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NOTE TO READER

Appearing at the same time as the English edition are editions in the six other official languages of the Communities: Danish, German, Greek, French, Italian and Dutch. The English edition contains the original texts of the interventions in English and an English translation of those made in other languages. In these cases there are, after the name of the speaker, the following letters, in brackets, to indicate the language spoken: *(DA)* for Danish, *(DE)* for German, *(GR)* for Greek, *(FR)* for French, *(IT)* for Italian and *(NL)* for Dutch.

The original texts of these interventions appear in the edition published in the language spoken.

Resolutions adopted at sittings of 27 and 28 April 1983 appear in the Official Journal of the European Communities C 135 of 24 May 1983.

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SITTING OF WEDNESDAY, 27 APRIL 1983

IN THE CHAIR: MR DANKERT

President

(The sitting opened at 10 a.m.)

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament adjourned on 15 April 1983.

2. *Approval of the Minutes*

President. — The Minutes of proceedings of the sitting of Friday, 15 April 1983, have been distributed.

Are there any comments?

I call Mr Pannella.

(Protests)

Mr Pannella (CDI). — *(IT)* Mr President, I heard some groans after what you said, but do not know the reason for them.

Mr President, according to the Italian text the amendments which I tabled to Mrs Cassanmagnago Ceretti's report were rejected.

Mr President, even if the Parliament does usually reject all proposals which do not come from the power groups represented here, I should like everyone to note that Amendments 3 and 4, which I tabled, were passed and not rejected.

I should like at least this to be corrected.

Have I made myself quite clear?

President. — Mr Pannella, I can satisfy you on this point. If there are any errors in the Italian text which are not reproduced in the other language versions, the Italian version will be corrected.

Mr Pannella (CDI). — *(IT)* Thank you, Mr President.

*(Parliament approved the Minutes)*¹

3. *Agenda*

President. — At its meeting of 9 March 1983, the enlarged Bureau drew up a draft agenda, which has been distributed.

¹ For items concerning membership of Parliament and membership of committees, see the Minutes of this sitting

At the meeting held this morning, the chairmen of the political groups authorized me to propose to the House that Thursday's sitting begin at 8.30 a.m. and the voting at 10 a.m. Depending on how the voting proceeds, we could then either terminate our proceedings before lunch or, after a lunch-break, resume the voting during the afternoon.

Mr Pannella (CDI). — *(IT)* Mr President, you seem to pretend to think that this special session is important. As a Member of Parliament, I should like in my personal capacity to note that according to the agenda we shall have to complete the voting on about 270 amendments within a few hours of discussion, so that we are in fact prevented from voting by roll-call, as normally happens in important debates.

Mr President, I should like to point out that, on average, there are between 18 and 25 requests for voting by roll-call during discussions of similar importance. If we did that here, we should need between 20 and 25 hours. That is why we cannot use this method of voting.

Mr President, this agenda seems, therefore, at best to be a demagogic ploy, as there has been no attempt to allow for a serious debate on one of the gravest matters concerning life in our Community. This proves that, even with your culture and your politics, you are also the cause of unemployment, and therefore you are in no position at all to tender to it or cure it.

President. — Mr Pannella, I take note of what you have said, but would point out that this part-session is being conducted in complete accordance with the Rules of Procedure and must continue to do so during the whole of these two days.

(Applause)

Mrs Elaine Kellett-Bowman (ED). — Mr President, all of us here would agree that this is an extremely important session. You suggested quite properly we should start at 8.30 a.m. instead of the proposed time on Thursday, but you have also suggested that we should break for lunch and interrupt the voting. May I respectfully suggest that, on this occasion, we do not break for lunch but that we continue right through the lunch hour? Surely, for once, we can give up our lunch.

(Applause)

President. — Mrs Kellett-Bowman, I agree with you. If it is physically possible we shall continue with the vote but it is very difficult to foresee at this moment, with the possibility of roll-calls, how long the voting will last, I would not force you to vote until 12 p.m. if there are too many roll-calls. We shall leave it open and see tomorrow how we can handle the matter.

(Parliament adopted the agenda thus amended)

4. Speaking-time

President. — Pursuant to Rule 65, I propose that speaking-time be allocated as indicated in the draft agenda.

Mr Pannella (CDI). — *(IT)* Mr President, as so often during this term of office I protest at the hatchet job which is performed every day and at every meeting. Mr President, our group has been allocated sixteen minutes during the two days of this so very extraordinary debate for its twelve members to put forward their views: which means less than a minute and a half each; and not even enough time, Mr President, to speak to, let's say, three or four amendments.

Mr President, this organization of speaking time is, in effect, the organization of time so that those who do not agree with you are silent. Well, Mr President, I think that, in a year's time, things will be different: the people you turned out before the last election — the German Green Party and the others — will be here next year, and you will no longer be able to gag us then as you can those few of us who are here at the moment.

President. — Mr Pannella, you repeat what you have just said at every part-session. I point out that the Rules of Procedure are, as always, being observed.

(Applause)

Mr Gendebien (CDI). — *(FR)* Mr President, since it has been declared that this part-session is not a publicity exercise for the big political parties, I request that, exceptionally, our group be allowed 30 minutes speaking time over the two days and not 15 minutes. I ask Parliament to approve this change.

President. — I suppose that Mr Gendebien's request was made on behalf of his group, and Mr Pannella presented his in the same way. This prompts me to put the allocation of speaking-time to the vote.

Mr Pannella (CDI). — *(FR)* The modification proposed by Mr Gendebien should be put to the vote first. The only effect this would have on the proceedings would be to prolong them by two quarters of an hour, Mr President.

President. — Mr Pannella, the two things can be combined. I put Mr Gendebien's amendment to the vote.

Who is against?

Mr Gendebien (CDI). — *(FR)* One votes 'for' an amendment!

President. — Rule 65 states:

The President may, after consulting the chairmen of the political groups, propose to Parliament that speaking-time be allocated for a particular debate. Parliament shall decide on this proposal without debate.

(Parliament adopted the allocation of speaking-time proposed in the draft agenda, thus rejecting Mr Gendebien's request)

5. Employment in the Community

President. — The next item is a joint debate on two reports on behalf of the Committee on Social Affairs and Employment:

- by Mr Papaefstratiou, on the employment situation in the European Community (Doc. 1-87/83), and
- by Mrs Salisch, on the problem of unemployment among young people (Doc. 1-86/83).

The following oral questions with debate are included:

- by Mr Brok, on behalf of the Group of the European People's Party (Christian-Democratic Group), to the Council (Doc. 1-801/82):

Subject: Youth unemployment

At its April part-session, the European Parliament, following a debate on urgent and topical matters, adopted a resolution on youth unemployment calling for the introduction of a global strategy of long- and medium-term measures to resolve the problem.

On 27 May, the Council of Ministers for Social Affairs, at its 774th meeting, adopted a resolution on Community action to combat unemployment.

1. Does the Council intend to take action on the priority measures called for in the above resolution, and what instruments will it use?
2. Does the Council consider the resolution it adopted to be adequate and the projected measures to be politically feasible in the short term? What specific projects does it have to tackle the present situation of youth unemployment?
3. In the light of the priority which should be given to tackling youth unemployment, how can the Council justify the decision taken by the Council of Education Ministers on 24 May 1982 to reduce to 25 the 30 pilot projects on the transition from school to employment proposed by the Education Committee? How does it explain the fact that financial support for this smaller number of projects is guaranteed only in the short term but not in the long term?
4. Does the Council not consider that it would be useful to establish regular arrangements, on a monthly or bi-monthly basis, for the coordination of the measures taken by the individual Member States and the Community institutions to create new jobs, especially for young people?

President

5. Does the Council not consider that this would also assist the coordination of all the measures taken to combat unemployment and make people more aware of the existence of the Community institutions ?

- by Mr Frischmann and others, on behalf of the Communist and Allies Group, to the Commission (Doc. 1-43/83) :

Subject : Adaptation of working-time

In a resolution of September 1981 on employment and the adaptation of working-time, the European Parliament considered it indispensable (substantive paragraph 21)¹ that the process of adapting working-time, including the working week, should be coordinated so that the scope and time-scale of its implementation are consistent with the objective of maximizing the positive effects on employment.

This being so, does the Commission not think it necessary to include in its projected reform of the European Social Fund the question of reducing working time, particularly the working week, as a means of combating unemployment ?

- by Mrs Cinciari Rodano and Mrs Gaiotti De Biase, on behalf of the Committee of Inquiry into the Situation of Women in Europe, to the Commission (Doc. 1-180/83) :

Subject : Non-compliance with Council Directive 76/207/EEC, of 9 February 1976, on equal treatment for men and women as regards working conditions by the Belgian firm Bekaert-Cockerill

On 24 November 1982, on economic and technical grounds, the Belgian firm Bekaert-Cockerill terminated the employment contracts of 13 women. This redundancy measure only affected women employees who were not head of household.

What is more, the jobs of four of the women employees dismissed were allocated to men transferred from other sections of the undertaking at a salary increased by 40 francs per hour for the same work.

The Committee of Inquiry, which is specifically instructed in its terms of reference to keep a close watch on the implementation of Community directives in the Member States, regards this company's action as a flagrant violation of the directive on equal treatment and of the corresponding Belgian law.²

The Committee of Inquiry would like to know what measures the Commission intends to take in its capacity as guardian of the Treaties to ensure that Community directives are properly and fully applied, even in periods of crisis, and to prevent similar cases from occurring in other Member States.

- by Mrs Cinciari Rodano and Mrs Gaiotti De Biase, on behalf of the Committee of Inquiry into the Situation of Women in Europe, to the Council (Doc. 1-181/83) :

Subject : Non-compliance with Council Directive 76/207/EEC, of 9 February 1976, on equal treatment for men and women as regards working conditions by the Belgian firm Bekaert-Cockerill.

On 24 November 1982, on economic and technical grounds, the Belgian firm Bekaert-Cockerill terminated the employment contracts of 13 women. This redundancy measure only affected women employees who were not head of household.

What is more, the jobs of four of the women employees dismissed were allocated to men transferred from other sections of the undertaking at a salary increased by 40 francs per hour for the same work.

The Committee on Inquiry, which is specifically instructed in its terms of reference to keep a close watch on the application of the directives on equal pay and equal treatment in the Member States, vigorously protests to the Council against the actions of this company which are in breach of the directive on equal treatment and of the corresponding Belgian law¹.

The Committee of Inquiry would like to know what approach the Council intends to make

- to the Belgian Government requesting it to remind the undertaking concerned that it must observe the law, even in periods of crisis ;
- to the governments of the other Member States to prevent similar situations from occurring there.
- by the Committee of Inquiry into the Situation of Women in Europe, to the Commission (Doc. 1-182/83) :

Subject : Women's unemployment

It is disturbing to find that in times of economic crisis unemployment affects women, and in particular young women, in proportionately much higher terms than men although women now have an established and theoretically guaranteed position in the labour market.

¹ OJ C 260, 12 October 1981, p. 61.

² Title V of the Belgian Law of 4 August 1978 on economic flexibility ('réorientation économique') (*Moniteur belge*, 17 August 1982).

¹ Title V of the Belgian law of 4 August 1978 on economic flexibility ('reorientation économique') (*Moniteur belge*, 17 August 1982).

President

Will the Commission state

1. what steps it has taken or will take under Article 118 of the EEC Treaty to ensure cooperation between the Member States to eliminate the disproportionate burden on women ;
2. what steps the Commission has taken or will take to ensure that the appropriations under the various Community funds, ESF, ERDF and EAGGF, combat this disproportionate level of unemployment ?

Mr Papaefstratiou (PPE), rapporteur. — (GR) Mr President, dear colleagues, as chairman of the Committee on Social Affairs and Employment, I would like, on the occasion of this special part-session of the European Parliament devoted to employment and unemployment, which is indicative of the great concern felt by the House about this extremely important matter, to speak about the issues that are bound up with these two concepts which have nowadays become profoundly significant in that they directly determine the fortunes of the whole world. You will, of course, permit me to recall that the ancient philosophers of Greece dealt with these crucial issues two and a half thousand years before the founding of the European Parliament, and I would like to mention Hesiod's 'Works and Days' and Aristotle's 'Rhetoric' which make reference to the importance of work and to the problems of unemployment.

We have had the opportunity to touch on the basic issues relating to unemployment many times. Allow me to dwell particularly on the structural character of the present economic crisis, the intensity of which is due, in the greater part, to the energy crisis. In any case, this Parliament has repeatedly sounded the alarm to the Council of Ministers and to the Commission of the Community with resolutions and questions, and when examining the various proposals, regulations and directives put forward by the Commission.

Without implying that Parliament should cease to be worried by the absence of any firm hand of authority with regard to the evolving employment situation, I am obliged to state yet again that the responsibility for ultimate decision-making lies chiefly with the Council of Ministers. We are all aware that the solution to the problem of unemployment does not depend simply and solely on a certain number of precise acts putatively designed to bring about a fall in or even the disappearance of unemployment in the long term. We must all contribute with the utmost vigour, the institutions of the Community and national governments as well, in order for there to be agreement about the basic priorities in the fight against unemployment, and to ensure that these are implemented in a coordinated manner by all the Member States. On this point, precisely, we request the Council of Ministers to get on top of the situation and to show as a matter of urgency the political will that is required.

I now come to the problem of the social consequences of unemployment. With an unemployment rate of over 10 % the countries of the Community are facing a huge problem which, if it is not tackled in the right way and with urgency, threatens in the long term to lead to the progressive erosion of their social structures.

It is particularly worrying that a large percentage of total unemployment is accounted for by young people between 17 and 25 who are victims of the prevailing conditions in the labour market. These conditions are directly bound up with the economic recession and do not favour the movement into jobs of young persons who have just finished secondary education or some form of technical training. As a result many young people find themselves denied job opportunities early on in their lives because, by the very nature of things, they lack work experience and the frequently demanded period of previous service in a particular sphere of work. This gives rise to the very pertinent question: how are young people to cope with a society which places such restriction upon them? Often they begin to question the system and this provides fertile ground for exploitation by extremist political propaganda, or they slide into alcoholism and drug-taking. All of these things constitute a sad escape from their inability to solve the basic problems of making a living and integrating properly into the community. The same applies to other categories of disadvantaged people, such as the handicapped and women, particularly young or intending mothers, who are unable to match up to the conditions prevailing in the harshly competitive labour market. What does the future hold for our societies if this situation continues? How can we achieve reflation, with what brave-hearted material, when such irreparable damage has been done to the underlying structure of our society? I remain a little longer on the social aspect of the matter, because the issue of unemployment has gone beyond the narrow field of economic theory which treated it as a simple consequence of economic fluctuations and, unfortunately, has acquired a self-sustaining force which is largely dominated by the human factor.

It is quite right, therefore, that a significant number of economists and experts should consider the study and examination of the unemployment phenomenon, as a thing in itself, to be an essential investment and perhaps the principal task to which we should address ourselves.

What can be done? To cope with the crisis and combat unemployment there is a need for specific economic, fiscal and social policy measures, because although in some Member States the rate of increase of unemployment has stabilized or even shown a slight decline over the last year — and this is comforting — in other countries, including the country to which I belong, there has been a sharp increase to very worrying levels.

Papaefstratiou

However, we must bear in mind that in the past, in the years before the first energy crisis in 1973, full or almost full employment was achieved and maintained by virtue of high annual growth rates which, in many countries of the Community during the sixties, hovered around the 5 % mark. These days, unfortunately, the figure has dropped to between zero and 1 % because of the recession in our own economies and in the world economy in general. These figures, which I have mentioned illustratively, show how serious the situation is and the confines within which we are able to move. They mean that, initially at least, the desired reflation of our economies is essential for the maintenance of the living standards we have at present, to prevent them falling any further, that is, as a result of the continuing crisis.

They also mean that a fundamental reduction in the numbers of unemployed is not something that can be achieved miraculously from one year to the next. There are, of course, temporary measures, such as the creation of jobs in the public sector and the contrived removal of a number of people from the labour market through early retirement and other associated techniques. However, it is not explained, at the same time, how these solutions are to be paid for. I am not saying that some of these measures do not make a contribution to the short-term alleviation of the tragedy of unemployment.

It is a mistake, however, for us to try to make out that these measures constitute at the same time a successful and lasting solution to the problem of unemployment and under-employment. On the contrary, there is need for a systematic, long-term initiative with the following immediate basic objectives :

Firstly, the stimulation of investment and research.

Secondly, the speeding up of technological advance and the more efficient application of new technologies.

Thirdly, the maintenance and strengthening of the competitiveness of European industry.

Fourthly, the reduction of dependence on non-Community energy sources.

Such a strategy would be designed to bring about stable and lasting reflation and would be in tune with the new conditions that have been created and now prevail in the world economy, such as the vigorous and competitive emergence of certain Third World countries in traditional industrial sectors, and the enhanced position of the United States and Japan in the new technologies.

From here let me be permitted to address a fervent appeal to the maturity of the social partners, for them to show accord and a spirit of cooperation so that a worsening of the situation can be avoided.

Mr President and colleagues, because of shortage of time I have not analysed the specific points which are of immediate interest to the Committee on Social Affairs and Employment. These include the reduction of working time, voluntary part-time working, temporary employment and flexible retirement. Taken together as a group of measures they contribute only in a partial and transient way to the creation of new jobs, no matter how much they alleviate unemployment in the short term.

These reforms are right in their conception, especially under the present conditions. They do not, however, suffice to provide a definitive way out of the crisis through which we are passing. That is why my introduction is structured in a different way, given that my optimism and faith regarding democracy and European cooperation makes me stick to matters which give a clear indication as to what can be achieved through this cooperation. I hope that all persons, chiefly those in work but also the citizens of the Community who are unemployed, will share in this faith and hope about the future and not succumb to demagogic slogans proclaiming the supposed virtues of totalitarian systems, because in those systems the economic crisis is being felt even more sharply and is painfully associated with the deprivation of the supreme good which is freedom. From the platform of this free and democratic Europe I call on her peoples to launch themselves united and with the undivided support of all factions, with faith and optimism but also with strenuous endeavour, into the fight against unemployment in Europe.

(Applause)

Mrs Salisch (S), rapporteur. — *(DE)* Mr President, Ladies and Gentlemen, the employment situation for young people in Europe has all the makings of a drama — and I mean a drama, not a tragedy, because a classical tragedy would admit of no solution and it is up to us to find a solution. Half of all unemployed women are under 25 years of age, half of all unemployed men are under 25 years of age : these figures demonstrate the scale of youth unemployment in the Member States. I am surprised, Ladies and Gentlemen, that these young people have stayed as patient as they have done over the last few years, and that it has been possible to maintain the peace among our young people in the light of this dramatic situation.

(Applause)

We cannot, in my opinion, conquer youth unemployment in the Community in isolation. Instead we must develop — as a matter of the utmost urgency — an overall European employment policy. The campaign against unemployment must incorporate all the measures needed to overcome youth unemployment. In each of our Member States investment is being advocated without any thought being given to the

Salisch

effect it may have on employment. In the majority of European countries recipes for economic recovery are being proposed which ignore the effects on employment.

(Applause)

The brunt is borne by young people, who already account for 40 % of the unemployed. For this reason we must constantly ask ourselves what steps we can take to create jobs. One step is particularly important in the fight against youth unemployment: a drastic reduction in working time in all 10 Member States for only then will we be able to integrate young people into the job market.

(Applause)

I would also like to warn against a further illusion, namely the belief that vocational training alone can solve our problems. It is easy to say: give young people a training and the problem will solve itself. We have more qualified young people today than we have ever had and they still cannot find jobs; the doors of many companies remain closed to them. The reasons are obvious: companies attempt to solve their workforce problems by consolidating internally and closing their door to those outside. This is why it is so hard for young people to gain access to the European job market.

When I stress that training alone is not enough, this does not mean that we should not make every effort to provide training opportunities throughout Europe. We need above all a vocational training pass so that young people can take advantage of the freedom of movement which is supposed to exist in Europe but which would otherwise be just a farce.

(Applause)

We must also face the problems posed by new technologies. Mr Papaefstratiou has already said that Europe is behind the times in coming to terms with new technologies. Granted we are behind the times, but let us not make the mistake of accepting blindly what Japan and America have to show in terms of utilising new technologies. Let us constantly ask ourselves when using these new technologies: what advantages do they have in terms of employment? Do they bring employment for young people too, and what are we doing to train young people so that they learn not only to cope with these new technologies, but also to control their social effects? The use of these technologies must help to preserve the environment, they must be energy-saving but they must never be used to destroy jobs. This is the main problem confronting us and young people today.

(Applause)

When I say training opportunities alone are not enough, then that means that we need integrated training and employment programmes in Europe. Not just the Community, not just the national states, but

even the smallest local authority in the Community must act. We must realise that everyone has to make an effort to get young people back to work, to give them a guarantee of training and employment. This can be done but only if we can agree among ourselves and I very much hope that the Council, at its summit meeting in Stuttgart, will finally be in a position to take the appropriate decisions, for it is high time that it did.

(Applause)

It is also important that we help young people to set up in business for themselves. Young people show a great deal of initiative when it comes to discovering new markets for goods and services. This must be encouraged. We must help them set up these businesses and organise them in the way they feel is important.

If young people set out to achieve certain objectives in, for example, environmental protection, then this should be encouraged and they should be given help to achieve these objectives because these are equally valid areas of growth which offer young people an opportunity of long-term, secure employment. If we advocate independence for young people, then we must have the courage to give them material aid, in the form of guaranteed earning so that they are not left in a socially precarious position.

I would like to address my next comments to the Commission and the Council of Ministers. I find it intolerable — and I am also speaking on behalf of the Committee on Social Affairs and Employment — that the Commission was not in a position to submit to Parliament a list of measures to combat youth unemployment. This attitude on the part of the Commission is clear evidence that it apparently attaches no importance to constructive cooperation with the European Parliament and that the Commission is no more than a handmaiden of a Council that has so far failed to take any decisions. It is time that we made this clear to the Commission.

(Applause)

However, the report is, thank heavens, now available in time to provide the Council of Ministers in Stuttgart with a basis for discussion.

If all the measures proposed by the Committee on Social Affairs and Employment, which hopefully will also be adopted by Parliament, are to be implemented, then material aid will have to be made available and public funds provided to combat unemployment. I deeply regret, as rapporteur, that my own Committee did not have the courage to approve one of my original proposals, namely that 1 % of the gross national product of each Member State should be used to combat unemployment.

(Applause)

Salisch

The Council of Ministers has been urged to ensure that the Member States increase the resources available to combat unemployment, but why did we not have the courage to say: the fight against unemployment is worth at least 1 % of gross national product. The young people of Europe need jobs not missiles and the money must be made available. This is something that must be said.

(Applause)

The Committee on Social Affairs and Employment wishes to make it quite clear that the resources allocated to combating youth unemployment must be increased. How is this to be achieved, pray, if changes are not made in national budgets? Where is the money to come from, if not from savings in other areas? I therefore insist, with the full backing of the Committee on Social Affairs and Employment, that funds be reallocated.

I regard it is a privilege to be able to speak here on behalf of young people outside, to voice their disappointment and, to a certain extent, their anger. We heard them for ourselves at the hearing organised by the European Youth Forum; they are beginning to ask: when will anything happen? When are you finally going to do something?

It is incumbent on all of us to act, and I very much hope that the Council of Ministers can give us an answer, that the President-in-Office of the Council can tell us whether he is really prepared to take concrete steps to combat youth unemployment.

(Applause)

Mrs Gaiotti de Biase (EPP), *draftsman of the Committee of Inquiry into the Situation of Women in Europe — (IT)* Mr President, there is no doubt about the fact that, with unemployment as it is at present, unemployment among women is structural in nature; this is one of the facts which characterize it. To look at numbers first: in 1981, 45 % of the people without work were women, while only 37 % of those in work were women. It is no consolation that the situation was better in the OECD, where 49 % of unemployed were women and 38 % of those in work were women. When we talk of unemployment among young people, we should remember that we are talking about women in particular: in 1981, and things have got worse, an absolute majority of the unemployed under 25 years of age were women.

However, the problem is that the sectors which employ a large number of women are among those which have been hit, that is, service industries and industrial products which are less competitive than those now produced elsewhere in the world.

Some Members may be tempted to think that, if that is how things stand, the situation is not all that bad. Women can go back to the home. However, it is precisely this point which makes the present employment crisis completely different. In every past crisis, the classic tactic has been adopted of getting women to return to the home; these days it is precisely this which cannot come about. And this is not only because women have become stubborn and refuse to accept it but because all the new factors of the situation, human evolution and cultural development, a model of society based on consumption, market forces and individual independence, the link between the family and economic production, all of which have been created by men far more than by women, have given our modern society a character which is, on the whole, positive and which makes employment for women a phenomenon which cannot be reversed. It is so irreversible that we can no longer draw the old ideological contrast between work and the family, as the majority of women would reply today that the family is a positive and important commitment for both women and men, and that the problem is to ensure that both mother and father can fulfill themselves.

So let there be no illusions: the trends noted in recent years towards an increase in female employment which contradicts the simultaneous increase in female unemployment are destined to continue. It is therefore necessary, within the framework of overall plans for combating unemployment, that this fact should be considered as a specific aspect of unemployment and should give rise to the important suggestions and proposals which would come from taking it seriously.

Certainly, in the first place, when faced with the continuation of all the traditional weaknesses of female employment, we cannot refrain from asking the Commission and the Council to strengthen the guarantees and use of the necessary measures of positive discrimination. In the proposals we do not make a detailed study of the main lines of the action programme already approved by the Parliament; but we do refer to it, stressing that the Commission and the Council should implement it rigorously, in a coherent manner and as a matter of urgency. In this general debate we prefer to emphasize some general choices of strategy which have a direct effect on the position of women. I shall list them briefly. The first choice, the development of new technology, is decisive not just for our recovery but also for the quality of our society. If we do not want it to lead to the formation of two labour markets, of two nations, in Europe, we must ensure that it is accompanied by a large-scale training programme. Women require full access to this training.

The second choice: social cost. All agree that the rise in employment in the post-industrial society will occur in the service industries. Increased investment should not, therefore, be based on vague general cuts

de Biase

in expenditure on social services, education, culture, health services and leisure services; cuts should be aimed at eliminating waste, unfairness and cutting down on bureaucracy. And if this is already a guarantee, we do not think it only concerns women.

The third choice: development must begin again in a balanced way throughout the regions of Europe: one disadvantage for women is that they are less mobile and we ask, therefore, that employment should increase throughout all regions.

The fourth choice: the spread of small and medium-sized businesses is crucial for an increase in employment. Women ask for conditions in which they can go into business, taking into account their great ability to adapt to new situations.

The fifth choice: working time should be reorganized. As regards this matter, women have specific needs which require greater flexibility and variety in working hours. Women are the victims of a rigid and dogmatic conception of such changes, as of all the rigid conceptions of working relationships inherent in traditional patterns.

May I make one last personal comment. Our Committee of Inquiry approved the draft report on this subject with one abstention. I should like to think, against all the odds, that this might be a good sign for this part-session; we should be aware that unless we try to bring the different political, national and party plans closer together we cannot begin, either, to speak of bringing our economies closer together.

(Applause)

Mrs Weber (S), *draftsman of the opinion of the Committee on the Environment, Public Health and Consumer Protection.* — (DE) Mr President, Ladies and Gentlemen, there is an oasis of growth in the midst of crisis: companies dealing in products to protect the environment are making profits and providing secure jobs. This is not an assertion made by the Committee on the Environment, Public Health and Consumer Protection, but a quote from a German newspaper. Contrary to a frequently voiced opinion, environmental protection does not destroy jobs. Hundreds of thousands of jobs in each of the Member States are directly or indirectly concerned with protection of the environment. A minimal number of jobs are, however, at risk, because of severe damage to health and the environment. These positive effects on employment are felt in various areas, where they should be given even more encouragement.

The third Community action programme for the protection of the environment refers to the importance of this for solving the employment crisis by saying that account must be taken of the socio-economic aspect of environmental policy, particularly

the fact that it can play a part in solving current economic problems, including unemployment, and observes that '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.'

Under the present difficult economic circumstances, it is particularly important to ensure that growth is not achieved at the expense of damage to the environment — an environment already seriously affected by man's activities. Serious discussions must be held on the quality of growth. It is a fact that only those measures that create jobs without damaging health and the environment can provide a permanent solution to the crisis. At the present time, enormous amounts of public and private money are being spent for no good reason in order to rectify earlier mistakes. The example of acid rain demonstrates the serious economic consequences of previous ecological omissions, not to mention the consequences for the environment.

The consequences of these previous mistakes are tying up resources which could be used to better effect. An effective use of capital means following the example of Japan or the United States, where the percentage of investment used which environmental protection is considerably higher than in Europe. Our products can only compete in these countries, and ultimately on world markets if, given the highly innovatory character of environmental technology, they are constantly kept up to the latest state of the art and permit the rational use of resources, energy and capital.

Unfortunately, the Committee on the Environment declined to give a detailed list of all the individual measures possible in the various areas involved. We simply did not have the time for such a discussion. I must therefore leave it to Parliament to consider what measures are feasible with regard to the structurally weak regions, the energy-based sectors, transport and agricultural policy, for example, which could be of positive benefit to the environment. Environmental technology is experiencing enormous growth rates. If we are interested in helping the small and medium-sized businesses and the private sector in the Member States, we should bear in mind that it is those firms dealing with environmental technology which can point to growth rates of up to 30%. The health of the population and an intact environment are of crucial importance. If at the same time this also offers considerable advantages in terms of jobs, then so much the better. The Community should set an example and pioneer the development of non-polluting products and methods of production.

(Applause)

IN THE CHAIR : MR KLEPSCH

Vice-President

Sir Fred Catherwood (ED), *Chairman of the Committee on External Economic Relations*. — Mr President, I am speaking in the absence of Mr Pasmazoglou, who is draftsman of the opinion of the Committee for External Economic Relations.

The problem of economic growth is not simply a problem for the young people who are outside. It is a problem for the whole world and a problem in which our Community has got to give the lead. We are now the leaders of the industrial democracies. We are the people to whom the world now looks for a lead. The European Community is now 50 % bigger than the United States in terms of world trade. If we do not act, then no one is going to act. We are bigger in population than the United States, we are bigger in industrial output. Furthermore, this meeting of the elected representatives of the peoples of Europe indicates that we have the will to put this right. If we do not put it right, no one is going to put it right.

Moreover, it is not only the people who are not now employed. If we see a continuation of the present economic slump, then there is going to be a deterioration in the whole economic condition of the world; not only will things not get better, but they will get very much worse. And that is because if the slump goes on, countries are going to try to protect themselves. All that a national government can do is to attempt to protect its own frontiers. I would like Members of this elected European Parliament to recall why we have a Community, why we have a common market. We have a common market because the last time there was a major economic slump in Europe, Europe went protectionist. The frontiers blocked the transit of traffic. Six years after the frontiers blocked the transit of traffic, the tanks broke those frontiers down. We have lost 40 million people in two world wars, of whom more in the Second World War. Trade war leads on to greater violence as people try to extend the frontiers which have been blocked by protectionism. So protectionism is no route forward for this Community.

(Applause)

We have therefore got to see that we get the conditions in which governments are not tempted to protect themselves. It is up to us in this Parliament today to give hope. Hope is what Europe wants and hope is what the world wants. It is not only in Europe that it matters: It is in the Third World too. We have some kind of idea that there are parts of the Third World — South-East Asia, for instance — that have a buoyancy and expansion of their own. That is not true. I was in Singapore, the most buoyant and expansionist of the newly industrialized countries. There is a great petro-chemical complex there into which billions of ECU have been poured, and that is not working. They

have said to me that unless Europe gives the lead in getting out of this slump, they are finished in the Third World. We owe it to those countries not to call in their debts and have the ability to borrow additional money.

(Applause)

We have to come to technicalities. We sympathize with the people outside who want us to get Europe going again. We must respond emotionally to them. They expect us in here, who know our business, to get down to the technicalities. We have to look at the great institutions of Bretton Woods which gave us that tremendous surge of 30 years' expansion and realize that we cannot possibly carry on with free trade if the other great institution which produced stable money does not operate. So we must try to expand our European monetary system. We must try to make it effective and powerful.

(Applause)

We must try to come to some agreement with the United States of America and with the Japanese on stable money so that industry has the security of stable money to invest once more, create jobs for our young people, expand and give, after this slump, another burst of expansion such as the one that we enjoyed after the War.

(Applause)

Mr Brok (PPE), *draftsman of the opinion of the Committee on Youth, Culture, Education, Information and Sport*. — (DE) Mr President, Ladies and Gentlemen, in reply to Mrs Salisch's somewhat wide-ranging report I would like to make the following point: in my opinion there is no conflict between jobs and defence policy.

(Applause)

We pursue our defence policy so that the European trade unions are free to fight for jobs and do not suffer the same fate as the Polish 'Solidarity'. We should therefore refrain from presenting these two issues as being in conflict.

(Applause)

The unemployment among young people confronts us with very grave problems. The latest figures show that 37 % of the unemployed are younger than 35. This situation has arisen at a time when we are faced by an unprecedented accumulation of problems. Demographic developments, a new industrial revolution, the budget deficits in our Member Countries and a world-wide economic crisis have all coincided and it is this accumulation of problems that makes a solution so difficult. But I believe that the State must help with the provision of training places, that industry must make a special effort to give young people a chance so that they do not feel cheated and do have an opportunity of self-fulfilment in a profession, so

Brok

that they do not embark on the decisive years of their adult life without hope for the future. This is also an investment in freedom: if we as members of a free society are not in a position to offer the younger generation opportunities, we cannot expect them to be enthusiastic supporters of a free system. One is not possible without the other.

(Applause)

I also see an investment in our own prosperity. Europe's relatively high level of wealth is not based on raw materials, but on the enterprising spirit of our businessmen, on the inventiveness of our scientists and engineers and on our highly skilled craftsmen. If we do not provide sufficient training opportunities in industries of the future, and this applies equally to skilled workers, then in the long run we will not be able to maintain our present high standard of living and social system.

(Applause)

I therefore appeal to companies to see this as an investment in their own economic future and to increase the provision of training places — as has been done in most countries with particularly small and medium-sized firms setting an example.

We must eliminate unnecessary bureaucratic regulations which discourage training opportunities and encourage measures such as inter-company training schemes, training place exchanges and also consider, for example, the question of job-sharing. Above all, I feel it is important to achieve a combination of theoretical training and practical experience, for the level of youth unemployment is lowest in those countries where there are alternative, or as we say in Germany, dual training opportunities. This system is to be preferred to the over-academic approach to training. Mr. Schnitker's suggestion on the introduction of a vocational training pass should be encouraged. Why should it not be possible for a young person from Paderborn to receive part of his training in Le Mans, as long as this training is recognised. It would increase his skills and promote European unity — an excellent opportunity to demonstrate the European ideal.

(Applause)

I am glad that the Committee on Youth clearly rejected an anti-technology stance. To say that new technologies only destroy jobs is to forget that only new technologies enable us to be internationally competitive and that new technologies also provide new opportunities and possibilities for self-fulfillment. We must be in a position to provide young people with training for these new technologies. There are no grounds for pessimism — we have adequate sportive social facilities to deal with any problems that may arise during the transition phase of such an industrial revolution. At this stage we should, of course, also consider the question of reducing working time and all the problems this involves such as cost neutrality etc. However, it is my opinion that voluntary reduction of a

working life, i.e. early retirement, is better than an 18 year old on a street corner. Steps should therefore be taken to permit early voluntary retirement. It is important, however, to appreciate that the solution can only be achieved as part of economic policy and that all other measures are only a form of back-up. I am glad that my Committee has emphasized self-help, courage to take risks and the need to encourage independence, including economic independence in schools. Special support must be given to the establishment of new companies.

This is in line with the suggestion in the Papaefstratiou report on giving employees a share of economic wealth. All the statistics show that the establishment of small and medium-sized undertakings is the best method of providing training places and jobs. Efficiency, social justice and freedom based on the firm foundation of private ownership. The way of the social market economy is better than centralized control and subsidies which, as we have seen in the steel industry, lead nowhere and simply exacerbate the problems rather than solving them.

(Applause)

If everything belongs to everybody, nobody owns anything and no one feels any sense of responsibility. I feel it is very important to emphasize this if we are to spur the citizens of Europe on to greater efforts. And we will only achieve this if the Member countries create the basic parameters for industrial profitability, access to the money market for private firms, and an increase in productive investment in public budgets which are siphoning off funds to cover their deficits, so that no money is available for creating jobs, and if bureaucratic obstacles are eliminated.

(Applause)

There are typical European methods for coming to grips with the problems. The internal European market is the European weapon against unemployment. Barriers to trade mean that DM 30 000 m is held back at our borders. A large internal market with a population of 270 million provides a solid basis for series production and marketing on a large scale, ensuring international competitiveness. The same applies to European cooperation in microelectronics, biotechnology and energy. We are tired of doing the same thing in each of our small European States — three, four or five times over, spending twice as much money as the Japanese, with only half as much to show. Let us pool our European resources, then we will be able to come to terms with competition from others.

(Applause)

We appeal to our national governments to abandon their national egoism. I would like to quote Kurt Tucholsky, who said: 'Banners and anthems at every corner. Europe? Let Europe go to the dogs! What if all is destroyed, as long as the nation survives!' I believe there is a better solution.

(Applause)

Mr Thorn, President of the Commission. — (FR) Mr President, allow me to tell you at the outset that the Commission is very grateful to you for having organized this special part-session on employment.

The fight against unemployment was, of course, already one of the central concerns of the European institutions. The European Parliament has said so frequently and I myself made the same point in the speech I gave before you on 8 February last. But the fact that this Parliament, representing all the citizens of the Community, should devote a special part-session to this problem seems to me particularly important now because it is striking evidence of your resolve, which is ours as well, not to do nothing, as certain speakers have just said, but to act and to get people to understand that, to act effectively, it has to be done at the European level. That is the essence of the short message I wanted to deliver to you this morning.

Whatever the scale of unemployment in Europe as pictured by your rapporteurs, whatever the prospects, which — let us be frank — are pretty poor in the immediate future, I refuse to consider the phenomenon as inevitable, I refuse to believe that the combination of all our strength and imagination at the European level can remain without result.

Of course, ladies and gentlemen, we have to be realistic and above all not delude public opinion into thinking that we have suddenly found the miracle cure. That would be demagoguery and the end of our credibility.

Because we all know — as Mr Papaefstratiou reminded us again just now — that today there are more than 12 million workless in the Community or 11 % under the labour force, 40 % of them — sadly — being under 25.

What is more, we all know that this figure could well increase in the coming weeks and months, so high is the number of jobs that would have to be created to reverse the trend and we do not expect any sharp improvement in that connection from the timid signs of recovery to be seen here and there, at least not immediately. One puff of air will not get us going again, we need a stiff breeze.

But clearheadedness must in no way mean inaction. On the contrary, it stresses the extreme urgency of the situation and I am here to tell you that the Commission, today as last February, is convinced of the extra contribution that a programme devised and applied rapidly, but at Community level, can make to the fight against unemployment.

The point is that, to our mind, there is only one possibility — an overall programme linking general measures to put new life into the economy and to restore our competitiveness and that of European industry, with more specific measures on employment. Indeed, the long-term solution can only come from the crea-

tion of wealth, with the jobs it generates, but in the short term we also have to combat the economically disturbing and socially destabilizing effects of unemployment.

This overall approach, Mr President, is also that of your Parliament to judge from the very wide spectrum of measures proposed by your Committee on Social Affairs and Employment and from the content of the various reports on the agenda for this part-session, particularly that relating to the Competitiveness of Community Industry.

The defining of the measures to be taken is, I feel, well launched and I am also thinking of the various resolutions already adopted by your Parliament or the motions which will, I hope, be adopted tomorrow. I am also thinking of the very full plan of action put forward by the European Trade Union Confederation and, lastly, I am thinking of the proposals made by the Commission these last few months.

Without going into detail — I do not have the time — and not wishing to anticipate what my colleagues will be telling you during the debate, I would simply like to recall what we feel should be the main thrust.

Restoring growth and the competitiveness of the European economy means investment and that, of course, means — as the Commission has proposed — that the Member States have to inject special aid to growth in private investment and towards an alteration in the budgetary balance in favour of public investment. This is vital, ladies and gentlemen. It also means that the Europe of the Ten finally becomes the ideal development location for our enterprises and here I am thinking about the unending combat waged by our Commission for more convergence in our economic policies, a greater role for the European monetary system and the completion of our internal market. All this has to be linked together if we want results. Lastly it means that special attention has to be given not only to the restructuring of certain traditional industries but also to the industries of the future in which it is possible to create jobs.

All these measures constitute the very minimum necessary to recreate employment in Europe in the years to come but it will not be sufficient. Pending their long-term effects, it is now, as your rapporteurs have demanded, that we have to tackle the tragedy of unemployment. That is why the Commission has given a great deal of thought to the possibility of creating jobs by reducing and reorganizing working time which should, in our view, enable productive investment to be better used. In the memorandum on working time that you will be debating today through Mr Ceravolo's report, the Commission reached the conclusion that this could make a contribution to improving the employment situation, provided all rigidity in its application is avoided.

Thorn

The Commission also felt the combat against youth unemployment to be an essential priority. It is a huge problem, which Mrs Salisch has described, but it is also a complicated problem to solve which explains — though this is not, Madam, offered as an excuse — why the Commission did not adopt the report until last week and, believe me, your accusation is deserved. Here again, you will be discussing the five priorities spelt out by the Commission.

These proposals may be disappointing to some, and I am thinking of the trade unions among others, but, believe me, they represent what is already an ambitious effort in present economic circumstances.

One last word — on vocational training. As your rapporteur has said, this cannot be a miracle cure but it may have a vital role in developing the skills of the young and helping to tailor what they know to suit the requirements of enterprises with their eyes on the technologies of the future. The Commission has therefore proposed what it feels to be a consistent package of measures but these will be fruitless if all of us in Europe fail to pull our weight and make them a success. The Commission is counting on this House.

I am also thinking of the social partners whose role is vital, particularly in the field of reducing and reorganizing working time and in that of youth unemployment.

Lastly I am thinking of the Member States who will have to coordinate their efforts, more than they have done in the past, along the lines we suggest. And I am thinking of the Council of Ministers which will have to pass a number of texts submitted to it by the Commission and agree that the Social Fund be given the increased appropriations that you call for. This is the only way that the European Employment Pact can materialize, a pact whose conclusion is urged by your Committee on Social Affairs and Employment and to which we are ready, as of now, to lend our support.

(Applause)

Mr Richard, Member of the Commission. — Mr President, may I say — as President Thorn did — how pleased I am that Parliament has decided to hold a special session, devoted primarily to unemployment.

I really do not think that it is necessary for me today to rehearse the stark facts of the unemployment crisis that faces Europe. The figures are well known. All of us in this hall have had experience, direct experience in the case of some of us, of the impact of those figures. The situation is now so serious that, unless restrained, it could even threaten our political, social and economic institutions.

In the 1960s and 1970s, unemployment was perceived as the concern of Member States. In the 1980s it has become the concern of the Community, and we recognize now that the Economic Community is not only

about the internal market; it is not only about the common agricultural policy, it also has to become, far more than it has in the past, about the people of Europe and about their jobs. Part of the failure of the Community to produce an effective strategy for employment is, I think, due to our economic successes in the past. In times of economic expansion we have tended to regard the maintenance of full employment as being as it were, a natural by-product of that success. In that period we all came to regard very low levels of unemployment as being in the natural order of things, as being perhaps a part of the post-war phenomenon of increased economic growth. We now know that this is not true.

Whilst it goes without saying that if we are permanently to reduce our present levels of unemployment we must create an upturn in the economy, reflation and sustained economic growth. We must also recognize that these conditions on their own will not necessarily produce conditions of full employment. We therefore have to acknowledge that increased economic activity is not in itself an answer to these problems.

Mr President, although there is a new awareness in the Community of the seriousness of the employment problem, we still need, I think, to face up to this challenge in a far more positive manner.

May I say at the outset of this important parliamentary debate that I do not think much would be served in the interests of those of our fellow Europeans who are at present out of work or are concerned about maintaining their employment if it were to degenerate into an argument between the institutions of the Community as to which of those institutions felt more strongly about this particular issue. I think we are expected collectively — the Commission, the Council and Parliament — to produce a practical answer to the question, which is a perfectly fair question and which is now being asked by the 12 million of our fellow citizens who are out of work: 'What are we going to do about the situation?'

(Applause)

Firstly, Mr President, we must, I think, develop a more balanced approach to our various economic problems. Combating mass unemployment is surely as important as combating inflation. Whilst our policies on investment for modernization and particularly for the development of the new technologies must attract very high priority, the responsibility to provide work for our people surely is an equal one. We must also recognize that whilst increased investment is essential for the solution of our problems, this investment is not just needed in private manufacturing industry; it is also needed in the service sectors and it is also needed in the areas of traditional public investment, notably in construction, transport, urban services, energysaving and environmental improvement and protection.

Richard

In the present situation we must encourage national governments to use the margin for manoeuvre that exists in some of their national budgets to expand those projects which not only are required to meet present economic and social priorities but can also be a means for creating a large number of jobs.

Mr President, this approach will not be sufficient on its own in the acutely difficult period we are now facing. We are also going to have to involve ourselves much more directly in job creation activity itself. I am convinced that without specific job-creation programmes, particularly for the most disadvantaged of the unemployed, we face the almost certain prospect of having to live with unemployment rates of 10 % and above as a permanent feature of our society. This, Mr President, I find a quite intolerable prospect.

