity and employment has been associated with more rapid expansion of world trade in real terms. Correspondingly, economic stagnation in recent years has been associated with stagnation in the volume of world trade, which actually declined in 1982. The fact that the European Community is the largest world trading entity implies a high degree of inter-dependence between European economic activity and employment on one hand and European trade, with developed and developing as well as with state trading countries, on the other hand. The necessary conditions should therefore be secured for recovery and renewed expansion in world trade to support and induce growth in production and employment in Europe and throughout the world.

Accordingly, the Committee on External Economic Relations attaches great importance in the European Community policies which would secure the necessary international trade, monetary and lending arrangements for a revival and expansion of world trade. Along these lines the European Community should seek in the forthcoming economic May summit of Williamsburg, coordinated action with non-European advanced industrial countries. The following particular objectives are proposed by the Committee :

1. Protectionist or trade restrictive tendencies should be contained and reversed. Conflicts or divergent views on trade in particular, agricultural or industrial products, should be overcome by negotiation - not by arbitrary action. The threat of a trade war should be eliminated and the spiral of shrinking international trade activity should be broken and substituted by an upward cumulative process. Although 19th century commercial liberalism has no place in the present or the coming world, the marked and continued increase of international trade is a condition for the revival of economic growth and for rising levels of production and

employment in developed and developing countries. The containment of trade restrictions at an international level should be harmonized with the requirements of Community preference and more advanced integration in the European Community, as well as with structural changes sought by development plans in less developed countries.

More specifically the European Community while maintaining its basic positions should provide continued support to GATT and pursue negotiations with the USA and other countries with a view

- (a) to freezing and gradually reducing trade impediments;
- (b) harmonizing subsidies, export credits and other aids to export.

2. New agreements and arrangements should be sought, and existing ones should be strengthened, to secure greater exchange stability and adequate strength to the international banking system. These objectives could be achieved by

- (a) continued international consultations and cooperation to follow up closely international monetary and credit developments;
- (b) determined but more flexible rules on monetary and balance of payments policies in order to meet excessive pressures of indebtedness in non oil producing developing countries following the decline in prices and production of oil.

The interdependence of the money and financial markets and of interest rates is another important matter on which international consultations and coordinated action is essential. In view of the continued dominant position of the dollar and the great increase in the Euro-dollar funds a reduction in American real interest rates is an essential condition for the reactivation of the European economy and world trade. Similarly in view of the dominant position of the dollar in international trade an over-valuation of the dollar inevitably leads to increased balance of payments pressures and an adverse influence on the expansion of international trade. Although these aspects are directly linked with American policies their impact on the European and the world economy is important and should therefore constitute part of a wider understanding with the USA in order to secure a recovery in the world economy and trade.

3. An active approach is necessary towards the problems of the developing world. Coordinated development assistance to the Third World is a humanitarian and political responsibility leading also to a large and healthy trade and economic relationship with the European Community. A constructive presence should be secured in the forthcoming conference of UNCTAD and due attention should be given to its proposals. General plans of action elaborated by the European Commission as well as by the UN, the OECD, the IMF or by the widely representative committee established by the World Bank on North-South relations should be carefully considered. The European Community should take a lead for the earliest possible international consensus on a coordinated action in support of the developing countries, which should include

- (a) increased commitments for public assistance to the Third World;
- (b) improvements in the mechanisms of commodity agreements; and
- (c) an agreement within OPEC for orderly developments in the oil market.

The sustained expansion of international trade is clearly associated with economic recovery and balanced growth in combination with increased productivity and international competitiveness in the European Community. Although these aspects and the relevant policy proposals are not within the narrow terms of reference of the Committee on External Economic Relations, the importance of the following considerations should be stressed :

- (a) much greater political weight is essential to ensure the convergence of economic policies within the European Community, particularly in view of the strongly negative experience on this matter;
- (b) the EMS should design methods and models of continued cooperation in order to reduce disparities in the rates of inflation with due attention to divergent financial or social strains in member countries;
- (c) increased investment, and the availability of export orientated risk capital, the application of new technology and improved

business organization throughout the European Community are essential to secure an increasing European participation in international trade.

The policies for meeting part of the evils of unemployment by appropriate projects of social solidarity should be associated with strong action to secure higher levels of economic activity and growth in the European Community. International trade is directly responsible for about one quarter of employment in the European Community and growth of the internal market of the European Community is extensively dependent on the expansion of world trade.