In this situation, it is the condition of the young unemployed which must cause us most concern. At the present time again the figures are well-known over one in four of the under-25s in the Community is currently unemployed. In some Member States, the proportion has now risen to one in three. As far as the 16-18 year-olds are concerned, apart from the various special training schemes provided by some Member States, the labour market has virtually collapsed. For the young unemployed, at least as far as jobs are concerned, Europe as a concept and the Community as a set of institutions seems to hold out little hope at present. I believe that this is a situation which collectively we simply cannot allow to continue. But if we do not do anything for these young people, they will conclude that they need not do anything for society. That, in my view, is a prescription for future anarchy.

It is under this impetus that the Commission has just produced its paper on youth employment in which we set out the scale of the problem and made certain proposals as to how to deal with it. We believe that the Community will need to create an additional two and a half million jobs over the next five years, i.e. half a million jobs a year if we are only to bring youth unemployment down to the adult average figure: i.e. some 11 %. We stress that the longer we put off facing this challenge, the worse the problem will become, as the number of young unemployed increases and as their average periods of unemployment increase.

Mr President, I said we should be practical in our answers to the question. I hope that in the paper which is now with Parliament we are now being practical. We have proposed a range of job creation measures which include, firstly, the creation of more job opportunities for work-sharing actions. Secondly, direct aid to private employers to recruit more young people. Thirdly, we think one could help young people far more than we do at the moment to set up their own business. Fourthly, we think we could use public funds to expand employment opportunities

outside the market sector and, finally, we need to provide additional structural help for those who face the most serious employment difficulties, including indeed many who have never worked at all.

Having set the target, we have to ask ourselves: 'Is it attainable?' As far as the Commission is concerned, Mr President, we believe that that target is attainable, provided that the Member States are prepared to exercise collectively their not inconsiderable powers and provided that the Community as a whole is prepared to set itself the task of achieving this particular objective. Sacrifices may indeed be needed. Of course they may. But if they have to come then they need to be accompanied by expansionary action if we are to reap the benefits in terms of economic growth in jobs and not simply to indulge in self-destruction. I am pleased to see that this fundamental message is contained in the resolutions which are being debated today. I will have the opportunity, I understand, of commenting in more detail on the individual resolutions and reports.

Mr President, in conclusion I would merely say once more how pleased I am that Parliament has decided to try and mobilize all the influence which is at your disposal in order to persuade the Member States of the necessity for urgent action in this field. May I assure you, and Mrs Salisch in particular, that in that endeavour the Commission really finds itself an ally of Parliament in trying to deal with this particular issue.

(Applause)

Mr Blüm, President-in-Office of the Council. — (DE) Mr President, ladies and gentlemen, it is a great honour to address this House. I should like to begin my speech by acknowledging the role of Parliament and by observing that the item on today's agenda requires the broadest support from Parliament, the Commission, the Council and both sides of industry. With this special part-session, Parliament is making an important contribution towards fulfilling its task of voicing the cares and longings of millions of people in Europe and by serving as a forum in the search for solutions to pressing problems. I can also appreciate your wish to be more than a sounding board. You wish to play an active role and I fully accept this.

(Applause)

Europe is in the throes of deep-seated economic and social transformation. These changes represent not only a threat, but also a challenge. We should use the word crisis not only in the sense of a threat to our existence but also regard it as an opportunity for reform. This is not the first time that Europe has undergone a fundamental change and each fundamental change has brought rejuvenation. Why should it not be possible once again to give Europe new strength through change?

(Applause)

Blüm

I believe that pessimism is out of place and that self-confidence is part of Europe's strength and will enable us to overcome this crisis if we really want to. More than twelve million unemployed in the European Community — we cannot simply dismiss this fact. It is the number one priority. It is a problem that no one can solve in isolation — not the national governments, not the social partners, not the European Council, not the Commission. United we stand, divided we fall.

(Applause)

The Common Market, freedom of movement, the European monetary system, rules on competition — these are all mere artefacts. By themselves they cannot provide a solution. They must be used to make Europe plausible as a Community. Last November, the joint Council of the Economic, Finance, Employment and Social Ministers presented a tentative programme to reactivate the economy and to regain full employment. The reports by Mr. Papaefstratiou and Mr. Leonardi contain further considerations and suggestions. We do not regard what we formulated in December 1982, and in the previous year, and now again in March, as a cut-and-dried solution — there is no patent solution. We must combine our ideas and strengths to reach an overall solution.

The future of Europe depends above all on the support of young people. For this reason I welcome the suggestion, and this is how I at any rate understand Mrs Saliisch's report, that we are to give priority to the fight against youth unemployment. On the three elements: Youth, Jobs and Europe must rest our hopes for the future. Europe must demonstrate that it can help the next generation, tomorrow's Europeans.

(Applause)

We need more than rhetorical statements and general appeals. The test of our policies must always be what they achieve in practice, in everyday life. Any progress, however small, is welcome, for it brings us closer to our goal. One step forward could be to concentrate Social Fund resources on the fight against youth unemployment.

(Applause)

We are currently discussing ways of restructuring the Social Fund to focus on the fight against youth unemployment. The sole purpose of the Social Fund is to help every worker make use of his skills. The Social Fund would not achieve its purpose at all if it were, to put it bluntly, merely another instrument for providing the state with cheap money. The Social Fund must be used to create jobs. It must be used for employment policy, with the emphasis not on financing unemployment, but on eliminating unemployment.

The Presidency of the Council will do its utmost to ensure that the discussion on the rules of the Social Fund can be concluded before the middle of this year.

We particularly hope that Parliament's opinion, which the Council keenly awaits, will prove helpful. An increase in the endowment of the European Social Fund, a point that has also been made by Parliament, would be a further advantage. You have a passionate advocate for the needs of the employment market, but I must point out on behalf of the Council that in the present situation there are limits to the increases in funds possible. Since Parliament has a decisive influence on the budget, it lies in your hands to initiate a reallocation of funds and to make the Social Fund a new and more powerful tool.

One concrete method of helping young people, as the Council fully recognises, is vocational training. All experience shows that a thorough vocational training represents an insurance against unemployment. We need a new campaign, new initiatives for vocational training. When I say training, I do not only mean, as certain people sometimes mistakenly conclude, academic training. As I understand equality of opportunity, not only must children from all social backgrounds have equal opportunities, but there should be provision for everyone to develop his talents to the full, and this includes practical skills: the worker who has learnt to think with his hands is just as valuable as the worker who uses his brains.

The heads of state and government have proposed a scheme whereby all young people are to be given an opportunity over a five-year period of receiving a basic training or work experience. The Commission has included this scheme in its proposal for a Council resolution on Community vocational training policy in the Eighties. This is meant to supplement and support the measures taken by the individual Member States. Indeed, we need better coordination of national initiatives with Community measures. A final discussion of this proposal on vocational training will take place at a joint meeting of the employment and education ministers at the beginning of July. We need public support and attention so that we can achieve our aims.

In connection with this, I would like to reply to Mr Brok's question. The education ministers reached agreement in May 1982 on a further range of pilot projects to facilitate the transition of young people from school to work. The number of projects, which was originally 25, was increased last March to 30. Certainly, an increase of 5 is not a giant step forward, but let us not be discouraged. Europe can set an example even in small ways. The pilot projects will not solve the problem, but they can stir up interest by exploring new avenues.

(Applause)

The Commission has just announced that it will submit a communication on improving the employment situation for young people. As you know, the Council attaches great importance to concrete sugges-

Blüm

tions from the Commission in this field. The German Presidency will do all it can to press forward with the discussion of these proposals by the beginning of July.

Training is one aspect. But it is by no means everything. We also need growth, economic growth. I am not one of those fatalists, not to say pessimists, who believe that growth is no longer possible. I cannot understand such pessimism. As long as there are still needs in the world, there must be growth.

(Applause)

Faced with a world threatened by hunger and want, it would be a sign of resignation to say we no longer need growth. It would not only be resignation, but possibly a failure to demonstrate solidarity.

(Applause)

We thoroughly agree with the argument that growth cannot only come in the old areas, and that we must discover new ways, new needs. Man is by nature always in search of new things. Why should it not be possible to find new growth areas of demand too? Protection of the environment was mentioned this morning, for example. Work in this field can help conserve the environment and create jobs. In my view, these two aspects complement rather than conflict with each other.

Nor can I see that technology presents a problem. Since men have existed on earth it has been the task of technology to relieve us of work or to make our work easier. Why should this suddenly have changed? If we had done without this job saving, or as was previously said, job destroying aspect of technology, then this Parliament might well be meeting under the greenwood tree and not under civilized conditions.

(Applause)

My point is that the purpose of technical progress has always been to relieve us of work. The question is only whether one person should be relieved of all his work and another of none. This is the problem of the distribution of work and here I must agree with all those who fear that if we do not tackle the problem of working time in all its manifold aspects, then the spectre of a new social structure arises, where some have all the work and others must be satisfied with none. There is an even greater danger that the young and healthy who fit into the strait jacket of a competitive society will always have work, whereas the older and weaker members of society will be left out in the cold, and the affluent society will salve its conscience with the thought that no one actually starves.

To my way of thinking that is poor consolation. A job is not only the right to earn a living. A job also means the right to be involved, to achieve fulfillment and no financial aid, however generous, should deprive us of our right to have a share of work — a right due within the limits of his capabilities to everyone — the young, the old, women, the disabled.

(Applause)

But the problem of working time cannot and should not only be tackled at the level of legislation; both sides of industry must also be involved. There is no overall solution for the whole of Europe. Circumstances are different everywhere. We must also combine the concept of the division of labour with a humanising component. Could we not once again exploit technology to reconcile the demands of work and other spheres of life better than over the last hundred years? Could we not soften the transition from youth to working life, and humanise the transition from working life to retirement?

People are not machines that can be switched on and off. Can we not get away from the rigidity of industrial working hours back to a pattern of life that existed for thousands of years? A farmer has never retired suddenly from working life and I believe that we must approach the question of working time with greater imagination, with more flexibility, with more consideration of people's differing needs.

(Applause)

I also see part-time jobs as a way of getting away from the alternative of all or nothing. Is it not a contradiction in terms that a number of both those in work as well as of the unemployed would prefer to work part-time? This defies logic. The obstacles are political not natural and need to be eliminated — the sooner the better!

(Applause)

The Council will play its part. We have already wasted a lot of time, and as you know, the German Presidency did not begin in 1945, but on 1st January this year. National ambition or blaming past history will not get us any further. We must work together, not looking backward, and learn for the future from our mistakes in the past. Since the Council's resolution of 1979, the Community has achieved some progress. The resolution dealt with the coordination of working time. Parliament criticized it as too timid and not sufficiently binding. We intend to make it more specific and far-reaching, but without encroaching on the responsibilities of the two sides of industry.

Last December, the Council reached agreement on recommendations for a basic Community policy on a flexible retirement age. This agreement took into consideration the position of both sides of industry, Parliament's opinion and that of the Economic and Social Committee, thereby subjecting the question of reducing the length of a working life to Community provisions. I see this measure to reduce working time as a major step forward, as it incorporates an important employment policy instrument. A reduction of working time should not be understood as an order to older people to give up their jobs . . .

(Applause)

Blüm

but as an increase in personal freedom — giving everyone the right to decide when to retire from active working life. Perhaps the word 'retirement' creates a false impression. I see the third phase of life as providing scope for personal development. We should not confine work and achievement to the phase of wage earning. We need our older citizens in social and political organizations. We need their advice and experience. The end of a working life should not be equated with the exclusion of older people from the community.

(Applause)

I admit that the Council has not progressed very far in its discussions on the Commission's proposal on part-time working. I regret this very much, but see no reason for complacency in Parliament. The Council is still waiting for Parliament's opinion on contract labour. As you see, there are faults on both sides!

The memorandum submitted by the Commission on shortening and redefining working time provides a basis for further discussion. I would particularly like to thank the Commission for the very informative resumé of previous discussions and the experience gained in the Member States. Let us take advantage of the fact that we all come from different countries to learn from each other's successes and failures. And if the Commission is able to expedite this process, then it is doing us all a great service.

The Commission proposes to discuss the memorandum first of all with the two sides of industry, since the social partners have a decisive role to play in the measures to redefine and shorten working time. At this point I would like to refer to the meeting of the Standing Committee on Employment, when the subjects of working time and youth unemployment will be considered in depth. The Presidency has proposed 20th May as a date for this meeting.

Unemployment and youth unemployment are a severe test for us all. If we pass, then the European institutions can look forward to a stable future. If we fail, we are reducing our own chances of survival. It is in our own interests to work together and succeed. We will not achieve a European Community by working against each other, but only by working with each other. The opportunity I have been given of speaking to you today documents a chance of improving cooperation over and above the opportunities provided by changing Presidencies and the various office holders.

I could wish that Europe consisted less of resolutions and documents and more of practical, every-day examples. We should try to help each other achieve this.

(Applause)

In reply to Mrs Cinciari Rodano's question on the problem of compatibility between the legislation of a Member State with a Community directive, the Council would like to point out that it is the Commis-

sion's task to ensure compliance with the Treaties and regulations based on these Treaties.

Insofar as any infringement of the law of a Member State enacted on the basis of a Community directive is concerned, the Council would point out that this is a matter for the appropriate authorities of that Member State, without prejudice to the possibility of recourse to the Court of Justice. The Council is therefore of the opinion that it is not for it to take any steps in this matter.

Ladies and Gentlemen, I thank you for your attention, Let us invest all our strength, courage and spirit in the fight against unemployment.

(Applause)

IN THE CHAIR : MR FRIEDRICH

Vice-President

Mr Papaefstratiou (PPE), rapporteur. — *(GR)* We have all listened with great attention and particular interest to the President-in-Office of the Council of Ministers, Mr Blüm, to the President of the European Commission, Mr Thorn, and to the Commissioner, Mr Richard, who, of course, yet again, have demonstrated their good intentions and willingness to tackle the serious matter we are debating. But, colleagues, we are stressing yet again that we want specific immediate solutions, and it is not just we who are seeking this but through us the millions of people we represent. Consequently, we must forge ahead swiftly with the taking of practical measures. All of us are agreed that investments are necessary. But, also, we all know that in countries such as ours, with democratic systems of government, companies cannot be forced to invest. Therefore it is necessary to create suitable preconditions, a favourable economic climate which will encourage investment initiative, and for there to be a sense of understanding amongst the social partners on the curtailment of public spending which, unfortunately, in many countries is increasing at a rate double or treble that of annual national product.

I would like once more to stress the need for all the Member States to devote a percentage, specifically 1 %, of their gross national product to joint investment for the purpose of creating jobs for young people. This point is included in the report approved by the Committee on Social Affairs and Employment. I hope that this report, which we can better call the 'European Employment Pact', will shortly be put into effect. Therefore we request the Council of Ministers to take a decision on this at its next meeting.

The President-in-Office of the Council of Ministers has said that all of these things are being studied. We must, however, arrive at decisions. It will be a good thing if these decisions — which we hope will be taken unanimously, but if necessary by majority vote — are binding on all the Member States, because only then shall we be able to demonstrate the unity of the European Community.

Papaefstratiou

Colleagues, from this platform of free and democratic Europe I call on her peoples and their productive classes to launch themselves united, with faith and optimism, but also with strenuous endeavour and understanding, on a joint initiative for economic reflation with the aim of bringing about social progress and full employment which I believe is attainable.

(Applause)

Mr Glinne (S). — *(DE)* Mr President, ladies and gentlemen, This special part-session on unemployment is supremely important for the European Parliament.

(Applause)

It is equally important for the future of the democratic Europe that we are striving together to attain. Never must we forget that a majority of people in the Europe of the Ten and the Member States are working people whom we must not disappoint.

(Applause)

And yet, the European Community today has more than 12 million unemployed, i.e. twice as many as in 1979, the year of the first direct elections to the European Parliament. Mass unemployment appears all the more absurd in view of the fact that there is still so much to be done in our society, particularly when it comes to improving the lot of the socially deprived.

(Applause)

The average rate of inflation in the Community may have declined, but we condemn the monetarist policies of the majority of Member States because they are being pursued at the expense of a growing number of unemployed. It is horrifying that even optimistic forecasts only predict that unemployment will not increase when there are more than 12 million unemployed in the Community with women and young people particularly hard-hit. I repeat here what I have said on behalf of my party several times in Strasbourg; the Socialists have one priority — the fight against unemployment.

(Applause)

We have made concrete proposals, along the lines of the demands of the European Trade Confederation. These proposals should therefore meet with the approval of the EPP, in particular our Christian Democrat colleagues who are allied to the workers' movement and the Christian Trade Unions.

(Applause)

We are therefore all the more surprised during the preparations for this special part-session that three important amendments submitted by the Socialist Group and supported by the ETUC were rejected in the Committee on Social Affairs and Employment by all other Groups except the Communists.

Mr President, one of these amendments was on reviving the European internal market, another was on

investment and the third and last was on the necessary redistribution of available working time, three crucial points.

I have to say very clearly that our verdict on the final text of the main motion for a resolution will largely depend on what happens to these key amendments by the Socialist Group because we strongly feel that it is high time to change course and put an end to this social scourge of unemployment. If it is the result of policy then that policy has to be changed.

(Applause)

The Socialist Group said this in an important resolution on European recovery: the Jaquet resolution, adopted last November. It says it again today and with this motion for a resolution it makes highly concrete proposals set out in substitute amendment No 10 which we today submit to this Assembly. This substitute amendment demands that concerted economic measures be taken at the European level aimed at selective expansion, in conjunction with a policy for the restructuring of supply with a redistribution of income and employment in favour of the weak and with a democratisation of the economy. The amendment proposes that countries with small deficits in the public sector, a low level of inflation and a strong position on foreign markets should take measures helping to revive economic activity. The amendment also stresses the need to ensure that the production of goods harms neither society nor the environment and uses technology introduced in consultation with the workers that helps to make better use of our energy resources and to improve working conditions.

We also stress the need for a committed redistribution of the work available. At the moment this is the most important instrument because it is capable of the most immediate effect in the fight against unemployment. To this end, we ask that an outline directive at the European level be adopted setting objectives to be achieved in order not to distort competition among Member States, since the practical conditions for reducing working time would need to be negotiated at national level. The target which we and the European Trade Union Confederation believe feasible is a reduction in working time of 10 % and the 35-hour week.

We also call for a reform of the so-called labour market and a democratisation of the economy. We point out that, if a new job creation policy is to be brought in, an ad hoc instrument will need to be introduced with the establishment of a network of employment agencies at the local and more particularly regional level, co-ordinated at the national level and tied in with the European Social Fund with the object of promoting integrated training and employment programmes to suit local economic conditions.

We also stress the need to increase public investment, particularly in the transport, housing, health and environment sectors and the need for qualitative growth and a deliberate industrial policy.

Glinne

We feel that public resources should also be applied to help the adjustment and modernisation of European industries of traditional importance and deserving to be preserved, special rights of participation being given in this case to staff representatives so that they may monitor the use made of public money in the enterprise.

Our group also emphasizes the need to promote research and investment in order to decrease our dependence on American and Japanese technology. However, before a new technology is used there should be prior study and consultation on its social and ecological impact.

Our group also urges that small and medium enterprises should receive particular help. In addition, with the object of ensuring our energy independence and promoting alternative forms of energy, our group calls for greater use of the New Community Instrument and the resources of the European Investment Bank on behalf of non-nuclear energy projects.

Lastly, we also stress the importance of foreign trade and our policy vis-à-vis the third world and the need to improve the functioning of the EMS in order to reduce the power given to the strong currencies to control the system. We also feel that the use of the ECU needs to be increased in Community transactions with the rest of the world.

Mr President, ladies and gentlemen, I have too little time but other speakers in the Socialist Group will have opportunities to go back over each of our proposals in more detail. I would just like to conclude by answering openly an accusation levelled at the Socialist Group which, according to certain members of the European People's Party voicing their views in a press release, is said to be guilty — or to have been guilty — of negativism. Since this press release has already been widely circulated, there is no harm in my reading a particularly significant extract from it. The extract begins: 'It is thanks to the positive attitude of the EPP group that it was possible for the Papaefstratiou report to be tabled. The Christian Democrats make known their disapproval of the negative position of most of the Socialist Members who refused to face up to their responsibilities as regards the formulation of a concrete alternative. In so doing they are simply mirroring the attitude of their national parties which, in the European Community, have practically never dared to shoulder government responsibilities in a period of crisis. The Christian Democrats, on the other hand, present in six of the ten governments of the Member States of the Community, are not afraid to face up to their responsibilities and strive day after day to develop a concrete alternative. The basic reports which will be considered during the special part-session are an exact reflection of Christian-Democratic ideas'.

Mr President, here let me say that we do not need anyone to teach us what our sense of responsibility is or how...

(Applause)

we have faced up to that responsibility. Nor do we need lecturing on our deep-rooted attachment to the claims of the European Trade Union Confederation which we, in our case, shall be supporting throughout this special part-session.

(Applause)

This is why we want to change the main basic report which is such an exact reflection of Christian-Democratic ideas. We want to change its conclusions and motions for resolutions and be more realistic and constructive though knowing clearly, in our case, how to choose, when necessary, between the world of the workers and the world of business.

(Applause)

We certainly have no need to attack anyone at all as a way of camouflaging contradictions and questionable choices. And I would say, in particular to Mr Brok, that even we can be largely in agreement both with the proposals that Solidarity make to save Poland and with the proposals which the European Trade Union Confederation puts forward to save our Community.

(Applause)

Mrs Maij-Weggen (PPE). — *(NL)* Mr President, ladies and gentlemen, during the last two budget debates, this Parliament decided, partly on the initiative of the Christian-Democratic Group, to give top priority in its policy to the fight against unemployment. The fact that 12 million people, European citizens, including more than 4 million young people, are now out of work compels us representatives of the people of Europe to join in solidarity with those who have their backs to the wall. This special part-session, which has been organized with the support of my group, is a token of this solidarity. But it will not be enough for us merely to have some kind of *manifestation de solidarité* today without making proposals, practical proposals, on how we should tackle the economic crisis. Fortunately, proposals have been made, and on behalf of my group I should like to thank the rapporteurs, Mr Papaefstratiou, Mr Ceravolo, Mr Leonardi, Mrs Salisch, Mr Martin and Mr Faure, for their contributions in this respect. Their proposals are now being discussed because they were approved by a majority, in some cases unanimously, in the parliamentary committees, and we find that gratifying. In this connection, I must strongly oppose what Mr Glinne has said. Mr Papaefstratiou certainly has included many of the points made by the Socialists in his resolution, but at the end of the discussion you voted against this resolution. We held out our hand to you, but you did not want to cooperate.

(Applause)

Maij-Weggen

In this statement on behalf of my group I want to concentrate primarily on Mr Papaefstratiou's report. He has had the difficult task of summarizing all the problems and proposals for the restoration of full employment.

I should like to emphasize five points made in his report, to which my group attaches fundamental importance. The first concerns the international context in which the crisis has occurred, the second the need for a coordinated policy in the European Community, the third the need for an active interest to be taken in the new technologies, the fourth action specifically in favour of those hardest hit by unemployment and the fifth the need for the redistribution of work.

The first point, then, is the international context of the crisis, which, in all honesty, is not given sufficient exposure in Mr Papaefstratiou's report. We must realize that neither the causes nor the effects of the economic crisis are confined to the Community. Monetary instability in many Third World countries has resulted in staggering inflation figures, economic instability and very high debts, the consequences for the people being unemployment, poverty and hunger far more serious than they are here. This economic and monetary instability in large areas of the world has had repercussions for the economy of the Community and dragged us down into the morass. The sharp rises in oil prices in the 1970s did not cause this process, but they did aggravate it. It is therefore very important for the Western industrialized countries to join forces to put a stop to this process of decline. My group consequently attaches great importance to the discussions seven leading countries are to have shortly in Williamsburg, and we should like to express our appreciation to Commissioner Thorn for visiting Washington last week and making a number of practical proposals for these talks. We fully endorse these proposals, which call for greater monetary stability, a better consensus on economic questions and an improvement in relations between the industrialized countries and the Third World. We appeal to the European leaders who will be in Williamsburg to forget their differences and to try to agree on the central issues. In this context, we stress that the economic fortunes of the Third World and our economic fortunes are closely connected. The future of these emerging countries is linked to our own in good times and bad, and we call on you to approve the amendments that Mr Müller-Hermann has tabled on this point on behalf of my group.

The second central issue to which my group wishes to draw attention is the need for a coordinated policy in our Community to tackle the crisis. We are pleased to see that the Papaefstratiou report is very clear on this point, and we support the rapporteur's proposals. What is absolutely essential for a coordinated policy is

again the greatest possible stability in our monetary system and the greatest possible convergence in economic matters, something which we must emphasize not only in Williamsburg but also in our own countries.

The need for greater monetary stability in the Community means that certain Member States must refrain from constantly and irresponsibly yielding to the temptation to devalue, since this forces other Member States to adjust their exchange rates. Fluctuations of this kind have an adverse effect on the investment climate and the incomes and employment of the citizens of Europe.

The need for greater economic convergence is just as urgent. The conflicting economic policies at present pursued by some Member States are weakening and enervating our common market, and this common market is a major positive force in our fight against unemployment. It is unacceptable that one Community country should nationalize industries and use protectionist means to ward off competition from other Community countries, while other Member States are cutting back on government measures and trying to stimulate their industries to improve their competitiveness. Imagine what the effect would be if Japanese provinces or States in the USA pursued an economic policy of this kind and ruined each other.

We fully endorse Mr Papaefstratiou's proposals for coordination at Community level as regards economic and monetary policy, industry and development and social and regional policy. If these proposals are implemented, a joint investment impulse and a joint agreement on employment, which the Papaefstratiou report advocates and which we will give our support, have a good chance of succeeding.

When we speak of our internal market and the opportunities it offers, Mr President, we must also look to the future. Developments in the new technologies have now joined the problems raised by the economic crisis. The Member States of the European Community have not done nearly enough to adjust to these new opportunities. The slowness with which micro-electronics have been introduced in our firms has weakened our competitiveness, and the slowness with which we have developed and manufactured products of our own in this field means that opportunities to create new jobs have been missed. Once again, the United States and Japan are benefiting from our failure to act. It is therefore very important for there to be a coordinated policy in this area too, so that the elimination of superfluous jobs can be cushioned by the creation of new ones. In this connection, we would also refer to the new opportunities in environmental technology indicated by the Committee on the Environment, Public Health and Consumer Protection. We shall give its proposals in this regard every possible support.

Maij-Weggen

Mr President, this brings me to the most important aspect of the debate, rising unemployment. To a great extent this unemployment is due to the absence of international coordination of economic and monetary policies and the absence of a Community policy in this area. Twelve million European citizens are now the victims of this situation.

But the problem becomes even more painful when we look to see who the unemployed are. The numbers of certain categories such as young people, women, migrant workers and the handicapped are disproportionately high. We are particularly concerned about the five million young people who are out of work. It is a disastrous situation when young people have their backs to the wall even as they begin their working lives. We are in danger of creating a disillusioned generation with a very negative image of our society. It is of the utmost importance for a joint effort to be made to offer these young people additional vocational training and especially training places in firms so that they may subsequently find employment. We appeal to the Member States to make a concerted effort in this respect, and when the European Social Fund is restructured, we recommend that at least half of the resources be concentrated on projects for young people.

(Applause)

We ask for the same attention to be paid to women, who face the same problems as young people. 65 % of all young people out of work are girls, and we must also do something for women who still have family responsibilities or return to the labour market after a period of family responsibilities. They have no chance at all in the labour market, and they also have to contend with out-and-out discrimination. Here again, we believe the Member States must make a joint effort, and we shall give our full support to the proposals that Mrs Gaiotti de Biase has made.

But we must realize, Mr President, that, even with a better coordinated economic and monetary policy at international level and at European level and with an enormous social effort to help those hardest hit by unemployment, we shall not be able in the short term to create the twelve million jobs that we need.

My group therefore supports the proposals for the redistribution of work which Mr Papaefstratiou and Mr Ceravolo have put forward, although we are thinking in terms of the redistribution not only of work between the unemployed and employed but also of paid and unpaid work, of work in the family and work for remuneration. We would prefer a flexible system of shorter working hours that takes account of the possibilities open both to employers and individual employees. The two sides of industry must be left to devise this system, with the authorities, including the Community, no more than laying down outline conditions. But we must first ensure that

industry does not become any less competitive, because only then can new jobs be created. Furthermore, we must realize that the distribution of work is a solution which merely tackles the symptoms, which merely alleviates the pain of unemployment without removing the deeper causes of the economic crisis. This makes the need for economic recovery all the more urgent — and I agree with the President-in-Office of the Council, Mr Blüm, in this respect.

Mr President, in my statement I have used the words 'need for coordination' a number of times. We very much hope that the Heads of Government who will be gathering in Williamsburg and also the European Council, which will be meeting in Stuttgart in June, will be able to bring about the coordination that is needed.

If 435 Members of Parliament from ten countries, from over 50 political parties and forming seven political groups are capable of taking joint action here, it should surely be possible for seven world leaders meeting in Williamsburg and ten European Heads of Government meeting in Stuttgart to agree on central issues. The Christian-Democratic Group calls for an end to disastrous differences of opinion and for a shoulder-to-shoulder policy for the sake of the millions of unemployed.

Sir Fred Catherwood (ED). — Mr President, it is the belief of almost all Members of this Parliament that since the high level of unemployment, which we all deplore, affects all industrial democracies, it is clearly an international problem that can only be put right by international action — action to encourage job-creating investment by stabilizing exchange rates, action to coordinate monetary expansion so that European growth responds to the economies with the greatest growth potential and is not held back by the pace of the slowest, and, last but not least, joint action to keep open the common market on which we all depend and to avoid the re-erection of European frontiers.

So the majority of us, though not all, believe that no single nation in Europe is powerful enough to engineer its own recovery and no nation itself is strong enough to protect itself from the consequences of the slump by protectionist measures or by devaluation of its currency. Yet there are Members here, a minority of Danish Members, a small minority of British Members — by now even a minority of the Labour Group here but a majority of the party in Britain — who, against all the evidence and against the strong tradition that strength comes from solidarity among those with common interests, believe that Britain's 3 000 000 unemployed will get back to work faster by working against their comrades in Europe and not with them. The most brilliant political speech that I have ever heard was made by Helmut Schmidt to the Labour Party at the Central Hall, Westminster.

Catherwood

Three words of his appeal stand out in my memory twelve years later. He said: 'We need you'. It was time then and it is true to day. We need here, in this Parliament and in this Community, the wholehearted commitment for European and national economic recovery of all major parties in all countries. We in our group are fighting for that.

One of the main pillars of the Bretton Woods system was stable currencies based on a stable dollar. That system gave us for nearly 30 years the greatest increase in real wealth in the history of the world. Then America, having financed the Vietnam war by borrowing, ceased in 1971 to support the dollar and responded in 1973 to the first oil shock by letting the dollar fall, destabilizing all other key currencies. That resulted in inflation, in high interest rates as countries competed in the casino of the world money markets, and in steadily rising unemployment.

Now for economic recovery no one nation acting on its own can put that right. Therefore we have to act together, all of us together.

(Applause)

Business will not make the new investment needed for new jobs, new industries, new technologies, new products — for new jobs do need new investment; that investment will not come unless we once more stabilize the currencies of the industrial democracies. So we have got, as a first priority, collectively to strengthen the European monetary system. Now that system may not be perfect, but at least its adjustments are the result of discussion over real issues such as comparative costs and not of the capital flows of the currency casino. A stronger EMS does not necessarily and automatically stabilize the dollar and the yen, but will be strong enough to exercise a gravitational force and be a powerful basis for negotiation. But to achieve that we need to act together.

The first step in strengthening the EMS, in recovering the currency stability needed for investment and jobs, is the full inclusion of sterling, still a major reserve currency.

The last Labour Government in Britain decided to keep sterling out. The present Labour policy is committed to a unilateral 30 % devaluation of an uncommitted sterling. Our group have always advocated the full inclusion of sterling, and so has the present British Government as soon as the time is right. The rate is now right for the first time, but we now need an election so that the people of Britain can decide before sterling can be committed, the EMS strengthened and, step by negotiating step with dollar and yen, the currency stability restored on which investment and jobs depend. This is a highly technical matter, but nevertheless it is on these highly technical matters that the emotional issue of jobs depends and we have got to get agreement on it. We shall not get agreement on it while large groups

decide that they want to go it alone. Greater currency stability will lessen the protectionist pressure. Without currency stability, far too much pressure is put on the second pillar of Bretton Woods, the General Agreement on Tariffs and Trade, to encourage the increase in international trade. That pressure that is put on the Bretton Woods Agreement pushes people towards protectionism. When you have tiny differences negotiated in the GATT and the huge differences in interest rates and in currencies not negotiated, you have a ridiculous situation which has got to be put right. Once more we have got to bring currencies and interest rates back into international negotiation in order to get the kind of stability that we got in Bretton Woods, which gave us the full employment that we had for 30 years after the war.

Meantime, if we are to get Europe's unemployed back to work we have simply got to keep our own common market open, so that our own industry has complete security to invest for the whole of that market, so that small countries such as Belgium and Holland and Denmark do not suddenly find that industries that have invested in their countries are stopped from sending their products to the rest of the Community. That security is fatally undermined if one major country goes protectionist. No one will invest for that market and, knowing the inevitability of countervailing measures, no one in it will dare invest either, so that the investment and the jobs in any country that goes protectionist will go down and not up and there will be more and not less unemployed. The sooner we have the issue settled, the sooner Europe will recover.

Finally, if we are to have a *relance* we can only do it together. We have seen that if one country expands alone it is swamped by imports; it creates jobs, but not for its own people; its trade deficit soars; its currency comes under pressure and it has to come to a stop. If Labour's unilateral policy had the slightest chance of being successful, we might understand it. But to insist on unilateral action which will fail and also to undermine successful collective action, that is absolutely unforgivable folly.

(Applause)

The six committee chairman under Vice-President Nikolaou were authorized to commission a team of economists to take the best advice in Europe on the ways to put right what has gone wrong in the European economy and to get our 12 million back to work. As rapporteur for that group, I am enormously encouraged by the work they have so far done, as I hope everyone here will be when the report comes up in the summer for discussion in the committees and then in Parliament. There is broad agreement on what has gone wrong, and it is clear that there are ways to put it right and to get the European economy back on the rails and our 12 million back to work again.

Catherwood

To get out of this crisis, we need above all to work together. There is no point in producing reports if action is not taken. Action depends on national governments. Our group, the British and Danish Conservatives, are pledged to take joint action with the Community, and so are the British and Danish Governments. That is the way forward — not unilateral action, which is disastrous and undermines what we are all trying to do together in Europe.

(Applause)

Mr Fanti (COM). — *(IT)* Mr President, in this first speech the Communist Group wishes to express its general opinion on the present session; we are facing the central problem of the Community, a problem which seriously affects the lives of its people and consists in the appearance and establishment of one of the gravest and most dangerous of economic and social phenomena.

In the fifties great changes had already driven millions of workers out of the productive process as represented by agriculture, and they then went to work in industry; it was in these very years that the Community came into being. Now, however, there is a mass expulsion of millions and millions of workers from industry, and their prospects are uncertain and confused.

The facts which we have again been given this morning are striking because they show how this phenomenon attacks the living and working prospects of the younger generations at the very roots. There is no miracle cure. In this speech, I want to try to talk about what, in spite of differing attitudes towards the reports, seems to be the factor which they all have in common: it is this common factor which allows us to continue our debate in a constructive and positive way.

Our group has contributed to this wide debate in the form of three reports from Mr Leonardi, Mr Ceravolo and Mr Martin. Other colleagues in my group will speak specifically to each of the six reports. It is my concern, I repeat, to point out this common factor. It consists, in my opinion, of our common need, in order to deal with unemployment and to combat it vigorously and successfully, to see measures taken by the Community not only at the social level but also at the economic level. This assessment is based on the conviction that no European country, whether it is Federal Germany or France or any other, is capable by itself of solving the very serious problems which face us and of beginning to develop once more.

The European Community today risks being seriously affected by aggressive competition from the United States of America and Japan. In the face of this attack, the basic weaknesses of the Community come to the fore: the interests of the dominant social groups and

the strongest nations prevail and the very types of integration within the Community which have so far been achieved are called into question.

The reports clearly show how great the danger is for Europe. In the present struggle for a new international division of labour, western Europe can only deal with the situation if it coordinates its efforts at economic and political level and manages to assert its autonomy. To do this, however, urgent steps must be taken to reverse the present trends.

The situation, as we all know, is serious. The level of unemployment is the most worrying symptom of the crisis. The future is full of unknown factors and in the face of competition from huge economic blocs, such as the American and the Japanese, protectionism is no use, and national attempts at barriers and self-sufficiency are no use. The way towards economic and subsequently political nationalism has already been trodden in the past, and has brought disaster on Europe and on the world.

(Applause from various sides)

While the different countries have problems which are different and specific to them, the crisis does have a supranational dimension. Only if the whole European economy is taken into consideration can we achieve the economies based on enterprise, concentration of effort and rationalizations which will enable us to begin to change the way in which industry works.

But there are still more considerations: in this situation, among many political groups and in the realm of ideas the realization has begun to gain ground that the old formulae are no longer sufficient and the conviction has grown that it is necessary to intervene in the productive system to remove structural limits and obstacles. Therefore, research and debate on the state, the administration of the economy and rational and supranational planning return to the fore as the way which must be followed in order to prevent the increasing weight of the crisis from falling on the weakest, whether social classes or countries.

This is what we are talking about. We must try to draw conclusions from this debate. However, we must ask ourselves a very precise question: what follow-up will there be to our conclusions? I put the question because, recently, our European Parliament has been and continues to be the object of considerable attacks from the press, political forces and public opinion in Europe. I leave aside, naturally, all mention of scandal-mongering. I refer, for example, to that political criticism which has come from an authoritative French newspaper concerning the non-existence of the European Parliament.

However, is it us who don't exist, or is it the government of the Community?

(Applause from various sides)

Fanti

The power of this Community to take decisions does not, as we know, reside in the European Parliament but in the Governments; and this is one of the reasons for the present crisis. It is not pessimistic to say this to the representative of the Council of Ministers. Stimulating and urging on the Council of Ministers and the European Council means exercising those functions which it has so far shown and continues to show that it is not capable of exercising; so it is that, this year, not even the agricultural prices have yet been fixed!

For four years the European Parliament has put forward proposals, especially in the economic, monetary and social field. Our final proposal will probably concern the reform of the very powers to take decisions of the Community and its Institutions.

It is all these proposals, economic, social, monetary, political and institutional, which we commit ourselves to take for the workers and our people in order to help our common battle for recovery and renewal in Europe and to ensure that the fight against unemployment is a real one.

(Applause from various sides)

Mrs Nielsen (L). — *(DA)* Mr President, we in the Liberal Group very much regret that the Parliament has not been willing to comply with a proposal in which we stated that before this meeting was held, it was absolutely necessary that the Committee on Economic and Monetary Affairs gave their opinion. This is because we in the Liberal Group are clearly of the opinion that we cannot solve the very serious problem of the large numbers of unemployed solely through social means. The problem must also to the greatest extent be solved by economic means. But unfortunately what happened was, that the socialists tried to monopolize the social side of the matter, and therefore we could not have an opinion from the Committee on Economic and Monetary Affairs. When one bears in mind that the only factor which can really generate jobs for the many unemployed is a sound economy in our Member States, healthy economic conditions for our enterprises so that they again dare have faith in the future, and so that they dare invest and thereby create new jobs, then I do not understand at all that one can ignore the economic aspect completely and put the Parliament in this situation.

Therefore we hope that by tabling amendments we can get the majority of Parliament to understand that through socialist talk and socialist ways of tackling problems one does not solve the deeply serious problem we face, and to acknowledge that the various formulas for economic policy by which one tried to solve the unemployment problem when one was in a similar situation many years ago cannot be employed today. One believed in Keynes' theories, at another stage one believed in Friedman's monetaristic

theories, but nowhere have these theories shown the way to any usable solutions for the unemployment problem. And this is quite simply due to the fact that the economic policy, and especially the employment policy, is of such a complex character that there does not exist any single economic model which can show the way to a usable solution.

The assumptions behind these theories don't come true either. They quite simply fit another society than the one we are living in now. They are founded on the fact that wages could both increase and decrease, but unfortunately this has not been the case in the last few years. If these assumptions have not come true, then this is due, among other things, to a virtually unyielding demand from the unions that real wages should not be touched, even if this in reality is tantamount to the fact that solidarity is only valid for those who have a job, at the expense of those who cannot get a job. Solidarity is a key concept in this debate. It is about the solidarity of those who have a job with the jobless. It is about solidarity between the industrialized countries in the sense that they take care not to export their unemployment to other countries. And not least it is about the fact that the rich countries of the world must show solidarity towards not only the unemployed people of the third world but also towards its starving population. As you know, this fact has been underlined many times in this Parliament.

All types of solidarity must be trustworthy, because slogans and declarations of solidarity are not sufficient any longer. Now we must act. We really must come forward with something concrete, and I must say that several of the reports we have debated — I exclude Mr Leonardi's sensible report — do certainly not distinguish themselves by being realistic; they are full of a lot of words and terms that cannot really be transformed into practical politics, which can generate jobs. The former steel workers of Lorraine and Wallonia cannot tolerate much longer that we just speak about solidarity. And that goes for the people of the third world too. Therefore it is up to us in the Parliament, through our daily work, to transform our wishes into something which the Council of Ministers and the Commission can transform into practical politics. Otherwise we will get nowhere.

We in the Liberal Group are really worried about what is no more than a nostrum from the Socialist side for creating jobs for people, namely to reduce working time. We feel this is a policy of abandonment. What has become of imagination? What has become of the will to create something new? It is only through increased growth, as the President-in-Office of the Council mentioned, that we can create more jobs. We are facing great challenges. The new technologies have come to stay. If we have the imagination, if we have the will, then we can utilize the new technologies. We can, if we wish to. We have not sufficiently demonstrated the will to do so. It is not enough just to

Nielsen

give up and distribute the existing amount of work to the total mass of workers. No, let us demonstrate that we have the imagination and the will to create jobs for the many who have none by competing in the large world markets, and this, indeed, with goods that are sellable because of their quality and because of their competitive price. If we are capable of this — and we in the Liberal Group believe that we are, if we wish to be — then we are also able to tackle that competition which means that we can get people jobs.

I shall end by saying that all this talk about getting jobs for people is of very little use when there still exists in the Council of Ministers a certain Member State which does not want to discuss what is absolutely necessary, and that is education. We must get people vocationally trained so that they are properly prepared for the jobs that may come. But if educational matters are not permitted in the discussions of the Council of Ministers, then the whole procedure will come to a halt, and we might as well stop talking about getting jobs for people. We cannot do so if they are not suitably qualified.

(Because of a power failure in the chamber, Mr de la Malène requested that the proceedings be suspended — the sitting was suspended at 12.40 p.m. and resumed at 12.50 p.m.)

Mrs Anglade, (DEP). — *(FR)* Mr President, ladies and gentlemen, this more than important debate on employment ought, in my view, to have had more time and gone deeper. The fact is that, today, unemployment in the Community is on an unprecedented scale. I will spare you the figures because they have been told and retold but I would want them to remain an obsession for us because it is no exaggeration to say that unemployment is not only an economic cancer in the Community but also an affront to the dignity of those robbed of the right to work and a danger for our democracies, one of whose essential demands is that undeserved inequality be overcome. Given the seriousness of the present economic and social situation it is no longer sufficient to agree to note the social scourge of unemployment, we have to agree to fight it. Job seekers demand fewer words and more action. That is the task of the Community, that is the block it stumbles on. There is a contradiction between the vast number of declarations and proposals from the Commission and our Parliament and the lack of Community measures in the Council.

We are faced with a paradox. Unemployment binds the Community together by a *de facto* solidarity since all Member States, without exception, are affected and realize the fact, but this solidarity has not, for all that, generated any solidarity in action. There are plenty of studies and proposals: reducing working time, advancing retirement age, sharing working time and therefore the shortage of employment, creating jobs

for young people, modernising our production instruments, and so on. None of these ideas is technically bad in itself but they all have their limits. At all events, they are not enough to form a real policy for combating unemployment in the Community. If we have no Community social policy it is because we have no Community economic policy. So how on earth can a policy for combating unemployment be defined on the basis of the deep-lying disparities in our present economic policies? Some Member States give priority to deflationary policy aimed at cooling down the economy and others to reflation policy aimed at stimulating consumption. Clearly these diametrically opposed options lead to different approaches in the fight against unemployment.

Though not discounting the idea of a European pact, we need very quickly to find common measures. The Group of European Progressive Democrats advocates three lines of action. Firstly, the implementation of selective action whereby viable jobs may be created (I say viable because employment subsidised out of economic necessity is in fact bad business for the national communities). This effort would relate mainly to small and medium-size businesses, craft businesses and trade, thus enabling manpower to be maintained in the small and medium islands. It should also aim at the development of the advanced technologies needed for our production base to be capable of international competition. Secondly, the implementation of a fully-fledged training policy matching our present and future needs. Lastly, as well as these remedial measures, real preventive action in terms of equipping school children and students to meet the economic needs of the future, so that a child of seven today may make his tranquil way towards the trades and disciplines he will have learnt how to select and practise. For this one thing is necessary: coordination between the school, university, business and firm and the reconciliation between institution and entrepreneur through mutual recognition of each other's fundamental social utility.

It is in these ways, Mr President, ladies and gentlemen, that we should act so that the distress of the jobless is replaced by the hope of finding their real place in societies that are more equitable, more human, more prosperous and more free.

(Applause)

Mr Vandemeulebroucke (CDI). — *(NE)* Mr President, ladies and gentlemen, ten years ago the economist E.F. Schumacher wrote in his bestseller 'Small is beautiful' that the party is over, and we must now get down to business. Today work is increasingly becoming the reserve of a dwindling privileged group. The Council's indecision over a new employment policy is a sad reflection of the internal discord, since each member van arbeid.

Vandemeulebroucke

On the one hand, it is claimed that industry must be kept labour-intensive with injections of government funds, which will eventually lead to stalemate; on the other neo-liberal doctrine wants to give firms more financial elbowroom, but too much of the help that is given is going into capital investments rather than the creation of jobs. We must have the courage to face two facts. The first is that no one has a cut-and-dried solution to the crisis. The second is that no society that has any respect for itself can go on finding a moral justification for almost 40 % of its new generation being out of work.

The rapporteurs have quite a number of practical proposals. One is that employment should be created in the quaternary, non-profit sector. This sector forms a closed rather than an open circuit and does not produce surplus value that can be disposed of externally. A conventional profit-making sector must therefore remain to provide the Member States with enough money to sustain this quaternary sector, a profit-making sector in which the available work is redistributed in an appropriate manner, through shorter working hours, alternating work, variable working hours, training periods, early retirement and so on. Above all, imagination will be needed to find and exploit new areas for employment.

No Member State can meet this challenge on its own. The Community's first task is therefore to act as the driving force in devising a new, world-wide economic model, in forging new relations with the Third World, which will entail a substantial change in our own priorities. We must try to develop a new European spirit in which far more attention is paid to scientific research. Research must not be attuned solely to mere practical economic profitability: it must also consider the social implications of the new technologies and action to offset employment. The technological advance will after all give rise to a completely new social model. In the technically backward regions the change will cause major social problems since most people in such regions have had inadequate technical training. If the less privileged regions are not to become a social powder-keg, they will need even more help from the European Community.

Europe should resolutely diversify its choices of policy if it does not want to act as a brake on employment. The all too one-sided decision to go for nuclear energy is a very clear example of what not to do. Past reports have repeatedly shown that the development of renewable energy sources could create over two million new jobs. But the development of alternative energies would not only have the quantitative effect of creating new jobs: the qualitative implications for regional distribution would also be extremely important for the Community's employment policy, small firms being eminently suitable for these energy technologies.

This prompts me to say, Mr President, that European unification should be accompanied by greater regional autonomy. The regions themselves should be permitted to develop their own employment plans to meet their very different needs and their own integrated development models on the basis of these plans. There is room for new initiatives, for a cooperative approach, for the removal of bureaucratic obstacles, for the development of the quaternary sector, for new employment as efforts are made to protect the environment and to restore the ecological balance.

Regionalism and European unification will complement each other particularly in the context of a new employment policy. There is a tendency towards unity in policy, with respect for differences of approach, since each region knows its own needs best. That is the essence of the economic federalism to which the reports pay too little attention. I have therefore tabled a number of amendments on this subject.

Mr Romualdi (NA). — *(IT)* Mr President, Honourable Members, in this particularly special session I should like, on behalf also of my colleagues of the Italian political right, to express our support for European workers and producers whatever their status, sector or category. It is their effort which has largely contributed, and continues to contribute in spite of everything, to making it possible to withstand the crisis, which is very serious and threatens to crush the whole European economy and to reduce to unacceptable levels our technological capacity which is now no longer able to keep pace with the other great industrial powers, with the disastrous results for the market and for employment which result and which have been spelt out by Mr Papaefstratiou in his report. The report does indeed stress the need for greater public and private investment in order to create new jobs and invites the Ten to devote 1 % annually of their gross national product to joint investment in many basic sectors of our economy so as to direct the investments of the various development funds exclusively towards sectors where job creation is possible.

These proposals, excellent in themselves, obviously include the coming about of a real single Community market. However, what guarantees does the present Community offer, riddled as it is with the egoism and lack of understanding of the Council and the Commission, the first of which is incapable of going beyond the individual demands and short-sightedness of the Ten and the second equally incapable of taking appropriate measures to further the renewal of common policies and the associated coordination of economic and financial activities beginning with the EMS?

These are shortcomings which the Parliament can certainly not make up for by itself; but, aware of these deficiencies and difficulties, the Parliament has the duty to point out the way, to remind everyone of their

Romualdi

own responsibilities. It must do so firmly, with a sense of responsibility, without demagoguery and mindful that only if every one plays his part can we emerge from this crisis, ensure the future of the workers and managers of the new generation, who must contribute fully to the common effort, establish an economy which is not bound by anachronistic nationalization, or by the State or the Community but is free and enterprising. Such an economy cannot, however, continue to be just based on wages; it must also become an economy in which there are equal shares for all.

President — The sitting is suspended.

(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)

IN THE CHAIR : MR VANDEWIELE

Vice-President

Mr Vetter (S). — *(DE)* Mr President, Ladies and Gentlemen! Ten years ago the prevailing view on economic policy in Western Europe was as follows: today's profits are tomorrow's investment, and jobs for the day after. The reality of current economic development has given the lie to this theory. What we should be saying is: yesterday's investment is today's rationalization and produces more and more unemployment. It cannot be denied that politicians in our countries have by no means drawn the correct conclusions from the experience of the last ten years. The arguments now appear to be: today's self-denial is tomorrow's investment and a contribution towards conquering unemployment. I fear that this will be an integral part of the forthcoming policy statement of the German Government.

(Applause)

Both arguments have one thing in common: those who are worst off are to be morally blackmailed into doing without wage increases — even worse, into giving up social rights and benefits, although the real reasons for the crisis are a lack of control by society of technology and unsolved structural problems. No honest politician would deny this to himself. A lack of courage and fear of change are sending us down the wrong road. I have come to the following conclusions:

1. Despite all the hopes of an improvement in the economy, there is no real prospect of an economic upswing that could provide the basis for a return to full employment. False optimism and false pronouncements cannot change the basic economic situation.
2. During a period of high profits, serious mistakes were made under the blanket of the growth-at-all-costs ideology. I name only two: the economy had total priority over ecology and investment for profits in the short term had total priority over investment to eliminate structural distortions in the future.

3. Industrial and economic circles still refuse to accept the inevitable consequences of rationalization. We need modernization and rationalization. But if this does not go hand-in-hand with control of technology, then any society worthy of the name will break down.

4. The economy has no intrinsic value. The value of an economic system is shown by its effect on the people subject to it. We know what this effect is: however you add it up, the Community has 13 million unemployed!

Time is running out. New ideas must lead to action. Policies must change. The politicians' latest solution is to pass the responsibility for employment onto the social partners. I am a firm supporter of free collective bargaining, but even I must admit that in our present position the social partners should not accept responsibility for politics. This applies equally to the redistribution of jobs, to restructuring the economy and not least to the maintenance of social solidarity.

Europe, all its institutions and this Parliament are not lacking in ideas, but in the means to carry them out. Simply the fact that it has taken us four years to arrange this debate gives us food for thought on what the political results should be and what they are likely to be. Ten years of summit meetings have made me sceptical. I fear that this Parliament will be forced to face up to the fact of its own helplessness. We are credited with powers which we do not possess. What we do have is an undeniable political weight. Let us make use of it. Let us demand that the President of this Parliament should be allowed to present the views of this Parliament to the summit meeting in Stuttgart.

(Applause)

Mrs Cassanmagnago Cerretti (EPP). — *(IT)* Mr President, colleagues, unfortunately, Mr Vetter, this is the second debate that this Parliament has held in one and a half years. In September 1981, at Strasbourg, the Parliament already discussed the problem, and in spite of this the subject of unemployment has become a matter of urgent priority as it affects the economies and policies of the Community in the present and the future and, at the same time, all matters concerned with social relations.

If it is true that, during this period, there has been a more detailed analysis of the Community economic framework and the reasons for its lack of development, it is also true that there has been no significant improvement in the range of measures which could be proposed to reverse the trend in a definitive manner. The traditional economic instruments employed by the Governments of the Member States were valid up to 1970. However, it took only a few repercussions due to external factors for the situation not just to grow worse but to become disastrous, with serious effects for employment.

Cassanmagnago Cerretti

After the first great oil crisis in '73, the situation seemed increasingly difficult to control. A series of measures which, however, were only contingency measures, were then without any coherent and organic medium and long-term economic and social policy.

The economic and social crisis exists, and no-one wants to hide or minimize it. It is, however, a crisis which is not viewed with political resignation or in the hope that events will improve by themselves, since public and private undertakings in the Community are, in the meantime, moving ahead and making consistent attempts to modernize their technology in order to meet the massive challenge of competition coming, in particular, from the United States and Japan.

This is a reply to the challenge which affects the most industrialized of the Community countries and whose effect, unfortunately, is to reduce the number of jobs considerably to an extent which is out of proportion to the number of jobs which can be provided by firms producing the new technology.

There is, therefore, an imbalance which must be faced urgently and with determination. We are doubtful that there can be a simple exchange of workers between sectors which are shedding the workforce and those which are producing the new technology. The balance is negative and it would be politically short-sighted to create answers on this basis.

We know what economic resources are available. We need, therefore, to analyse planning instruments as a matter of urgency, in order to make the best use of resources, directing them towards the certain creation of stable jobs and, at the same time, acting within traditional industries, within small and medium-sized industries composed of undertakings which so far have been left to themselves and relegated to the role of a modest accompaniment to large firms: most undertakings in the Community are small and medium-sized and they give employment to 60 % of all Community workers.

Now, during the debate which the European Parliament will hold here in Brussels, there are two aspects which could be called new and must be stressed and which this time must not be left out of the policy considerations of the Stuttgart Council on 6 and 7 June: the role of small and medium-sized businesses and the reduction of working time.

For the first of these, all available financial means must be, whether Community or national, to put these businesses into a position where they can operate competitively on an enlarged international market. In this regard, I should like to mention that the New Community Instrument, at the first budget allocation, granted industrial loans to small and medium-sized artisan enterprises which are in zones which do not have regional priority. This grant was repeated at the second allocation. Therefore, for the first time,

we have the possibility of giving financial aid to small and medium-sized enterprises.

With the third phase we began a new stage of planning. We want to say to the Commission that it does not seem to go far enough: the increase in funds for the budget and therefore going above the one per cent ceiling in VAT could have been proposed again. In the second place, we want to say to the Council of Ministers that what interests us is a new scrutiny of the Institutions. This Parliament wants to be legally binding: it will be so if all the political forces looking at institutional matters insist on a Community economic policy.

(Applause)

Mr Patterson (ED). — Mr President, as this debate has progressed two heretical thoughts have been going through my mind. The first has been the question: how many jobs are going to be created in Europe by all these speeches? And the second has been the point that what is needed in this debate perhaps at this moment is a bit of optimism. Now maybe the answer to the first point lies in the second. If we here can give the people of Europe some hope, then it is the people of Europe themselves who will create the jobs by investing, by starting up businesses or cooperatives and by exercising their historical inventiveness.

The statistics which we have before us are formidable. It is not just the overall unemployment figures which are worrying, but the details of the 12 million. Nearly one-third have been out of work for a year or more and of those 1.5 million are under 25. The Commission estimates that over 60 billion ECU (£ 34 billion) is spent yearly throughout the Community on unemployment benefits. It is estimated that an economic growth rate which has not been achieved for 10 years is needed to prevent matters getting worse. Finally, we know that in a modern economy some 77 000 ECU of capital investment is needed to create one new industrial job. On this basis we need investment equal to half the Community's entire GDP. The problems then are colossal. Nevertheless we must believe that they can and will, and indeed are, being solved. What is to be done?

First, we must reject the temptation of false gods. Unemployment is a common problem and logic tells us that there will be common solutions. The road down which some Socialists — in particular the British Labour Party — wish to travel, a retreat into national protection and isolation, can lead only to disaster. Socialism, in my opinion, can never work. We in Britain may shortly be called upon to vote in a general election, and we have the very salutary lesson of President Mitterand's France on our doorstep. But even the French Government is not guilty of the reckless disregard for reality compounded with hypocrisy evident in the British Labour Party's official policy.

Patterson

They say, in their statement, that we must cooperate to survive. They then promise exchange controls, tariffs and the idiocy of withdrawal from the European Community. That step alone could add another 2.5 million to the United Kingdom's dole queues, I said that road leads to disaster, and indeed we know from historical experience that it does. Exporting unemployment to your neighbour, which is what official Labour policy means, was tried in the 1930s. Let the Thirties stay buried and with them the official policy of the British Labour Party. We in this Parliament, by contrast, must emphasize the need of the nations of Europe and indeed of the whole free world to cooperate in reversing the recession.

There are some hopeful signs. First, we are beginning at last to master the scourge of inflation into which the oil-price increases of the 1970s plunged us. Controlling inflation was always the necessary condition for economic recovery and a subsequent reduction in unemployment. Creating jobs by printing money was always — I think it was Keynes who said this — like pushing on a piece of string. Resolute policies are now getting inflation under control. In the United Kingdom it is now down to 4.6 %, the lowest for 15 years. In Denmark, another country led by Conservatives, it is similarly coming down. Sound financial policies are paying off. This in turn is being reflected in business confidence. For example, recent surveys reveal a sharp increase in optimism both in Britain and in Germany. What we must do is to make sure that this fluttering of recovery is nurtured and translated into lasting jobs.

First, the Community must make an especial effort to pull itself together. The concept of an employment pact or an agreement on employment will concentrate the minds of everybody. My group has set out what we believe should be the main elements of such an agreement in Amendment No 118 which I commend to the House. Member States must coordinate their medium-term economic policies much more effectively and the Treaty says already that they should do so. The Community, for its part, must reorganize its financial resources so as to concentrate on the task of job creation. Everybody knows what is required. It means budgetary reform so that a much higher proportion of the budget is spent on promoting investment and training and far less on supporting useless agricultural surpluses. It means making use of the economic strength of the Community in the world to develop the Community's borrowing and lending powers. It means renewed plans to complete the internal market. It means a free labour market.

I end on this note, Mr President: We have set out what we believe should be this employment pact in our amendment. I commend it to you. They are not impossible tasks to set ourselves. All that it needed is a little will to foster the growth which is already

taking place and the people of Europe will rescue themselves.

(Applause from the European Democratic Group)

Mr Frischmann (COM). — *(FR)* Mr President, the figures are indeed impressive and disturbing. The unemployed in the Community already total over 12 million and the forecast is for over 14 million by the end of the year.

These figures are far from exaggerated, as we know; rather they are eloquent, particularly after 25 years of existence of the Community institutions and after the promises of the Treaty of Rome with its claim to guarantee full employment. Let us not mince our words: these enormous figures and the gloomy prospects we fear represent the failure of a Europe that can neither avoid the crisis nor apply the right remedies. They also represent the failure of a management based solely on criteria of financial viability. Third and last, they spell the failure of the austerity policies that have held back, and still hold back, growth and, therefore, employment. The result is a vast waste of human, social and financial resources, particularly for the millions of unfortunate workers' families and for the millions of young people and women who are the hardest hit. The Member States of the European Community cannot seriously deny their humbling responsibility in this field, nor can the European Community itself, which has coordinated austerity policies, deflationary policies and the dismantling of industries.

Let me take one flagrant example. Between 1975 and 1980 nearly 60 000 jobs were written off in the steel industry and 23 000 in the coal mines in France. And over the same period, via the ECSC budget, the Community committed FF 720 million purely in free grants and subsidies for restructuring and investment. So where have these FF 720 million gone? Though the EEC countries need a strong steel and coal industry, the Community has spent this money, out of the taxpayers' pocket, not on employment but on a disindustrialization strategy which has contributed to the economic recession and to the aggravation of the crisis.

These are absolutely scandalous facts because, obviously, the money could have served a more useful purpose. Since then, incidentally, France has shown that it is possible because, in two years, it has begun to halt the growth of unemployment and to reduce inflation. But what immediately followed? A coalition of reactionary governments and speculators attacking its currency and doing all they could to wreck the French experiment.

It is to these policies, these attitudes, these manoeuvres that we have to put an end. The primary need in a resolute campaign against the problems of unemployment is to work out the economic conditions necessary for employment and for social progress.

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The first such condition is growth because without it we shall never recover the necessary pace of job creation. Growth is also necessary to meet requirements which are, notwithstanding the views of all those who consider that workers consume too much, immense. It is also necessary to create scope for job-creating investment.

The second condition is an increase in markets and consumption, in company with the fight against inflation. We shall never change the way things are going if we do not safeguard purchasing power, particularly for the countless numbers of the poorest amongst us. An example of the opposite policy has fully demonstrated its evils in this direction.

The third condition is of an industrial and financial nature. To encourage productivity and competitiveness, the countries in the Community have to be given the means of industrial development in all sectors and for all types of undertaking, including SMEs, cooperatives and the public sector. All enterprises have to be induced to investigate the criteria they need to meet in order to be able to invest and create jobs. To this end, we have to mobilize all available financial resources, national or Community funds and self-financing too. I repeat, it is possible to take a completely different line from what has been done up to now but there has to be the political will to do so otherwise it is all words, of which we have already heard too many this morning.

As regards social policy options, three areas seem to us to call for special attention.

First of all, there is the gradual reduction of working time to 35 hours a week in order to open the doors of enterprises to new workers and in order to humanize working conditions. The Commission and the Council should come out clearly in favour of this major reform which would help negotiations to reach the rapid results that are necessary. We would like to make it clear at this point, that, if this reform is to be of benefit to the economy, the reduction of working time to 35 hours a week must also imply the maintenance of full purchasing power as rightly demanded by the trade union organizations. The contrary would be a disaster both for the economy and for employment.

(Applause from the benches of the Communist and Allies Group)

The second area is the increase in workers' democratic rights. We know that a reform of this kind has to be won by the workers themselves and left-wing governments as is the case in France. But the resistance of the conservative majority in this Parliament, in connection with the Vredeling proposal on the information and consultation of workers, has shown that economic democracy is still the subject of a life and death struggle. The fact remains that the reform is essential. Workers have to be able to monitor manage-

ment decisions, they could have helped to avoid the waste that we have been denouncing and these new rights for the workers would also help to give better control over the introduction of new technologies, particularly in order to safeguard and develop employment in the regions concerned.

The third and last area is vocational training which we regard as an investment in the future. We earnestly recommend that a highly ambitious training policy be developed in all countries in order to secure qualified, but stable, employment for all young people leaving the school system and all adults needing training.

Lastly, we fully understand that, to achieve these objectives, there would have to be a new use of the Community instruments in order to help countries that genuinely wish to offer all these prospects to young people. The point is that although each Member State has to shoulder its vital responsibilities in this fight for employment, it is quite clear that the Community has a specific and important part to play in the measures to be taken. It must help, not hinder, the efforts of the Member States resolutely committed to a policy of economic revival.

It should therefore stop devoting finance and assistance simply to the suppression of jobs and the destruction of productive capacity. Why not devote this finance and assistance to specific commitments in terms of reducing working time, creating skilled jobs and modernizing facilities in order to reverse the logic — I should say the illogic — of the way things are administered at the moment?

(Applause from the benches of the Communist and Allies Group)

Mrs von Alemann (L). — *(DE)* Mr President, Mr Vetter said a moment ago that policies must change. Mr Vetter, the social partners must also change. I would like to focus on just part of the problem of unemployment, unemployment among women. In my opinion there must be changes in all areas, not just 'at the top'. The real figures for female unemployment are much worse than those shown in official statistics. The real figures are quite different, because many women do not bother to register with the employment exchanges because they know they are no longer entitled to unemployment benefits.

If we want to give women an opportunity of working in better-paid professions, then we must give them proper vocational training. One of the most difficult problems is the fact that women find it demonstrably harder to obtain training opportunities than young men. Part of the reason for this may well be a lack of persistence on the part of girls, but it is also because they are not given sufficient counselling in schools, and above all because this counselling is not consistent. We know from all countries in the Community that the counselling is quite simply

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inadequate and that it bears no relation to the present job market and employment position. All countries must improve the standard of counselling on the type of job to look for and train for.

If we look at how our young people are being trained, then young girls are still being trained in the so-called traditional female professions, although we know that many of these jobs are seriously threatened by rationalization. This can only be changed if we can persuade young girls, employers and vocational training centres that training should be given in areas not traditionally open to women. What sort of jobs are these? Generally they are better paid jobs than those usually available. We could therefore simply say that girls should also be trained for the better-paid jobs.

The committee of inquiry into the situation of women held a hearing yesterday and the day before in Luxembourg at which education, training and vocational training for girls were discussed, and I can tell you that we must also look at the European Social Fund and consider how we can improve matters here. It is not only a question of whether funds should be increased, we must also consider how these funds are to be used. Mr Vetter spoke of Parliament's lack of power. I believe such words to be very dangerous.

We are here to take initiatives, we are not a government. We are aware of this and from this point of view this part-session is to be welcomed. However, at the summit meeting in Stuttgart, the governments should make every effort to reach decisions and not simply to issue statements. As we have said on previous occasions and can only repeat: the employment situation in the Community cannot be improved without sensible cooperation.

Mobility of labour is constantly being advocated. It is time the Member States finally agreed on a sensible solution. Why, for example, can my Greek nanny, who went to school in Germany, not find a job in Greece, simple because the Greek government does not recognize her German school leaving certificate? It is an intolerable situation if the Member States cannot even agree on recognizing each other's educational and vocational qualifications.

(Interjection by Mr. Konstantinos Nikolaou)

Of course, my criticism is also aimed at the German Government. I think, however, that there is a certain amount still to be done in this area to which we should devote our attention.

(Applause from the right)

Miss De Valera (DEP). — Mr President, ladies and gentlemen, as the youngest Member of this Parliament and one who in that sense represents the youth of Europe, I would like to thank both Mrs Salisch for her report on youth employment and Mr Papaefstratiou for his report on the employment situation in the Community.

However, recognition of the fact that there are more than 12 million currently unemployed in the European Community is not enough. Statements that this figure could rise to 15 million in 1985 are a negative, hopeless and defeatist attitude. The young people of the Community, who constitute approximately 40 % of the total number of unemployed, will not thank the European Parliament for this resigned approach. The young expect and deserve answers, and if these answers are not forthcoming from us as parliamentarians, I would fear that the youth would look cynically at our institutions and turn their backs on the parliamentary process.

A debate such as this in itself achieves nothing. It is not enough to talk about the problem. We need commitment and concerted action to alleviate the festering problem of unemployment. This Parliament cannot disregard the fact that the long-term solution lies in the restoration of economic growth. The success or failure of any employment policy will be largely determined by investment. We are in the midst of a massive change in the world order. We must pursue every means of taking the lead in the new technological world instead of cowering timidly behind it. Schemes aimed at benefiting young people must concentrate on training measures in areas where real and lasting employment lie, in, for example, small and medium-sized enterprises.

Closer contact between teachers and pupils on the one hand and businesses and industry on the other is now called for. School activities should reflect society and working life more. Young people should be encouraged to set up their own businesses and thereby create new jobs for others. We propose the introduction in Europe of junior achievement programmes which act as a training and development exercise aimed at showing young people the full business cycle. I would therefore have strong reservations about paragraph 11 of Mrs Salisch's report referring to training sharing, as this in my view would seriously hamper the career prospects of those young people. Mrs Salisch's report calls for an increase of 100 % in the 1984 budget for Social Fund actions. We support this on the understanding that such an increase would not be used to deprive other common policies in the Community of essential funds. A similar proposal is also made in Mr Papaefstratiou's report, though in less obvious terms.

The amendments tabled by the Group of European Progressive Democrats, which have already been adopted at committee level, also highlight the unemployment problems of the disadvantaged regions and the job generation process as well as the need for improved management skills. From the outset it has been our aim to put forward positive proposals. We are convinced of the need for a Community venture capital policy. Venture capital firms in the United States created 130 000 new jobs in 1979 with an

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annual sales growth of 33 %. Estimates for 1989 are that sales should be in excess of 100 billion dollars with a job creation factor of two to five million. The EPD Group are now tabling a resolution on creating a favourable environment for venture capital.

The imposition of controls on technological progress which is advocated does not accord with our beliefs in a free economy. I also wish to point out the importance of special training establishments and I hope that funds may be available for these. The reorganization of work, we believe, should not be undertaken merely to create part-time jobs. In the Irish experience what is wanted are full-time jobs.

In conclusion, Mr President, while we have reservations about certain aspects of these reports we can, nonetheless, give them both our conditional support.

Mr Gendebien (CDI). — *(FR)* Mr President, ladies and gentlemen, many positive things have been said in all the reports and on all benches, which is why I regret the demagogic tone of the EPP press release.

That being said, have the essentials been stated? To whom are we talking? First, to public opinion in order to win its confidence. But what budget do we have and what powers? Next, we are also addressing the Commission and the Council. But there also is a fundamental dilemma to be solved. The Commission on the one hand would like to act but does not have the power whereas the Council and the national governments have the power to decide but have neither the intention nor the will. That is the dilemma, that is the hypocrisy, that is the tragedy of Europe.

Our Europe, ladies and gentlemen, has 12 million unemployed because we do not have real common policies in the monetary, industrial, scientific and energy fields. In other words, our governments are powerless against the crisis and the nationalist contortions of individual countries are by no means a sound solution. A case in point is the incredible slowness of the Council to adopt the new ERDF regulation. So we need less sovereignty, less nationalism and more Europe. With no consistent strategy, no transfer of power and resources to the Community, our economic recession and our political decline will continue. Similarly, whilst we have to slim down governments at the top they also have to be slimmed down at the bottom, in other words powers have to be transferred to the regions, which are closer to people and to the local truth.

So we have to have an effective regional policy, real powers for the regions, on-the-spot value added to what are known as endogenous resources, a realistic recapture of domestic and regional markets and a re-adjustment of working time, in other words not only shorter working hours but also part-time working with social welfare guarantees. Above all what we do not want is dogma and ideology whose failure has been proved by all history and, recently, by all practice.

I also urge that there be a fundamental change in the system of taxing enterprises, at least as far as the collection of employer contributions is concerned. The basis for these should no longer be the payroll but turnover, whereas today it is the other way round in many countries. Employment is discouraged because it is taxed and you will agree that that is absurd. That being so, investment support and taxation systems ought to do more to encourage employment, particularly at the level of small and medium-sized enterprises. Today, I repeat, it is often the contrary that happens and this is not understood by public opinion and in particular the workers and those without work.

Having made these points, I for my part shall approve the reports as they are even though there are a number of paragraphs I do not agree with. The point is that we have to show our unanimity or, at least, arrive at a big majority when we adopt motions for resolutions put before us, in order to exert maximum pressure on the authority with the power of decision, namely the Council. Admittedly, we do not harbor too many illusions on that score, but we hope that the national governments will one day understand where their duty lies since otherwise, I fear, an immense feeling of disillusionment will take hold of public opinion resulting in an increased number of abstentions in the elections by universal suffrage in 1984.

Mrs Spaak (NA). — *(FR)* Mr President, ladies and gentlemen, I would like to emphasize one important dimension of a problem that the European Parliament has discussed so often in the hope that, since the spotlights of the media are trained on this special part-session, we may conclude our proceedings with concrete proposals and the reaffirmation of our political will.

We know today that we are going through not a crisis but a radical change in society. Though they may be unsure about what solutions to apply to the problem, all the analysts and experts agree that the model of the 1960s and 1970s belongs to the past and will not return. In other words, the old patterns have burst apart and I would like to take two examples though there are many others.

One of the effects of the massive and presumably irreversible arrival of women on the labour market — a phenomenon of society and not just a women's phenomenon — will be far-reaching changes in the family nucleus and social security systems. The third directive on the equality of men and women in this field can admit of no exceptions, and notably by way of the hypocritical notion of head of household which penalises 95 per cent of women.

My second example is the development of the new technologies which will change the organization of the labour market in depth. Today there are 12

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million workless — and by continually repeating the figure we are perhaps losing sight of how dreadful it is — in the Community, most of them young people, men and women, our brothers and sisters as Commissioner Richard said this morning. These 12 million men and women are regarded and treated today as misfits and marginals. This social and moral burden is wholly intolerable.

To confine myself to the problem of employment, we need to embark, resolutely and without delay, on a series of measures all designed to reduce unemployment and, at the same time, improve the quality of life. We need a new reorganization of working time and a fairer sharing of responsibility. We need to set up social and cultural infrastructures to suit a new life style. We need to adjust and improve vocational training so that men and women can cope with the new technologies.

Only the Community can offer a framework enabling our countries and the regions in our countries to face up to this challenge and this far-reaching change. What is at stake is, of course, the survival of each of our countries but also the credibility of the European idea.

Mrs Dupont, (S). — *(FR)* Mr President, ladies and gentlemen, we are in Brussels today because this is one of the towns most affected by unemployment but we could have been in any other town in Europe even though unemployment there might look slightly different. We have only one day and a half to make plain our twofold resolve: firstly to understand why this situation is almost tragic and secondly to decide how to deal with it. That is what I am going to try to do as a French Socialist.

Too many responsible people, well off and sure of never being out of work, come to terms with unemployment. For them it is a stroke of fate that only affects other people. It is something to be happy about though it may be accompanied by the scatefully shameful notion that, after all, it is merely a question of an economy which will be in much better shape after working off its fat. Diets and purging may have been good prescriptions from the doctor in the time of Molière but today we cannot accept them. I hold that this attitude is suicidal. Only a lucid analysis of the real situation and an unwavering will to face up to it will enable us to avoid becoming under-developed countries by the end of this century, since this is bound to happen if, through weakness, inertia and egoism, we yield to the evil eating away at our societies. But in that case, what is to be done? First of all we need to reach agreement on the diagnosis so that we can then act effectively together. 'Crisis', said Gramsci, 'is when the old dies and the new fails to be born'. That is the essence of the far-reaching, uncontrolled and accelerating change we are passing through at the end of this century.

In the period following the second world war, we had twenty years of steady economic growth and a very broad consensus on the technological progress that enabled living standards to be raised by the personal acquisition of goods. This progress did not prevent social inequalities. Instead they increased, generating inflation in most OECD countries and inequalities as between the OECD countries and the Third World. But the crumbs falling from the rich man's table were enough, at least in our countries, for everyone to have confidence in technology. That is no longer the case. In the 1970s the crisis came. To hear some people, one would think that this was the hand of fate and that its causes were mysterious whereas, if we are prepared to look squarely at what happens, we can see that the same phenomena and the same causes always produce the same effects. The drift from the countryside, highly concentrated and anarchical industrialization and urbanization, the disindustrialization of whole regions — and the United States has not escaped this — and the development of the new technologies, and microprocessors and computer technology in particular, because of the upheavals they bring about in production fill our societies with fear.

Mergers, concentration, rationalization, and the relocation of production in areas where profits are higher because wages are very low and where there is no social welfare, these are phenomena we do not want to see continue.

But that is no reason why we should refuse to approach this technological change with confidence. It is on this change, if well handled and controlled, that the world we fashion tomorrow will depend. Our culture and our identity are under threat if we do not hold on to this technological independence. Our countries, on their own and together, have very real capabilities but we have to know how to employ them. The fact that we are scared and fearful in the face of technological progress is not, of course, the only explanation for our weakness. We have to struggle with floating capital, financial speculation and widespread disinvestment in Europe and even in the United States and Canada, where unemployment is as high as here. Inflation is coming down and unemployment going up. This is normal because if the purchasing power of the largest number is reduced, so is demand and therefore production. And when a country like France wants to get out of this spiral and takes short-term and structural measures to revive its economy, it finds itself placed in currency difficulties by its partners. The franc in the European Monetary System is forced to obey the rules of a solidarity which is in no way mirrored at the economic level and this in the name of the sacrosanct principles of 'free trade', although everyone knows that it does not exist — or hardly.

Duport

But myths die hard. Do we have to give up the fight or can we, together, have enough imagination to revive our economies by a concerted effort? Proposals have been made. The European social area was one. Why have other governments not accepted the French Government's proposal for the pooling of 1 % of public investment, with the ripple effect it would have? This is unacceptable. Let us hope that, in the future, a firmer resolve on a clear basis will enable us to find the cure for a despair which we cannot allow to spread without great danger from the social standpoint.

(Applause)

Mr Chanterie (PPE). — *(NE)* Mr President, ladies and gentlemen, when the European Parliament decided in October 1982 to devote a special part-session to employment, we were well aware of the challenge we were setting ourselves. For it is not enough to take this opportunity to trot out all the statistics yet again. Nor can we confine ourselves to diagnosing the problems. We must discuss the remedy, the action that needs to be taken. But I feel I should first refer to the fundamental change our world is undergoing. In 1974 Leo Tindemans, then deputy Prime Minister of my country, issued a warning on this when he said: 'What we are facing is not a storm but a change of climate.' The ensuing years showed he was right. The situation in our world, in the European Communities, has changed, more radically and more quickly than some would like to believe. The crisis we are now experiencing is not an accident. Nor is it temporary. In other words, we shall not emerge from it in the foreseeable future. The crisis, in all its intensity, will characterize the 1980s, because there is worse to come.

The European Parliament has set itself the task of examining Europe's place in this changing world and of deciding what course needs to be adopted in our policies. The Europe in which the first and second industrial revolutions took place has become particularly vulnerable, lacking raw materials, lacking a genuine common policy, with 12 million unemployed and about to miss the boat in the third industrial revolution. If we are to survive this dramatic situation, the old recipes, whether they come from the Left or from the Right, will not be enough. It is therefore high time we became aware of the dangers threatening us, dangers which may eventually undermine democracy.

The representatives of the European people therefore have the right and the duty to say what the people want, to confront the Commission and Council with these demands and then to put forward proposals that these two bodies can no longer ignore.

The philosophy underlying the reports we are discussing today is not really new and is very easily summarized. Only a European policy can guarantee our future now. This means that the European

Community must have more powers, more resources and better decision-making procedures. Where I come from, we have a simple expression for this: let action follow words.

I should like to discuss three aspects in greater detail. Firstly, the proposal, for a European Employment Pact. I would summarize this as follows: the combination of all forces to arrive at a coordinated policy on economic and monetary matters, on industry, research and energy and on social and regional questions. This Pact among the Member States and involving the two sides of industry must result in the formulation of clear, general directives respected by everyone.

Secondly, the realization of the internal market, together with the stimulation of public and private investment, must conclude this industrialization period and result in the restoration of full employment. It is essential in this context for permanent new jobs to be created and safeguarded and for the profitability of undertakings to be improved. However, the aims of this policy can only be achieved in the medium and longer term, and the 12 million unemployed cannot be left to their fate in the meantime. That is why we advocate a major and early reduction in working hours under European legislation, based on the premise that the competitiveness of firms must not be affected. The two sides of industry must play an appropriate role in this process, with account taken of the situation in the various sectors. The reorganization and reduction of working hours are thus regarded as an employment policy instrument, which will act as a strong brake on the rise in unemployment. It is moreover the only way to change the disastrous policy of financing massive unemployment. Thirdly, Mr President, although the fight against youth unemployment cannot be seen in isolation from the fight against unemployment as a whole, specific measures are essential if we want to prevent the whole of a rising generation from being lost to society. The most effective measure has in principle already been decided but not yet implemented: the introduction of social security for those who have completed their school education.

Mr President, I am coming to the end. According to various studies the restoration of full employment by about 1990 is not a utopian goal. But it will not be possible unless a general, cohesive strategy is adopted, unless all available resources are used and, above all, unless the political will to succeed is there. The European Council's meeting in Stuttgart may mark the turning point provided that it takes decisions rather than just mapping out guidelines. The alternative is tens of thousands more unemployed, and we cannot accept that. There is a European way out of the crisis. That is the message we want to get across today, and it is above all a message of hope for the younger generation.

(Applause)

Mr Prag (ED). — Mr President, in the face of the frightening youth unemployment figures we have heard today, it might seem to some that job training, which it is my task to speak about, is too indirect a remedy. That is not so. It is not so because if our young people are not given effective training in the use of new technologies, then our industry and commerce will be inefficient. We shall grow more and more uncompetitive not only in world markets but even in our own Community markets. If we fail to train our young people effectively, the orders and, consequently, the jobs too, will go elsewhere, to countries which do adopt the most efficient methods and do train their young people to use them.

Essentially, our task in job training falls into two simple categories. First we have to improve the job training and secondly we must make job training available to all young people who want it. In future, there must be no unskilled workers. Technology today is changing faster than at any other time in human history. The content of job training has failed to keep up with this rapid pace of technological change. We are still training for yesterday's jobs. Every expert in the field is aware that a fundamental reorientation is essential. We must teach people not only to accept change, not only to cope with change, not only to engineer it, but also to engineer and guide it. No training system will be effective unless it has built-in provisions for regular monitoring and revision of courses.

Secondly, the initial period of training for young people must prepare them not just for a specific, specialized job but for a range of jobs. Today's workers are likely to have to change the nature of their jobs several times during their career. Everybody will need a basic knowledge of computerization if they are to be employable. Indeed, gone for ever are the days when it was enough to learn to drill holes in wood. The trade unions made sure that the same people did not do both and then argued whether plastic was wood or metal. Today's young trainees need to be given wide vision and not blinkers.

The Community can help greatly. It helps us all to learn from each other. In my own country, from September onwards this year and for the first time in our history, a new-style basic form of job training is being made available for every boy and girl leaving school. That is being done — colleagues of the left please note — by a Conservative government. The whole system, costing initially 1 billion pounds a year is being based on the best practice found in the Community. It involves not just learning at work and not just learning at college, but a sensible combination of training, education and work experience: Alternance, as we are beginning to call it in English, in one of our many borrowings from the French language. It involves a comprehensive system of job training. It is

a huge leap forward for my country and I acknowledge our debt to other Community countries, especially Germany, in developing it.

Nor should I forget to say here in parentheses that more than one-fifth of all job training for young people in the United Kingdom is financed under European Community programmes.

I welcome most warmly the Commission's latest efforts to initiate a job creation programme. But I repeat the warning of so many colleagues against any method of reducing working time which would increase production costs and reduce competitiveness. The Commission would be deluding young people if it persuaded them that it could bring them jobs by such measures. Whatever other steps we take, nothing can replace the essential task of expanding and improving job training. In the long run it will be our skills that will sell and re-establish Europe's competitiveness in world markets, skills to use new methods, to market, to design, to finance, to produce and to sell; skills to make our factories more productive and our goods and services better; skills to beat the world, Mr President. If we have all these, the orders will flow in again and there will be plenty of work for our young people to do.

(Applause)

IN THE CHAIR : MRS DE MARCH

Vice-President

Mr Ephremidis (COM). — *(GR)* Madam President and colleagues, we who belong to the Communist Party of Greece would have welcomed the fact that, under the pressure of the reality of 12 million unemployed in the Community, the European Parliament has decided to debate the problem of employment — and at a special session indeed. We cannot do this, however, because our initial suspicions that the thing is a badly-staged farce or even a well-staged misleading campaign have been borne out by the main report which we have heard introduced today. In this there is reference to the dramatic employment situation in the Community but the real causes of the problem are concealed, and, naturally, measures are proposed which always fit in with the interests of the class of large employers and the monopolies which, precisely by virtue of their chase after profit, cause, amongst other things, the problem of unemployment. Colleagues, on the basis of this, our central standpoint, and in the context of the need for a strategy for tackling the problem of unemployment, we have tabled an amendment which provides for specific and effective measures. Measures to contain unemployment, not to wipe it out, because we believe that under the regime of capitalism, a regime-cum-system based on exploitation and full of contradictions, unemployment is born out of necessity and that the system

Ephremidis

avails itself of it to amass greater and greater exorbitant profits. To the affront against the unemployed of Europe by the overwhelming majority in this Parliament we reply with a proposal. Vote for our amendment and for others which are very positive in tackling the problem, and bear in mind that we are debating this matter in Brussels, very near to Waterloo. Your misleading campaign will not succeed. It will meet with the resistance of the workers of Europe who want to defend the corner-stone of all their rights, the right to work, and beware that if you do not support these amendments your misleading campaign will have its own Waterloo.

Mr Goerens (L). — (FR) Madam President, ladies and gentlemen, no one disputes the importance of the central topic of this special part-session. The many reports and speeches dealing with the subject simply emphasize the scale and complexity of the unemployment problem. Unquestionably, one of the objects of this part-session is to create general awareness of the under-employment problem among all the population and policy-makers, even if only to prevent the social and political conflicts to which 12 million workless could give rise. With regard to the attitude taken by our Assembly, I feel that one or two fundamental comments are called for.

Firstly, any analysis of the unemployment problem is incomplete if it considers only the social dimension. A complete analysis of the situation would tell us that the loss of jobs is rising needlessly in a political and economic environment that is disorientated both by ideological experiments and the resurgence of protectionism.

Secondly, with regard to what ought to be done about unemployment, allow me to say, Madam President, that, after the many speeches we have heard from the various parts of the House, the only problem is which to choose, though the possibilities of materialization are inversely proportional to the number of remedies proposed by this Assembly.

Our only chance lies in our power of persuasion which must take the practical form, over and above our ideological differences, of a line of argument strong enough to inspire and encourage the real holders of power. Let us therefore have the necessary lucidity and courage to denounce the countless technical, bureaucratic, customs and monetary obstacles that obstruct the development of the European Community. The coexistence of nine different currencies in Europe, the recapture of national domestic markets and the dispersal of the financial resources needed for technological research certainly do not help to create a favourable economic and social environment for new investment, the decline of which, let it be said again, is one of the main causes of unemployment. For Europe, it is essential that all the Member States be made to obey the rules of a single European internal market. It is the *sine qua non* for

the development of job-generating investment. This concern needs to be given absolute priority by this House.

The gradual materialization of the single market must take precedence over every other type of action to combat unemployment. This is the field that the institutions need to exploit if we want to offer new prospects to young people, to whom the labour market has little more to offer.

Our Parliament will need all its authority to convince the other institutions and the Member States. A Parliament that notes, points out, warns, claims, etc. does not yet have the necessary powers to impose its point of view on the other institutions. The choice of a place of work patently ill-suited to the circumstances and requirements of this question is certainly not designed to strengthen the authority which I have been demanding.

(Applause from the centre and the right)

Mr Eisma (NI). — (NE) Madam President, if the economy and employment are to be stimulated, the Community must provide an impulse for spending. In an amendment we tabled to the Papaefstratiou report, the Committee on Social Affairs and Employment endorsed this call for a package of measures to stimulate the economy. The Member States which are clearly underspending because of their balance-of-payments situation, the inflationary trend and so on, should also be devoting perhaps 1% of their gross national product to tax reductions, increasing the money supply or expanding government investments. Not every country has the same ability to adjust if just one choice is made.

In addition, a joint initiative is required of the Member States of the Community in order to alleviate the Third World's financial problems through the improvement of supplementary facilities for the poorest developing countries. This view was expressed in an amendment we tabled. In the Committee on Social Affairs and Employment this amendment was rejected by the majority, including the Christian Democrats, but remarkably, and fortunately, their Mr Herman has now tabled a similar amendment.

Madam President, none of the measures we take will put everyone back into full-time or part-time employment in the future. I am certainly less optimistic in this respect than Mr Chanterie. Retaining the goal of full employment will therefore arouse hopes that cannot be fulfilled in the millions now unemployed and in the many millions of young people who are likely to be out of work in the future. An unacceptable split between the employed and the unemployed, which is already clearly perceptible, might emerge and persist. If this enormous social problem is to be tackled, thought must at least be given to the assessment of paid and unpaid work, or voluntary work, if I may call it that.

Eisma

There is a need for a policy on leisure activities, with all that it entails for education and socio-cultural policy, to give people opportunities for self-fulfilment during the increasing amount of time they do not spend at work. A policy of this nature must, of course, be aimed at the long term. A work ethic that we have acquired over centuries cannot be changed in a matter of years. I urge my colleagues to support the amendments we have tabled on this subject. They say that full employment is no longer a realistic goal and that greater value must be attached to unpaid work as compared with paid work. Let us abandon our dogmas and offer Europeans real prospects.

Mrs Clwyd (S). — Madam President, ladies and gentlemen, it is with some irony that I view this session this Parliament is holding over the next two days. It is because, over the last year, I was rapporteur for the Committee on Social Affairs and Employment. My job was to try and have social spending in the Budget this year doubled. I failed. I failed despite all the crocodile tears shed over unemployment in this Parliament. I failed despite all the rhetoric and hot air that has been expended in this Parliament over the last twelve months. I failed because there is not the political will in this Parliament to put the money into policies which can help alleviate unemployment. So all the talk here over the next two days is, I can assure you, not going to create one single extra job in this Community. We do not have the resources, even if we were to shift our money into social spending. Most of the responsibility for unemployment in our countries lies with our member governments. It certainly lies with the government in my country. Let me tell you what the major job is for the dock workers in my constituency. It is to shift so-called dead industries from Wales to other countries. They have just shifted an aluminium works from my area to Hong Kong with a loss of thousands of jobs. They are just shipping one of the most modern steelworks in Europe from Wales to South Africa, again with a loss of thousands of jobs.

This morning Sir Fred Catherwood attacked my party. He said that no one country can do it alone. That is true and, in fact, I have argued very strongly that we in this Parliament should try and control the activities of multinationals. But again his group voted against those strong controls.

In fact, the present level of unemployment in Britain is not an accident, my friend, it is a direct result of the policy of our government. They chose to use Britain to test their theories on monetarism and public spending. We know now what those theories mean in practice. Nearly three and a quarter million men and women are out of work, even in the official count. Plant after plant has been forced to close, hundreds of

thousands of workers have been made redundant, valuable skills lost, manufacturing production down by one-fifth, investment cut by one-third, whole markets captured by imports of manufactured goods.

We have an alternative policy, and Socialist governments in this Community have an alternative policy. Look at what the Socialist Government in France is doing at the moment. It has cut unemployment by 3%. It is possible if you have the political will to do it. Economic expansion will make it possible to end the waste of mass unemployment, but it will also reduce the human cost of unemployment the poverty, the broken homes, the increase in illness and suicides.

There is an alternative, my friends, but it is a Socialist alternative.

Mr Bournias (PPE). — *(GR)* Madam President, ladies and gentlemen, this morning I sincerely applauded the President-in-Office of the Council of Ministers for Employment for his speech as well as for the faith and enthusiasm he inspired in us for carrying through the task we have undertaken, that is, to defeat unemployment. Unfortunately I cannot say the same about the other speeches that have been made here this morning and this evening, and which one could say were put together simply and solely for the sake of drawing applause inside — but also outside — our Parliament.

Ladies and gentlemen, since joining the European Parliament in January 1981 I have listened to alarm signals from all sides and from all the institutions of the Community about rising unemployment in the member countries of the EEC. Each new President of the Council of Ministers, in laying out his programme, gives us the unemployment figures for our countries and warns us that these will go on increasing unless immediate steps are taken. The President of the Commission, Mr Thorn, repeated his own SOS in his last speech on 8 February. He did right to change course from the usual speech-cum-situation report and to busy himself with this urgent matter, stressing that June is the deadline for implementing a joint programme against unemployment and industrial recession. Hence the decision to hold today's special part-session was very sound, and all one can say is that it has been postponed long enough and that what we are proposing and will decide upon today should have been in application since 1982. Can we hope that in the fight against unemployment we can cancel out the delay, and that the number of unemployed, which passed 12 million in February, will not reach 14 million, as Mr Thorn told us on another occasion when he added that the number of unemployed will exceed half the total population of the five smallest countries in the Community? That is the question which must concern us.

Bournias

Just as in 1950 the then leaders of Europe disregarded the obstacles and signed the EEC agreement, so our present leaders are now called on to move from words to deeds and with concessions agree on a joint programme against unemployment, because I cannot accept that the EEC, which has boundless economic potential, is not equipped to strike a blow against unemployment, which is creating more general political and economic dangers. Many various curative measures have been proposed, including those contained in the reports on the agenda and, particularly, in the report by my compatriot, the chairman of the Committee on Social Affairs, Mr Papaefstratiou, which makes a successful analysis of the problem in its entirety and puts forward positive solutions.

I will remain with headings 1-4 which deal with investments, research and the necessary reforms. In my opinion these headings provide the key to reversing the upward trend of unemployment. On 15 December 1982, during the report on the Danish Presidency, the Prime Minister and the Minister for Foreign Affairs both stressed that during the second half of 1982 the economic and social situation in the Community had worsened rather than improved, and that the rise in unemployment was worrying and unacceptable.

New productive investments, the lowering of interest rates and the strengthening of the internal market are proposed by all sides. The first objective must be young people and women who in all the countries are worse hit by unemployment. Vocational training in all its forms must be updated in collaboration with industry, as far as this is possible. The President of the Commission very rightly stated that the fight against unemployment is an absolute priority, and that all forces within the European framework must be mobilised to give an impetus to productive investment, so that ultimately unemployment can be checked and there can be industrial growth without worsening inflation.

According to Mr Thorn the matter is urgent and by June the European Council must approve the Community programme for combating unemployment and industrial decline.

Before finishing my speech I call your attention, ladies and gentlemen, to the fact that in my country, which is counted amongst the super priority areas in the Commission's proposals for restructuring aid allocations from the European Social Fund, the unemployment percentage rose to 6.1 % in 1982 from 1.6 % in 1979, and in the first quarter of 1983 increased by 22.7 % against the figure for the corresponding quarter of 1982.

In concluding I would like to stress that since Mr Thorn has sent out a warning signal to the industrially advanced countries of the EEC, there is all the more reason why this should be relevant for the problem

areas such as Ireland, Northern Ireland, the Mezzogiorno, the French Overseas Territories and my country.

(Applause)

Sir Henry Plumb (ED). — Madam President, ladies and gentlemen, during this morning's debate and this afternoon's sitting too, we have heard many words of wisdom and a few which were not so wise. We have heard much concern expressed about the appalling level of unemployment, its cause and its effect. Of course, realists acknowledge that the problem will not be solved here; will not be solved overnight, or necessarily just by political measures, Mrs Clwyd.

We live in the age of the robot; we live in the age of the microchip which man has invented to take the drudgery out of the slavery over the machine. And partly because of this and in its wake, we surely recognize that in this decade the lifestyle of today's society is changing. Therefore the jobs created in this second industrial revolution will in every sense be new ones. I know from experience that the drift of people from the land and from the villages throughout Europe has not just been a drift, but, to a large extent, a push from the land as new techniques in the agricultural revolution took place and were applied. The people moved from the countryside to employment in a factory environment. Equally, of course, economic forces in industrial-development areas pulled people into the cities and industrial areas and the dark satanic mills were replaced by modern premises and new skills were created. So, due to a whole range of factors, as we have heard *ad infinitum* during this debate, the stark facts before us demand that we find practical solutions and a positive approach to both the economic and social problems created among the many families throughout Europe who find themselves without work and are forced to live on a minimum income.

And so our thoughts are rightly concentrated particularly on young people. But again we must be realists. If we are to encourage training for new work, then we must equally have in mind the possibility of jobs. And that means growth. And growth means Europe. It means working together, exploiting to the full the opportunities provided by a truly free and open market of 270 million people.

Let us look at the facts. If, as suggested by some, Britain pulls out of Europe, there are a further 2.5 million jobs in my country which will immediately be at risk. Ladies and gentlemen — and there is one gentleman obviously not present — there are British Members of this parliament who are committed to a policy which could mean just that. By a strange coincidence, Commissioner Ivor Richard this morning said that what we needed to do was to create an extra 2.5 million new jobs in order to bring youth employment up to the average adult figure. Well, I cannot believe

Plumb

that the people in my country — in spite of what some of my colleagues here keep shouting — are so gullible as to sacrifice that number of jobs in their own country alone, by supporting those who would have us out of Europe instead of more involved in this great Community of ours.

(Applause from the European Democratic Group)

Mrs Cinciari Rodano (COM). — *(IT)* Some European Governments think that the problem of unemployment would be less serious if women were sent back to the home. And, indeed, in some countries there is discrimination against them, even if indirectly, amongst the unemployed. This happens, for example, as regards unemployment benefit and the length of time for which for is paid, as well as the criteria adopted for the return to work, where there are requests by name or privileges for the man who is the head of the family. We ask that parity should, instead, be respected in this matter.

This policy is not only unjust but also mistaken. It is not by confirming and worsening the division of roles in society according to sex that we can cope with the problem of unemployment. Differently from what happened in every other previous economic crisis, this time women will not withdraw from the labour market, but unemployment among women has increased eight times more than among men in the last ten years, and this is one of the structural characteristics of our economy.

Moreover, the lack of work puts all the achievements of the women's movement at risk: discrimination is coming back, old cultural models are reasserting themselves, even Community directives are being violated, as was shown in the Bekaert-Cockerill case. This was a Belgian factory where the women, including many Italian women emigrants, took up the struggle when the firm tried to make its employees — but only its female employees accept part-time working. The women who fought to defend the directive on equal treatment were dismissed as a measure of reprisal, and have been waiting for justice for months, waiting for the Community to ensure that its directives are observed, and I hope that the Commission will give its opinion on this matter.

Women are seeing all their hopes for emancipation and freedom put at risk. Just think of what not only the position of women but that of society at large would be like if the girls who are now looking for work do not manage to find a job. Therefore, we need a policy to combat unemployment which takes both men and women into account; and the women of Europe are among those most concerned in a serious effort, but a Community effort and not just a random one.

One can certainly not say that the proposals contained in the report by the chairman of the Committee on

Social Affairs are satisfactory. But overall Parliament, in the different reports which have been submitted to it and in particular that of Mr Ceravolo, which points out a central theme of the fight against unemployment, i.e. that of working hours, has shown itself to be sensitive to the problems of the mass of women; we must recognize that Parliament has always done more than the Commission and Council have shown themselves capable of doing. We recognize that the Commission has set out a positive programme for action on equality of opportunity, but there is very little real Community action; too much is left to the Member States and, as the Governments of the majority of Member States are becoming increasingly conservative, women have little to hope for. On the contrary, in order to reduce the public deficit and the rate of inflation, many countries are cutting expenditure especially in the social services, which is another way of discouraging women from working. Quite the opposite of positive action!

We believe, instead, that we must increase investment in infrastructures and in the social and cultural services, where young people and women can find work. The more the introduction of new technology reduces the need for manpower in industry and administration, the more it becomes necessary to show that jobs will become available in the advanced service industries and in social activities connected with health, culture and an improved quality of life.

We need, therefore, a firm initiative at Community level. For women in particular we ask for suitable vocational training, especially in order to meet the challenge of the new technology, and we ask also that appropriate sums should be made available to women by the Social Fund; we ask for suitable aid for small and medium-sized enterprises and cooperatives, for the harmonization of employment policies, for the implementation of development programmes which are integrated with aid from Community funds to the depressed regions. We ask that at least these minimum requests which the Committee on the Situation of Women has put forward should be accepted if we want women to continue to believe in European unity, and we ask the European Parliament, in this area as well, to remind the Council firmly of its responsibilities.

(Applause)

Mr Alexiadis (NI). — *(GR)* Madam President, ladies and gentlemen, unemployment is undoubtedly the number one problem facing the EEC, but its magnitude is less than indicated by the official statistics. This is due to the strange phenomenon of the parallel existence of two categories of working people — those in the visible economy, and those in the invisible or black economy. Insignificant in periods of prosperity, the black economy grows apace in times of recession

Alexiadis

and inflation. In March 1982 the Swiss financial publication, 'Business Facts and Figures', commented that in certain countries the black economy accounts for a substantial portion of productive activity, and asked: 'perhaps the much reputed economic ill-fortune of the present times exists only on paper?', 'perhaps on the contrary, prosperity does exist but goes unrecorded because it is thriving in secret?'

The black economy is born of inflation and high taxation. Although it is possible to make only a rough estimate of its size, it covers a wide range of goods and services and employs a great number of people.

In Italy undertakings with fewer than 15 employees are effectively decontrolled. Thus, small and medium-sized undertakings are flourishing and showing spectacular results with regard to output, quality and production costs. Nevertheless, they have no legal standing and do not count as *bona fide* business concerns.

The growth of the black economy is due to the high increase in the minimum wage and the index-linking of earnings which have come about since 1975. With this erosion of the differentials between skilled and unskilled workers incentive has dropped off, productivity has fallen and production costs have risen. To compensate for this, businesses have resorted to the so-called 'natural solution', to employing fewer workers, that is, with a consequent reduction of costs. The methods used to achieve this involve on occasion automation, which cuts staff requirements, and in other cases the splitting up of companies into small units free of the obligation to comply with regulations on pay, social benefits and working conditions, etc. While this development of the black economy provides one of the available solutions to the current problems, it contributes, on the other hand, to the misleading appearance of reality and to the mortgaging of the future, given that these small and medium-sized units are unable to make the most of technological progress and are, at the same time, threatened by competition from under-developed countries with lower labour costs.

If the black economy is to disappear, however, its causes must be removed. This means that taxation must be reduced, interest rates brought down, investment encouraged and exchange rates stabilized. Then, and only then, will it be possible to defeat unemployment.

The various other measures proposed, such as the reduction of working time, early retirement and the establishment of multiple shift working, will only serve to place new burdens on the economy and to cause a consequent further increase in unemployment.

Mr Didò (S). — (IT) Madam President, the significance of this special meeting of Parliament must be sought initially in the importance of the tragic problem of unemployment as a social crisis and a

serious danger for the prospects of democracy within the European Community itself.

We want to point out, with the authority which we have as the legitimate representatives of the people of Europe, that accusations, studies and general undertakings are no longer enough to combat this phenomenon which, according to predictions, will continue to worsen during the coming years, unless suitable measures are taken.

We ask that the objective of increasing employment should be the main aim of the Governments and the Community Institutions and that this should determine all other choices of economic and social policy. Employment, in fact, is still the residual result of economic policies which are implemented exclusively on the basis of the free play of markets and restrictive manoeuvres concerning money and credit.

The first measure needed is, therefore, to reverse this trend by implementing measures aiming at a moderate increase in growth and investment, which can have a favourable effect only if they are concerted throughout the Community.

The Foreign Minister of a Member State recently said that the experience of these two years has shown how the fight against unemployment is destined to fail if carried out in one single country. This is the crux of the matter: we must move on from words to deeds. This is why we ask for decisions to be taken at the Stuttgart Summit which will finally move in this direction.

The second practical step concerns the adoption of a Directive — and not a generic recommendation — on the reduction and restructuring of working time or, in meaningful terms, a 35-hour working week by the end of 1985. Moreover, a reform of the labour market is of fundamental importance. It is not enough to rationalize and aim for vocational training. The restructuring process which is taking place requires efforts to be made to create new jobs in non-market sectors, making the Member States, also, fully responsible. We need to set up a network of 'Employment Agencies', as already approved by Parliament, whose function is to further the creation of new jobs in areas of social need and collective interest, including support for the setting up of cooperatives, small undertakings or activities which are managed by the young and unemployed themselves.

In the fourth place, we consider that the enormous task of restructuring which is taking place cannot be implemented against the workers and trade unions, as some business organizations are trying to do. The UNICE continues to refuse to negotiate outline agreements at Community level. In general, employers are resolutely opposed to the extension to workers of the right to participate in the process of decision-making and in the choice of economic policy by the undertaking.

Didò

We therefore invite the Council of Ministers to take account of Community Directives themselves, from the Vredeling Directive onwards, in order to determine a framework for real economic democracy in the Community, which is necessary both to win the battle for employment and to win the very real battle for greater competitiveness on the part of the European Community, which can only result from economic cooperation in which the workers and their representatives take part as a matter of right.

(Applause from the left-wing benches)

Mr Barbagli (EPP). — *(IT)* Madam President, Honourable Members, I asked my group to be allowed to speak briefly about the European Social Fund, which is cited in the reports and in the speeches of the Commission, the Council and many colleagues as the fundamental instrument for employment policy in Europe. But this instrument will be discussed at the normal May part-session, and I will not say those few things which I could have said in five minutes, as I realize that everything has been said by our colleagues, Mr Papaefstratiou and Mrs Salisch, and will be said in the other speeches.

I should like, instead, to make a few comments on some of the statements which have been heard this morning. Mr Thorn has said that we must become more competitive and that there must be industrial growth, but he may have forgotten what the research situation is in Europe: both that carried out directly by the Community and that coordinated by the Community.

Mr Richard has spoken of the need to create jobs, but he forgot to mention, because we all know already what it is, the state of Community resources: 29 000 million EUA, which is more or less half the public deficit of my country.

The President-in-Office of the Council says that we should not be pessimistic, as, since needs exist, growth is possible. There are certainly needs relating to the protection of the environment, culture, new infrastructures, increase and improvement of transport etc.: these are all problems which the European Parliament has discussed, faced and taken on by a large majority. In spite of this, individual States still waste resources. There is no possibility of putting together the resources of the individual States in order to direct them towards the real objectives which the European Economic Community exhorts us to follow and towards which we should like to advance; so we must ask ourselves why this situation has come about and how we can solve these problems.

But, ladies and gentlemen, as long as a government exists which is the sum total of the Governments of the Member States — which compete with each other

and have not even succeeded in adopting the general principles for a uniform European electoral system — there is no prospect of solving these problems.

The problem is a political one, and our solution must be political as political groups of the European Parliament and political forces in Europe, as we must see that our difficulties will be resolved only within this framework. So we also need to examine ourselves inside the groups we belong to; we must together accept responsibility, in order to ensure that the Governments in whom power resides, and on this matter I am in agreement with Mr Didò, understand that at the Stuttgart Summit the basis should be laid for what is the one, sole possibility of finding a solution to the problems of employment, that is, the prospect of a European Political Union within which we could find the answers to the problems of employment and of harmonious development in the Europe to which we belong.

(Applause from the centre)

Mrs Elaine Kellett-Bowmann (ED). — Madam President, unemployment is twisting the lives of young and old, men and women, in every country of the Community and every region of the world. It does not matter what the colour of their government is, they are equally badly hit. We must work together to conquer this scourge. The two main instruments we have in the Community are the Regional Fund and the Social Fund. The Regional Fund — and no one yet has mentioned it — is to deal with the bricks-and-mortar aspect and provide the infrastructure. The Social Fund helps people in areas to adapt to the change which has come so suddenly upon us through the new technology which we must master.

When the Social Fund was started, the Community was expanding and the problems were far less acute than they now are after a couple of oil crises and a world recession. Now the Social Fund has become far too rigid to help people meet the changes they must meet. We need a flexible fund with enough resources to make a real impact in support of positive employment policies and new initiatives. We will not be afraid of change provided we adapt to it. My group have argued for years that it is quite wrong for the Fund not to include young people, because these are the worst affected. Indeed, in the UK they are 25 % of our total unemployed. In future they are going, thank goodness, to be included. But, of course, training cannot guarantee anyone a job. However, integrated training programmes in the United Kingdom can help youngsters to develop their full potential and can make them fit for the jobs that are available and will be available in the new industries, and get rid of the problem of mismatch. We want a high proportion of the Fund to be spent on this age group.

Kellelt-Bowmann

But help must be channelled to the areas most in need. The new criteria combine below-average gross national product per head with unemployment to ensure that those areas that need help get most help. But in helping special areas, we must not overlook people with special needs like the handicapped. These occur in all parts of the Community and must be helped to train wherever they may live. We must welcome new technology which can provide both new jobs and more leisure. We must train more people to provide for those leisure services. A job is just as much a job in tourism as in engineering. We have got to be prepared to try new ways of solving old problems.

The United Kingdom Government has been experimenting in parts of East Lancashire and elsewhere with enterprise allowances, giving people £40 a week for starting work on their own account, to give them an income while they get established. This scheme is now to be extended to the whole country and will help people to find and fill a gap in the market. The young especially can rise to this challenge and have a go at it, and many are doing so, ladies and gentlemen.

Another useful UK experiment with the Social Fund, which the Social Fund should encourage, is to offer people part-time retirement, with half a job and half a pension, provided that the other half-job is given to an unemployed person. Just the sort of initiative to break the hidebound, rigid work patterns that we now have, which were suitable for the last century but certainly are not suitable today.

We are very keen on involving voluntary organizations, and everybody else, in this marvellous job of conquering this problem. We can do it together; we cannot do it apart. This is a challenge to which Europe must and can rise.

Mr Kyrkos (COM). — (*GR*) Madam President, the crisis in Europe and its chief symptom, unemployment, are the fruit of a class-related production system and of a development model which can no longer respond to the needs and objectives of our times.

The way out should not be sought in improvements but in radical measures. However, we are not ripe for this, nor are we in agreement. Hence the Communist Party of Greece, acknowledging Parliament's initiative, would like to contribute a few ideas to our overall sense of dilemma, ideas which come from the thoughts of the Greek workers.

Our first proposal, which we request be included in the final resolution, is that the governments press — and that Parliament press the governments — for a successful conclusion to the discussions in Geneva. Because it is a real crime against humanity for economic resources to be wasted on the maniacal

arms race, resources that could give work to millions of unemployed people in Europe and hope to billions of people in the world.

The second proposal concerns worker control of investment at the company and central planning levels. What is invested and where, for what purpose and with what order or precedence, can no longer be exempted from a system of social control in which the views of the workers and of the other social partners will carry weight.

Thirdly, the creation of a strong Community market means raising the purchasing power of the broad masses and, consequently, the abandonment of all ideas about cutting down the work share, something which is proposed in the reports, and at the same time giving new impetus to the convergence of the economies of the developed and less developed countries.

You are aware that Greece has the lowest per capita income of all the countries in Europe. The gulf between the European North and the European South is reflected in Greece more than anywhere else. A consequence of this is unemployment, which in our country is rapidly approaching 10 % and is hitting young people and women in particular. It is clear, therefore, that the Mediterranean programmes must be implemented with the utmost speed, as is rightly called for in the Faure report, and these must satisfy all the demands set out in the Greek memorandum.

Apart from this, Greek social legislation must be brought into line with the most progressive legislation in the Community. For example, the payment of continuous benefits of up to 80 % of basic wage to those out of work and the democratization of the social security system under the direct control of the workers. Naturally, we endorse all the positive proposals put forward for combating unemployment, particularly that affecting young people and women.

A proposal we regard as important, in both the structural sense and from the point of view of countering the American multinationals, is for the creation of Community undertakings based on the principle of decentralization and involving collaboration between the public undertakings of Member States in high technology sectors, research and in socially important sectors such as the pharmaceutical industry. Naturally, the workers themselves must play a decisive part in the management of these undertakings.

Our final observation concerns the autonomy of Europe. Many are loath to acknowledge it, but the United States is literally waging an economic and trade war against the EEC and seeking by every means possible to subjugate our economy to its own interests. The most insolent behaviour of American Under-

Kyrkos

Secretary Burt in Ankara to the detriment of Greece was a message of which all Europeans should be aware. Unemployment in the Community is a fruit of this war, and tackling it demands a European policy for autonomy and for cooperation with the Soviet Union and the Third World as well as with the United States.

Ladies and gentlemen, the problem of unemployment and reflation is not solely economic. It is pre-eminently a political problem.

Mr Papantoniou (S). — *(GR)* Madam President, ladies and gentlemen, the growth of unemployment over the last ten years has undoubtedly been due, to some extent, to the structural inflexibility and weaknesses of the labour market which have resulted in the supply of labour not fitting in with demand. For this reason measures aimed at the reorganization of working time, at the provision of manpower training and at reducing the number of hours worked, will make an effective contribution to tackling the problem. Social policy measures such as these have been adopted by the government of my country and by other socialist governments in Europe.

It is, however, obvious, Madam President, that the dramatic rise in unemployment is in the main a symptom of the more general economic crisis, and that the defeat of unemployment presupposes overcoming the crisis and reflation demand and production.

The reasons for the economic crisis are familiar. They are structural as well as contingent. The structural reasons are connected with significant changes in certain prices, such as in the price of oil, in demand models, in technology and in the international economic environment, which have taken place in the last decade. The contingent reasons are connected with lower levels of demand both in the industrial countries, due to the ascendancy of monetarism, and in the Third World due to shortage of exchange and indebtedness. What can and what should the Community do to help in overcoming the crisis? A programme for the reflation of the European and, more generally, the world economy must attach importance to the following points.

Firstly, that the adjustment of the industrial structure of the European economies must be speeded up through the development of new product lines in order to overcome structural weaknesses and ensure that full use is made of opportunities provided by technological progress. The main instruments in such an endeavour must be state-initiated productive investment, expenditure on research and the development of new technologies.

A second point is that the coordination of macro-economic policy in the countries of the Community

must become more efficient, and in the framework of such coordination the countries with low inflation and strong currencies must implement a policy of expansion with a view to boosting demand.

The third point concerns the need for much closer cooperation between the Community, the two other countries in the Western world with large economies, America and Japan, and the Third World. Cooperation by the Community with its major partners in the industrialized world in the field of macro-economic policy is especially important for the maintenance of stability in European trade balances while reflation gathers pace.

In the sphere of North-South relations the main problem has to do with shortage of exchange and indebtedness. The solution of this problem calls for the strengthening and extension of the mechanisms for stabilizing the prices of raw materials, the widening and improvement of credit facilities for the less developed countries, a large increase in aid and the lowering of interest rates in the international money markets.

In concluding, Madam President, I would like to say that the solution of the current economic problem will be achieved on an international basis, and will come through the implementation of a programme for world reflation. Overcoming the present resistance to a Community initiative in framing such a programme calls for the widest possible collaboration between the social and political forces that have an awareness of the dangers inherent in the prolongation of the economic crisis.

IN THE CHAIR : LADY ELLES

Vice-President

Mrs Phlix (PPE). — *(NL)* Madam President, ladies and gentlemen, on our arrival this morning we were welcomed with flowers by a delegation representing the 60 million women of Europe. The vast majority of this Assembly will undoubtedly be aware of the economic value of the work women do in their families. One very important aspect of the emancipation of women, in my opinion, is their economic independence. I hope to be able to revert to this subject in a debate in the near future.

In the limited speaking time that has been allocated to me I should like to draw your attention to the essential part to be played by small and medium-sized undertakings in our search for a solution to the present economic crisis and the serious problems connected with unemployment. Serious though the very high unemployment figures are, the fate of the unemployed themselves is far more tragic. Small and medium-sized undertakings have long played a central role in our Western economies. The majority of the

Phlix

working population is employed by small and medium-sized firms. Through their diversity, their adaptability, their creativity and innovativeness these firms have been able to keep going even in these difficult times. This often requires a major effort on the part of managers and their assistants, usually women, but this is in no way reflected in national budgets. It is high time the benefits derived from these firms were recognized. In the past their continued existence has been taken for granted. When the discussion now turns to economic recovery, the creation of new jobs, export-oriented growth and the application of the new technologies, small and medium-sized undertakings are referred to as the prime movers in economic growth and employment. Small and medium-sized undertakings can raise the level of employment, both quantitatively and qualitatively: qualitatively by training young people, improving working conditions and providing services. If employees' working conditions are to be improved, we must ensure that the situation is right for these firms to develop, and at political level a great deal remains to be done in this respect.

As regards taxation, SMUs must be encouraged rather than penalized as they are now. A very serious study must be carried out into the calculation of the burdens imposed on employers. These examples show what action needs to be taken if these firms are to be given the chance to play their role as job-creators to the full.

On the European Parliament's initiative 1983 has been designated the year of small and medium-sized undertakings. These are not empty words, and this is not a one-time action. We want to increase employment and with this in mind, I appeal to the Commission and Council to delay no longer in moving from proposals and deliberations on the fight against unemployment to actual decisions and to waste no more time on fine words.

Mr Simmonds (ED). — Madam President, I want to address my remarks primarily to the Socialist Group in the European Parliament and also to our many young visitors here today. Today we have had the usual passionate speeches from British Socialists, accompanied by wringing of hands, telling us how dreadful unemployment is. Anyone would think that there was a British election in the offing. Concern about the problem of unemployment is not a monopoly of the left wing. But from what I have heard today, constructive long-term answers to solve the problem are actually the monopoly of the centre-right of this House.

Now before Socialists on the left of the House start to feel that their bleeding-hearts-and-consciences-on-sleeves activities have won the day, one fact should be made absolutely plain and it may be news to parliamentary colleagues of British Socialists. It is a fact

that, despite manifesto promises to the contrary, every Socialist government that there has ever been in Britain in history has been thrown out of office with a higher rate of unemployment than when they were elected. Socialists in government in Britain increase unemployment. From their existing manifesto I can confidently predict which of their proposed policies would continue this trend. It is the British Socialist policy to withdraw the United Kingdom from the European Community. That proposal, if implemented — and I don't believe that it will be, because they won't be elected — would have the effect, it is estimated, of creating another 2.5 million unemployed in my country. And still the British Socialists call for a concerted European policy on unemployment. That is the real hypocrisy. Please, will continental European Socialists try to convince their British brothers and sisters of the folly of their ways, because their continued undermining of the British Government and its support for the European Community is certainly affecting the amount of overseas investment within the United Kingdom for the European market.

(Applause from the European Democratic Group)

Mr Van Minnen (S). — *(NE)* Mr President, this congress, as this part-session of Parliament might well be called, is undeniably full of good intentions. No one here at least has said that unemployment must not be combated, not even Mr Simmonds, although he must surely realize that the policy he and his colleagues are pursuing is simply increasing unemployment.

But many people have nothing to say when it comes to deciding how unemployment should be combated. This is unfortunately apparent not only from the words of the notorious right wing, to which Mr Simmonds belongs, but also from Mr Papaefstratiou's resolution. Anything that showed any sign of a practical approach was rejected before it came to this debate, as we who are sitting here, or are not sitting here but should be, must know. It was rejected by the same right wing that has today tabled the so finely but so vaguely worded Papaefstratiou resolution.

Why does the majority here not have the courage to come straight out and call for an immediate reduction in working hours by at least 10 % or for the 36-hour or 35-hour week with a view to creating the many millions of jobs which it has been calculated can be created in this way? Why does the majority here not have the courage to call for the financing of employment? We must stop talking in terms of a few millions and start talking in terms of the billions which will be needed for this purpose and which must and can be found on the capital market if only we are willing to adopt this course. Why can the majority here not at last find the courage to call for a policy of stimulation under which 1 % of gross

Van Minnen

national product, as the trade union movement has demanded, is spent on Community action to combat unemployment, with countries in a strong economic and financial position — I should add straight away — setting the example? Why does the majority not have the courage to say that so wide-ranging a policy of stimulation is by no means a remote and unattainable utopia but a tough course of action that must be taken immediately. That is the purpose of the amendments we have tabled, the practical purpose that must form the basis of a debate in which this Parliament must at last accept confrontation with the governments, which have decisions to take in June, and with a Commission which must itself undertake to implement the employment plan, for example by staking its all on employment rather than coming here and philosophizing about five million young people who could be found employment in two and a half years. Of course, they must be found work, but the Commission must say how.

Today's debate is again in danger of developing into a phantasmagoria as the wave of figures looms up with ominous clarity. Over a period of twelve months an additional — I repeat, an additional — two million, probably even more, have joined the ranks of the unemployed in the Community. Every minute four people lose their jobs, which means that 16 people have become unemployed while I have been speaking. We may not know much in Europe, but we can predict that in the 575 minutes that have been set aside for this special debate, this trend-setting debate, this pretentious debate, 2 300 more people will have a personal interest in our employment policy. If for no other reason we of this Parliament simply have a duty to follow, in the decisions we take, the practical defensive course indicated by my group.

(Applause)

Mr Macario (EPP) — (IT) Madam President, I should like to thank the groups of the European Parliament for agreeing to this special meeting on the subject of unemployment, which is very serious but also a very harsh matter for many people. The debate represents a victory for the trade unions, for the European Confederation, quite apart from its contents. It could not really be refused, even at the price of revealing serious limitations and unhelpful attitudes of mind.

These gaps exist; we must recognize this. Just as we must recognize that our exchanges have been dominated by a number of ideological barriers, tactics, the desire to wave one's own flag at the expense of the search for points of agreement which are not impossible to find; it is as if we were saving our own souls and leaving the people to fend for themselves.

In this way we, at the European Parliament, mirror the contradictions, the differences, the problems in establishing dialogue which exist between political

forces in Europe and which have, for years now, held Europe back in a secondary position in the world. The spirit of adventure and enthusiasm of the early decades of the Community have given way to a sense of resignation and impotence, an inability to cope with the unhappiness of people who are increasingly fearful and timid rather than enthusiastic and hopeful about their future.

With the ending of solidarity, nationalism and, in its wake, corporatism are spreading. Defence of the status quo becomes 'look after yourself'. It becomes increasingly difficult to govern as the sick man wants to change position increasingly often; political instability is widespread, systematic and, these days, endemic. Political systems are strong if their strength comes from within, from the peace and order which pertains to them and which, for democrats like us, is based on the unalterable principles of justice and liberty.

In the last few months it has been said over and over again — sometimes in tones of triumph — that the unemployed have not come together politically. This is true. They have not done so because of the cushioning which the system has, to some extent, prepared against unemployment. Not that being unemployed is an ideal state. Quite the reverse! Being unemployed for a long term is a condemnation and a curse. Unemployment is a cancer for families, it means no future for mankind, if it is true that from it have come migrations of biblical proportions or, in other cases, serious disruptions to personal and family life which are well-known and which I will not dwell on. Apart from the family, it is a cancer for society as well, because it spreads feelings of insecurity, gives rise to tragedies and causes suffering, and germinates the seeds of revolt.

We must ask ourselves here and now, and the Heads of Government must ask themselves at Stuttgart: can the European Community live, for more than ten years at least, with fifteen million unemployed? My reply is: no. It can not, and not only because that powder-keg might explode at any moment, not only because unemployment might lead to the collapse of the democratic system, but simply and above all because it is not fair.

We want a fair, and not an unfair, society; a free society which is open to ideals of different kinds fighting both for freedom and for justice. So what is to be done? Naturally, I speak for myself. What is to be done, especially as investment policy, however ample and bold it may and should be, can for a number of years have only a marginal influence on the increasing level of unemployment? The European Community should share work out according to demand for it; we must take urgent, even if gradual, steps towards a working week of thirty or thirty-two hours, and give work to all who ask for it.

Macario

The basic criterion for the redistribution of work could be that of the same salary per production unit. Early retirement is no use. All this would do is to shift the misery from the young to the old. For all manner of reasons, people should continue to work for as long as they can until they reach old age, so avoiding the spectre of becoming social rejects, consigned to the tomb, for those who have to retire early. Nor is it any use to think of enclosing women again within the family walls; work is important for everyone, and should be accessible to all. With fewer retired people and fewer unemployed, society would gain by avoiding the growing burden of crippling unemployment benefits and becoming once more competitive, forward-looking and productive.

We have the means to do this all together. All of us individually in Europe, and all the States working together, must do this quickly and as a matter of urgency; we must also discuss it with our great trading partners, the United States and Japan, so that we can, together, act prudently and restore international trade balances which now, in some cases where the highest rate of both work and technological advance are combined, have become grossly distorted. We have recently had the news that there are more than three million unsold Suzukis in Japan. It is impossible too not to think of giving the Third World the chance to develop production in a suitable and practical way. The technological revolution through which we are living has these vital markets now clamouring for our attention; this is the stage of development that we have reached. If politics is to be far-sighted and aware of the future, we must see that, however difficult and complex it may be, the way I have indicated is essential. It is the way of reason, solidarity and new hope for people. Wisdom lies in choosing it today, and not tomorrow.

(Applause from the centre)

Mr Fernandez (COM). — *(FR)* Madam President, whilst unemployment is unacceptable for all, it is even more so for young people. Five million workless are under 25, which is over 40 % of the total. Many others have what is known as a precarious and dead-end job or an unstable situation with no real promotion prospects. Many have no skills.

And yet we have a youth which has the aspirations of its time but cannot find its place in a society for which profit is the only goal. Many suffer from anxiety and ask themselves: 'What use am I?'. By and large, all our young people are looking for useful, interesting and stable jobs, an ambition perfectly compatible with the technological changes our countries are going through.

The way to bring our countries out of crisis is to invest in men, to give them training, responsibility and management tasks. Austerity policies will not

solve the problem. The facts are there to prove it. Dismantling industry for the immediate profit of the multinationals, redeploying capital, and financial speculation have brought about this rising level of workless in the Community and more particularly among the young.

Strengthening internal markets at one and the same time rebuilds the industrial fabric, creates jobs which are sources of new wealth and initiates a new process of international trade within the Community. In France, retirement at 60 has just been brought in and is releasing jobs, as is the reduction in the working week to 39 hours with no loss of wages, a step on the way to a possible 35-hour working week by 1985. It is on this pattern that national efforts to create jobs should be modelled. Special measures should be taken to create stable and skilled jobs for the young unemployed offering prospects of a settled life. Vocational training needs to be organized, leading to skilled jobs that would be guaranteed at the end of the course, and designed with a broad curriculum in order to give young people the stability and security they need to be able to adjust to changing conditions and, where necessary, to acquire fresh skills in order to change their job or profession.

Furthermore, greater participation by the representative trade unions is necessary in the decision-making structures of enterprises in order to improve the vocational training strategy as regards both the training directions that need to be developed and the choice of investment necessary to achieve a high level of qualification for all young people.

Lastly, among the tasks for the European Social Fund, a major role should be assigned to projects that could serve as examples in industries of value to the Community in which vocational training, technological innovation, reduced working time and job creation would all be involved.

To conclude, Madam President, I would like to say that, more than any other segment of the population, young people, because they seek a world of justice and peace and because they are on the threshold of the great adventure of life, have one need that we cannot bypass: that of being recognized socially. It is unacceptable that in any society, whatever it be, a large proportion of its young people should be left by the wayside. That is the meaning of the call made by the European Youth Forum which we fully endorse. No, unemployment is not inevitable, but we have to tackle it seriously.

(Applause from the benches of the Communist and Allies Group)

Mr Vernimmen (S). — *(NL)* Madam President, ladies and gentlemen, I am particularly pleased that we are today focusing our attention on the No 1

Vernimmen

priority, employment. We must find a solution, or a new form of society will evolve and even now we all have an idea what it would entail. It would not leave much room for democracy, freedom or human solidarity.

Ladies and gentlemen, I believe that everyone in this Parliament agrees we must rise to this challenge courageously and, above all, effectively. We now know that a national response is inadequate, and all the parties must therefore be involved in an employment pact: employers, employees and government. We also know that the answer to the crisis is not a strict monetarist policy, which has increased the number of unemployed by millions in recent years.

The priorities are as follows: we must get the engine of economic growth running at top speed again. This will require a coordinated investment effort. Let us think in terms of 1 % of gross national product. Major improvements can be achieved in the labour market in the short term. Let us think in terms of employment programmes, vocational training and retraining. An outline agreement should be reached on a drastic reduction in working hours. Let us think here in terms of 10 % control of the new technologies, with account taken of the competitiveness of undertakings. The developing countries are an essential link in our economic development. The burdens imposed by the crisis must be more fairly distributed, so that the strongest shoulders bear the heaviest load. The purchasing power of the masses must be kept as high as possible. We must stop using employment to fight inflation and adopt a strictly controlled price policy instead.

I hope that all the statements that have been made here will be followed by positive action on the part of the Commission, the Council and the national governments. We must heed what those hundreds of young people told us this morning: 'No more words — more deeds.'

Mr Alavanos (COM). — (GR) Madam President, unemployment is certainly a critical and tragic problem which is affecting all the countries of the Community regardless. But unemployment is not a European problem as such. Do not just remember the socialist countries, gentlemen, when you speak about Afghanistan and Poland. The socialist countries next door to us guarantee their populations the right to work and engage them in socially useful activities, and over there the technological revolution is dedicated to freedom, not destruction. Next door to the German Federal Republic, with its two and a half million or more unemployed, lies the German Democratic Republic where, by contrast, there is a demand for labour.

One hundred years after his death we must see how apposite Marx is concerning the conditions pertaining in State monopoly capitalism and under international

capitalist domination. As Marx emphasized, the accumulation of capital in capitalist society results in a large part of the working population being rendered supernumerary, being banished from production, put on to the streets and driven to moral as well as to economic degradation. He also emphasized that the industrial reserve army of workers constitutes an essential component of capitalist production which can neither develop nor even exist without it.

Has not all this been borne out today by the Commission and most of the speakers?

While for the workers, employment is the main problem, the Commission pins its colours to the competitiveness of private companies.

While we debate here how 12 million unemployed people can find work, along comes Mr Thorn and asks us to consider ways of helping the development of private companies. When, by legislating for part-time working, we institutionalize unemployment and generalize it instead of defending the traditional meanings and tenets of labour law, such as permanent and full-time employment. When, instead of being aimed at the prosperity and liberation of the workers, the reduction of working time becomes an instrument for cutting back their purchasing power even further and for striking at their vested social rights.

The Communist Party of Greece is ready to cooperate, and at European Community level, with every political and trade union body towards albeit partial measures for combating unemployment, measures which are contained in the amendment we have tabled.

However, we are radically opposed to the measures proposed in the reports, and we address ourselves to our colleagues in the Socialist and Communist Groups in saying that any compromise with the forces represented by Mr Kohl, Mrs Thatcher and the Greek right wing, any compromise at the price of letting pass the philosophy of employer-class politics, at the price of abandoning the positions taken by the European Confederation of Trades Unions is, in our opinion, irrational.

Before I finish my speech I would like to mention one last matter, because some colleagues have cast doubt on the connection between the unemployment problem and the problem of armaments. First of all I want to welcome the stance taken by Mrs Salisch, who has linked these two problems closely, and to ask them: how can you dare to demand sacrifices from the workers to assist businesses when you condone the waste of enormous resources for non-productive bellicose purposes? Can you not see that for the United States to increase its military spending it was necessary for 700 000 families to be struck off the welfare roll, for federal financing of school meals for three million pupils to be cut off and for 310 000 jobs in public undertakings to be done away with?

Alavanos

The 4 000 000 unemployed young people in Europe do not ask for charity from the Social Fund. Their slogan is: 'we want work, not armaments!'

(Applause from the benches of the Communist and Allies Group)

Mr Peters (S). — *(DE)* Madam President, ladies and gentlemen, no solution is possible without a reduction in working time. Even those who a year ago firmly rejected the necessity and feasibility of a reduction in working time are beginning to accept this fact. The Socialist Group and the trade unions are of the opinion that a reduction in working time would amount to a redistribution of work. It is a fact that the amount of work available has declined in the course of technological development and will continue to decline. It is also a fact that there is no economic upswing in view on a scale to enable us to return to anything like full employment on the basis of the present division of labour.

The tendency of the new technologies to rationalize jobs out of existence must be slowed down. Two examples from the Federal Republic: we have 1.2 million jobs in assembly. 550 000 of these will be lost over the next few years due to the use of robots. Of these, 300 000 are jobs for women. And secondly: the use of data cash points alone will cost 100 000 female cashiers their jobs in the very near future. The list is endless. We are convinced that work must be organized to take account of the consequences and effects of these new technologies, in such a way that the principle of solidarity, without which no democratic State can exist, is retained and strengthened. Solidarity, without work for all those who wish to work, cannot function and is untenable. It cannot be in keeping with the purpose and function of a socially responsible State that millions of people are faced with no prospect of work in the long term and with living on State aid.

A redistribution of work is unavoidable. The sooner State and social partners act, the better they will be in a position to minimize the damage caused. The question of how to pay for the redistribution of work will also have to be squarely faced. We are aware that it is not possible to ensure a reduction in working time *and* an increase in purchasing power. We are however equally well aware that the redivision of work must ensure that social wealth and income must be increased and not reduced, particularly for the lower income groups.

We welcome the Commission's initiative on a reduction in working time and are of the opinion that this initiative must lead to a European regulation; in other words, Europe must take action. All of us together must ensure that working time is reduced.

Mrs Focke (S). — *(DE)* Madam President, ladies and gentlemen, I wish to concentrate my contribution to this debate entirely on the relationship between *employment and technology*. The Socialist Group queries the relationship between investment and jobs — where it is automatically assumed that a rise in investment of necessity brings an increase in the number of jobs. Investment can create jobs, investment can also destroy jobs. It all depends on what *sort* of investment is made, i.e. what sort of products and *how*, i.e. which technology is used.

There is an alternative to passive acceptance of alleged pressure from the world market, and the spurious choice for Europe between either loss of competitiveness *and* jobs or retention of competitiveness but loss of jobs because of rationalization. There is an alternative to the battle for shares of the market in the most advanced technologies — a free-for-all battle — where the export of advanced technologies also exports unemployment between the member countries of the European Communities.

The key — and here I would like to thank the European Youth Forum for presenting us with this symbol here today — lies in recognizing that progress is not *only* of a technical nature, that Europe must determine *for itself* a suitable rate of technological progress, that socially and environmentally acceptable criteria must have a high priority, that the effects of technical change can be mastered and must not be allowed to threaten the working population with mass unemployment. It is possible to achieve a high quality of growth *plus* employment with the new technologies — and that includes microelectronics. To achieve this, however, innovatory policies must take account of basic human needs, of the needs of social groups, regions and of the Third World, of the housing, transport and leisure needs in this last part of the century, of improved environmental protection, of labour-saving machines, of proper, adequate waste disposal etc.

The sad truth, however, is that too few *new goods* are being produced and developed in Europe today to meet new needs, i.e. too little is being done to create new demand and markets. Companies are making use of *innovatory methods of production* in order to rationalize and are neglecting innovatory products which could boost employment. This is the main reason we have a growth crisis. New growth of a high quality must be based on a new generation of goods and services which meet as yet unsatisfied individual and social needs. Energy and raw material costs must be kept low, with a high use of labour and skills, a moderate use of capital and a high degree of social innovation. Moreover, it is in the nature of Europe that this should take place in a varied and decentralized manner, exploiting to the full local and regional conditions and possibilities and taking account of different patterns of consumption and ways of life.

Focke

The EC has the funds and powers to set an example. I would remind you of the test of compatibility with the environment which would generate a high level of safety expectation, of our directives on the environment, of the appropriations for renewable sources of energy, of all the funds and subsidies with which we could generate a common policy on research and technology based on such criteria. Last but not least I would like to remind you of the necessity, following on from the Vredeling directive, of enabling workers to have a say in the use of new technologies. The EC can and must give a lead where this kind of social development is concerned. By doing this we can make a decisive contribution towards solving the problem of unemployment.

Mrs Viehoff (S).— (NL) Madam President, one of the indents in Mrs Salisch's report reads: 'having regard to the outcome of the hearing of unemployed young people on 15 November 1982'. A film was made of this hearing, and every Member of the European Parliament, every Member of the Commission and every member of the Council should be required to see it. It might convince them of the need to delay not a day longer before taking action. It is sad to note that in 1976 the Council adopted a resolution entitled 'Measures to be taken to improve the preparation of young people for employment and to facilitate the transition from school to working life'. Madam President, exactly the same title stands resplendent above a resolution the Council adopted in 1982. This is characteristic of the spoken and, in this case, written avowal of the Council's great concern about unemployment in Europe.

The call for better vocational training courses is now becoming increasingly loud. As there are no jobs, this is a pointless exercise and a way of distracting attention from the real issues. We are deceiving ourselves and throwing dust in the eyes of Europe's young people. At first sight, the Council's plans to use the Social Fund primarily to fight youth unemployment is very welcome, but when we look closer, it all comes back to vocational training again, and there is no kind of analysis of occupations which have a future. Without that, there is no need for us to get so excited. The Fund is also being used to pay employment premiums to employers who take on young people. This brings with it the danger of dismissal for older employees and shifts the unemployment problem from one category to another. All we are, in fact, doing is subsidizing unemployment rather than fighting it.

Madam President, youth unemployment cannot be seen or dealt with in isolation from unemployment as a whole; an overall approach is needed. But if a genuine solution is to be found, the political will must exist and the structure of our society must be reap-

praised, as also our relations with the Third World. The arms race, which is enormously expensive and produces nothing, is also defended with the argument that it is needed for the protection of our countries. I believe that a country is not just a piece of land but a collection of the many things, including human and cultural values, which go to make up our democratic society. The economic crisis and all that it entails is undermining this democratic society. Peace within our own frontiers is at stake, citizen confronts citizen, human dignity is being ignored and we are well on the way to creating a throw-away younger generation.

What in fact are we still defending? At its congress in the Netherlands my party adopted a motion calling on all countries to reduce their defence budgets by 5% and to use the resulting money to create jobs. With the 1% of gross national product and the policy advocated by the Socialists and reflected in amendments to the other reports, this would be a great step forward in the fight against unemployment.

Hoping for economic growth may be an optimistic approach, as the President-in-Office of the Council said this morning, but it is not a very realistic one, and it is not much good to the 12.5 million unemployed today; they want solutions now.

(Applause)

Mr O'Mahony (S).— Madam President, because of the time constraints placed on me, I am going to speak more bluntly than I normally would. The position of the right-wing political groupings on the question of unemployment seems to me to be nothing short of outrageous. Their position is summarized in the Papaefstratiou motion for a resolution, which was supported in the Committee on Social Affairs and Employment by all the right-wing groups, including the EPP and the EPD, both of which have Members from my country.

The Papaefstratiou motion for a resolution is worthless and, if implemented in the Community, will contribute nothing to the struggle against the crisis of mass unemployment. It represents no more than an attempt by the right-wing groups to continue the same policies which have caused the crisis in the first instance. The Papaefstratiou motion for a resolution and the right wing position are, in fact, not concerned with unemployment at all. They are concerned instead with conventional growth policies, of which unemployment policy is seen as a mere by-product. What the right wing are saying here today is that we must return to patterns of high economic growth and that unemployment will then take care of itself with the assistance of appropriate training schemes. This, of course, is fatuous nonsense. High growth rates cannot be guaranteed in the foreseeable future, and even if they could, they would not necessarily have a significant impact on the unemployment question.

O'Mahony

What we in the Socialist Group are saying is entirely different. We say that if unemployment is to be dealt with, then policy must be directed specifically to that end and not just to growth as an end in itself. To date in the European Community unemployment has been seen primarily as a social problem which can be dealt with through manpower and training policies. The Socialist position is that unemployment is an economic problem endemic in the present economic order and that it can be dealt with only through new economic initiatives. I can summarize these briefly.

We need additional investment in jobs, particularly in the public sector, even if there is not an immediate or direct return on that investment. We need to restimulate demand, and the most effective way to do this is to increase the purchasing power of the lower income groups. We need an effective Community regional policy. We need effective policies concerning the relationship between labour and technology, including redistribution of the working week. We need to democratize industry so that the relationship between labour and surplus profit is changed and in order to control multinational corporations. We need specific policies in youth employment along the lines outlined in the Salisch report. We need to modify the common agricultural policy in favour of increased spending on structural policy. In short, we need a new global strategy against unemployment.

Democracy itself, Madam President, is at stake and so too is the future of this Community.

Mr Petersen. — *(DA)* Madam President, one of the most essential reasons why Denmark is just as unable to solve the unemployment problem as is the EC, is that we have neither the will nor the ability to yield that which has to be yielded — not alone in the material field but also in the intellectual field. Those who have much will not yield material things. Those who can think among those who have power will not think new thoughts. What the crisis demands is a qualitative renewal. Growth or development is an eternal change between quantitative growth and our apparent stagnation, in which there is a qualitative renewal, however. That is where we are at the moment. During its great crisis a hundred years ago Denmark resolved its crisis. We were badly hit, not only by the loss of Schleswig-Holstein, but because the technological revolution — the arrival of the steamer and the railway — left us uncompetitive. We were hit very hard indeed. We resolved the Danish crisis by starting from the bottom. We resolved it during a period of ten years by changing from our main production of grain, to animal production.

This was a qualitative change, my dear colleagues, and it is a change like this that we must undertake now. We have to concentrate on some main areas and not

just turn up with 'anything under the sun' as demonstrated in today's debate. In other words we must invest in renewal, qualitative renewal, within five main areas. Firstly, a new qualitative energy system — and this can only be in the long term — a system which follows the law of rotation, the most important law of life, that is the renewable energies. A new qualitative system of resources, which implies that we really must start to take recycling seriously and not content ourselves by considering it as something that is of little importance. Furthermore a new qualitative production system. If we want to go on using the present system of production, be it capitalistic or socialist, then we are on our way into the abyss. We must only produce that which does not pollute, without wasting resources, squandering energy and without damaging mankind.

And then we must have a new qualitative work system. So much has been said about working time. My own group — the Socialist Group — suggests that we reduce to 35 hours. I believe that we have to reduce to 30 hours at least. We must acquire another attitude towards work. We must do away with the old Victorian concept of duty and introduce play into work. The information technologies enable us to do so. And then we must acquire a new qualitative lifestyle and break away from the non-culture of the 1960s: consume and throw away. We must reintroduce respect for the intrinsic value of things. We must reintroduce respect for electricity and other resources — 'turn off the light, lad' as we were told in my childhood. We must reintroduce respect for life — I am just about to utter: 'dust thou art and unto dust thou shalt return'. Life is not one-dimensional, as we thought in the sixties. We must reintroduce the fact that quality means more than quantity. If we do so, then life will have a meaning. The Chinese sign for danger consists of two signs. One sign means danger, the other possibility. Let us avail ourselves of the possibility, let us meet the challenge. The challenge of the present time is a qualitative one.

(Applause from the Socialist Group)

Mr Eyraud (S). — *(FR)* Madam President, ladies and gentlemen, in the minds of its founders, the European Community was to be composed of many different policies designed to improve living conditions overall and to guarantee a decent income for every European citizen. Can we say, 20 years later, that that object has been achieved, now that we have 12 million unemployed in the Community?

Many different policies: monetary policy, industrial policy, energy policy, social policy, agricultural policy, etc. Unfortunately only the common agricultural policy has had any real existence over the past 20 years, which is why I was surprised to find in Mr Papaefstratiou's motion for a resolution only one

Eyraud

modest reference to it in the last paragraph of Recital D, the reason why I felt obliged to table several amendments on the subject.

At this special part-session we are striving to lay the foundation of a new policy, that on employment. At the same time, the CAP is in a precarious state because it has not been able to guarantee a decent income for small and medium farmers or prevent the growth of unemployment in this sector any more than elsewhere. A surprising coincidence is the fact that, this very day in Luxembourg, the Council is endeavouring to reach an agreement on agricultural prices. That agreement will be governed by monetary policy and will itself govern farmers' incomes and therefore purchasing power. While we cannot approve nor justify the violence that explodes from time to time in the rural world of certain Member States and France in particular, it is readily understandable. It reflects the distress of workers ultimately condemned to unemployment or, worse, not to be able to make the investment necessary for the survival of their farms.

The failure of the Community has completely undermined two of the basic principles of the CAP: price uniformity and financial solidarity. The result is an intensive rural exodus amounting, in France, to an annual loss of 3 % of the active agricultural population, not including farm-related jobs and service jobs in the rural environment. They swell the ranks of the unemployed. The failure of the Community and particularly that of the Commission is currently apparent in the field of external trade. The veritable onslaught of the United States on the EEC in the agrofood sector is causing a considerable increase in unemployment in our enterprises.

Here is a simple example. The loss of the grain market with Egypt means, for France alone, the loss of about 500 jobs in flour milling, 300 in bagging and 500 in transport. This being so, since it is essential to maintain jobs both in agriculture and in the agrofood industry just as it is necessary to protect nature and the rural environment, the Commission has the duty to propose appropriate measures. The aggressive language used by some of our right-wing Members this morning about the socialist governments in the Community seems to us very empty in relation to the gravity of our employment problems. The policy which the French Government has been applying since 10 May 1981 has enabled the unemployment curve to be stabilized. If all its partners had been prepared for genuine concerted action to revive the economy and to bring the *European social space* into being, to which all workers aspire, perhaps this would have been true of the Community as a whole. Woe betide us if each of our countries has to retreat behind its frontiers.

The only way to reduce unemployment, which would be a considerable step forward towards the construction of Europe, is through solidarity and social justice.

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

Mr Ruffolo (S). — (IT) Madam President, the reappearance of mass unemployment within the advanced industrial economies is the result neither of chance nor of necessity, but of economic policies which have given the wrong answers to new challenges. The challenges have brought radical changes to labour supply and demand, and superimposed on these structural changes is the slow-down in economic activity, brought about by restrictive monetary policies which, naturally, make unemployment worse.

This means that unemployment must be attacked on two fronts: that of macro-economic policies, by means of 'reflation', and that of structural policies to help to restructure supply and redistribute demand for labour, by means of policies which lead to the creation of new jobs, policies to reduce and share work which allow employment to be spread fairly.

Madam President, every age has its problems, for which suitable solutions must be found. The liberal solution to the unemployment of the '30s was catastrophic. The right solution was that of Keynes. When this was finally adopted, it led to a period of unsurpassed progress. In our time the policies of Keynes are no longer adequate to meet the new problems, which require structural measures. We must go beyond Keynes. But the fact is that the prevailing economic policies are at present heading in exactly the opposite direction; they are based on an anachronistic liberalism, which aims to set up impossible conditions of self-regulation through restrictive monetary measures and *laissez-faire* economic policies. There is, therefore, the risk of going back 50 years to the economic and social climate of the 1930s.

The time has come for the Governments and peoples of Europe to halt their slide down this slope and for vigorous national and Community measures to be implemented to revitalize the economy, create jobs, reduce the working week and share out jobs.

The restoration of full employment is not a task which can be left to the market. It must be taken on by everyone as an essential part of their policies. The society of temporary employment is limited, just as the democratic society is in danger.

(Applause from the Socialist benches)

Mrs Pantazi (S). — (GR) Madam President, ladies and gentlemen, the extent of female unemployment is well known and has already been commented upon by the previous speakers. The basic causes of female unemployment are as follows. Firstly, the fact that women tend to be concentrated in branches of manufacturing industry that are particularly hard hit by the

Pantazi

economic crisis, such as textiles and the ready-made clothing sector, etc. Secondly, the marginal role of women in the labour market. Thirdly, the low level of education and vocational training and, lastly, the mistaken assumption that female labour offers only low productivity.

These causes are particularly pronounced in the under-developed and problem areas of the Community where the problem of unemployment is age-old and structural and where under-employment is a permanent feature.

As measures to combat female unemployment we propose :

Checks at both national and Community level on whether, and to what extent, Community directives and national legislation intrinsically safeguarding the right of women to work are being implemented.

Adequate vocational instruction and training in sectors which offer real and permanent employment opportunities, such as in small and medium-sized undertakings, the crafts industry, cooperatives and the vital area of the new technologies.

With regard to the new technologies, in particular, special efforts must be made to integrate women into this technological revolution because there is a real danger of the position of women in the social system slipping back.

The organization of a campaign to enlighten women about unemployment issues and to acquaint them with the means of recourse to organizations and services.

The doubling in real terms of Regional Fund and Social Fund spending on women, with special emphasis and priority being given to women who live and work in the problem areas of the Community.

A special effort must be made to help young women, who make up 46 % of total female unemployment, in terms of both the creation of new jobs and the provision of training to enable them to adapt to new technologies and production methods.

(Applause from the benches of the Socialist Group)

Mrs Lizin (S). — *(FR)* Madam President, ladies and gentlemen, on behalf of the Socialist Members of Parliament, who are members of the Committee of Enquiry on the Situation of Women in Europe, I claim, for these European women, the right to employment and to reduced daily working hours.

Something new, since previous crises, is that women are still in the market for employment, in spite of the crisis and in spite of the reactionary attempts to have them wholly or partly back at home to produce lots of children without the benefit of the necessary social facilities. In this connection I would point out the contradictions of the Christian Democrats apparent in the speech made by Mrs Phlix. Women will hold their

ground ; leave it to them. They have already obtained recognition of their equality in law, now it has to be recognised in practice. The crisis cannot be an argument against so fundamental a principle. Women no longer need words or regulations. That stage we have to leave behind us. My group therefore requests that the Commission should very quickly propose a fourth directive calling for the general implementation of positive action programmes, and offering support for them, designed to promote the employment of women in private and public enterprises and services. Practical programmes of this kind, together with financial incentives, are now the second stage in our demands. We no longer want words but concrete facts for women from the Council and the Commission.

Mr Abens (S). — *(DE)* Madame President, perhaps the most dangerous aspect of the unemployment problem is the unemployment among young people, since it undermines their belief in our free, democratic, pluralistic society. What are young people to make of a social system that keeps them out of work for years on end, when they have spared no cost, sacrifice or effort to prepare themselves for a profession ? What an accumulation of disappointment, discouragement and bitterness this must bring, how long-term unemployment must undermine characteristics — so typical of young people and which this world so urgently needs — such as a sense of initiative, the striving for a better world and confidence in the future. In my view, these problems must be tackled as suggested in Mrs Heinke Salisch's report, as the Socialist Group has been urging for years.

I would also like to mention the problems of unemployment in my own country, Luxembourg. My country is one of those where the level of unemployment is relatively low — less than 3 %, despite the serious structural crisis affecting Luxembourg's main industry, the steel industry. Between 1974 and 1982, i.e. over a period of 8 years, 10 000 jobs were lost in this industry, more than 6 % of the total employed.

Fortunately, this trend was largely compensated for by the positive development of jobs in services and public administration. However, the country's employment structure became precariously unbalanced. At the present time, only 35 % of all the employed work in industry, whereas more than 60 % are employed in service industries. This shows the great importance of consolidating Luxembourg as a financial centre and the seat of the European Community.

In connection with this, two further aspects must be mentioned : firstly, the approximately 12 000 frontier workers, 7.5 % of the workforce, who cross the borders from Belgium, France and Germany every day to work in Luxembourg ; secondly, the total number of foreigners employed in Luxembourg — 52 000 — is of great significance. This figure represents practically one-third of the total workforce, without

Abens

including the officials of the European Communities. I merely wish to demonstrate the extent of Luxembourg's employment problem and the precariousness of our position as long as the question of the financial centre and the seat of the Community are not finally settled, and also to show what the small State of Luxembourg is doing to promote employment in the Community.

So it is easy to understand when we Luxembourgers press with the greatest emphasis for a revival of the European economy and a coordinated and more flexible reallocation of jobs in the Community, together with a re-structuring of our steel industry, and ask that account be taken of the sacrifices we have already made.

Mr Boyes (S). — Madam President, there are two evils in our society. One is nuclear weapons and the other is mass unemployment. Perhaps the great evil in the problem of unemployment is that 5 million of our young people should be condemned to helplessness and hopelessness by the right-wing governments in power in Europe. We have to say to our youngsters, the youth who are attending this conference of this Parliament today and tomorrow, that some of us have a message of hope, that some of us are with you in your struggles and that some of us are determined to do all that we can to help to solve the present crisis. Friends, in my country the Tories with their monetarist policies pretend there is no alternative. My party has produced a document that shows clearly that there is an alternative, an alternative that could be implemented by any Socialist government in Europe, and when we present this alternative to the people in the coming weeks, the people of Britain will rally round us. And we say to the youth: we have a programme to solve your problems. We shall do all we can to help you!

Recently in the north of England two youngsters committed suicide — two youngsters without hope, two youngsters living under a government implementing monetarism. These are the words of these youngsters: 'What have we left in life, now that there is no work for anyone? All teenagers have to do is to hang around street corners and walk up and down town getting moved on by the police who think you are getting up to something. Time is running out. We have not much time to live now, but whatever happens to us, it doesn't matter. It is the rest of you I feel sorry for, because this Earth, as we know it, is going to end with a very big bang. Raffy and Sean.' That is a letter from two youngsters, but they express the feelings of 5 million youngsters throughout this continent. I believe that the Socialist Group has a real alternative. It has an alternative with which I can associate myself. At times like this, it is a pleasure to be amongst friends and comrades from ten countries who are working together, in their respective countries, to find a solution.

Madame President, we have left the problems in the hands of multinational capital for too long. Multinational capital, politicians who carry out monetarism like the Tories in Britain, Kohl in the future in Germany, have failed our youth. We say there is an alternative. Together we shall build a Socialist alternative; we shall work for a Socialist Europe; we shall work to ensure that every child that leaves school has a job; we shall work to remove the spectre of the dole queue.

(Applause from the Socialist Group)

Mr Richard, Member of the Commission. — I have listened, I must say, with great attention to almost all the speakers in this debate. I think it has been a very useful one. I should now like, if I may, to add some more detailed comments on behalf of the Commission in reply to some of the particular points that have been raised.

May I say at the outset that I will be as brief as I reasonably can. There are two comprehensive reports. There are a number of oral questions. The reports ask for action and comments by the Commission on a number of issues and the questions clearly demand clear and proper answers. I will start off with the oral questions. As regards the question from the Communist and Allies Group concerning the reduction of working time and the Social Fund, I would like to confirm that the Commission will take every opportunity to develop the Social Fund as an active instrument in support of job-creation policies. I think it should be noted that under its existing rules the Fund is already able to give assistance to schemes where the reduction of working time leads to the creation of identifiable additional jobs or to a need for vocational training. According to the Commission's proposal for the review of the Fund, these provisions would be maintained and indeed we hope they will be further exploited in the future. Our communication on youth employment sets out the need for action of this kind to be much more widely developed, in particular to benefit the young unemployed. I will, if I may, come back to that point a little later on.

Turning to the question regarding the Bekaert-Cockerill case, many parliamentarians will already know that this important case affecting a group of women employees in Belgium is currently the subject of correspondence between the Commission and the Belgian authorities whose responsibility it is in the first instance to see that their own law is respected. Indeed, I wrote to Minister Hansenne about a week ago on this very topic. In these circumstances I would not wish — and I hope Parliament will forgive me — to comment in great detail on the substance of the particular complaint here today. Parliament can, I hope, be assured that the Commission will be assiduous in carrying out its duties concerning the respect for Community law.

Richard

In general, because we are having a more general debate here today, I would just like to add that the Commission is deeply concerned whenever it sees evidence — and I am afraid I have to tell Parliament that it now sees much too much evidence — that vulnerable groups in the labour market, especially but by no means only women, are victims of discriminatory measures adopted as palliatives in the face of today's economic difficulties. And where we find such evidence, then I can assure the Parliament, as I have done in the past, that where appropriate the Commission will take action.

This brings me to the more general question regarding women's unemployment which was posed by the Committee of Enquiry. The Commission has paid lot of attention to this particular issue, both within the context of its general policies to combat unemployment and in the adoption of specific measures such as the equality directives and the new action programme which seeks to strengthen the position of women in the labour market, both by reinforcing individual rights and by promoting positive action programmes. We are, Madam President, fully aware of the fact that women constitute more than 40 % of the registered unemployed on the 1982 figures, while they represent only 37 % of the working population. Most serious, perhaps, is the fact that half of the total of unemployed women are, in fact, under 25 years of age. Particular emphasis has been given to this in our communication on vocational training and on youth employment which identifies positive action for young women as one of the guiding principles for special training and youth employment measures.

May I say to Mrs Lizin — and I listened to her intervention with great care, as I always do — that we are in the process of organizing, together with the Greek Presidency and with Parliament, a seminar to be held later this year to open the debate that she called for on positive action, and indeed specifically to consider the role of legislation in this area.

I shall now turn to the numerous points raised in what, if I may say so, were very excellent reports produced by Mr Papaefstratiou and by Mrs Salisch. There are indeed nearly 80 points in all raised in the two reports, and Parliament will, I hope, forgive me at this late hour if I do not actually respond to 80 different points. What I will try and do is to be as brief as I can and isolate certain trends which emerge in the reports and indeed which have emerged in the course of the debate today.

Let us take general economic policy first, which has, I suppose, played as large a part as any other single issue in the speeches that have been made from this rostrum here today. I am glad that in this debate on

unemployment both the rapporteurs have emphasized the wider policy issues as well as the need for specific actions to combat unemployment. Echoing, if I may, what I said this morning, it is in my view politically important that we should focus on the job-creating aspects of investment and on the responsibility of public authorities and the Community financial instruments to this end. Without entering too much into the details of the Commission's current plans and policies, I would point out that we have set out some of our ideas on the role of public investment in the Commission's 1982 action programme to combat unemployment and indeed we have already identified ourselves with the target of an additional 1 % of gross national product for investment. We are conscious too of the need to evaluate more closely the actual employment impact of investment programmes, and I welcome the specific suggestion by Parliament for a Commission survey on this issue.

Clearly the Commission must try and promote the balance between modernization and job creation which was mentioned this morning, and we have to try and do this through the use of our own financial instruments. Not necessarily though, I believe, through quotas, as was suggested here, but by establishing appropriate criteria such as the emphasis within the Regional Fund — I agree with Mrs Kellett-Bowman when she says that the Regional Fund has not received as much attention in the course of this debate as it deserves — on exploiting local economic potential by proposing support for job creation to accompany industrial restructuring. We have done it in the case of the steel industry, and I think we could also do it by improving our evaluation of the impact of Community intervention.

May I, Madam President, make a general point on this aspect before moving on to some of the more specific aspects. I would like to add one word about external trade policies, particularly towards the Third World. Quite apart from the more general arguments about preserving free trade, I should like to stress the importance for domestic employment policies of measures to liberalize trade with developing countries. It is often not realized, or alternatively, if realized, it is quite often calmly forgotten or ignored, that the growth in domestic employment opportunities that would result from an expansion of our export markets in the Third World would far outweigh the job losses in the specific sectors which are still protected from competition from abroad.

There is, in fact, an employment dimension to almost every aspect of Community policy. Our task, as put forward in the Commission's framework programme for 1984, is to see that this dimension is correctly identified and is further developed, in the same way that here in Parliament you have begun to define the concept of a European employment pact.

Richard

The central question is obviously job creation, not just through the expansion of existing economic activity but also through the creation of new businesses, small and medium-sized firms and cooperatives in particular. Both Mr Papaefstratiou and Mrs Salisch paid some attention to this issue. May I assure Parliament that it is an area where the Commission has already been very active. The Social and Regional Funds intervene already in this area of job creation, but quite independently of our financial assistance. I would also mention the work we have been carrying out in liaison with the OECD over the past few months in different localities throughout the Community, investigating the proliferation of small-scale employment projects emanating from local initiatives. The need now, I think, is not for more studies on this issue. The need now is for more Community action. We will, of course, be reporting early next year on this whole programme of local initiatives, but already before that, in the course of the next few months, we shall be producing a new action programme specifically on the issue of local employment initiatives, related also to the development of cooperatives which was the subject of Mr Mihr's report at the last plenary part-session.

Further financial support for promoting innovation in small- and medium-sized enterprises will also be the subject of a new Commission communication within the next few weeks. Action in this area is, of course, of specific relevance to young people. I am particularly grateful to Mrs Salisch for having emphasized this in her report. Young people have enormous reserves of creativity and of entrepreneurship which are currently going to waste. It's a waste for society and it's a tragedy for the individual young people concerned. The Youth Forum has emphasized this point. The Commission has pointed to it firstly in our communication on vocational training and again, more explicitly, in the new paper on youth employment. At local level we begin to see more and more examples of new enterprises created by young people when they are given the necessary support. There is much to be done, however, in terms of official encouragement and guidance for young people in this area, and I again would like to assure, Parliament that we in the Commission will be seeking to promote new activity in this area.

Just as we agree on the need to improve the quality as well as the quantity of training offered to young people, not only in the 16 to 18 age group, I think we should also pay attention to the quality of jobs which are made available. Young people are, after all, not just suffering from the general lack of jobs available. They are affected most particularly by the virtual disappearance of job vacancies offering some prospects of stability and professional development. Even if they can manage to find a job these days, it is most likely, I am afraid, to be in short-term, rather peripheral, employment which might provide some work experience but does little to give young people the feeling

that they are becoming integrated into adult society itself. I am particularly concerned that the crux of the problem now concerns young people in the labour market who are aged 20 and over and whose numbers will continue to increase beyond 1990. There is, I am afraid, a fair degree of mythology around about the demographic position. One hears in some quarters the comfortable belief that this is a demographic problem, that it will take care of itself within a few years. I have to say to Parliament that that is not so.

Young people under 18 now represent only about one-fifth of the total young unemployed, and these figures and these trends imply some major shifts in policy within most Member States which until now have been primarily and indeed perhaps rightly concerned with school leavers. But the emphasis must in the future be on the creation of stable worthwhile, but not necessarily fulltime, jobs, either in the growth sectors of the economy or in the areas of employment, including the public service, which are related to serving urgent social and environmental needs. Positive action, if I may use that phrase again in this context, aimed at the most disadvantaged groups, designed also to increase the range of occupations open to girls, should also be an integral part of these special job-creation measures.

I do not think there is cause for much disagreement about these basic principles, nor about the types of special measures that the Commission is proposing in order to implement them. The main question, and it is one which I am not sure that Parliament has yet come to grips with, is the scale of the effort that is required and the scale of the effort that can, in fact, be mobilized. The second question is how far that effort should be directed explicitly and specifically at young people. This is essentially a political and not an economic question.

The Commission has made its position now quite clear. In addition to the existing room for manoeuvre for increasing public expenditure in this area, the Commission believes that there is also an adequate reserve of solidarity among the Community's working population and taxpayers in general to mobilize the additional resources necessary to make a major impact on youth unemployment. The Community itself must obviously provide financial resources to support and encourage additional action by Member States in this area. This implies in particular, as we have said, an exceptional increase in Social Fund resources to finance special training and job-creation measures for young people. I am grateful to those parliamentarians who from this rostrum today have called for increased resources for the Social Fund for these purposes. If the review of the Social Fund, as proposed by the Commission, is adopted by the Council, it will then be legally possible to achieve an exceptional increase in resources. The actual decision on the allocation of

Richard

resources would then revert in the course of the normal budgetary procedures to the budgetary authority. I therefore particularly welcome the recommendation, as formulated by Mrs Salisch, to double the budget of the Social Fund for 1984. This would be a major step in ensuring that the Community could at long last hold up its head and claim not only a policy but, what is perhaps just as important, a financial commitment to combating youth unemployment.

Madam President, I apologise to the House for taking so long in answering this debate. It did seem to me that it was an important one and that a number of extremely important points had been made in the course of it. May I conclude by emphasizing once again the Commission's political commitment to doing what we can — given the limitations which are inevitable, both on our powers and on our resources — to try and help deal with this problem, which in many ways is the greatest problem now facing the ten countries of the Community. If we are not careful, and this is what bothers me, we shall end up in a situation in the 1990s where our member countries are divided into two classes — one class which is in work and is relatively prosperous, and another class which is out of work and is extremely envious. I must say that, in my view and in that of the Commission, that is not a prospect that we should view lightly.

(Applause)

President. — The debate is closed.

The motion for a resolution will be put to the vote at the next voting-time.

6. *Competitiveness of industry —
Memorandum on working-time*

The next item is a joint debate on two reports :

— by Mr Leonardi, on behalf of the Committee on Economic and Monetary Affairs, on the competitiveness of Community industry (Doc. 1-1335/82), and

— by Mr Ceravolo, on behalf of the Committee on Social Affairs and Employment, on the memorandum from the Commission on the reduction and reorganization of working-time (Doc. 1-71/83).

The following oral questions, with debate, are included :

— by Mr Rogalla and others, to the Commission (Doc. 1-37/83) :

Subject: Overall measures by the Commission to revive the economy

1. When will the Commission as a body, in other words over and above the special responsibili-

ties of its Members, adopt overall measures aimed at convincing the governments of all Member States once more that the economic recession can only be reversed by closer cooperation ?

2. Is the Commission prepared to use modern means of persuasion in this connection, such as individual or global talks with heads of government and members of government, and to use them outside Council meetings as well ?

— by Mr Delorozoy and others, on behalf of the Liberal and Democratic Group, to the Commission (Doc. 1-33/83) :

Subject: Community plan for the chemical industry

What measures does the Community intend to propose for dealing with the considerable excess production capacity of the chemical industry and the grave financial losses of this sector ?

Does the Commission believe that the conditions exist for initiating the 'state of crisis' and thus avoiding recourse to assistance at national level, of which the dangers are evident, both for the future of the chemical industry and for the advancement of the Common Market as such ?

— by Miss Quin, on behalf of the Socialist Group, to the Council (Doc. 1-34/83) :

Subject: Failure of the Council to adopt positive measures to help the European shipbuilding industry

1. Why did the Council fail to accept proposals from the Commission to adopt a scrap-and-build policy to stimulate demand in the shipbuilding industry ?

2. Why has the Council failed to take any action on Commission proposals, supported by the overwhelming majority of the European Parliament, designed to help older shipbuilding workers throughout the EEC who were leaving the industry during the recent period of restructuring ?

3. Does the Council accept the view of the Commission that the shipbuilding industry is of importance to Europe and does it now accept that, in order to maintain a viable level of capacity, that restructuring has gone far enough ?

4. Does the Council agree that South Korea and Japan have both recently been increasing their market share and that prices quoted for building ships in those countries over the last

President

year (which have been up to 50 % below those quoted by European shipbuilders) have only been possible because of non-transparent production aids in those countries?

5. Will the Council agree, as a matter of urgency, to give a positive impetus to the European ship-building industry, which is so important to the well-being of many of Europe's depressed industrial regions?

— by Mr. Bord, on behalf of the Group of European Progressive Democrats, to the Commission (Doc. 1-38/83):

Subject: Emergency measures in favour of the French timber and paper industry

The timber industry, consisting of 80,000 companies with 650,000 employees and a turnover of 70 thousand million francs, is of very great importance to France. Moreover, French forests, covering 14.5 million hectares, are the largest in Europe and as such an exceptional natural resource.

However, the trade deficit in the timber sector stood at 15 thousand million francs in 1982 — the second largest negative item in the French balance of trade. Can the Commission assess the nature and scale of the resources needed for the restructuring of this sector and will it consider the urgency of the measures to be taken?

— by Mrs Boot and others, on behalf of the Group of the European People's Party (Christian-Democratic Group), to the Commission (Doc. 1-41/83):

Subject: The opinion of the Commission concerning the introduction of deregulated zones exempt from taxes (so-called E, T and D zones)

1. What was the Commission's attitude towards the Irish 'Free Zone' and the British 'Enterprise Zones' created in the past?
2. What criteria did the Commission use to assess the recent Belgian proposals for T zones?
3. Does the Commission not believe that these localized reliefs will distort and upset the establishment and investment structure in the Community? In other words, does it not see in these measures a (potential) disruption of interstate trade and establishment?
4. Does the Commission not believe that these T Zones should be assessed according to the same stringent criteria it applies to national aids?
5. Can the Commission explain how it arrived at its decision that the Belgian T Zones do not contravene Article 92 of the EEC Treaty?
6. Does the Commission not think that it would be preferable, in the interests of unity and

equality in the common market, for initiatives aimed at reducing and simplifying government regulations to be taken on a global basis?

7. What does the Commission think in general of the deregulation approach? How does it view its macro-economic effects?
8. Is the Commission prepared to inform the European Parliament in the near future of the criteria it intends to use to assess national initiatives with the aim of preventing the distortion of competition within the common market as a result of selective and non-uniform deregulation by Member States?

Mr Rogalla (S). — (DE) On a point of order, Mr President. I figure on the agenda in footnote 2, which refers to the item you have just called, as author of an oral question pursuant to Rule 42. As I understand it, the Rules of Procedure allow a maximum of 10 minutes' speaking-time on this subject, and I should be grateful if you would tell me when that can be.

President. — The Chair will consider the problem you have raised. In the meantime, I call Mr Leonardi.

Mr Leonardi (COM), rapporteur. — (IT) Mr President, ladies and gentlemen, I think it is now generally held that unemployment is one facet of the severe crisis which has hit our countries and which we have until now been reluctant to recognise.

We have finally realized that we can only emerge from the present situation by a great effort which, because it needs to be so great, requires wide agreement within our democratic systems.

By examining competitiveness, we want to help this Parliament to consider the commitment needed and the conditions for this required consent, showing that, if it is true that the economic crisis has general aspects which affect all countries, the crisis itself and unemployment have specific characteristics in Europe, which require solutions specific to Europe.

Through competitiveness we therefore first of all call attention to the obligations which our Community must respect in its efforts towards economic regeneration and in the various measures which it takes, even those which are short term, which are needed to lessen, if not to solve, the terrible problem of unemployment and the problems connected with working time.

In my opinion, any attempt made which does not take proper account of the situation regarding competitiveness with the rest of the world would rapidly leave us in an even worse position than before; the benefits would go outside the Community and we should be left with the disadvantages. This would apply at both national and Community level.

Leonardi

The problem of improving competitiveness with the outside world therefore concerns, although obviously in different ways, all the Member States, categories and social classes and makes essential a common effort of the right dimensions at Community, as well as national, level.

Your Committee on Economic and Monetary Affairs has carefully examined the problem with the valuable aid of the Commission, and I think that I can say that a very large majority agreed on the following points. In the last ten years the Community has become less competitive by comparison with the rest of the world and, in particular, by comparison with the two most industrialized countries: the United States and Japan.

It has a less favourable ratio of imports to exports, not just for all products but specifically for industrial products, differently from what has happened both in the United States and Japan, who have been able to make some improvements.

Our situation is particularly serious as regards technologically advanced products, and this results in a correspondingly serious situation as regards youth unemployment which stands within the Community at 45 % of total unemployment by comparison with 41 % in the United States and 23 % in Japan.

One can say that, in essence, our countries have not been able to adapt in an active, that is, a competitive way to the great changes which have occurred in the world. They have tried to defend themselves by having, above all, recourse to frequently uncoordinated measures of a monetary and fiscal nature, without a proper strategy, especially in respect of industry and the service industries, where common policies at Community level would have been necessary.

The situation regarding competitiveness with the outside world differs, obviously, from country to country. The problem can, however, be considered in large measure as a Community one.

There are many different causes of this situation but, to simplify, they can be connected with an insufficient development of investment, which has been particularly serious during the last ten years. In 1965 we had a per capita rate of investment which was one-third higher than that of Japan, whereas now our per capita rate is one-third less than that of the same country, which has exceeded even the United States in this.

Still simplifying, we think it possible to say that the main cause of the failure to develop investment — and, therefore, our work capacity — is not lack of available finance but a failure to conceive of our future and to provide incentives to attain it, because we have considered our problems over too narrow a field.

The basic cause of our lack of competitiveness with the rest of the world is our failure to develop within the Community due to the size of the market which

our undertakings have but also to inadequate technical and cultural relations, the lack of mobility of capital and labour. Our internal development is crucial in all respects, just as is the case for both the United States and Japan.

In this matter the Community as a whole occupies an intermediate position between Japan and the United States and is closer to the latter country if account is taken of the special free trade agreements which we have had for years with the EFTA countries and which mean that trade with these countries can also be considered in many ways as forming part of a large European market.

The first consequence of the unsatisfactory link between internal development and competitiveness with the rest of the world is the poor use we make of our major resource: the work-force, in a situation very different from that of the other industrialized countries.

A comparison with the United States, for example, as well as bringing no comfort, is also incorrect. The United States, as has been shown by the Study Department of the European Trade Union Confederation has created 30 000 000 new jobs over the last twenty years, while in the same period the EEC, with a work-force of the same size, has created only 2 500 000. Japan with half the work-force, has created 7 500 000. The resulting situation is completely different as are the chances of recovery.

The threat of diminished competitiveness is also growing as regards countries which have recently been industrialized at least for a series of products on which our exports are still concentrated.

I would point out that, even just a few years ago, Japan did not worry us at all from the point of view of industrial competitiveness. The change has been radical in a short time, and the same thing could happen with other countries that we do not even consider at the moment.

A number of points are made in the draft resolution, which reflect the various points which this Parliament has already expressed a number of times.

It should like to point out the particular importance attached in the draft resolution to the development of the internal market, by such means as the implementation of joint policies, especially on energy, transport and telecommunications, to the decisive role of undertakings and the Executive Commission, to vocational training and the development of the monetary system, including more financing for the regeneration of the economy.

Finally, we have stressed that it is not a question of imitating an external model, but first and foremost of capitalizing on the traditions and characteristics of our countries, including not only economic factors but also political and cultural ones. In particular the posi-

Leonardi

tion of employed persons in our countries and the need to better it must be considered as a basis for possible development not just in the new industries but also in the service industries, with higher employment resulting, for example, in the fields of education, teaching, housing, information, health, mobility and so on.

The ability of the EEC to become competitive again will also be a fundamental element in the recovery of the world market, where it holds an important place, as the EEC is a major creator of business. The increased funds we would have for aid and trade with the developing countries could be used in the same way.

During our history our countries have been able to meet challenges which were just as serious as the present one. We have always met them as individual countries, but I think that, if we are to succeed, we must act together. If we recognize that we are bound together by the need to be competitive with the rest of the world, we shall be able to join together in order to develop and not just to defend ourselves.

(Applause from various quarters)

President. — I should like to take this opportunity of telling Mr Rogalla that I wish to adhere to the rule, previously established by the Chair, that a Member should not be given the floor for the specific purpose of speaking to an oral question. You could have spoken if your group had allotted you part of its total speaking-time.

Mr Rogalla (S). — *(DE)* Madam President, naturally I accept your decision, but I should be grateful if you would submit two questions to the Bureau or the Committee on the Rules of Procedure and Petitions, as the legal position is not made clear in Rule 42. What is the connection between such questions and items on the agenda? Is it to be interpreted very liberally or very strictly? I should also like to point out that, in my opinion, my question has absolutely nothing to do with this item, as I was principally concerned with the method of the Commission proposal. Secondly Rule 42 (4) should be interpreted by the Committee on the Rules of Procedure and Petitions in such manner that a questioner who does not appear on the actual agenda but only in footnote should have four to five minutes to comment.

President. — I think the Chair's decision is correct. For further explanations, however, I think the matter should be submitted to the Committee on the Rules of Procedure and Petitions in order that the House should not find itself again in a situation of this kind. We proceed with the debate.

Mr Ceravolo, (COM) rapporteur. — *(IT)* Madam President, about a year and a half has passed since the European Parliament, by a large majority, approved a

draft resolution on the reduction and restructuring of working time.

At that time unemployment was at about 8 % of the active Community population. Today the situation is even worse. Unemployment has gone above 11 % ; the present special meeting of the European Parliament results from the grave concern about this.

The Commission has presented a Memorandum to the Council on the reduction and restructuring of working time. We consider this document very valid, and we approve it overall, even if we regret that Mr Richard remained rather imprecise when he spoke. Our Parliament must, therefore, remind the Council not to delay further in taking on its responsibilities. As an Institution of the Community, we must make every effort to point out those measures which might reasonably bring new elements to bear on the administration of the labour market, since traditional measures have clearly been seen to be ineffectual.

We are all aware of the dangers of the situation : unemployment is increasing systematically, and this could get out of control ; it leads to a deep split in the labour market and brings considerable political, social and economic costs. This growth is seen in both weak and strong areas, in countries where inflation is mainly under control and in those where it is not, and even in the United States, whose economy seems to be showing the first, even if uncertain, signs of recovery.

None of the forecasts made so far on the basis of hypotheses of regenerating investment and the economy as a whole reveals the possibility of a consistent fall in unemployment in the short term.

We must realize that investment, which we are asking to be increased, is being spontaneously directed, for the most part, towards the technical restructuring of traditional sectors, and therefore freeing the workforce, while investment in new sectors, which will, therefore, create new jobs, is taking rather longer — whether it is speculative investment which requires all the objective conditions to be fulfilled and leads to new opportunities and facilities, or public investment in new social services — because of the financial difficulties of the Member States.

Since not even a possible, though distant, recovery can, in the short term, prevent the present situation from continuing or, even less, reverse the trend, we must recognize the completely new structural nature of unemployment.

We have to admit that the unemployment rate linked to the economic cycle is now secondary as an influence on the labour market by comparison with that of new processes. This explains the continual increase which, in general terms, seems to result from the very different rate at which old jobs disappear and new ones are created.

Ceravolo

This increase cannot just be seen as one moment, a pause, long or short, in moving from one job to another. There are important factors which give it a structural character.

For example, while technological reorganization affects sectors which are notoriously labour intensive — such as the car industry, steel and so on — new jobs are created in new sectors where the employment rate is low and which are almost entirely related to small and medium-sized industries and crafts and the tertiary sector: technical assistance and new social and private services.

Other factors which result from this lack of coordination are: further traditional vocational training; new qualifications; demand for jobs from women is increasing as the socially backward zones come into line with the developed zones, and women no longer find, as they have for decades, that there is a classic services sector which can absorb them, as this, too, has been affected by informatics technology. We leave aside demographic factors and those concerning the international division of labour, which are also very relevant.

Therefore, we can no longer ignore the fact that we are in an era of technological revolution which, in its many different forms, affects the whole system of production, and has no precedents in the way it reduces the need for labour, raises productivity and restructures the whole economic and social model. This revolution has profound effects on the organization of labour, the structure of the professions and the quality of work, which requires greater creative concentration rather than the rigid discipline of numbers of people.

If we interpret all these new factors correctly, we find that it is wrong to look at the serious consequences for the labour market in the light of the logical criteria of the past.

It is with regard to the correct interpretation of the processes which are taking place that we must, therefore, assess the positive effect of a significant reduction in the working week, accompanied by a redistribution of work and greater flexibility. If these measures on working time are carried through properly, they could have positive political and social effects and form part of a strategy for regeneration based on competitiveness which, far from being at odds with the new processes which are taking place, could work in the same direction.

As regards policy, the benefits which would result from the possibility of offering, in modern terms, a reasonable prospect of full employment, which must remain the priority of our democratic system, are evident. Unemployment constitutes a serious challenge to democratic institutions and to the very process of European unity.

As regards society, the reduction of the working week might help to bring about that new relationship bet-

ween working time and free time which is already being established with notable economic effects, both direct and indirect; direct if free time is partly spent in professional retraining or initial training; indirect if free time is given over to creative culture which, when it expands, will increase the need for goods and services, and create an interplay between new social needs and technological innovation, the development of which could meet expectations of an increase in production and employment.

The need to achieve a social consensus and the participation of workers in technological change, as well as having political implications, are also of incalculable value for the economy, as they enable innovation to be rapid and lasting and lead to efficiency at an international level.

The reduction and restructuring of working time should, therefore, give greater flexibility to the working process, and allow a more fluid and certain balance of the labour market, greater regulation of the complex processes involved in transferring from one job or profession to another, better use of premises and a better distribution of working time, and so have a practical effect on production and, therefore, on employment.

In the light of this, we must ask the Council to take rapid and responsible decisions at Community level to create a framework of conditions within which we can bring about this expected reduction in the working week, year and lifetime.

We need a binding Community directive to define the aims and the timetable for bringing this about among the various Member States, on the basis of which employers and employees can reach agreement according to the traditions and methods of each individual country, and the different position of individual sectors and firms.

Within this framework the Community, and the Member States, must undertake to decide on compensation of many different kinds, in order to allow a fair distribution of costs between employers and employees and to ensure that the whole series of measures is such as to defend the purchasing power of the workers, to improve their living conditions and to ensure that our products are competitive on world markets.

(Applause from various quarters)

Mrs Wieczorek-Zeul (S), *draftsman of an opinion for the Committee of Inquiry into the Situation of women in Europe.* — (DE) Madam President, ladies and gentlemen, let me begin by stating a personal opinion. There have been many nonsensical decisions made, not least by the Bureau of this Parliament, but in my personal opinion one of its most nonsensical decisions was to separate the question of reducing working time from the subjects we were discussing this morning.

Wieczorek-Zeul

In my opinion we have thereby missed an opportunity of taking a clear decision to send a message to the Commission and the Council to act on the basis of the Memorandum. Such a message should have been sent in time for them to make their views known. I would hereby like to submit the opinion of the Committee of Inquiry. We welcome both the Memorandum and Mr Ceravolo's report and would like to emphasize a point that has frequently been alluded to without any practical steps being taken, i. e. that women are particularly hard-hit by unemployment. In 1970 there were approximately 600 000 women and 1 600 000 men out of work in the European Community. By November 1982 the number of women out of work had risen to 4.88 million and the number of unemployed men to 6.92 million. Since 1970, therefore, the number of unemployed women has increased eightfold, whereas the figure for men is only four and a half times higher. These figures clearly show who is suffering most.

The shortage of training opportunities and jobs has led to a vicious circle, particularly for women, of increasing discrimination and disadvantages. The Commissioner was very convincing today on the subject of the EC directives on equal opportunities for women. These Community directives, which have as their aim the elimination of discrimination against women in access to vocational training and jobs, will become absolute at a time when equal opportunities in training and jobs can no longer be seen to exist. All demands for an end of discrimination can then be dismissed by a reference to the lack of jobs.

The reality is that women are being pushed out of the job market — the case of the Bekaert-Cockerill concern that has been mentioned is merely a particularly crass example. This morning we heard a representative of the Council, whose declared political aim is to send women back to the kitchen. Mr Blüm's aim, with the aid of the catchphrase 'The gentle power of the family' is to ease women out. We must indicate very clearly that this is not what we want.

Patriarchal actions and opinions thought to have been eliminated are regaining their hold on our society, in the minds of employers and parents, in the heads of boys and girls, of Labour Ministers and governments.

Girls are getting left behind in the murderous battle for training places. On average in the Federal Republic of Germany, two-thirds of those who fail to obtain training places are girls. But lack of qualifications is the reason for job discrimination and low pay for the women of tomorrow.

Our opinion states very clearly: there is a fundamental error in one of the reports we discussed this morning and in the policy of the majority of the EC member governments. It is an error to cling to the be-

lief that jobs can be created by overall growth, financed at the expense of the unemployed. You should have taken the view expressed in the Commission's Memorandum to heart. Both the Commission and Mrs Focke have pointed out that an annual growth rate of 3-3.5 % would be necessary simply to maintain the present level of unemployment of approximately 12 %. There are no economic forecasts that envisage any such rate of growth. And even if it were possible to achieve, more investment in office computers may lead to more growth but leads to less jobs for women.

Since a policy of growth no longer achieves a reduction in unemployment, we are left with a policy of extensive reduction in working time and a redistribution of jobs. We demand concerted action on the basis of the proposals contained in the Memorandum.

The Committee of Inquiry supports the proposals on the reduction of working time, but we attach particular importance to the demand for a reduction in weekly working hours. Why? It is obvious that this would have the most influence on unemployment if it were applied quickly and effectively, as is shown by the sample figures in the Commission Memorandum. Secondly, it is an important step towards reducing daily working hours, which we women advocate. Why a reduction in daily working hours? Employers, and this is also Mr. Blüm's viewpoint, prefer the solution of lowering the age of retirement, since then the costs are borne by others.

This would not be of much benefit to women. They would still have to cope with a job, housework and bringing up children. Not until daily working time has been substantially reduced will it be possible to change men's and women's roles such that both can share household and children and still both work.

We believe that this is very important. It is based on recognition of the fact that a change in values has come about, even among men — even if certain colleagues here in the Parliament may not be aware of this — a change in values which attaches more importance to leisure time, to time for the family.

It is also possible to conceive of other solutions which would help young couples, even if a reduction in daily working hours provides most help for young families. Why should a working life only be shortened at its end, by lowering retirement age? In our opinion it is possible to provide more leeway where it is urgently needed, i.e. for young families with small children, for employees between 25 and 40. Our Committee of Inquiry into the Situation of Women has put forward a proposal on this, and we would be grateful if you would give it your support.

(Applause)

IN THE CHAIR : MR LALOR

Vice-President

Mr Schlecht, President-in-Office of the Council. — (DE) Mr President, ladies and gentlemen, as the representative of the Council I was very pleased to accept your invitation to address this House on the competitiveness of European industry and on economic and industrial policy in the Community. I would like to begin by thanking Mr Leonardi for his detailed report on the situation of industry in the Community and the possibilities as well as the difficulties of improving the competitiveness of the European economy. I find myself in agreement with a large part of his report.

When trying to make some kind of assessment of the degree of international competitiveness, we are obliged to try and make a qualitative assessment. There is no quantitative instrument available to evaluate all aspects. A further problem is posed by the considerable differences between the Member States in terms of economic development, economic policy, economic structure and over and above this, the differences between differing sectors of industry within the Community.

The report before you forecasts a growing imbalance in the Community's external trade as a whole, so that the Community will find it increasingly difficult to pay for its imports of industrial products by exporting the products of its manufacturing industries. The Commission has also come to a somewhat pessimistic conclusion on the competitiveness of the Community.

Let me begin by commenting on the psychology of this judgement of our degree of industrial efficiency. I have the impression that very often a far too pessimistic picture is painted of the efficiency of European industry. I ask myself: are we not thereby creating the basis for a self-fulfilling prophecy that would bring about our worst expectations? I am thinking, for instance, of companies looking for efficient partners to cooperate with. What company is prepared to cooperate with a partner who has been officially certified as lacking efficiency? Once the consumer — here I am thinking of all our international customers — has formed a negative opinion of the quality of European products, then it is our experience that this is very hard to correct.

There may well be no reason to be euphoric, but there is equally no reason to hide our light under a bushel. There are a whole range of areas — aircraft design, the pharmaceutical industry, reactor design — where European companies clearly lead the field. In my opinion, Europe has in no way fallen behind.

Twelve million unemployed in the Community are certainly an alarm signal and a serious challenge. All those in positions of responsibility must act. There are no patent solutions. But one thing is certain: an

economic policy that will lead to lasting, dynamic growth, thereby improving competitiveness, must be the core of our efforts to reduce unemployment and improve the economic structure, along with, of course, special measures to reduce unemployment, which may also include a reduction in working time.

(Applause)

We are fully aware — and your report corroborates this — that the present difficulties have both short-term economic causes and structural causes, and the combination has led to the current economic crisis, which in all Western industrial countries has had severe repercussions on employment. But recent events give us some grounds for optimism. The international short-term economic scene looks brighter — in the USA, which is so important for the world economy, but also in the United Kingdom and the Federal Republic of Germany, where there are signs of an economic upswing. These trends are shown by various improvements such as lower inflation, lower interest rates, the fall in oil prices, etc.

Of course, there are still several risks, and it is not yet certain whether the short-term economic recovery will be followed by permanent growth. Various structural faults have not yet been eliminated and most industrial nations still face extremely high budget deficits. The high indebtedness of the state-trading nations and the developing countries represents a further problem. But we are confident that an improved short-term economic situation in the industrial nations will lead to an upswing in world trade.

To achieve a permanent improvement in the employment situation and our competitiveness, these risks must be minimized by the appropriate economic policy, thereby really creating the conditions for lasting growth. The basic guidelines were discussed a week ago by the Council of Economic and Finance Ministers, in the light of the OECD Council of Ministers meeting and the Economic Summit in Williamsburg, and I would like to quote briefly from the chairman's conclusions a few of the points of significance in our debate.

Firstly: the creating of favourable conditions for lasting growth is a central task facing all economies, in line with the concrete possibilities and the state of progress reached in each individual country.

Secondly: the main emphasis must be on increased investment and structural change. Only then can unemployment be permanently reduced.

Thirdly: there must be a stabilizing, but also more flexible, control of the money supply. A further drop in interest rates is needed to stimulate investment. If these measures are to succeed, monetary policy must be backed up by a solid fiscal policy and a wage policy based on growth.

Schlecht

Fourthly: financial measures to reduce structural budget deficits must proceed gradually, taking account of the economic situation and accompanied by a restructuring of public spending and taxation, particularly to promote productive investment.

Fifthly: economic policy as a whole must promote structural change and overcome inflexibility, i.e. industrial, technological, regional and competition policies must encourage structural change and the reduction of unemployment both at a national and Community level.

Sixthly: multilateral coordination of currency and financial policies must be strengthened. This includes improved coordination of intervention in the currency markets to iron out wild fluctuations in exchange rates.

These basic features show that full employment can only be regained when, apart from the necessary improvement in macroeconomic conditions, the economy as a whole and industry in particular have made the necessary structural changes and come to terms with modern technologies.

I would like to examine the structural aspect more closely. The Council is very much in agreement with the European Parliament and the Commission that tremendous efforts are needed to maintain and improve the competitiveness of European industry. Up to now, however, different opinions have existed on how this is to be achieved. Let us admit that the main barrier is a lack of consensus on the basic framework for Community economic policy. Greater agreement between the Member States on aims and how these aims are to be achieved is therefore of prime importance to economic policy.

The words of Commissioner Andriessen in the Commission's latest report on competitiveness in the EC, aimed at both the member countries and the Commission, should be taken more seriously: 'Maintenance of undistorted competition is one of the fundamental principles of the free market economy on which the Community is based.' The draft report here under debate is right to advocate a more pragmatic approach to the Community's industrial policy strategy. This is the way to achieve a sensible and universally acceptable solution.

Willingness to compromise was also the main reason why several important Council decisions were made during the first few months of our presidency, for example, decisions on monetary policy, but equally the decision on the third phase of the New Community Instrument which provides for an additional loan Fund of 3 000 m ECU. In addition the programme of demonstration projects relating to the rational use of energy was extended.

The ultimate effect of a return to interventionist measures is demonstrated by the failure of the steel industry to adapt — and there are similar develop-

ments in the shipbuilding industry — with nations trying to outdo each other with their subsidies and all the constraints on production and delivery quotas that this leads to. Subsidies rob Peter to pay Paul. My reasons for alluding briefly to these policies was to demonstrate the existence of two potential dangers for the competitiveness of our entire industry.

Firstly: it is too easy for large-scale businesses to be favoured at the cost of small and medium-sized undertakings, although we know that particularly the latter offer a considerable innovation potential.

Secondly: a one-sided favouring of these traditional sectors of industry leads to resources being wasted, and what is worse, structures being maintained that urgently need to be changed. Such policies are barring our way to the future. However, a rejection of centrally directed structural proposals in no way means rejection of an industrial policy.

It is the opinion of my Government that adapting to structural changes is primarily a matter for companies themselves, as you also point out in your report. This task must be aided by active national and Community structural policies. We believe this must essentially be achieved by maintaining a functioning market and creating conditions favourable to structural change. The task of the Community must be to promote harmonization of the basic parameters. The draft report clearly expresses this more global approach.

I would welcome it if the Commission and the Council would adopt this point of view when determining their industrial strategy. This should certainly also include cooperation in certain key technical and transfrontier areas. As I have already mentioned, the core of all strategies for fighting unemployment and for improving the competitiveness of our industry must be investment and innovation. This applies equally at national and Community level. Investment and innovation are essential if we are to adapt to the changed international economic situation. The Council agrees on this, and there is also agreement on it between Council and Commission.

In agreement with the Commission, the Council sees the extension of a functioning internal market as an important spur to investment.

The Presidency of the Council very much appreciates the commitment of your committee that is responsible for the internal market, and I would like to thank its members.

The elimination of existing barriers to trade and capital transfer and the prevention of new ones is of primary importance. Considerable efforts are still required if all the potential of a market of 270 million consumers is to be fully exploited. Progress must be made towards standardization. The Council is already considerably nearer a decision on a directive for a Community information system in the field of standards and technical specifications. This will be under discussion in the near future.

Schlecht

Major efforts are needed where so-called third country problems arise. Pragmatic solutions must be found.

Up to now we have not been successful. Our work will continue. A third internal market Council meeting is to take place on 26 May, and one of the main aims will be to achieve progress on simplifying the border formalities between the Member States.

I would like to make a few remarks on the trade policy aspects of industrial policy. At a time of high unemployment, the temptation to solve the problems by protectionism is no doubt great. This is a defensive policy with pessimistic overtones, which at best, achieves only short-term, transitory improvements. Against these must be set the fact that the dynamism of world trade is disrupted and necessary structural changes delayed. The clearer the Community bases its trade policy on the multilateral rules of a free system of international trade, the more decisively it can counter protectionism and unfair practices.

As we know, the key to competitive structures lies in the economy's capacity for innovation. The Community must make progress in this field. We are an area of few natural resources, with high energy costs and high wage levels. We need new economical technologies and production methods. We welcome the fact that the Commission has recently submitted a Community framework programme for research and development. This is a step in the right direction. The Community possesses an impressive pool of information which only needs to be better exploited, and we therefore also welcome the Commission's proposal for a transnational infrastructure plan for innovation and technology transfer in the Community.

The Community as a whole faces serious challenges. A dynamic growth rate and innovation are the only way to ensure our competitiveness, secure jobs and create new ones. The best way to meet these challenges is not with a defensive and pessimistic approach, but with an offensive and optimistic approach.

(Applause)

Now to Miss Quin's oral question on shipbuilding. Points 1 and 5 of the question: the Council would point out that, following a communication from the Commission in September 1979, initial discussions took place in November of the same year on the basic features of an instrument to promote the scrapping and new production of ocean-going vessels. This meeting gave the Commission an opportunity to gain an insight into the Council's opinion on this matter and of judging whether it wished to submit formal proposals to the Council. We would like to point out that the Commission submitted no formal proposals within the terms of the treaty, but simply requested the Council to arrange a general debate. Thus there was no specific proposal which the Council could have discussed.

Point 2: the Council confirms the reply already given to a question from Miss Quin. We should also like to remind you that the Commission submitted its proposals for a review of the European Social Fund on 15 October 1982. The letter of referral observes that these proposals invalidate the proposals for a regulation to introduce aid from the European Social Fund to guarantee the earnings for shipbuilding workers, which has therefore been withdrawn.

Point 3 of the question: the Council is still of the opinion that structural changes must bring about a healthy and competitive industry in the Community, with a level of activity compatible with the importance of Community shipping and its basic strategic interests. The question of state aid for the shipbuilding industry presents one of the most important aspects of policy in this sector.

On 21 September 1982, after receiving the opinion of the European Parliament, the Council decided, on the advice of the Commission, to extend the term of the five directives on aid to shipbuilding by two years. The Council based this decision on the fact that the social and regional consequences of the present extremely serious position of shipbuilding in the Community and the efforts and sacrifices required due to structural change in this sector make it scarcely possible to cancel the direct or indirect subsidies granted by the Member States for the time being. The Council and Commission have, however, committed themselves to taking the necessary steps as soon as possible to draw up a sixth directive for the purpose of achieving more quickly the aims laid down in the existing directives, i.e. the re-establishment of competitiveness, and to bring this into force possibly even before the present directives expire.

Point 4: as far as shipbuilding in third countries is concerned, South Korea has in fact recently increased its share of the market considerably. If new orders are taken into account, that country's share of the world market increased from 6.4 % in 1981 to 8.8 % in 1982. The case of Japan is different. Japan certainly has a very large share of world trade. It has, however, increased more modestly, from 41.4 % in 1981 to 42.5 % in 1982.

The difference between the prices quoted by the shipyards in these countries and those quoted by shipyards in the Community would not appear to be of the magnitude asserted by the Honourable Member. According to information from the branches of industry affected, the difference for less elaborate ships can amount to as much as 30 %. As far as subsidies for shipbuilding are concerned, the information available at international level would not indicate that these are handled any less transparently than in the Member States.

(Applause)

Miss Quin (S) — Mr President, on a point of order. I tried to get in before the representative of the Council spoke, because it seems to me a great shame that he should speak in answer to the oral question before I had time to present it in the debate here today.

I do hope he will be here to listen to the rest of the debate on this topic when the shipbuilding question will be referred to.

President. — Miss Quin, I note your point.

Mr Andriessen, Member of the Commission. — (NL) Mr President, I feel somewhat handicapped in two ways. Firstly, it is always difficult, I am afraid, to be just about the last speaker of the day, a long tiring day. Secondly, the agenda for the sitting calls on me to comment on a number of subjects which are, of course, linked in some way, but nevertheless make it impossible for me to deliver a really cohesive statement.

I am called upon to discuss the Leonardi report, the Ceravolo report and four oral questions by Mr Rogalla, Mr Delorozoy, Mr Bord and Mrs Boot. In view of the subjects covered by these questions, there is obviously little hope of my discussing them in a cohesive manner. That is my first point. Secondly, Mr President, I promise Parliament to be as brief as possible, but hope that I shall not be accused afterwards of not paying certain questions the attention they deserve.

I shall begin by addressing myself to the Leonardi report. My first remark would be that the Commission agrees entirely with the view that, on a day like this when the problem of unemployment in the Community is the sole item on Parliament's agenda, the economic aspects should also be clearly side by side with the many social aspects. There is clearly a direct connection between the two aspects. If my speech places greater emphasis on the economic aspects of the debate and seems to deal to a lesser extent with the social and human dimensions of the problem, then this is not because I have any wish to soft-pedal the latter, but simply because it has been amply covered in earlier contributions, including some from the Commission.

Mr President, the Commission fully agrees with the European Parliament's analysis and conclusions with regard to the competitiveness of European industry. The restoration and improvement of the competitiveness of the Community's economy and, more specifically, its industry has first priority and is essential to the fight against unemployment. Mr Leonardi's report and the document drawn up by the Commission at the European Parliament's request reveal that employment and competitiveness are linked, that one is an extension of the other and, therefore, that they must be discussed together. This, of course, leads us directly on to Mr Rogalla's question about the action the Community has taken, or should take, with respect to economic matters and to cooperation among the

Member States with a view to tackling the unemployment problem. I shall give my answer to this question in a moment. I would point out in this context that the countries which have improved their position in the world market by adopting a dynamic industrial approach have been most successful in solving the unemployment problem. I therefore believe that any policy to combat unemployment which is not primarily geared to improving competitiveness is bound to fail.

Efforts to be industrially competitive should not, of course, be seen solely in terms of winning market shares to the detriment of our competitors, because the only effect that would have would be to redistribute employment. It would not create new jobs, and that is after all what we are trying to do. A strategy designed to improve competitiveness is more ambitious. It seeks to improve the functioning of the whole of the economic system by adjusting production to the market trend, by allowing for the more rapid adjustment of industrial structures to changing economic circumstances and by exploiting technological progress more effectively. It is on these principles that the Commission bases the action it takes, and they will also form the basis of its response to the resolution soon to be adopted by this Parliament.

As already indicated in our 1983 programme, this action to restore the competitiveness of the Community's industry with a view to strengthening the Community covers three areas: firstly, the improvement of the general economic climate, to permit an increase in productive investments; secondly, strengthening the internal market so that European industry can take greater advantage of the size of the Community and make the adjustments needed for its development; thirdly, the development of an industrial strategy for the Community geared to the positive adjustment of European structures of production. I would also add that the Community's competition policy has an important role to play in this and that it can contribute to the achievement of these goals. This is perhaps not the time to discuss the view of the competition policy taken in certain parts of the report with which the Commission disagrees. This should be done on the basis of the Twelfth Report on competition policy, which the Commission has only recently forwarded to Parliament and the Council.

Mr President, the Commission believes that this and the strategy explained in its recent communication to the European Council will enable it to devise practical actions and policy lines for new technologies in the areas of information, telecommunications and molecular engineering. Obviously, the Commission would like to cooperate in the development and implementation of these strategies with the appropriate parliamentary committees and in particular with the Committee on Economic and Monetary Affairs, the Committee on External Economic Relations and the Committee on Budgets to ensure that a correct appraisal is made.

Andriessen

It goes without saying that the conclusions drawn by a group of economists at the request of the European Parliament may act as an important guide in our discussions.

I should now like to comment briefly on the Ceravolo report on the reduction and reorganization of working hours. I do not need to go back too far for this purpose: the Commission's views are stated in a memorandum published in December 1982. Since then the Commission has had consultations with the Liaison Committee on Trade Union Organizations and with the European Trade Union Confederation, although they have not yet produced any practical results. Bearing in mind the reactions from the national governments thus far, the Commission will also be putting this subject on the agenda for the meeting of the Standing Committee on Employment to be held on 20 May. These discussions will not be confined to theoretical aspects but concern developments increasingly perceptible in certain Member States, especially Belgium, Italy and the Netherlands. In bilateral consultations and, in some cases, trilateral consultations — meaning that the governments were also involved — agreements have been reached at national and/or sectoral or company level with the aim of creating more employment by adopting flexible methods of reducing working hours. These agreements were reached because all the parties concerned were willing to make concessions. These contacts have even given rise to new forms of consultations designed to solve problems relating to financial and organizational matters emerging in this respect.

As an example I should like to refer in this context to the national agreement reached in the Netherlands at the end of last year. Among other things, it has been agreed that the compensation for price rises that would normally have to be paid should be used to create or safeguard jobs through a reduction in each employee's working hours. Both sides of industry have shown a great sense of responsibility, and it has also become clear that trade unions are increasingly prepared to make sacrifices for the unemployed and those entering the labour market. I regard this as an extremely encouraging development.

Mr President, I am particularly happy to see that your Committee on Social Affairs and Employment has tabled a motion for a resolution which broadly reflects the ideas and guidelines contained in the Commission's memorandum. The resolution emphasizes that, if measures taken in this sphere are to be effective and to produce results in the short term, they should take the form of a binding Community rule. It should be binding because it will be essential to prevent distortions of competition.

Although I am in favour of the aim and of the results that such actions might produce, I have my doubts about the usefulness and suitability of a binding

Community instrument. The resolution rightly points out that in voluntary negotiations the two sides of industry in particular must take account of requirements peculiar to their own country, sector or firm if they are to reach an agreement that benefits employment.

Another argument against the adoption of a binding instrument is that it would undoubtedly take a very long time for the necessary national arrangements to be made. But the most important reason why it would be difficult to introduce a binding instrument is that the many different ways in which working hours can be reduced and reorganized would result from the introduction of a binding instrument of this kind on only a very limited scale, in terms not only of working hours being reduced but also — and this is after all the ultimate objective — of creating employment. This cannot, in my opinion, be achieved through the adoption of a directive. Nor, with our very mixed forms of economic system, can firms be required by law to guarantee a given level of employment.

Mr President, my objections to a Community instrument are in no way directed, for example, at efforts by the national authorities to stimulate developments in negotiating processes in their own countries. If the French Government decides to do something along these lines, that is, of course, its business, and it may comply fully with French tradition. But it cannot be simply transferred to other Member States. It therefore seems to me that, to combat unemployment, systems and mechanisms that already exist in the Member States should be used without delay to provide a stimulus for certain sectors or industries at national level within a Community framework, which does not need to be binding but offers the Member States guidelines to follow. In the very near future, that is before the next meeting of the Council of Employment and Social Ministers on 6 June, the Commission will put forward proposals which it believes will make for the most balanced approach in this subject area at Community level.

Mr President, I will now briefly answer the various questions associated with these two reports. First, there is the question by Mr Rogalla and others. I would remind you that the Commission has recently taken initiatives in a number of documents with a view to the adoption of a new approach to cooperation among the Member States, particularly as regards macroeconomic policy, monetary cooperation, the strengthening of the EMS, cooperation among the Member States with respect to world financial problems and so on. These communications refer to the cardinal importance of productive investments, since they are the key to an increase in employment. They urge that public budgets be geared more closely to investments in the public as well as the private sector, and I therefore believe that the Commission

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can answer the question before us with a categorical 'yes', although views may, of course, differ on the best way of taking such initiatives. So far, Mr President, the Commission has chosen to take these initiatives and to state its opinions clearly to the Council, for everyone to hear and for any public body to discuss, not least the European Parliament. In this respect, therefore, I feel I can answer Mr Rogalla's questions in the affirmative.

I now come, Mr President, to Mr Delorozoy's questions on the chemical industry. The chemical industry is clearly a sector of the economy that has its problems, but I would not in this Assembly say that they amount to a crisis in the strict sense of the term. As you probably know, the Commission had talks with representatives of this important sector almost a year ago, and it was agreed that the undertakings would themselves inform the Commission of their view of the structural aspect of the problems they face and that it would then be decided what contribution could be made to tackling the problem of overcapacity in this sector through the adoption by the undertakings themselves of either a sectoral or a more bilateral, or trilateral, approach. The Commission has not yet received the sector's report on this matter and therefore feels that at the moment it has no grounds for taking real action. The European petrochemical industry has evidently failed to adjust to the trend in demand, which has been characterized by a declining rate of growth since 1974, and it will therefore have to adjust its policy, as indeed it has already done in practice. The Commission believes that, against a background of close consultation with the sector concerned, the attempts to restructure must eventually result in rigorous efforts to rationalize so as to improve the undertakings' cost structure and to enable them to sell at competitive prices.

Mr President, I now come to the question on forestry. The Commission shares the honourable Member's concern about the problems in forestry. It is taking a close interest in the Member States' initiatives in this sector. The Commission is convinced that a sectoral approach provides a better insight into the problems and may indicate the direction in which solutions are likely to be found. It also looks as if the Member States are increasingly coming to share this view. On the other hand, the Commission feels that here again the Community dimension should be given priority in the formulation of a programme, whose effectiveness should be ensured by coordinating the Member States' activities with a view to achieving the required results and avoiding distortions of competition. To this end, the Commission has drawn up a communication and a draft resolution, which will be submitted to the Council shortly. The Commission wishes to emphasize the importance of the timber sector for the Community's economy and the possible significance of assisting this sector. In these documents it also explains the difficulties and suggests how they might be resolved. The resolution describes the course the

Member States can adopt as a Community to enable the timber sector to make the contribution of which it is capable.

Lastly, Mr President, I should like to answer Mrs Boot's question on D zones, T zones, tax-free zones and what have you in our Community.

Mr President, I shall try to be as brief as possible. The Commission has drawn its conclusions on the free zones that exist in Ireland on the basis of the standard criteria governing the assessment of support measures, in this case as they concern regional development in Ireland. In Shannon there is also a special arrangement for the service sector. Duty-free airports do not conflict with directives on VAT and import duties. This assistance, together with the special arrangement for the service sector, has, as I have said, been assessed by reference to Articles 92 to 94 of the EEC Treaty, and the conclusion reached by the Commission was that the social and economic situation in the Shannon region is so serious that such assistance should be permitted.

As regards the industrial estates in the United Kingdom, the Commission has not raised any objection to the simplification of official procedures. The support measures, on the other hand, have been examined to see if they conflict with the relevant articles of the Treaty, and the Commission felt that this support could be permitted on the following grounds.

Firstly, comparatively little assistance is given. For manufacturing industry it is estimated at no more than about 10 % net in subsidy equivalent.

Secondly, the combination of limited support measures and more flexible government control may be important and is therefore interesting as an experiment. It remains to be seen whether a combination of this kind leads to the creation, on balance, of new jobs by stimulating the development of activities in firms which would otherwise be discouraged.

Thirdly, the support is designed entirely — no, that is a slight exaggeration, but very largely — for small and medium-sized undertakings. The Commission feels that it may help small and medium-sized firms to overcome difficulties peculiar to them. I would point out that industrial estates in the United Kingdom are not justified in terms of regional development, since some of them are located in areas — London, for example — where regional development is not an issue.

I now come to the question of the T zones in Belgium. I think I can be brief on this, because only very recently I provided Parliament with some very detailed information on this subject in reply to a number of oral questions. Here again, the assistance Belgium proposes to grant has been compared with the criteria laid down in Articles 92 to 94 of the EEC

Andriessen

Treaty. The plan is to assist forward-looking new industry equipped with modern technology, and specifically no more than 200 small and medium-sized undertakings in areas with serious regional problems and recognized as such by the Commission. A limited number of hectares is involved. All the new jobs will be created in new, independent undertakings. The assistance will be granted for ten years, with an experimental three-year period. For these reasons, Mr President, the Commission felt that it could approve of this support.

The Commission does not therefore believe that any of these policy decisions has given rise to distortions in the Community that are incompatible with the Treaty. It has compared T zones with the general criteria it applies where the approval of support is concerned.

The question of whether it is in the interests of the unity and equality of the common market for measures applicable generally and to everyone to be taken to reduce or simplify official procedures is especially interesting, but one which, I feel, should not be discussed during this debate. All I will say is that in the coming weeks the Commission's agenda will include the discussion of a memorandum from its services on a possible amendment to Articles 100 and 101 of the EEC Treaty to cover matters of this kind. I believe it would be better, Mr President, to discuss this question, which warrants a major debate, after the Commission has taken a decision.

I should perhaps add something on the macroeconomic effects of deregulation, the subject of another question. I am afraid that the Commission is unable at this moment to express an opinion on the macroeconomic effects of such measures. We have commissioned a study in the United Kingdom. We are looking at this subject closely, but I do not think that we have enough information yet to make any definitive statements at this stage.

To conclude, I should like to apologize for the number of subjects I have covered, for the speed at which I have spoken and, I suspect, for the omissions I have made, but I saw no alternative in the time allowed. There will, of course, be every opportunity to exchange views on the subjects that have been discussed, either on a later occasion or in the parliamentary committees. The Commission is quite prepared to join in such exchanges because it is sure that interesting aspects of the employment situation of concern to the Commission will emerge.

Mr J. Moreau (S). — (*FR*) Mr President, what should be done to make European industry competitive? That is the question that is central to the report presented by Mr Leonardi. The chairman of the Committee on Economic and Monetary Affairs may, like many other Members, regret that this report is

being dealt with at this special part-session on employment, but the fact remains that coupling employment and competitiveness together enables us to focus on several problems facing Europe.

As we all know 'competitiveness' is a general and ambiguous term and may often hide highly differing realities and policies. As the report points out, Europe makes its products at high cost and its difficulties in selling them on the world markets are increasing in seriousness and number. I shall not go back over the figures quoted by Mr Leonardi, since they are given in his report and in the papers communicated to us by the Commission. It is fairly easy to recognise the fact and I think it is accepted by all. Finding answers to this challenge, tackling the extraordinary issues at stake, involves choices stemming from the conception that we may have of Europe, its future and its relations with the outside world.

One first inescapable fact is that Europe has to produce its own specific response to the question. In spite of what some claim, there is no model in the world capable of restoring hope to the Community. The American or Japanese models relate to particular situations and cultures. Europe can learn much from what is done in Japan, in the United States or in other countries, but it cannot submit to these different systems if the Community means to respond to the aspirations and needs of the citizens of all our countries.

To respond to this vast challenge, Europe must do everything it can to develop technological and social innovation. These are not just catchwords. It is urgently necessary, through the existing instruments, to develop research and technology.

Agreed, this development has to be mastered and harnessed in the service of our people and citizens, whence the need for control at Community and Member State level. All our energies have to be released in this field, without ulterior motives. Europe has experience and other assets. Although some recent events highlight its technological arrears in certain fields, it must not therefore be inferred that we are out of the running in all sectors. True, this technological innovation will be able to develop fully only if certain conditions are met and significant progress is urgently needed from the Council in creating a real internal market, strengthening and deepening the European monetary system, reviewing the Community's trade policy, and creating a favourable legal and financial environment for the development of this research and innovation, but I shall not dwell further on this point, others have already done so.

This package of measures, however important they may be, will be insufficient to generate the necessary momentum for European industry and the European economy. Real social innovation is needed as well. I do not think that Europe will be able to extricate itself

Moreau

from its present difficulties if it fails to develop the active participation of all economic and social agents. It is only on this condition that it will be possible to bring about the fundamental agreement enabling all our forces to be mobilised and to find the necessary springs of action.

I said that there was no model. One of my reasons was the need for dialogue among the various parties involved.

One of the most worrying problems currently facing the Community is the passive attitude in urban society and centres of production. Everything has to be done to change this situation, and this, in my opinion, means developing a policy of participation and the reorganisation of work in appropriate forms.

There are those who consider that the request for shorter working hours conflicts with the competitiveness goal. They are right if they refuse to accept negotiation on all the various aspects to which I have referred. They are wrong if the Community proves capable of formulating a social policy that includes participation, the reorganisation of working time and collective guarantees all at once, and if all the Member States of the Community prove capable of laying the foundations of a basic agreement. Without that agreement, there can be no real response to the present challenge. We can talk about competitiveness, but all we shall achieve will be part actions which can have no more than limited success. The value of Mr Leonardi's report is that it shows an all-embracing effort is necessary, including all aspects of economic, political and social life, to enable Europe to avoid becoming dependent on the rest of the world and subject to the dominant models.

Competitiveness is not only the business of business, it concerns everyone involved in production. Turning a blind eye to its cause inevitably means remaining ineffective. If Mr Leonardi's report enabled the necessary negotiation to begin among those concerned, it would have proved its utility. But for that, it means that everyone has to consider the problem as a whole and draw the necessary inferences. I hope that the majority of this Parliament will understand the message contained in this report and act in the direction in which it points.

Mr Herman (PPE) — *(FR)* Mr President, ladies and gentlemen, at this ungodly hour I shall make a special effort to be concise. Like many of you, I regret that, with the exception of the Leonardi report, it has not been possible to have a debate on any of the reports before us in the Committee on Economic and Monetary Affairs. Though unemployment has major and even tragic social consequences, its causes, development, explanation and remedies are largely a matter of economic logic. This omission is even more regrettable in that the Committee on Economic and Monetary

Affairs had unanimously — all parties and countries together — approved a motion for a resolution proposing both a concise analysis of the phenomenon and the main lines for a solution. It is this text, whose main thrusts coincide with the stance of my party, that will be the framework for my brief address.

The crisis and the unemployment that stems from it are complex, lasting phenomena with many different causes and cumulative effects. To a large extent, these causes are international and are out of the control of the national authorities. The disorganisation of the monetary system, the violent fluctuations in exchange rates and interest rates, the oil crisis, and the considerable indebtedness of the Third World countries are all factors that can be brought under control only through international cooperation.

Other and just as fundamental causes are the responsibility of the national authorities, the big budgetary deficits and mounting production costs, rigidities inhibiting the mobility of the factors of production, low levels of investment, high levels of taxation and parafiscal charges and the increased use of new technologies which are imported and, not being produced in Europe, to that extent destroy jobs. Lastly, and how big a disappointment this is for us, there is the absence of co-ordinated counteraction by the governments of the Community which have acted in open disorder, some opting for reflation and others for deflation and all striving to export their unemployment to the others through competition-oriented devaluation or unadmitted recourse to protectionist measures. In other words there is no miracle solution, no single, simple, rapid and painless solution to the problem of unemployment.

The complexity and nature of the causes being what they are, a spectrum of policies will be necessary with two main thrusts.

The first is a resumption of growth through a revival of investment on the one hand and the sharing of working time and income on the other. In this first set of measures, that of economic growth, we maintain that, to be sustainable, it must respect the general economic equilibria and be essentially based on improving the conditions for the competitiveness of European industry along the lines of the Leonardi report, an intensified technological research effort, the removal of technical obstacles to intra-Community trade, the optimum use of the European dimension, the convergence of economic and social policies at the European level, the re-establishment of international monetary order and, failing this, the strengthening of the European monetary system and, lastly, assistance for the countries in the Third World in order to give them the growth capacity that will also benefit our market potential. In more concrete terms, we are asking the Council to approve the many propo-

Herman

sals of the Commission aimed at removing obstacles to trade, and customs formalities in particular, to make more use of Community loans and to launch new research programmes, particularly in the field of new technologies. Our request to the Commission is that it accelerate the drawing up of proposals for the materialisation of a free market of capital and services in accordance with the objectives of the Treaty. We invite Member States to agree that sustainable economic recovery needs to rest on economic, fiscal and monetary policies designed to increase the degree of convergence necessary for monetary union.

As for the second type of measure, we advocate a special employment policy based on these two principles: (1) a continuous training policy facilitating the continuous adjustment of manpower and (2) a sharing of working time coupled with a sharing of income, so as to maintain the competitiveness of our enterprises intact.

No, Mr Glinne, unemployment is not the result of a policy, it is the result of uncoordinated or conflicting national policies. It is because of the refusal to accept this diagnosis of the facts that so many socialist promises have failed to come true.

(Applause)

(Applause. Mr Welsh, next on the list of speakers, prepared to mount the rostrum)

President. — I am sorry, Mr Welsh, but I cannot call you to speak. I feel that I have already imposed too much on the goodwill of the interpreters, since we have overrun our time by almost 15 minutes. I should take the opportunity of thanking them for having accommodated us up until now.

(The sitting closed at 8.10 p.m.)¹

¹ Agenda for next sitting: see Minutes.

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IN THE CHAIR : MR DANKERT

President

(The sitting was opened at 8.30 a.m.)¹

1. *Competitiveness of industry — Memorandum working time (continuation)*

President. — The first item is the continuation of the debate on the Leonardi and Ceravolo reports (Doc. 1-1335/82 and 1-71/83).²

Mr Welsh (ED). — Mr President, good morning and thank you for being here!

(Loud laughter)

¹ Approval of Minutes — Agenda : See Minutes

² See previous day's debates

We have heard a great deal of inflammatory language so far in this debate. Indeed, to hear some speakers one would think that Armageddon was just a few days away. No one who comes, as I do, from an area where unemployment is currently running in excess of 16 % can be indifferent to the very real dislocation and misery that unemployment causes. However, having said that, we must keep these things in perspective. The fact is that on the whole most people today enjoy standards of living and standards of expectation which would have amazed their parents and astounded their grandparents. It really is a little too early, Mr President, to start writing off the system. As our own Prime Minister has frequently said, we are only going to be able to respond to the problems of unemployment if we approach it with a sense of realism. It is really no use at all making impossible demands for cuts in working hours without any reduction in take-home pay or job creation without any flexibility or change in traditional working practices. We cannot expect the advantages of Japanese-style productivity unless we accept at least some of the elements of the Japanese work ethic.

Welsh

What is needed is a cool appraisal of our strengths and weaknesses and a strategy for reinforcing the one and correcting the other. It is clear that growth on its own will not solve the problems of unemployment. But it is equally clear that without economic growth in the Community, there can be no solution whatever. The principal difference between us and our Socialist friends is that we believe that we must first create the wealth and then distribute the benefits whereas they believe that you can distribute the benefits and then hope the wealth will naturally follow. Unfortunately, history has so far proved them wrong, and I am very much afraid that magic solutions to this problem will not appear like some genie springing from a bottle of good intentions.

This contrast is well illustrated by the differences between the Ceravolo and Leonardi reports. Mr Ceravolo is a charming and well-meaning man, but he has presented us with a shopping list of goodies with no idea or no indication of how they are going to be paid for. Mr Leonardi, on the other hand, who is a capable, skilful and wise man, has presented us with a resolution that gives us some indication of how the things that Mr Ceravolo wants may possibly be secured in the future.

We believe in this group that the Community should concentrate on those things that it can do well. The first thing it must do is to complete the common market. This morning, Mr President, we would like to offer a five-point programme which we believe would make progress towards this end. First of all, we want urgent action to demolish artificial barriers to trade. Second, we want renewed pressure for the harmonization of product standards. Third, we want resolute support for the Commission in its efforts to have more effective control exercised over national aids which seek to preserve the old jobs at the expense of new. We want rapid development of a programme to create a common market in services and we want full application of the regulations which open public contracts to tender from companies in all Member States.

It is true, Mr Rogalla, that many of these programmes are already in hand, but what we want is a little more action and a little more determination from Parliament to make the Council move faster.

Of equal importance is the question of economic convergence. We should not ignore the progress made in recent months. Indeed, it can fairly be said that convergence in economic management among the Ten is closer than ever before. We understand that Vice-President Ortolí is coming forward with proposals to strengthen the EMS. The sooner the better. Parliament should pay close attention to these proposals with a view to ensuring that, as far as possible, rates of inflation across Europe are brought into line. Agreement among the governments of Europe to

regard the monetary base as a single entity and a mutual resolve to control monetary aggregates would do more than any amount of cloudy imaginings, pacts and what-have-you to actually solve the problem of unemployment in Europe by getting growth going again.

It is ironic, Mr President, that at this time, when there are some genuinely hopeful signs of a return to growth and improved cooperation among the Member States, the British Labour Party, uniquely among European Socialists, is committed to taking Britain out of the Common Market. For all their rhetoric, for all the parading of those bleeding hearts that we heard from Mr Boyes yesterday, they are apparently bent on a policy that can only put millions more British jobs at risk, and it is sad to see that the principal opposition party in my country has no constructive proposals whatever to make about the problems they pretend to care about. If I may use the words of Shakespeare, Mr President — and honourable Members must remember this when Mr Seal comes to speak — he spoke of 'a poor player who struts and frets his hour upon the stage and then is heard no more. It is a tale told by an idiot, signifying nothing'.

I am proud to tell you today that the recent economic indicators suggest that the policies pursued by the British Government policies which are increasingly being accepted by other Member States, are at last beginning to bear fruit. We are beginning to see that structures and attitudes can adapt to the exigencies of the new industrial revolution. I recall how at a moment of crisis at a different time, a crisis in European affairs, a British Prime Minister was able to say: 'Britain has saved herself by her endeavours and will, I trust, save Europe by her example'. Mr President, those were the words of William Pitt in 1806, and I trust that they will be no less true today.

(Applause)

Mr Damette (COM). — *(FR)* Mr President, ladies and gentlemen, the French Communists and Allies Group fully approves the decision to hold a single debate on the subjects of competitiveness and the reduction of working time.

They are, of course, both aspects of one and the same problem. The traditional attitude is to see this problem in terms of a contrast between the dictates of competitiveness and the wish to reduce working time, as indeed we have just heard. The gist of the message is this: certainly reduce working time and improve living conditions, but within the limits imposed by the need for competitiveness; however, in view of the leeway that we have to make up in competitiveness, there is nothing that we can do for the time being. This type of argument appears to make good sense, but in fact it stems from the most conservative of approaches, that which consists in separating and contrasting economic and social considerations.

Damette

Whereas outlay on machinery is regarded as productive investment, outlay on labour is deemed to be social expenditure. This leads to a misunderstanding of the meaning of productivity. When everything connected with the maintenance and development of manpower is put under the heading of expenditure, it inevitably becomes a hard and fast rule of productivity to cut labour costs to the bone and maximize the allocation of resources to the acquisition of equipment whose primary function is to replace human labour.

This is the employers' and many governments' idea of management. Not surprisingly, it is creating massive unemployment now that modern technology is providing the means with which to take the substitution of capital for labour further and further. It is leading to excessive capital formation and thereby to rising prices and contracting job opportunities, to this gathering crisis, these mounting unemployment figures, to which some people are able to reconcile themselves only too easily. There is a certain hypocrisy in bemoaning the increase in unemployment while at the same time taking care to ensure that companies are managed according to principles which inexorably lead to the elimination of jobs.

The fact is that the prospects for getting our societies moving forward again depend on their ability to bring social progress up to the level called for by technological innovation. This necessitates simultaneous action on several fronts: raising of the skill content of work, development of responsibility, enrichment of job content and, *ipso facto*, reduction of working time.

Let us be clear about this: what is required is not a redistribution of a stock of jobs which is inevitably bound to remain static or decline, but a rational approach to the qualitative and quantitative changes in the pattern of work needed during the closing years of the twentieth century to meet the demands of productivity under the conditions of the modern world. The concept of competitiveness should not be misunderstood. The way to achieve social and economic progress under today's conditions is to enrich job content and therefore to reduce the working week to 35 hours in the near future — this, of course, without reducing purchasing power.

IN THE CHAIR: MR NIKOLAOU

Vice-President

Mr Deleau (DEP). — (FR) Mr President, ladies and gentlemen, we are in danger, at this stage of the debate, of repeating what has been said by earlier speakers on this important problem of unemployment. This shows that we are all conscious of the tragedy of unemployment. There are some things which need to be repeated. At a time when the figure

of twelve million unemployed has been reached, the Community is bound, once again, to recognize the gravity of the situation.

In this context, Mr Leonardi's report on the competitiveness of Community industry, which we are debating today, takes on particular importance. He is to be congratulated. Having made an appreciation of the situation and called for action to deal with the real causes of unemployment, the report suggests a number of solutions which are along the right lines. In calling upon the Commission to examine the degree of competitiveness in the Community on a regular basis, it is inviting it to maintain constant monitoring of the factors making for progress by the economies of the Member States and those which, alas, cause them to lose ground and result in further unemployment. The Commission should therefore be called upon to, as it were, define a genuine industrial strategy for the Community, indeed to establish a common industrial policy and thereby to draw up a full-scale plan of campaign against unemployment. For we must not delude ourselves about the danger that the labour market will go on contracting as a result of the technological changes now taking place, coupled with the recent and continuing unsatisfactory growth in gross domestic product.

The situation is not irreversible, however, as long as selective action is taken immediately, in which it is necessary, in my view, to give priority to firms in a category which, as we know, has great capacity for creating employment: small and medium-sized businesses. This has been said before, it has been repeated any number of times, but it is no longer enough today to sing the praises of these firms. Knowing their potential for job creation, we must create the conditions under which they can develop. It is a fact that if each such firm created one new job in the Community, our unemployment would be reduced by over 25%! Small and medium-sized businesses account for 90% of the total number of firms and, with a workforce of 30 million, about 70% of the number of jobs in the Community. They therefore represent the majority, they are the most flexible and most diversified companies, those which have been most successful in withstanding the crisis and which are best able to make the effort to adapt to changed conditions. The measures that we recommended in our 1982 resolution should therefore be put into effect for the benefit of these companies, to enable them to create new jobs. We said so at the time, when we listed reduction of costs, appropriate taxation, and investment incentives among the measures to be adopted. As European Investment Bank studies have demonstrated, the rate of job creation is three times higher among small and medium-sized businesses than elsewhere.

This applies to all jobs, but especially to jobs for young people, that fifth of the labour force among whom the unemployment rate is now 40%. For

Deleau

them, the fundamental requirement is training, which they can obtain from firms in this category. When combined with training for the managers of these firms, it can provide an opportunity for success, for promotion of businesses, for increasing their productivity and improving their competitiveness. When also combined with improvements in operating conditions for businesses and increased availability of finance in particular, it can provide an opportunity for improving the employment situation in the Community. This is not to suggest that the problem can be solved entirely by small and medium-sized businesses.

Since my time seems to have run out, ladies and gentlemen, I shall end by saying that we must not lose sight of the fact that only dynamic and prosperous firms are in a position to create jobs. We must have healthy businesses in order to combat unemployment. So let us not stifle them, but create the conditions for their success and give them the means with which to play their part in the campaign against unemployment.

Mr De Gucht (L). — (NL) Mr President, the subject of competitiveness brings us to the central issue of the European Community and its Member States, namely the economic foundations necessary to support employment and *mutatis mutandis* avoid unemployment. I am not closing my eyes to the social aspect of the problem but I cannot help thinking that too much emphasis is being laid on the social aspects in this debate on employment in relation to the economic aspect. And those responsible for that are easily identifiable. The only question is whether this is in the interests of the working man and he after all is our main concern.

The real choice is between re-establishing competitiveness and growth, the basis of employment, on the one hand, and combatting unemployment as a phenomenon without any perspectives of growth on the other. This does not mean that in the economic approach there would be no place for shorter working hours, for example, but then in the light of a clear cost-benefit analysis; are our so-called social friends prepared to do this? In over-emphasizing shorter working hours one's attention is diverted away from a willingness to work to increase yield towards re-distributing employment, insofar as people are prepared to go along with it. We must not forget that a reduction in working time of only 10 %, 15 % or 20 % can have a real influence on employment.

Mr President, it is interesting that a Member of the Committee on Economic and Monetary Affairs stressed the reform of the institutions. As rapporteur for the Sub-Committee on Institutional Affairs which is drawing up an imaginative report on this subject, I am particularly conscious of this aspect, but it is also very important that those concerned with specific economic events should recognise the need for

reform. Some people laugh scornfully at the institutionalists, a worse type than the jurists who look at everything purely theoretically in contrast to the real politicians who only want to deal with the practical side of policies, programmes and investments. These two approaches are complementary. In other words, the analysis has been made, solutions have been suggested, but there is no determination to take decisions, there are no resolute and democratic institutions to take and implement decisions, because narrow sentimental nationalism still has the upper hand over sensible international cooperation. And it is not by chance that the stagnation and even decline of competitiveness coincides with a spreading paralysis of the Community. Whether we are prepared to learn the necessary lessons from that remains to be seen.

The internal market is quite rightly a major concern of the Committee on Economic and Monetary Affairs. A real internal market could exist. European industry could rely on a larger domestic market than Japan and the United States and we are doing little or nothing to develop it, in fact quite on the contrary. Various Member States are constantly trying to dismantle the existing fragile and incomplete internal market. The recent Commission report on this is by no means too early. Such phrases as 'reconquering the internal market' reflect a clear political option which is anti-Community in spirit and which if repeated would mean the end of the Community. It is not even certain that we would be left with a free-trading area. I personally think it would be a free fall. We cannot stress enough that the Commission is the guardian of the Treaties and thus of the internal market. The Commission is particularly supine with regard to France which opens up dangerous prospects and could encourage other Member States to follow suit. Parliament must draw its own conclusions from this situation.

A key point of the Leonardi report is the need for investment. The report also says that we cannot expect miracles. We cannot count on such favourable circumstances as Japan enjoyed and the debt situation leaves little margin for manoeuvre. We ourselves must therefore produce the money necessary for investment; we ourselves, that is the state, the people and what Leonardi calls the Community surplus.

The state: the capital goods available for enterprises have been severely restricted by the swelling of the state apparatus to satisfy increasing social needs and the emphasis on economic events. That does not indicate a wish to return to 19th century conditions where private profits held in the hands of a few were the economic stimulus. But it does mean that the state cannot continue to re-distribute something which does not exist, that the state must stop preservative investments in basically moribund industries. The state has a social duty, but not in an economic graveyard.

De Gucht

The people : people in Europe must literally start again to believe and invest in their own future. Much of the basis for investment must be found, directly or indirectly, preferably the former, in the savings contributions of families. This presupposes a willingness to help on the part of the people and more favourable conditions created by the state.

The Community surplus : do we all still really believe in the Community surplus ? No-one can deny that at the beginning of the European integration it was the European dimension in itself that gave rise to a remarkable growth. But that can happen again and history can produce several examples of an ideal inspiring people to advance and make progress. It is up to us to believe in it anew and make it come true.

Mr Petronio (NI). — *(IT)* Mr President, the Italian political right is happy to be able to vote for the motion for a resolution tabled by Mr Ceravolo and Mr Leonardi on the reduction of working time and the competitiveness of European Industry. As many speakers have indicated, they could be considered as two very different matters, but in fact this is not the case. In our view, the problem does not so much consist of working more but of working better, and in the best conditions and with the best information, and to have the increased competitiveness of our industry as our principal aim.

We do not only want an internal market which meets our requirements, as the Japanese and United States markets meet the requirement of these states. We do certainly need to remove technical obstacles created by customs duties, and to avoid the creation of other artificial technical obstacles. However, the important consideration is the external market. We are not able to export in sufficient quantities, in part because of the changes in the value of the dollar. Sometimes, as is the case for oil, the price of raw material goes down, but as oil prices are fixed in dollars since the dollar has this function if the dollar increases in value this invalidates the advantages arising from a fall in the official price of raw materials.

We have a low rate of investment. We are in complete agreement with Mr. Leonardi. We might say that there is an economic boom when investments are at a higher level than savings, but, according to Keynes, one might say that there is a crisis when savings exceed investment.

In conclusion, I should like to remind you of our proposal for a European Stock Exchange, which could attract 'venture capital' for undertakings, and to stress that we can not, in Europe, have ten industrial policies and divided and fragmented research. We need to make a greater effort towards research and innovation ; and keeping in mind, above all, what Mr Deleau has said, help must be given to small and medium-sized businesses, which are flexible and inventive, in

particular by removing taxes from the funds which are reinvested in those businesses.

Mr Seal (S). — Mr President, I also come from a textile area, West Yorkshire, in the United Kingdom. This area has been decimated by the demise of the textile industry, a lot of it due to unfair competition, So I welcome the suggestions in the Leonardi report that would put a stop to this. I also represent, Mr President, an area with a large minority, a minority which is taking an unfair, disproportionate share of unemployment. This in itself is a growing social problem that has been ignored by our Tory government and one that in time will certainly erupt. In Dewsbury, Batley, Halifax and the Lancashire areas we have got over 16 % of the working population unemployed, and yet Mrs Thatcher's ministers do not even accept that they need any help. They will not grant 'assisted area' status. Even the Commission recognizes that some of these areas need help.

In these areas 70 % of the children leaving school will join the dole queue. The battle for jobs must start, and it must start now. I accept some of Mr Leonardi's conclusions that we must correct the underlying competitive weakness in our various economies, particularly in the UK, particularly with the kind of management we have there. But this by itself is not the answer. More automation, more investment will provide more production but not more jobs. With over 12 million unemployed in the Community we have got a terrible waste of resources that no civilized society should even tolerate. Mrs Thatcher, Chancellor Kohl, President Reagan have all got it wrong. Mass unemployment is not inevitable. It has been conquered before and it can be conquered again. But to do it we need vision, not monetarism. We need common sense, not dogmatic Tory policies. We have got to mobilize our wealth and resources for the biggest programme of investment ever seen : investment in industry, investment in housing, investment in transport, investment in public services, investment in providing new skills for our workers and investment in improving the quality of life for all our people and not just for the rich. The only alternative to this battle for jobs is a continuation of this evil monetarism, a continuation of the economic crisis which is intensifying social divisions in our society.

Michael Welsh this morning and Henry Plumb yesterday talked utter rubbish. They themselves do not believe the figures that they quoted. It was Britain's joining the Community that lost millions of jobs. Our trade deficit alone in manufactured goods has cost us half a million jobs. Britain leaving will create jobs. You Tories are hypocrites ! Are you satisfied with the appalling record of your government, the record over the last four years ? Are you satisfied with the policies which have created unemployment ? If you are, come up here and say so !

Seal

Let me finish Mr President, by saying to all those unfortunate workers who have borne the brunt of this recession that there is and should be a better way. That way is for more investment, for more expansion and for Socialist planning.

Mr von Bismarck (PPE). — (DE) Mr President, ladies and gentlemen. Outbursts of passionate illusionism like the one we have just heard from Mr Seal always make me rather sad: back to Marx! No, we must advance towards a social market economy, i.e. a situation in which the economy is the servant of social policy, the two being inseparable. That is the modern approach, and it represents a step forwards. The alternative can only be a step backwards.

Mr President, there has been a procedural error here; we seem to have reversed the order of things. Instead of starting by debating the cause, i.e. the economy, we have more or less ignored the subject. The Committee on Economic and Monetary Affairs has not taken part in any of the debates and has consequently not been allotted adequate speaking time.

(Applause)

I hope that this will be taken note of by the President. We have confused cause and effect and thereby done great harm to our image in the press.

All of us — all the political parties, all the institutions, the Commission, the Council, Parliament, the citizens of Europe, trade unions and employers' associations — are responsible for this calamity. Don't let us make the mistake of laying the blame elsewhere: on the Japanese, or the Americans, or interest rates, or whatever. It is us Europeans who have not realized the turn that events were taking, what technological challenges we would be facing and how trade patterns would change. It is we Europeans who have missed the boat, not the others.

Secondly, the Council is missing the European boat. It has developed into a club of egoists and should be renamed the Egoists Club. We bemoan our lack of opportunities, but who is preventing us from seizing them? The Council! Why do we have to traipse about like gypsies? Because the Council can't make up its mind. That is the real trouble; the Council feels it isn't free to act. All it can ever do is pass on messages from back home. Council members come to their meetings laden with parcels, and whether they get rid of them or not they cannot exchange them for different ones.

There is a myth being spread abroad to the effect that the market is saturated. No, the *markets* are saturated, and all the new products we invent create *new* markets. Only our inventiveness is not subsidized; it is not supplemented by appropriate resolutions encouraging the investment of capital today to create tomorrow's jobs. All new products involve new risks, and

each new risk requires two things: firstly, an incentive to take it, i.e. it must yield some returns. Secondly, venture capital is needed to underwrite the risk, for if the venture is too hazardous existing jobs may be jeopardised or lost. This fundamental truth reflects the real problem; we have woken up too late to the fact that we should be making greater use of modern technology, which comes up with new inventions every day, and that we are lagging behind America and Japan. Instead of catching up on investment now and increasing our venture capital we merely grumble.

How can venture capital be increased? Quite easily; by restructuring taxation systems and, secondly by bearing in mind that today's higher wages may be tomorrow's lost jobs. National governments' taxation policies and trade unions' wage claims are chiefly to blame; the former for allowing too much to avoid unpopularity and the latter for demanding too much because of pressure from the ranks. The kind of unemployment pact we want — if we can achieve one at all — would have to be based on franker, sincerer and better informed communication. This would enable us to persuade the public to accept and share the sacrifices required of us after our long period of inaction.

It would be wrong to look on the gloomy side and say that growth rates are inadequate. It depends on the kind of growth. If we merely increase production of conventional goods, jobs will tend to decline. If we create *new* products and *new* services — and you ought to read Mr Leonardi's report carefully, especially Section 9 — we shall regain our competitiveness. Competition, and competition only, is the answer! I think we Europeans have no reason to believe we are any less inventive than the Japanese or the Americans. But there is one thing we should note; the Americans created 25% new jobs in the 1970s and the Europeans only 2%. Why? Because the Americans' attitude is far more realistic than ours. We are hampered by the fact that the European Community is made up of ten countries, all seeking their own advantage instead of working towards a common goal.

(Applause)

This Parliament has an important service to perform; it must attempt daily to shame the Council out of its inactivity. Then the citizens of Europe will follow our example.

(Applause)

Mr Tuckman (ED). — Mr President, when I was a young man, I lived on the farm and the chicken which had its head cut off still fluttered. Mr Seal reminds me of that chicken. Does he know that the theoretical basis for leaving the Community, as far as Britain is concerned, has been destroyed by their own prophets from Cambridge who now say that Britain cannot go it alone.

Tuckman

Mr President, I am not here to make party political points beyond that. I just thought it wanted answering.

I like the Leonardi report. I have just one addition I would have liked to see. It is a big thing. There is no talk of design, there is no talk of marketing and we, in Europe, are proud sometimes of the wrong things. You need to know how to sell if you are going to run an economy. People do not seem to like that very much. It is not dignified enough.

As far as Mr Ceravolo is concerned, I regard him as a very honourable and learned gentleman. But his report does not allow us to earn extra money. It will not help us, it will merely raise our costs.

Mr President, my subject is small businesses. They are able — not on their own but as an addition — to create conditions which are not possible for big unions fighting giant companies with highly restrictive salaries. They are organizations which can move quickly and flexibly. In one sense they are not very European because we have here this terrible word which the Germans give us 'Besitzstand' which means: 'What I have I hold and nothing may ever move'. We have got to get away from that. So what I want to put forward are six quite concrete things and these come from various parts of the world. I think we do want to learn from each other and teach each other.

The first is the idea of the reserve contract for small businesses. It works well in the States. There is no reason why we should not start and say 10 % of all public contracts go to small business if at all possible. Coupled with that, where the small business had lost the contract by a 5 % margin, the big one being 5 % cheaper, it should be allowed to re-bid to see whether it can meet that.

The second thing I want to see is the American idea of the advocate. The small business lacks big voice, but it needs it, not for its benefit but for ours. Therefore this idea of the advocate is something we should learn about and see whether we cannot support it and include it in our arrangements.

My next and third example comes from the United Kingdom. We have found that the small business man is often timid, often not knowledgeable and the advice centres that have been set up there are an example from which other countries can learn. Can I weave into this the fact that in our country which, of course, has the smallest small business sector, an enormous amount has been done by this Tory government which the left here claims is disliked. They have created more jobs through their activities than anything else that I have seen in recent times.

Then I find the argument between large and small firms quite sterile. In the UK — this is my fourth example — there is a lot of support for the system whereby large firms set up small ones. There is the famous idea of the buy-out. I think it works very well.

My fifth and sixth examples are practical things. The UK Committee of the 1983 Year of Small Businesses is setting up two studies. One to find out which countries, which areas and which subjects are favourable to small businesses, and we are setting up a scale on which to measure it so that small businesses can begin to see where the conditions are good, where they are bad and how they can be improved.

The final one is a UK need. We see that on the Continent you have the Statutory Chamber of Commerce and we want to see whether we can usefully copy that.

Mr President, in summary I think the reports are of some practical interest to the Community. There are a few practical things one can put forward which go beyond pure rhetoric which, after all, is just a waste of time. I see some promise in the small business sector. I think, with many of those who are optimistic, that things can be done and I deplore those who merely sit there and weep their party slogans.

(Applause)

Mr Damseaux (L). — *(FR)* Mr President, ladies and gentlemen, I have no intention of paraphrasing Mr Leonardi's excellent report, and shall therefore confine myself to three points on what are without question the priority areas for action to bring about a European recovery.

The first major handicap under which our European economy is labouring is its lack of a unified market, which is a besetting weakness. As President Thorn has very rightly pointed out in this House, no-one can still be harbouring the illusion that national action taken in isolation will bring success. Unification of the internal market is a *sine qua non* if industrial competitiveness is to be strengthened. This will entail a reduction in the proliferation of public aids and elimination of non-tariff barriers. The main priorities must be, first, to avoid all protectionist action which would lead to compartmentalization of the market and, secondly to promote the free movement of goods and services. In the light of these priorities, the objectives that the Commission has set itself in its outline programmes assume the highest importance; they are concerned with the establishment of a common legal and fiscal framework for Community industry, improvement of intra-Community transport systems, and affirmation of the Community's unity at its external frontiers.

Damseaux

My second point is concerned with the essential role that the European Monetary System has to play in improving our competitive standing. The European Monetary System is designed to curb exchange-rate fluctuations and thereby to promote greater confidence in trade and payments between the increasingly interdependent economies of the various Member States. Control of inflation is and must remain the primary objective; it is from success in this area that our industry stands to reap the greatest benefits in the long term.

In order to consolidate the European Monetary System it is necessary both to keep up what has been achieved to date and to develop it further. The pooling of part of the central banks' gold and currency reserves and participation in the system by the pound sterling and the Greek drachma would undoubtedly strengthen the Community's hand in its efforts to attain the objective of establishing an area of monetary stability.

My third point, which in my view is the most important of the three, is concerned with the system of taxation, which should be used to improve competitiveness, promote growth and thereby create jobs, and should no longer be a disincentive to production, as is too often the case today. Repeated increases in taxation cannot be conducive to investment. Far from making for a recovery, they help to create a vicious circle of recession.

We Liberals consider that excessive taxation, artificial protection of jobs, subsidies and regulatory measures are having increasingly damaging effects. We believe that the reduction or elimination of such forms of intervention would revive the spirit of invention, innovation and dynamism in industry. We should be encouraging individuals by lightening the tax burden that they have to bear, so that they have the means with which to start up small businesses, which have an increasingly important role to play in the future of our industry. Small and medium-sized businesses offer scope for greater diversification, greater adaptability, and also greater flexibility in patterns of employment.

In addition to a reduction in the tax burden, we should like to see harmonization of taxation systems, since without a minimum degree of unity in this sphere there can be no hope of establishing a single economic area displaying the same operational characteristics as a domestic market. In addition, tax harmonization should provide a lasting basis on which to build solidarity among all Europeans, thereby helping to solve political and social problems.

Mr Eisma (NI). — *(NL)* Mr President, one fault of the many motions for a resolution under discussion yesterday and today, and this also applies to the Ceravolo report, is that they contain too much. The rapporteurs and members of the relevant committees have unfortunately not managed to separate the main from

the subsidiary issues. Indeed, if we as a Parliament fail to agree on a number of important recommendations to the Commission and Council we display our weakness and can give up all hope of bringing any influence to bear. But a certain consensus does seem to be emerging in this Parliament on the redistribution of labour, that is of paid labour, of course. Opinions differ, admittedly, on whether redistribution should be compulsory and to what extent it should be accompanied by a reduction in wages. The question is whether a reduction in working time caused by a drop in incomes will result in a drop in demand and thus push up the unemployment figures even further. Some people also think that shorter working time should be used to put an end to the underemployment of workers and that the jobs being vacated should not be filled.

Indeed our experience with the effects of employment is still scanty. But we believe that uncertainties about the effects of shorter working time on employment should not be used as an excuse not to redistribute available labour. Those who when considering the pros and cons of shorter working hours lay greater stress on the disadvantages can offer no alternative to the millions of job seekers and that is socially irresponsible. And when we talk about redistribution of labour we would be well advised to start in our own back yard. Answers to written questions to the Commission, Council and Parliament indicate that 1.7 % of the staff of these institutions are part-time workers and this category is mainly in the poorer paid jobs. This is certainly no shining example for the rest of Europe.

Mr President, I spoke yesterday on the subject of re-assessing paid and unpaid work and also on re-evaluating the policy of full employment. The amendments to that effect also apply to the Ceravolo report, for shorter working hours and reorganization of work time mean that each person will work less, and this will affect paid versus unpaid work and leisure-time. Mr President, we can no longer be satisfied with producing old solutions for new problems.

Mr Beumer (PPE). — *(NL)* Mr President, the Council's statement on March 1982 said that youth unemployment had reached unacceptable proportions. The Council made itself responsible for producing an effective policy. But the most that the Council has produced so far by way of policy is a far cry from that. There is a guarantee for school leavers up to the age of 18, not in the least helped, by the way, by a Parliament which was instrumental in increasing the Social Fund, but there is still no sign of an imaginative policy to stimulate the labour market. I agree for example with the Youth Forum's statement that much more should be done in the individual countries too to strengthen the link between vocational training and the chances of a career.

Beumer

Yet it is precisely on the European side that significant contributions can be made and the conditions created for a more productive employment policy, in shortening working hours and in combined measures to stimulate the economy. The Council mentioned shorter working time under certain conditions as a useful way to help more people get jobs. It invited the Commission to submit proposals and the Commission has also produced a memorandum on how the Community can make positive use of the instrument of adapting working hours. We consider it a well-balanced and useful document. The Commission proposes Community basic agreements with both sides of industry, which could then be worked out in detail in the individual countries. The usefulness of such a basic agreement is obvious, for unilateral uncoordinated measures soon meet with objections about competition with other Member States. The example of France has highlighted the disadvantage of unilateral measures. A common approach meets the objection of distorting competition at least within the Community and creates more margin for manoeuvre.

I do not consider that such an agreement would interfere with the two sides of industry's freedom to negotiate. When I read the declarations of the European Trade Unions Confederation calling for this kind of European agreement, I find no reservations from the national trade unions. It should also be possible to consult with both sides of industry, with each retaining its own responsibility, to reach agreements with the Member States on major issues, which is somewhat different from formal directives. If such consultation is to carry weight and authority, we must see Council's proposals in reply to the Commission's memorandum.

A policy on shorter working time which creates widely accepted conditions could be a considerable help in reducing unemployment. A maximum effort must therefore be made. Adaptation of working time without the competition disadvantages of unilateral measures also helps to keep up yields, an essential additional condition. The social and economic effects could be to encourage convergence and possibly also to restrict the granting of individual aid which is more necessary with unilateral measures.

Basic agreement makes all the more sense when we get away from the idea that social considerations alone justify shorter working hours and economic considerations speak against them. In addition to the considerable economic considerations of costs and output, a labour market with flexible working time can also have economic advantages, especially in the new sectors of technology with rising labour productivity. There can also be economic advantages in shorter working hours combined with keeping a minimum operating time. In both cases adequate social standards must be set. I think that in basic agreements on

a European policy along the lines of the Commission's proposals all parties can find protection for their legitimate interests and of course they must meet the aim of involving more unemployed. Young persons should be given a greater opportunity, as happens in a number of countries, of shorter periods of initial work.

To sum up, Mr President, may I say that in view of these considerations we can support the Ceravolo report.

Just a few comments on cooperation on a policy to stimulate the economy. In the middle of March a number of European leading managers took an interesting initiative. They announced a strategy for cooperation within the Community, involving the European Commission, in the light of increasing competition from outside Europe. But it is an illusion — as they also said — to think that an effective economic policy can be pursued without proper cooperation between the state and industry. I have here the joint declaration of the Council of Economic, Finance and other Ministers of 16 November 1982. They state, 'The Community and the Member States will try to help their industries not only by removing administrative and financial obstacles, but also by encouraging sectorial industrial cooperation'. These are two very important statements but results can only be achieved if the national representatives in the Council think in the European terms of their declarations when it comes to taking decisions.

I shall conclude, Mr President. Could there not be greater cooperation to produce an infrastructure common to the individual countries which European industry needs? I am thinking of European technical and administrative infrastructure which the European leading managers had in mind when they made their important declaration.

Ms Quin (S). — Mr President, I come to the platform in order to speak specifically on my Oral question on shipbuilding which was tabled on behalf of the Socialist Group and addressed particularly to the Council.

We feel that the Council has failed to give the shipbuilding industry the urgent and full attention that it needs. There has been a great deal of talk but little effective action. We deplore the failure to provide either a scrap-build policy or some other substitute in order to give short-term release, provide much-needed orders and stimulate demand in the shipbuilding industry. We deplore the failure to agree even a minimum level of capacity below which we should not go, otherwise we will not be in a position to supply any of the world's ships in future. We deplore the lack of a plan for the industry and we deplore too the concentration on a reduction of aid rather than aid for survival which is what we need at the present

Quin

time.

Yesterday and today a group from my own part of England, Tyne and Wear, came to Brussels to lobby both Parliament and the Commission. There has also been a lobby from shipyard workers from Northern Ireland. I salute their efforts to save their own industry and to prevent further unemployment in areas which are already drastically hit.

The lobby met representatives from other European shipbuilding areas and, as I say, is very much aware of the problems that we all face throughout Europe in this industry.

My question calls for positive action. Not out and out protectionism but a realistic response to the problems caused by the expansion of shipyards in Korea and the Far East offering ships at very low prices and at terms which we cannot possibly believe represent fair and free competition. The Commission and Council must agree on substantial rescue aid to answer this kind of competition.

Finally, Mr President, the great majority of EEC external trade is seaborne trade. Europe and the world will need ships and they will need highly sophisticated ships in the future. But the question I am asking is: 'Are we in Europe going to be building any of these ships at all?' This is the question to which we demand a positive response from both the Council and the Commission.

Mr Møller (ED). — *(DA)* Mr President, during this debate so much has been said about working time, and rightly so. Those of us who were taught the three Rs in school have also learned that when it took four men 32 hours to dig a garden, then the correct answer in school was that eight men could do it in half the time. But what was the reality of the situation for those who were experienced with manpower? It was that one of the eight should be used for administrative purposes, one for the accounts and staff bookkeeping, and one to keep the PAYE books for the tax authorities. Thus a number of unproductive expenses were added as the staff grew, and the rest ended up being in each others way. Therefore it is not certain that a reduction of working hours is the answer.

Let me mention the question which is the crux of the matter for me. Is reduction of working time to be with or without wage-compensation? If the same hourly wage is to be applied then it would mean that the living standard for the entire population would be lowered. Can one just lower the standard of living of the population by 25 % without further ado? In that case one would be showing solidarity with the unemployed, of course. But will the remainder accept this? One can say that there will be wage-compensation. But, in that case we can say that all that is mentioned in the Leonardi-report on competitiveness is useless, because at that point competitiveness will decrease and our costs will increase. If an employee is to have a

full week's wages, i.e. higher hourly wages, because of the reduction in work hours, then European competitiveness will fall. Therefore this is not a solution nor indeed does it get us anywhere.

The only way is to improve competitiveness by halting the rise of costs by means of an incomes or prices policy, or by letting the fall in oil prices, which we can now expect, be used to benefit the production sector, and not use it for compensating excise duties in such a way that we increase costs for those who ought to get off lighter. Because unemployment has been a consequence of rising oil prices, we cannot start telling people now that there will be unemployment as a consequence of falling oil prices. We must ensure that people do not increase their oil consumption.

Therefore, it appears to me that the solution we have here will not solve anything if one has not made up one's mind whether or not one is willing to fight the unions in order to settle the wage-compensation problem. And, furthermore, ladies and gentlemen, I am not at all convinced that man will be happier with only 30 hours work per week instead of 40 hours.

I believe that a certain equilibrium has been reached with 8 hours work, 8 hours leisure and 8 hours sleep. And I am not certain that one achieves as much, if work plays only a small part in ones life. There are still people who are happy to work — and not least the unemployed — and the fewer working hours we have the less joy these people may have, and the less happiness they may have in their lives. Therefore let us drop this aspect of the subject.

(Applause)

Mr Galland (L). — *(FR)* Mr President, ladies and gentlemen, when it was decided that we would hold a special part-session on employment, we took upon ourselves a considerable responsibility, an enormous responsibility to the twelve million unemployed people who are entitled to expect something other than an academic debate from this House. They are looking to us for solutions, by which I mean realistic and original proposals. They are also hoping that the European dimension of our work will open up new perspectives. This is why the Liberal Group has always attached the greatest importance to this part-session, why we had hoped that our preparatory work would be more thorough and that the debate would be organized on tighter lines, since otherwise it was to be feared that we would quickly relapse into generalities, not to say banalities.

The content of the debate so far seems to bear out our fears, but we have tried, with the amendments that we have tabled, to raise the quality of the reports. With this aim in view, I should like to concentrate mainly on the Ceravolo report, and the first point that I have to make is that, although the reorganization of working time is a most important issue, it should be

Galland

made clear to working people that it does not hold the key to any magic formula capable of bringing a rapid solution to the problems of unemployment. The report — and this is my first criticism — does not adequately take account of the international environment. If they are to create jobs, European companies must sell their products inside and outside the Community. They must be competitive with producers in the other industrialized countries. Let us beware of imposing additional constraints on European companies without making sure that similar measures are going to be adopted in the other industrialized countries. Otherwise, our good intentions will immediately backfire on us and unemployment in the European Community will not be reduced but increased.

Unpalatable though it may be, there is no room for sentimentality in the economic world. It is the purpose of my Amendments 4 and 6 to recognize this fact in a positive spirit. This is not the same, Mr Damette, as saying that we are prevented by the dictates of competitiveness from doing anything on the social plane. Such caricature is unworthy and I need not remind you that you hold no monopoly on compassion.

(Applause)

For similar reasons, we find it neither reasonable nor fair to adopt an across-the-board approach to the reduction of working time, since workers in the most arduous jobs should be the ones to receive priority and to benefit from such action. This is why I have tabled my Amendment No 7. In order to obtain a clearer picture of the jobs of the future in which our ten countries appear to have a comparative advantage, I propose that no time be lost in setting up a tripartite Council/Commission/Parliament working party to examine the problems and identify those sectors and branches in which European industry should establish its competitiveness. This working party should also propose incentives which will encourage our firms to invest and create jobs in these areas in which Europe intends to specialize. This is the purpose of my Amendment No 8.

Finally, we agree that the Community dimension is essential in any measures adopted, that such measures should be compulsory, and that the employment field is one in which it is essential to achieve the convergence of our economies.

(The President invited the speaker to conclude)

Hence the vital importance of my Amendment No 9, which calls for immediate introduction in all ten Member States of the measures adopted by the French Socialist Government, namely the 39-hour week with

pay for 40 and five weeks' holiday with pay. These decidedly socially oriented measures have increased the French employers' wage bill by 8.5% overnight and there is an urgent need for them to be matched in the nine other countries of the Community. Only if this is done, as our Communist colleagues must appreciate, will French business, which has been obliged by its Government to set the example, be able to recover some of its competitiveness.

(The President urged the speaker to conclude)

This amendment is of course important for French business, but it also provides a practical example which is symbolic of the potential range or limitations of convergence of economic and social policies in Europe. This is why, although the Liberal Members are being allowed to vote freely on this amendment, it is the only one for which the Liberal Group will be asking for the vote to be taken by roll call.

In conclusion, I regret that this debate should in the end have been sterilized by Manichaeism, by the confrontation between two blocs, but unfortunately we are unable to do anything about it. Carry on demanding a 35-hour week without any loss of purchasing power, Mr Damette, and should you be misguided enough to go it alone in adopting such a measure, you will have four million unemployed in France by 1986. No, let us instead follow the example of Saint-Exupéry and take to heart these admirable words of his which are deeply relevant to this debate, in which the role of a united Europe is essential: 'if you want to unite men, teach them to build together'.

(Applause from the centre and the right)

President. — Mr Galland, you may indulge in polemics provided you do not exceed your speaking time!

I call Mrs Bonino.

Mr Galland (L). — *(FR)* Mr President, I wish to make a personal statement.

President. — I have already called Mrs Bonino to speak. I shall call you for a personal statement at the end of the debate.

Mrs Bonino (CDI). — *(IT)* Mr President, I think that everyone should have the right to say what they like in this Parliament, and that the President should not attempt to evaluate the content of what is said.

(Applause)

I think that Mr Galland was quite right to ask to speak on personal grounds. Each one of us is responsible for what we say, and it is not the place of the President to award certificates of seriousness or demagoguery in this Parliament.

(Applause. Cries of 'hear, hear')

Bonino

Mr President, I must express to you and to all my colleagues my feelings of frustration and impotence about this debate; and I think that many others share these feelings, in part because of the working conditions which we are, to some extent, forced to suffer.

Allow me to make a few brief statements. Firstly, I feel that I am attending an international conference, of an average kind moreover, or a cultural debate, on the theme of unemployment rather than in a Parliament which, what is more, does not have the funds, that is, the money, or the power to make a real contribution to Community policy on unemployment. We have been to a lot of conferences on this subject, which have been more concentrated, better organized, had a greater impact and, perhaps, have been more productive.

But it is true, and we should all admit it, that our record shows that there is no real political will, just a high-level inclination, which is demagogic in some respects. I believe that politics and demagoguery, especially for large groups and for those that are serious, can not and must not go together.

Moreover, as I was saying, this Parliament does not have the power and nor, it seems, does the political will exist to give it these powers with any speed. Those who wanted this debate really wanted a television platform, as our function, which is to vote and, especially, to vote by roll-call, must be greatly diminished, for if we asked to vote by roll-call, as has happened ten or eleven times during important debates, this would be considered as a real act of sabotage.

I think that we are now showing all our lack of efficiency and power in terms of parliamentary activity. I think, above all, that those who wanted this debate, perhaps for electoral purposes, have done a very bad turn to the Parliament, the Community and especially to the unemployed who, if they could be present today, rather than seeing us on television as happened yesterday morning, would be further reduced to despair instead of gaining in trust and hope.

(Applause)

President. — *(GR)* I would like to point out that any Member may ask to speak on a personal matter at the end of a debate in accordance with Rule 67 of the Rules of Procedure. Despite this, I would like to give a personal explanation to our colleague, Mr Galland, and to the House. Certainly, every speaker has the right to speak as he or she thinks fit. If I made a reference to demagoguery it was because I informed him three times that his time was up and he ignored the Chair. I made it only for this reason and because, as you know, we are two hours behind from yesterday. I

think that after this explanation Mr Galland will consider the matter closed. If he thinks otherwise he can speak again after the debate has closed.

Mr Israel (DEP). — *(FR)* According to French parliamentary tradition, the president of a parliamentary assembly cannot deliver a judgment on the words of a colleague unless. . .

(Applause)

the colleague is in breach of the rules of procedure. You have delivered a substantive judgment on words spoken by a French colleague, not all of whose views I share. In the circumstances, Mr President, I feel that your only course is to apologise and withdraw your remarks about 'demagoguery'.

(Mixed reactions)

President. — *(GR)* Mr Israel, I accept your point and request that my comments be omitted from the record. I repeat once more that it was not my intention to make a judgement about any speech made here. The digression was due to the fact alone — and I think that what I say is interpreted properly — that three times I interrupted Mr Galland, telling him that he had gone over the time available to him, and three times he carried on speaking, indeed in a tone which I described, in inverted commas, as I did. I believe that the matter ought to be considered closed and, I repeat, the episode will be omitted from the record.

Mr Paisley (NI). — Mr President, Northern Ireland is undoubtedly the unemployment black spot of Europe. While unemployment in the EEC as a whole stands at 11.1 %, in Northern Ireland the figure is a staggering 28 % of the insured workforce. One half of the unemployed males have been out of work for a year or more, while there are over 100 people unemployed for every job vacancy in the province.

Sometimes the situation is even worse: Strabane, for example, has an unemployment rate of 38 %. Whole industrial sectors have been decimated, leaving the share of employment taken by manufacturing industry at 90 000 — much less than the number presently unemployed. Nine thousand jobs have disappeared in the sector of man-made fibres alone, owing mainly to the EEC policy restricting the use of tariffs, while the telecommunications and clothing industries have practically ceased to exist in Northern Ireland.

Belfast shipyard, which is of vital importance to the Northern Ireland economy as the largest single employer, is suffering drastic cutbacks due to unfair competition from the Far East. To combat this, the scrap-and-build policy must be resurrected and a common EEC extended credit package to Community shipowners should be introduced as soon as possible.

Paisley

Agriculture in Northern Ireland, which employs, directly or indirectly, 15 % of Ulster's entire workforce, is also of serious concern. The pig and poultry sectors are in dire straits due to the high cost of grain consequent on membership of the Community. An extension of the less-favoured areas and a grain intervention store are vital necessities. Action along these lines is what is needed to tackle the crippling economic problem of mass unemployment and all the hardship and misery it entails.

Mrs Van Hemeldonck (S). — *(NL)* Mr President, now that we are coming to the end of the debates in this special session on unemployment, I wish to make two points as a Socialist; the first on the way in which this Parliament has debated the subject of unemployment and the second on the proposals on reducing working time in the Ceravolo report.

From the right of this House we heard unemployment described in terms as if it were a mysterious illness which afflicts the working world, a virus which especially attacks the weaker ones in the Community — women, the young, the unskilled, the older workers. We Socialists refuse to go along with this mystification. Unemployment is not an illness; there are identifiable causes of unemployment — economic concepts of profit at any price, holdings and multinationals which have largely upset the balance by their shameless lack of investment, all to the disadvantage of the Community, the industrial military complex which governments have urged to spend enormous sums on weapons and war equipment and so to derail public finance and prevent investments being made in lasting projects of public usefulness and in restructuring the economy, an ideological apparatus that tries to use the economic crisis to strip the working class, women and young people of their hard won rights and economic independence.

Who benefits from unemployment? The powerful international concerns! Because they get a labour market with low wages and workers afraid of losing their jobs. The military lobbies also benefit, because they drain off available finance from job creation projects and count on unemployed youngsters swelling the ranks of the armed forces. All kinds of Conservatives! Because they hope to strip the working class of their majority by dismantling social security, by interfering with trade union rights and undermining the emancipation of women by urging an extension of a more secure labour market with tightly restricted working time which is then specially reserved for women. That is what I specifically wanted to protest about.

Mr Ghergo (EPP). — *(IT)* Mr President, ladies and gentlemen, the crisis which, to a greater or lesser extent, has affected all western countries springs from

a number of competing and interrelated factors, the most important of which have certainly been the two oil crises and the resulting price increases, stagnation of demand and, therefore, of production and the new international division of labour.

This crisis has led to an unemployment situation of a particularly worrying kind both because of the total size of the phenomenon (12 500 000, equivalent to 11.10 % of the workforce) and, above all, because of the trend in unemployment, which shows no signs of diminishing in spite of the support which industry has so far received.

We are meeting here not to make a diagnosis, on which we all agree, but to determine on a possible cure.

We might also say that this crisis has shown up the weaknesses in the usual remedies permitted by the economic system and the market economy. On the other hand, an unprecedented general process of technological and plant modernization is taking place, aimed principally at increasing production and reducing labour costs as a major component of production costs, in order to maintain the competitiveness of undertakings on world markets in a regime of extreme free competition.

So the result of this process is not to raise the level of employment but to reduce the number of jobs available considerably. It is obvious that no-one can seriously think of rejecting or halting progress, so that we must be aware that the introduction of the new technology is not a matter of choice or opinion but a necessity imposed by external factors if European undertakings are to remain competitive on home and international markets.

Undertakings which refused to make use quickly of the new technology would rapidly become out-of-date and marginal, and so jobs would be lost. Nor must we overlook the fact that microelectronics, telematics and robots also lead to the creation of new jobs, and this should be given particular attention by the vocational training sector: one of the factors which has helped Japanese industry is certainly the excellent system and pattern of vocational training in that country.

So what, in this contradictory situation, are the real prospects for increasing employment?

We must honestly say that, unfortunately, there is no certain, single and decisive formula and no possible valid alternatives to the system. The only available remedy is to apply all the possible measures in a coordinated manner within the framework of an economic policy which aims to be genuinely effective and which takes into account the links between its major elements such as the rate of inflation, demand, the cost of money, the controlled prices sector (especially tariffs and services), the gross national product, the balance of payments and fiscal policy.

Ghergo

As I have said, all this is not enough : we need further and new measures. These could, at present, be related to the restructuring of working time.

Naturally, by restructuring we should mean a reduction in individual working time. Moreover, this is not a new idea, as the reduction of working time is a process which has been going on for centuries. It is a question of accelerating this process, as the present situation requires, and as has been the focus of interest for those concerned for a number of years.

Over the years, by law or by contract, gradual reductions in working time have been introduced into the different countries by reducing the working week in various measures, increasing holidays and granting leave on personal grounds and for study; provision has also been made for flexible or early retirement.

On this last matter I must point out that, when speaking of early retirement, the notion that it should be voluntary is understood, and that all Community documents are explicit on this point, including the resolution of 17 September 1981 on employment and the restructuring of working time which the rapporteur has mentioned.

There has also been an increase in part-time and temporary work. All of this should take place, however, under the banner of improved living and working conditions.

Today, without denying this aim, the reduction of working time should be seen as an instrument of employment policy in addition to and alongside all the other traditional means of intervention. However, we must not illude ourselves about the ability of the new instrument to resolve our problems. In its Memorandum on the reduction and restructuring of working time (COM(82) 809/fin.) the Commission explicitly states that 'in no circumstances can the reduction of individual working time alone solve the employment crisis'.

First of all, there would be a numerical impact.

It can roughly be calculated that, if the working day of all the working population in the Community was reduced by one hour, this, at least in theory, would give one working day to each of the 12 500 000 unemployed in Europe.

These figures give an idea of the size of the reduction which must be made in order to have a real effect on unemployment. It is not for nothing that the rapporteur speaks of a 'significant reduction in the working day, week and/or year'.

Then there is the question of cost. The cost of reducing the working day can only to some extent be offset by increased productivity. The most responsible guidelines are in favour of an equal distribution of the cost between undertakings, workers and governments (for the latter both from their own and from Community funds), which can only result from serious tripartite negotiations.

The most obvious characteristic, and one which, indeed, affects the applicability of the remedy, is that it is valid only if applied generally, at least by the most industrialized countries. It is unthinkable that only some of the countries should reduce working hours. The measure would have a boomerang effect on them, their industries would become less competitive and the remedy would be worse than the affliction. Moreover, these considerations are well-represented both in the Memorandum of the Commission and in Mr Ceravolo's report, where the concept of implementing the possible measures in a coordinated manner also appears.

We are convinced that the coordinated implementation of the normal, traditional economic instruments and the reduction of the individual working day can lead to a fairer distribution of the jobs available and a steady reduction in the number of unemployed. In particular, measures to absorb the workforce could be implemented in such a way as to favour young people and women.

We are also convinced that the system has the ability and the desire to overcome the present crisis. Some comforting, even if timid and hesitant, measures for recovery are being implemented which allow one to hope that the trend will be reversed.

We therefore approve Mr Ceravolo's report, and we wish to express our appreciation and thanks to him for the excellent and important work which he has carried out.

(Applause)

Mr Spencer (ED). — Mr. President, speaker after speaker has come to this rostrum and blamed our high registered unemployment figures on the recession. Let me start by giving you three reasons for our high unemployment which have nothing to do with the recession. Twenty years ago, we decided in Europe to have more children! Now we have more workers seeking work and have a growing work-force. Twenty years ago in Europe, we encouraged millions of women to seek paid work so that they could maintain the standard of living of their families; now we have more women registered as seeking work. Twenty years ago, we defined a whole range of jobs as too dirty and difficult for northern Europeans to do, and we created a sub-proletariat to whom we now quite rightly owe a duty and a responsibility. All those reasons have contributed to our high structural unemployment.

Further, twenty years ago we failed to match the investments of our competitors. What did we do? We used the profits from the years of growth to buy social peace, to erect our welfare states, to inflate our wage costs. We have chosen to interpret democracy as meaning that we must promise our electorates a standard of living that our position in the world no

Spencer

longer justifies. Our failure is not the failure to respond to the recession ; it is the failure of an entire political *élite*, both socialist and non-socialist, to obey the cardinal rule of democracy which is that you tell your electorates the truth.

We are not taking part in a cosy socialist morality play with simple villains and easy solutions. The problems cannot be met by Roland Boyes standing at this podium and waving a manifesto like a kind of animated *agitprop* poster. Such posturing is dishonest, and Roland and his colleagues know it. To compound that dishonesty by criticizing the one woman who was prepared to point that the emperor's new clothes did not exist is purest humbug. Our situation is closer to a fifth-century BC Greek tragedy, in which the political imperatives of democracy jeopardize that very democracy in competition with leaner and hungrier Spartans. I would be the first to agree with Roland or with Barry Seal that monetarism is not enough. Honesty itself is not enough, but it is an essential first step to admit that full employment, as we knew it in the fifties and sixties, will not return for decades, if at all. Only when you — and I speak particularly to my Socialist colleagues here — only when you face up to that stark truth will you be able to mobilize the political will to deal with a spectre of a society cut in two, cut into those with jobs and those without.

Anyone who comes to this rostrum and claims to have found an immediate solution for mass unemployment is either a fool or falls short of the standards of honesty required for public life.

Mr Mart (L). — (*FR*) Mr President, we are devoting a special part-session to the very disturbing problem of unemployment.

The subject itself has been rather ill-prepared. In addition, I consider that the choice of Brussels as the venue for such a debate is inappropriate to say the least.

Please do not misunderstand my intentions : I admire Brussels and respect the Belgian people, but I find it scandalous, at a time when Europe has millions of people out of work, that a majority of parliamentarians should decide to hold sittings in Brussels, knowing very well that a recent study to find the least expensive place of work has found that Brussels is the most expensive. Those responsible for this decision are prepared to throw away the billions already invested in Strasbourg and Luxembourg, not forgetting that they are planning to spend at least as much again on the construction of even more luxurious facilities in addition to those already available. At a time of crisis, with money short on all sides, I find that this gives our institution an appalling image.

As for the subject itself, apart from the lack of technical facilities here for taking a vote by roll call, the documents before us abound with generalities which

provide inadequate cover for the lack of any clear and properly thought out alternative. They contain no trace of a serious policy, a clear-sighted vision of how the whole structure and fabric of our industry can be modernized.

Such documents provide absolutely no basis on which to draw any conclusion which would have the slightest impact on the realities confronting our various governments. Far from having made any contribution, we are therefore laying ourselves open to being used as scapegoats before the people who look to our Parliament for practical guidelines.

Instead, we are treated to fine words on the reorganization of working time, which has become the magic formula in certain quarters. Far from having demonstrated its validity, this formula has been given the lie by events wherever industry is expanding strongly, whether among our competitors in Asia or elsewhere. This is why all these theories about a hypothetical reorganization of working time to reduce unemployment leave me with the strong suspicion that they are no more than a form of electoral campaign mounted with the exclusive aim of giving prominence to their proponents and other ideologues.

In order to combat unemployment, it is absolutely essential that our countries recover their industrial and technological competitiveness. We shall never succeed in combating unemployment if we remain incapable of winning international markets. If they are to recruit more people, our companies must produce more and sell more abroad at lower prices. None of the other contrivances can do any more — at best — than bring improvements of very limited duration, making no impression on the root of the problem. None of the slogans calling for increased assistance to the Third World can obscure the essential fact : the poor people in the Third World cannot afford to buy our goods, which have become too expensive.

In past years we have camouflaged this fact by pursuing a disastrous credit policy. We have lent money to the Third World in order to secure markets for our products. At the same time, we have made the developing countries pay for our welfare state systems by meeting the costs of our social benefits which, lest it be forgotten, are built into our prices.

If we wish to sell more and reduce unemployment as a result, we must cut our production costs.

The way to make our industry more competitive is simply to relieve companies of the stifling burden of contributions. The fact that many of them are working to very slender profit margins or none at all, while many of our products are subsidized and the State is constantly coming to the rescue of companies threatened with bankruptcy, demonstrates that our structures have become obsolete. Costs must be brought down to a much lower level, even if this means a gradual transfer to the State of the burden of

Mart

contributions, which is reflected in selling prices. I subscribe to the view that it would be better for the State to relieve employers of these contributions and meet the cost itself, since this would mean that production costs would be much lower, capacity would be more fully utilized and companies would begin to recruit again, so that at the end of the day the State would not be paying out more and more in unemployment benefit. Since the State is in any event spending vast sums in its efforts to combat unemployment, it would make more sense to use the money to cover the cost of social contributions, since such a move would generate increasing revenue at the end of the line as a result of the increased competitiveness of our products.

Only a return to international competitiveness will enable us to make real progress in reducing unemployment. There is no other way. If we fail, unemployment will rise still further!

Mr Cousté (DEP). — *(FR)* Mr President, if ever there was a document that this House should be studying, it is the report by the European Management Forum on industrial competitiveness. In this report, we find that the four leaders in the competitiveness race are Japan, Switzerland, the United States and Germany. It is no coincidence that these countries happen to have strong currencies, a fact which makes the point that it is misguided to believe that Europe can succeed in achieving competitiveness with the rest of the world while pursuing a policy of monetary laxity. It is my belief that any nation which does not make the defence of its currency the first priority is not doing what is necessary to secure its industrial competitiveness.

I feel that this last point was well worth making in the light of the debate so far, in which the emphasis has been on social policies and job creation, as though any one of us in this House did not wish to see more jobs. The real point however, is that not only do we need more jobs, but that these jobs must be viable. The first priority, in a competitive economy, is to meet private or collective needs. In his report on industrial competitiveness Mr Leonardi rightly points out — and we approve this — that we have failed to take advantage of the European dimension, that this large market available to us has not brought all the benefits that could have been expected from economic expansion and social progress. This is why we want to see our Community, through the initiatives of the Commission, the decisions of the Council and this Parliament's clear-sighted opinions, taking positive steps in pursuit of the common policies which will make the Community not merely a large market, but an economic union, and first and foremost a monetary Economic Community, one in which companies are able to operate and take risks against a background of monetary stability in relation to the rest of the world. The ECU should become a

reserve currency, like the pound sterling in the past and the dollar today. We should never forget that Europe has no raw materials and only limited energy resources. We must therefore have an energy policy. The efforts made in this direction have been unsuccessful so far, but they must be continued by the Commission, which has our support. Finally, on the legal side, it is high time that the statute of the European public limited liability company saw the light of day. To think that it is still necessary in the Europe of 1983 to refer to national laws rather than European law when setting up large industrial or commercial enterprises! The same applies to patents and trademarks. We must provide the impetus for the development of common policies, as we did in the case of the common agricultural policy, which is exemplary in this respect.

I shall conclude by saying that our Ministers for Industry must get together and restore confidence in the future among business circles by recreating an environment in which the return for responsibility and initiative is not failure but the satisfaction, in terms of both price and quality, of all consumers in Europe.

(Applause)

Mr Schnitker (PPE). — *(DE)* Mr President, ladies and gentlemen. If we are seriously trying to combat unemployment we must encourage more people to become self-employed. Every self-employed person means at least one job saved and usually leads to the creation of new ones. We have calculated that every unemployed person costs approx. 12 000 ECUs per year and every business that is set up creates an average of 4 jobs. You can do the arithmetic yourselves. What we need in Europe are thousands more self-employed persons, for it is the small and medium-sized businesses and the dynamic medium-sized operations which employ the most people. But in a market economy jobs are only created when new businesses are set up or existing ones increase their production. I don't know of any other alternatives. These must be our basic assumptions.

That is why it is vital to create and continuously improve conditions conducive to investment. One of the most important of these is furnishing businesses with a sound equity capital basis because no investment can be financed wholly with borrowed capital. I would like to remind the House of this fact. This also applies to discussions about reducing working hours. A shorter working week, to put it bluntly, would not be a suitable means of combating unemployment. It would lead to a lower GNP, a fall in investment, higher production costs and more moonlighting. Scarcely any new jobs would be created in the small and medium-sized enterprises, in particular, and these are the ones that employ the most people. Honesty demands that this point be emphasised.

Schnitker

As regards early retirement, we cannot possibly afford to lose the personal and professional experience, and the skills, of our competent older employees. We need them to train our young people so that they can hold their own in international competition. We consequently cannot afford to lose them. High standards of vocational training are necessary for nations that engage in the processing or finishing of goods, trying to sell specialised products in international markets into which we channel our scientific, technical and practical capital. A general reduction in hours of work, and especially a shorter working week, would be a step in the wrong direction.

We must redouble our efforts to remain competitive and to attract more work to the European Community. It is no good dividing a smaller cake into smaller and smaller slices and apportioning shortages into smaller and smaller lots. We need a dynamic economy. Only a dynamic approach can get us out of our present difficulties.

(Applause)

Sir Brandon Rhys Williams (ED). — Mr President, the Leonardi report draws attention to serious deficiencies in the economy of the European Community, in particular our failure to invest on an adequate scale in wealth-creating projects. Because we have lived through similar crisis before, we know what to do; but have we the will? We know that we can only solve our problems by closer collaboration. We have to defend the freedom of the internal market for goods and services and to remove the vexatious obstacles that remain. We need to formulate and adhere to a European currency pact for the sake of current-account transactions across currency frontiers, a real European monetary system to which all Member States belong — and preferably our main trading partners outside the Community as well — by which the national currency issues are held to their purchasing-power parities, not to arbitrary numerical relationships which do not adapt predictably or smoothly to changes in their real values. Most important of all, we must establish a united European market for capital with a single real rate of interest held by freedom of *arbitrage* in all our main financial centres. Without that, we cannot realize the true potential of the Common market. The Treaty of Rome pointed the way to a united European capital market, but we are not observing it.

We have only a few years left in which to make a success of the European Economic Community. Our competitors, particularly in the Pacific, are pulling ahead of us; soon they will have left us behind. Rising unemployment and stagnant investment are signs of a serious lack of leadership in our Community. The Community must look to the Commission to realize the aims of the Treaty. Speaking for myself, I am sure

the members of the Commission are all admirable men, but collectively they are failing the Community. They are like a government which has lost its inspiration. Under the Treaty, our Parliament has the power, and I believe it now has the duty, to end the Commission's tour of office and to call for the appointment of a new team. I believe we should now resolve to take that step.

Mr Maher (L). — Mr President, I am afraid this part-session of the European Parliament reminds me more of a fair than it does of a serious Parliament at work. There is an institute in my country, a European Foundation for Living and Working Conditions, and we might well get them to examine the working conditions of the European Parliament!

(Applause)

In relation to the subject matter, a great deal of comment has been made on the performance of the United States of America as against the countries of the European Economic Community. I must draw attention to one singular fact: the US has one tremendous advantage over us, a step that we could take if we had the will to take it, and that is that it has a single currency. The great strength of the USA is that there is one dollar. Therefore, it can coordinate its policies and present integrated policies applicable to the entire United States. We cannot do that in Europe. One major country with a major currency is still adamantly refusing to join the system, to take the first meagre step. It is useless for people from the European Democratic Group to say they are in favour of integrated policies while still they refuse to join the European Monetary System.

As far as the regions are concerned, agriculture is often quoted as being a costly policy, but it is giving employment to 10 million farmers, three times that number with their families and seven times that number if one includes all the upstream and downstream industries.

My last point is this, Mr President. We could provide far more employment in the Regions of European Community if we had an integrated forestry policy. This would give employment to people in those regions that have suffered most from the haemorrhage of emigration and the exodus from the rural regions.

Mr Estgen (PPE). — *(FR)* Mr President, ladies and gentlemen, all the signs are that many of us will be feeling well satisfied as they return home after this special part-session. To start with, we have given a show of strength to the Governments of the Member States, and even to our own Bureau, by flying in the face of all logical, economic and political arguments and meeting here in Brussels, thereby, we trust, demonstrating that this Parliament, unlike the Council, has the will and determination to act. Secondly, the occasion has provided some of us with

Estgen

the opportunity to propagandize on behalf of our respective governments, and others, from opposition parties, to score points off the same governments. Finally, the European Parliament has had an enormous public relations success, since never before have our proceedings been followed so closely or so keenly by the press, and especially television.

All would therefore appear to be for the best in the best of possible worlds. I am afraid, however, that we have once again raised false hopes among the young people whose eyes are upon us, hopes which will be followed in due course by great disappointment. True, we have drafted worthy reports, we have produced some excellent ideas in this Chamber, but we must be honest with ourselves. Will our efforts have resulted in the creation of a single job in any of the Member States? I think not. Let us therefore have the courage to tell the unemployed, the young, that this Parliament has neither the power nor the budgetary means to help them at European level. Let us tell them that we must first have power vested in us by massive support at the next elections. This, I believe, is the real significance of this part-session, which will have achieved nothing for the unemployed, or for this Parliament, or for the European ideal, unless it is followed up by a groundswell of public opinion, particularly among the young, in support of our Parliament, which, for all its lack of political powers, still has enormous moral weight. We have to shake all those who still have stable jobs or guaranteed incomes out of their complacency by impressing upon them the apocalyptic scenario outlined to us yesterday by Commissioner Richard, for that is the real danger that could be facing us by the year 2000: the danger that there could be civil war in our Member States between two new classes — those who have work and those who do not — or alternatively the danger of recourse to dictatorial regimes for the regulation of public affairs, after the example of Eastern Europe. May God preserve us from both. May God give us the wisdom to take the right political and economic decisions to get us out of the impasse in which we are floundering.

(Applause)

Mr Beazley (ED). — Mr President, the message of history to all generations and to all societies has always been that survival depends on the society's capability of adapting to change. The fallacy of the thinking of the sixties was the belief that the fast growth of that period was normal, that the world's economic and social problem had been solved forever, that rising incomes, full employment and generous social benefits did not have to be earned but were a right to be granted.

Already before the energy crisis started, the different growth rates of economies and their differing cost-effectiveness were showing that these preconceptions were not to be sustained. Ten years of energy crisis

have brought this realization home to all. So what therefore has to be done? Firstly, we must accept change and accelerate change. Secondly, we must realize that governments in the Community can only provide the climate in which industry, commerce and services working through society can recreate the wealth to support our high-cost society. Thirdly, this requires the restructuring of industry and the creation of new industries on a cost-effective basis to serve not just a highly competitive European common internal market but a highly competitive external world market outside it as well.

Fourthly, therefore, the national basis of many industrial structures must quickly give way to a European conception of industry and commerce set in a world context.

For industries to survive they must use better systems, better technology, have better industrial relations to counteract the cheaper wage structures of many newly-developed countries. They must be more alert and have faster reactions to match and beat our two main competitors, the USA and Japan. Now Europe does possess this capability, but it requires of all those participating in industry the acceptance of a new form of industrial democracy, binding rights with responsibilities. Systems based on confrontation are too costly to European society to permit it to be competitive. The only beneficiaries are our competitors. The losers are both European enterprises and European societies. All management are workers and all workers must participate appropriately in management as shareholders with an input through appropriate structures into the objectives and operation of the enterprise, ensuring its cost effectiveness, its profitability and its security through maintaining its competitiveness.

In this way the necessary wealth will be created to sustain our European society and to assist the Third World.

Mr Seligman (ED). — Mr President, the Socialists like to blame the current monetary policies of our governments for the current level of unemployment.

This is a lot of Socialist humbug! It is absolutely not true. The present recession, the longest in modern history, originated in 1973 with the oil crisis and the twenty-fold increase in oil prices. It was the oil crisis, not monetarism, that caused the present level of 12 million unemployed in Europe.

It will be cheaper oil and cheaper energy which will lead us out of this crisis. It has already started to do so, but it is too slow. We have got to have more investment in energy conservation and saving in order to bring energy prices down and make industry more competitive. Secondly, we have got to invest in new energy projects which are going to make energy cheaper. Thirdly, we have got to invest in research which will produce new products and new industries.

Seligman

Now that is why investment in energy, be it in saving, construction or research, is going to be the way out of this recession.

Energy is very job-creating in itself. But energy investment must be done by private industry as well as public. You will only get private industry to invest if the interest rates come down to not more than 3 % above inflation rates. You have also got to stabilize international currency-exchange rates. These two things, currencies and interest rates, must be the main task of the Williamsburg Conference Summit which is going to take place next month.

Finally, we must not forget the Third World, because the Third World is our market of the future. We have got to help them reduce their energy costs, reduce their dependence on imported oil and in this way they will be able to buy more of our exports. That is in our own interests. It is not charity. This is what the future jobs of young people are going to depend on.

President. — The debate is closed.

Before proceeding to the vote, I call Mr Galland for a personal statement under Rule 67.

Mr Galland (L). — (FR) Mr President, thank you for allowing me time for a personal statement. I merely wish to say this: it is true that I exceeded my speaking time, I think. I acknowledge that you pointed this out to me. I did not have the impression that I was greatly overstepping the mark, bearing in mind common practice. Be that as it may, please accept my apologies. You made a technical error, I believe, from the Chair. You have asked for your words to be struck out of the minutes, and I find that entirely logical. However, to be entirely frank, Mr President, I feel that your comment went beyond the scope of the subject of speaking time as such. A number of others here share this feeling. I thank you for the clarification that you have given but, to be quite candid, I should have appreciated it more if you had apologized to me personally, especially since I have always hitherto considered you to be a very fine President and appreciated your objectivity and general skill in handling our debates.

President. — Thank you, Mr Galland.

IN THE CHAIR : MR DANKERT

President

2. Votes

PAPAEFSTRATIOU REPORT (DOC. 1-87/83
'EMPLOYMENT SITUATION')

Paragraphs 6 and 7 — After the vote on Amendment
No 30

President. — On paragraph 6 I have Amendment No 76 by Mr Brok and others, on behalf of the Group of the European People's Party (Christian-Democratic Group). What is the rapporteur's opinion?

Mr Papaefstratiou (PPE), rapporteur. — (FR) I am in favour, Mr President.

Mr Arndt (D). — (DE) That is not possible! The committee was against it.

President. — We have a problem since Mr Arndt says that the rapporteur's committee was against it, and the rapporteur is, moreover, chairman of the committee.

I call Mr Papaefstratiou to reply to Mr Arndt who has just stated that the Committee on Social Affairs and Employment was not in favour of the amendment. If that is the case, the rapporteur, in his capacity as rapporteur, cannot state that he is in favour of it.

Mr Papaefstratiou (PPE), rapporteur. — (GR) Mr President, the Committee on Social Affairs and Employment rejected Amendment No 76.

President. — If the Committee on Social Affairs and Employment rejected the amendment, Mr Papaefstratiou, it would be better, as rapporteur, to state that you are against the amendment. Otherwise it will create procedural problems.

I note, therefore, that the rapporteur of the Committee on Social Affairs and Employment is against Amendment No 76.

Mr Peters (S). — (DE) The rapporteur keeps on saying he is in favour of motions that were either rejected in committee or which the committee hasn't seen. Surely he ought to be saying that he is against them or, in the case of those the committee hasn't seen, that he cannot give an opinion on them on behalf of the committee.

President. — Mr Peters, the problem was dealt with when Mr Arndt drew out attention to it.

Third indent of paragraph 31 — After adoption of Amendment No 99

President. — Amendment No 48 lapses as the text cannot be further amended since the decision has been taken to delete it. It is the amendment which departed furthest.

Mr Chambeiron (COM). — (FR) Mr President, your decision surprises me somewhat. You say that the indent had been removed, but it could easily have been reinstated; if our amendment departed further, it should have been put to the vote first, in which case we would have voted on this amendment and then on the rest.

President. — No, Mr Chambeiron. Where we have a series of amendments the amendment which departs furthest is always voted on first, and the general view of the practice followed is that an amendment which seeks to delete the text is the amendment which departs furthest. Therefore, there is nothing I can do; that is the way matters are.

Mr Arndt (S). — (DE) Mr President, we have departed from our usual procedure today by voting on the rejection motions first, while in Strasbourg we normally vote on amendments to the text first and then afterwards...

(Microphone breakdown)

President. — Mr Arndt, we are following the normal practice. We have always voted first on amendments seeking to delete the text as being those which depart furthest from the original text with the result that the basis for further amendments disappears.

Mr Arndt (S). — (DE) I therefore request that the Frischmann motion be included as a basis for further deliberation, that being the original object of this motion.

(Applause)

Mr Bangemann (L). — (DE) Mr President, I think this confusion has arisen because Mr Frischmann's Amendment No 48 has been incorrectly designated. It is not an amendment to the text but a completely different text. To this extent there is every reason for voting first on the amendment seeking to delete it — you are quite right, it is the amendment which departs furthest — but Mrs Nielsen's amendment seeking to delete the text referred only to the original text and not of course to Mr Frischmann's new text. So we should now vote on Mr Frischmann's text.

President. — Provided Mr Frischmann agrees, there is no problem.

SALISCH REPORT (DOC. 1-86/83 'YOUTH UNEMPLOYMENT')

After paragraph 19 — Amendments Nos 53 and 54.

Mr Patterson (ED). — Mr. President, I wonder if you would read out these texts because we have two blank pages in the English version where these amendments should be.

President. — You want Amendment No 53 read out? Is that right?

Mr Patterson (ED). — There are no amendments by Mr Papaefstratiou at all in our dossier, just two blank pages.

Mrs Salisch (S), rapporteur. — (DE) They are on loose sheets in the German version.

President. — Mr Papaefstratiou has tabled an amendment to paragraph 19 seeking to insert two new paragraphs, 19a and 19b. The amendments are separate and are numbered 53 and 54. Do you not have them?

Mr von der Vring (S). — (DE) Mr President, it is not a matter of having the texts read out; most of the dossiers do not contain these motions and we cannot vote on them.

Mrs Salisch (S), rapporteur. — (DE) Mr President, with your permission I would like to point out to my colleagues that these amendments were distributed on loose sheets; they were laid inside the dossiers and may merely have been mislaid.

President. — The rapporteur has stated that the form is correct, therefore we shall vote.

Paragraphs 28 to 30 — Amendment No 58

Mrs Maij-Weggen (PPE). — (NL) Mr President, we wish to vote in favour of some parts of the De Gucht amendment, so I request a separate vote.

President. — I wonder whether that is feasible, since the amendment refers to several paragraphs, so that if only part of the amendment is adopted the other paragraphs will be left hanging in the air. How do you propose to solve that problem?

Mrs Maij-Weggen (PPE). — (NL) Perhaps if you were to call for a separate vote only on the fourth indent of the De Gucht amendment, that might solve the problem.

President. — I cannot accept that because of the complications it would introduce. We shall vote on the De Gucht amendment as a whole which seeks to replace the three paragraphs, otherwise we shall get into endless difficulties.

Paragraph 32 — Amendments Nos 36 and 49.

Mrs Salisch (S), rapporteur. — (DE) Mr. President, if the phrase 'value-added tax' is to be kept could it be inserted correctly — in the German text, at least? It should be placed after the word 'Steuerbefreiung'. I didn't mention it before; if the phrase had been dropped I wouldn't have needed to.

President. — We shall check that later and look at the text again.

After paragraph 32 — Amendments Nos 51 and 52

Mrs Nielsen (L). — (DA) Mr President, it is too late now, but I would nevertheless like to draw attention to the fact that once again we are in a situation where there were amendments which did not appear in all languages.

Mrs Salisch (S), rapporteur. — (DE) On the contrary, they are there separately.

LEONARDI REPORT (DOC. 1-1335/82 'COMPETITIVITY OF INDUSTRY')

After the adoption of a motion for a resolution

President. — I wish to thank the rapporteur not only for his report but also for the way in which he presented the resolution. It is wonderful that there should be so few amendments to such a substantive report.

(Applause)

CERAVOLO REPORT (DOC. 1-71/83 'WORKING TIME')

Third indent of paragraph b — After the adoption of Amendment No 17

Mr Konstantinos Nikolaou (S). — (DE) Mr. President, with all due respect, do you not agree with me after this count that there has been a shift in majorities?

President. — We have been following that most carefully.

Therefore, in this case I have also...

Mr Konstantinos Nikolaou (S). — (DE) Mrs. Dury's amendment has been adopted, and I think you have changed your mind in the meantime, too.

President. — No, we have been very consistent in this matter. The amendment is adopted.

3. *Adjournment of the session*

President. — I declare adjourned the session of the European Parliament.

(The sitting was closed at 1.45 p.m.)¹

¹ Members of committees and parliamentary delegations — Transmission of resolutions adopted during the sitting — next sitting: See Minutes

*ANNEX I**Votes*

The report of proceedings records in an annex the rapporteur's position on the various amendments as well as explanations of vote. For details of the voting the reader is referred to the Minutes of the sitting.

**PAPAEFSTRATIOU REPORT (DOC. 1-87/83 'EMPLOYMENT SITUATION'):
ADOPTED**

The rapporteur spoke

- In FAVOUR OF Amendments Nos 5, 6 (second and third indents), 7, 8, 18 19, 20, 21, 22, 23, 24, 25, 27, 32 (three first indents), 34 (first, third and fourth indents), 36, 44 (two first indents), 57, 62, 63, 64, 66, 68, 70, 71, 74, 75, 78, 80, 82, 83, 86, 90, 93, 94, 95, 97, 105, 107, 109, 110, 116, 117, 118, 123, 132 (two first indents), 135 and 136;
- AGAINST Amendments Nos 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 26, 28, 30, 31, 33, 35, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55.

Mr Alvanos (COM). — (*GR*) In our opinion the amendments that have been adopted do nothing to improve the resolution. With the rejection of the amendments tabled by the Members who belong to the Communist Party of Greece, by our colleague, Mr Frischmann, and of other amendments, the European Parliament has effectively rejected the progressive reduction of working hours without a cut in earnings, the banning of overtime, the prohibition of temporary working, the institution of restrictions and strict guarantees on part-time working, the stepping-up of productive investment, particularly in the public sector, the maintenance of the purchasing power of the workers, the need for arms control, the establishment of a new international economic order. Therefore the Members who belong to the Communist Party of Greece consider it their fundamental duty to vote against this reactionary report by Mr Papaefstratiou.

I would like, finally, to underline one more point. It creates an impression that the Committee on Social Affairs and Employment entrusted the presentation of a report on the problems of working people to the party of the Greek Right. And I ask, what connection can the Greek Right, the New Democracy Party, have with the problems of working people and of the unemployed when it is the party that stands accountable before the Greek working class, when it is the party that made striking a criminal offence, when it is the party that sent scores of trade unionists to jail?

For these reasons the Communist Party of Greece will vote against the report.

IN THE CHAIR : MR VANDEWIELE

Vice-President

Mr Papaefstratiou (PPE). — *(GR)* Mr President, I am very sorry but the statement by Mr Alavanos was not an explanation of vote but a criticism, perhaps even a tirade against a . . .

President. — Mr Papaefstratiou, I must stop you there since we are now taking explanations of vote, and what you are saying is not an explanation of vote.

Mr Barbi (EPP). — *(IT)* We Christian-Democrats maintain that the basic importance of this special sitting lies in the strong and decisive pressure which those elected by the people of Europe have tried to exert on governments, in order to make them rise above their individual interests and agree on the Community policies which are necessary for the regeneration of the European economy through consolidating its competitiveness and beginning once more to expand its production, creating new undertakings and new jobs by appropriate public and private investment.

We wanted to exert this pressure on the governments so that they should also be capable of meeting change, by agreeing to the social provisions for restructuring working time and for vocational training and retraining and putting to use the enormous potential which the Community has in all these areas. We are convinced that our individual countries are not capable of meeting the challenge of technological development and the new international division of labour by working in isolation and, perhaps, by vying with, and so damaging, each other. If they act together, on the other hand, they can certainly bring about the best political and economic conditions for making the best of the exceptional qualities of people who have thousands of years of civilized development behind them.

Yesterday, Mr Blum told us that the Council has great interest in, and sympathy with, this special session. This declaration is not, however, enough : we want a great deal more from the Council ! We want practical decisions and funds in order to implement those development policies which the Council itself has mentioned on a number of occasions and never put into practice, and which we have repeatedly demanded and carefully defined.

We Christian Democrats, like, and perhaps more than, the other political groups in this Parliament are committed to the fight against unemployment, not through the use of demagogy and extremist and impracticable demands but through specific and realizable proposals both as regards the crucial and indispensable need for economic expansion and as regards realistic social measures.

For this reason, the Group of the European People's Party has made every effort to ensure that Mr Papaefstratiou's report is adopted by a good majority. We too would have found it easy to outline positions which conformed absolutely to our ideology and our political and social programme, without bothering to obtain the consensus necessary in this Parliament to get them adopted. We have preferred to sacrifice some of our opinions in order to ensure a positive and constructive outcome to this special session, which we wanted to produce concrete and realistic proposals and not to be a mere opportunity for propaganda.

We are convinced that the twelve million unemployed in Europe have no need at all for propaganda and demagogy ; what they do need is precise information, so that the Community can create the new jobs necessary through suitable economic and social policies.

IN THE CHAIR : MR DANKERT

Vice-President

Mr Glinne (S)— *(FR)* Mr President, ladies and gentlemen, for a long time now — and before anyone else — the Socialist Group has been convinced of the need for a special part-session of the European Parliament on the vital issue of our twelve million unemployed, especially the young people and women consigned to a life of idleness and often despair. As the elected representatives of the people of Europe and more especially the

working people, we consider it a duty to use all means at our disposal to persuade the European Council and the Council of Ministers to opt for an alternative policy. Our aim has been — and remains — to offer a political extension of the grievances and claims voiced by the European Trade Union Confederation, the European Youth Forum and other direct representatives of the victims of the crisis, and it is our firm intention to persevere alongside them. This part-session will have been useful, particularly in concentrating the attention of the media on the tragedy of underemployment and the urgent action that it demands.

We are satisfied with the motions for resolutions accompanying the Salisch, Leonardi and Ceravolo reports, and shall be voting in favour of them. That will not prevent some people from describing our attitude as negative. As far as the Papaefstratiou motion for a resolution is concerned, however, we are abiding by the criticisms on the basis of which it was rejected by our members on the Committee on Social Affairs and Employment and in the light of which our Group took the constructive step of tabling Amendment No 10 proposing an alternative text. This amendment analysed the problem in clearer terms and was more specific in its definition of the solutions, not only in the area of qualitative growth and the role of public investment, but also in that of the reduction of working time, which we consider to be essential. Our Amendment No 10 has been rejected by the majority on the right and in the centre, as have other significant amendments, notably the one calling for a gradual reduction of the working week to 35 hours. This will not prevent some people from indulging in a little demagogy on the basis of a negligible reduction to 39 hours when the time comes in a few moments to vote on the Ceravolo report. We shall therefore be voting against the Papaefstratiou document, because, in our opinion, it will neither make the desirable impact on the European Council in Stuttgart nor give any reassurance to anxious working people on issues of vital importance.

(Applause)

Mr Piquet (COM). — *(FR)* Mr President ladies and gentlemen, the French Communists and Allies will not be voting for the motion for a resolution contained in this report. There is no serious attempt in this report to deal with the problem of safeguarding and developing employment, the major problem confronting our industrial societies. We were looking for practical proposals for a policy on growth and job-creating investment, for a policy on training, development of skills and strengthening of workers' rights geared to the introduction of new technology, for proposals on enhancement of the quality of trade with the developing countries. We were also looking for a clear commitment on the part of our Parliament in favour of a significant reduction in working time. Hence our amendment calling for a 35-hour week coupled with the retention of overall purchasing power. As the voting has proceeded, the antisocial content of this report has been accentuated, in our view. It challenges the validity of the action being taken by Member States like France, where the rise in unemployment is being slowed down or halted. And it fails to support any of the measures called for by all the trade unions representing the mass of the working population. Their claims will have to be taken into account sooner or later, however, because they condition the future of our countries.

Mrs Baduel Glorioso (COM). — *(IT)* On behalf of the Italian members of the Communist and Allies Group I must state that a special session on employment is not a ceremony or a ritual, it is not just an opportunity to become aware of the very serious crisis in which our economy finds itself and of the very high price which the workers are paying, first and foremost in terms of unemployment. We firmly declare that the system is now incapable of meeting the situation. In spite of the restructuring which is taking place and the hoped-for regeneration, it cannot come to terms with the link between technology and full employment, and so unemployment levels remain very high even in the face of a much-needed recovery.

Secondly we point out that this system has not yet been able to cope with the difference between North and South, between the rich and the poor countries: as the Brandt report says, this difference also affects the powers of recovery of the economy of our industrialized countries.

The Italian members of the Communist and Allies Group will vote against the Papaefstratiou report because it wants clear answers for the workers. We have put forward clear proposals for the workers, but this report has not been drawn up clearly and it offers no opportunity or pointer towards emerging from the present situation of twelve million unemployed.

Mr Adam (S), in writing — My opposition to the Papaefstratiou report centres round the fact that the unemployed need specific indications of the type of job that can be created. Vague promises are not enough.

In this connection I wish to draw attention to the importance of the energy sector.

It is clear that a coordinated programme of national and Community actions centred on energy saving, energy efficiency and the application of new sources of energy can play a dramatic role in reducing unemployment.

Studies already carried out by the Commission and others show that 2.5 to 3 million new jobs can be created in this way from now until 1990.

This means that 20 % of those currently unemployed in the Community be absorbed into new employment.

This energy programme with the jobs created is cost-effective, non-inflationary and offers the prospect of making economic growth cheaper.

If this Parliament is really serious about its campaign against unemployment it must support such an energy programme by all means at its disposal and in particular use its budgetary powers to ensure that the programme goes ahead.

Mr Aigner (PPE), in writing. — (DE) I am against this motion for a resolution because it is the most superficial and contradictory report produced by a parliamentary committee that I have ever had to vote on in my 25 years as a member of parliament.

Mr Chambeiron (COM), in writing. — (FR) Among the various measures which will have a bearing on the outcome of the crisis and offer potential for promoting job creation, the involvement of workers in major economic decision-making is of vital importance.

On behalf of the French members of the Communist and Allies Group, I should like to stress that the winning of new rights for workers in the management of businesses, particularly in investment decisions, has now clearly emerged as one of the means whereby the millions of jobs needed to eliminate the evil of unemployment can be created.

This evolution in the role of workers is of course meeting with resistance from those circles which are most hostile to all social progress. One need only cast one's mind back to the reception given by the majority in this House to the Vredeling proposal for a directive, a modest reform in all conscience. That majority refused to countenance an extension of the rights to disclosure of information and consultation of workers employed by multinationals. As we have often had occasion to point out, the good intentions of many of our colleagues always stop short of action.

The European trade unions have rightly condemned the way in which the majority of the European Parliament succumbed to pressure from the American and European multinationals.

The text referred to in Mr Papaefstratiou's report is in fact an empty shell.

It merely gives us confirmation that we are right to oppose this report, which justifies the continued pursuit of austerity policies and the refusal to acknowledge the need to develop the rights enjoyed by workers in the companies by which they are employed.

That is why we shall be voting against the motion for a resolution contained in the report.

Mrs Dury (S), in writing. — (FR) It was right for us to hold this part-session on employment. However, the conclusions that we reach should be in keeping with the aspirations, claims and hopes of the electorate, of the workers and young people in the Community.

I for my part consider that the motion for a resolution in the report on the employment situation does not correspond with the socialist analysis of the crisis and gives no expression to the essential findings of the European Trade Union Confederation. Our reaction to the crisis must be conditioned by our plans for the future of society.

The future cannot be built on a social cemetery devoid of solidarity, in which only individualism, egoism, inequality and injustice thrive.

Nor can the future be built in an economic environment in which the logic of strict financial cost-effectiveness and profitability holds sway. And yet it is this logic which underlies this motion for a resolution.

Socialists want a policy which leads to a recovery in demand, which safeguards the social progress that has been made to date, which organizes a combination of reduced working and compensatory recruitment with no reduction in wages.

We prefer to explain our position clearly rather than subscribe to an analgesic consensus offering no prospect for the future.

Mrs Hoffmann (COM), in writing. — (FR) Mr President, as was pointed out during the debate, women and girls have been hit particularly hard by unemployment in Europe. The problem of women's employment is one of the most important issues facing the Community today.

The promotion of women's employment must begin with certain options in the sphere of economic and social policy. In France the rise in unemployment among women as well as among men has been brought to an end, by a change of direction aimed at boosting output and consumption in various branches of industry, by extension of the public and nationalized sector, by a policy of promoting and diversifying vocational training leading to acquisition of real skills, by the reduction of working time, and by enactment of the law on equality of opportunity in employment.

It is clear that application of the Community directives is being baulked by the austerity policies that are being pursued, which are accentuating inequality in its various forms. The same factors are at the root of unemployment among both men and women, but the Papaefstratiou report says nothing about them.

The Community has a duty to take account of the aspiration of millions of women to find interesting, better-paid work affording them real independence and respect for their dignity, but the rapporteur fails to reflect this aspiration.

I believe that success in reversing the upward trend in unemployment among women cannot be achieved by co-ordinating austerity policies at Community level or by adopting a supranational approach, but only by developing a new style of growth, based on better international co-operation.

In the interests of all women in Europe, we shall therefore be voting against the Papaefstratiou report.

Mr Kyrkos (COM), in writing. — (GR) The internal Communist Party of Greece will vote against the Papaefstratiou report because in general terms the report goes along with the policy which is exacerbating the problems of stagnation and unemployment, with the policy that seeks to load the burden of the crisis on to the backs of the workers. It is the policy of the conservative forces in Europe. The resolution fails to take account of the specific proposals that have been submitted concerning worker participation in economic and social decision-making bodies and, in particular, their participation in the exercise of social control over private and public investments. It ignores the tremendous repercussions of the arms race on stagnation and unemployment and confines itself to general recommendations on the specific measures necessary to ease unemployment (the reduction of working hours down towards 35 hours a week, the extension of allowances in the countries with very limited social benefits, etc.) But, quite the reverse, in the name of stim-

ulating private investment it recommends 'restraint' in incomes policy, the 'adjustment of wage and social . . . demands' and the 'fair distribution among the social partners of the cost of reducing working hours' — measures, that is, which give new impetus for an eventual further squeeze of workers' earnings.

Such a policy cannot get the support of the workers. It will intensify unemployment and make the situation more hopeless, for this reason the internal Communist Party of Greece will vote against the report.

Mrs Pery (S), in writing. — (FR) The debates that we have been holding over the past two days on the employment situation in the European Community demonstrate the concern that we all share at the disquieting proportions assumed by unemployment and the severe social problems that it brings in its train; we now have twelve million people unemployed in the EEC and this figure can be expected to rise to fifteen million by 1985 unless present policies in Europe are changed. We are also all agreed on our analysis of some of the causes, such as the increased use of technology which destroys jobs, the rise in production costs, the new international division of labour — and, I would add, of capital — under which workers in the developing countries are being exploited.

We are also all agreed on a number of objective findings: the unemployment problem can only be solved in a spirit of general solidarity, by a collective approach; it would take the creation of a million new jobs each year, with GNP rising at an annual rate in excess of 4 %.

That we have held this extraordinary part-session in recognition of the scale of the problem is a positive development in itself.

Where we differ, my dear colleagues, is in our views on the solutions to be adopted. Some of the proposals in the report by Mr Papaefstratiou are interesting (such as the commitment to allocate 1 % of our GNP to joint investments), but they are completely inadequate as an effective response to the gravity of the unemployment problem, while others are designed to make working people bear the brunt of the sacrifices.

It is for these reasons that I shall be voting against the motion for a resolution. There is one sector which has received very little attention during our debate: employment in the maritime world. Unemployment is also affecting fishing, the processing industries, maritime trade and shipbuilding, for the same structural reasons as those that I mentioned initially, although there are also some specific short-term factors. To give you very concrete examples of why this should be, I could tell you that a non-industrial tuna-fishing boat is now crewed by ten men instead of fourteen; that business at industrial fishing ports like Fécamp, Concarneau, Hull, Grimsby or Pasajes has fallen by more than 50 %; that one after another of our processing plants have been forced to close by the influx of tinned sardines from third countries; that the fishing industry and maritime trade are losing jobs at the rate of about 3 % a year; that the number of jobs in the Community's shipyards fell from 206,000 in 1975 to 121,000 in 1980 (and from 32,000 to 22,000 in France).

In the maritime world too, therefore, the unemployment problem is causing anxiety and calls for vigorous action, co-ordinated at European level, particularly since we are talking about the essential economic activity in most of the regions concerned.

Mrs Poirier (COM), in writing. — (FR) We attach the highest importance to the urgent need for a new worldwide economic order, and this is the motive underlying our attitude to the debate and the voting. I shall confine myself to two points.

First, discounting superficial or secondary contradictions, the maintenance and expansion of employment and economic growth in our countries are directly dependent upon the industrialization and development of countries in the Third World. And this is not just a matter of their solvency.

The multinationals doubtless have a vested interest in promoting the idea of a new international division of labour in which high technology would be accompanied by massive job losses in the industrialized countries, while certain developing countries would be assigned the role of supplying underskilled labour.

What is really needed in order to defeat the crisis in a manner serving the true interests of the peoples and the future of their countries is a joint drive by the industrialized countries and the developing countries in the direction of technological research and progress, combined with social progress and jobs for all. There is nothing demagogic about this: the wealth is there, and so is the capacity to produce more and to consume much more. The whole problem therefore comes down to the laws governing production and trade. These laws must be defined in negotiations embracing all aspects, giving all due weight to human needs.

My second point is that development in the Third World is a net creator of jobs in the industrialized countries, a fact which is covered up too often. Here again, it is necessary to distinguish between real economic development in the Third World and the practices of the big capitalist companies. These companies are closing down factories in our countries and producing their goods cheaply by outrageously exploiting labour in a very limited number of Third World countries, without doing anything to promote their development. All the profits are for them, exclusively.

Industrialization making for development is an important factor in social progress, in improving the efficiency of agriculture, in solving the problem of hunger. It is necessary to create the conditions under which the developing countries and the industrialized countries can trade on a new and more equal footing. All peoples have a shared interest in this.

Unfortunately, Mr President, we found no such spirit in the other texts laid before us.

Mrs Theobald-Paoli (S), in writing. — (FR) The intention of the French Socialists in voting on European policy on employment was to make clear once again that the right of all people to a job takes priority in their eyes.

Who can be at peace with the thought of twelve million unemployed people treated as social outcasts and misfits? It is intolerable, as my colleague Mrs Antoinette Spaak has said.

Unemployment is a threat hanging over the prospects for a recovery. Only if it takes energetic action in all spheres, and especially in the promotion of the NCI, the European Monetary System, the ECU, and the abolition of monetary compensatory amounts, will the Community be ready to take advantage of any worldwide expansion when it comes, or to stand four-square in solidarity against the storm.

At the same time, the French socialists are actively pursuing the aim of a gradual reorganization and reduction of working time.

Even though these first two series of measures cannot be described as infallible miracle cures, with wholehearted support from all sides they would achieve considerable progress towards a recovery.

Sir Peter Vanneck (ED) in writing. — In voting for the resolution, I have two points to make.

Firstly, it is ridiculous for the Socialists to say that training schemes are no use to young people. On the contrary, when you have the chicken-and-egg problem that you cannot get a job without experience and you cannot get experience without a job, these schemes must have full support from the Community. They are the only way to break the vicious circle.

Secondly, it is even more ridiculous for Socialists in Britain to weep crocodile tears about unemployment and then pledge our country's withdrawal from the Community in their manifesto. Everyone knows that withdrawal would put two and a half million jobs at stake and Conservatives cannot believe that people in the United Kingdom are so gullible as to sacrifice that number of jobs at the altar of Labour's impractical ideologies. Of course the British Socialists, sitting as they do today in the European Parliament, are a clear case of schizophrenia, but I cannot forgive this particular piece of humbug and hypocrisy.

SALISCH REPORT (DOC. 1-86/83 'YOUTH UNEMPLOYMENT'): ADOPTED

The rapporteur spoke :

— In Favour of Amendments Nos 3, 4, 17, 28, 30, 34, 42, 43, 51 and 52 ;

— Against Amendments Nos 1, 5, 7, 8, 9, 11, 12, 18, 19, 20, 21/rev., 22, 25, 33, 36, 37, 39, 40, 41, 44, 45, 46, 47, 48, 50, 53, 54, 56, 57, 58, 59 and 60.

Explanations of vote

Mr G. Adam (S), *in writing*. — My opposition to the Papaefstratiou report centres round the fact that the unemployed need specific indications of the type of job that can be created. Vague promises are not enough.

In this connection I wish to draw attention to the importance of the energy sector.

It is clear that a coordinated programme of national and Community actions centred on energy saving, energy efficiency and the application of new sources of energy can play a dramatic role in reducing unemployment.

Studies already carried out by the Commission and others show that 2.5 to 3 million new jobs can be created in this way from now until 1990.

This means that 20 % of those currently unemployed in the Community can be absorbed into new employment.

This energy programme with the jobs created is cost-effective, non-inflationary and offers the prospect of making economic growth cheaper.

If this Parliament is really serious about its campaign against unemployment it must support an energy programme by all means at its disposal and in particular use its budgetary powers to ensure that the programme goes ahead.

Mr Alavanos (COM). — (*GR*) Mrs Salisch's report certainly stands out from the others in that it contains specific measures. We are afraid, however, that the measures it proposes for tackling unemployment among young people add up, in overall terms, to an acknowledgement of the permanence of the crisis. These measures aim at developing certain techniques for making more rational use of the opportunities which already exist, and not at creating new ones. They do not also seek an anti-monopoly way out of the crisis. The effectiveness of such a programme implemented in full is extremely questionable. In fact the measures proposed cannot meet the needs of more than just a few unemployed people, and effectively they would not alter the situation. There is relevant experience concerning the implementation of measures of this sort in Member States, such as in the German Federal Republic where not only have they failed to curb unemployment but, on the contrary, have caused it to rise. On vocational training, specifically, I would like to emphasize that there is a risk of its being transformed, in large measure, into a mechanism for aiding the monopolies.

With regard to cooperatives, we are afraid that, despite the perhaps different intention of the rapporteur, they are being incorporated into the framework of Common Market propaganda aimed at preventing the political awakening that is taking place amongst the young. If Mrs Salisch's report was just her own, and had not been produced by the majority on her committee, we could perhaps vote in support of it.

However, we cannot vote for a report like the one she has finally presented to us.

Mrs Squarcialupi (COM). — (*IT*) On behalf of the Italian members of the Communist and Allies Group I should like to say that we vote for Mrs Salisch's report on unemployment among young people, which takes a scalpel to one of the most painful wounds of our present-day society.

One young person in four is unemployed, but how many young people will never work in the whole of their lives? Do not let us forget all the consequences which might ensue from that: apathy, lack of interest in institutions and frustration at not having work and therefore at having no chance of economic independence. There are some young people who will never find a job because it will be very difficult for them to be given their first job when they are more than 25 years old, and we can imagine the consequences of that.

I wish to make one further observation : let us ask the Commission and the Council — the Council which is absent from our discussions today — to reflect on immediate ways of righting this situation.

I should also like to point out another very serious fact which results from unemployment in our civilized and democratic countries : racism and xenophobia, which are very much alive in our host country which rejects the immigrant workers who have contributed to its wealth. We consider, therefore, that we must begin to react to the inability of present governments and the ruling classes to solve these problems, one result of which is a terrible conflict between the poor.

Mr Gauthier (DEP). — *(FR)* Mr President, my dear colleagues, it is clear that the common theme running through all the contributions that have been made on the employment situation, and on youth unemployment in particular, is the need for solidarity. If this debate is to have served a useful purpose, our solidarity must be translated into practical, immediate action at Community level ; otherwise, we shall have been wasting our breath once again.

The Group of European Progressive Democrats will be voting in favour of Mrs Salisch's excellent report. However, we should like to stress three points which we consider essential : support for employment in small and medium-sized businesses, including craft businesses, a topic on which my colleague Mr Delau spoke cogently ; the difficulties experienced by young people in finding a first job ; and the maintenance of employment in industrial sectors.

It is easy to see that most of the companies which have jobs to offer young people expect them to have two or three years experience of work, and this is clearly making the youth unemployment situation worse. Most of these young people seeking a first job do in fact have qualifications, but it is the matching of available skills to demand on the labour market which needs to be improved. The content of training therefore needs to be adjusted to the pace of technological change, and by the same token training staff need to adjust also. It is by mounting a major campaign to open up the educational world that young people's chances of finding job opportunities corresponding to their qualifications can be improved. In supporting Mrs Salisch's report, we call upon the Community to implement a coherent policy along these lines.

Finally, I should like to stress that safeguarding existing industrial jobs is part and parcel of combating unemployment. In this connection, I should like to put a question to Honourable Members : do you believe that we are helping to reduce unemployment by supporting the transfer of production centres from the Community to third countries which have developed their own industry ? Let me quote an example : the European Community has assisted in the development of the Caragas iron ore deposits in Brazil, with finance of 600 million dollars to date, and further investment funds have been supplied by the leading steel groups in Europe. What has been the outcome ? Job losses in all the mines in the Community, especially those in Lorraine and elsewhere in France, and redundancies in the steel industry. Ladies and gentlemen, I leave you to judge what is the best course, but this sort of thing will not bring us success in reducing unemployment.

Mr Almirante. (NI). — *(IT)* Mr President, I have asked to speak in order to declare the vote on my behalf and on that of the Members of Parliament of the Italian right, not just in order to state our support for Mrs Salisch's report in a couple of words but, and perhaps in particular, to deplore, as other colleagues who hold political opinions very different from ours have done, not just that the President or the Bureau but that all of us here in the European Parliament and, in a wider sense all of those in the European Institutions, have made so little provision for this very important session that it has aroused no interest at all among the people of all our countries. May I point to the disaffection felt by young people for the European Parliament. I speak of it now, a few months before the elections for the European Parliament in 1984. We all hoped that the election of the European Parliament would be carried out by the people, and by young people in particular. This is very unlikely to happen, I repeat, because we have all demonstrated the powerlessness of the European Parliament and not its will.

Mr Fernandez (COM), *in writing*. — (FR) The young do not not ask for assistance, but they rightly claim their place in society and the right to stable employment in which they can acquire skills.

The French Communists and Allies support these legitimate claims on behalf of the five million unemployed young people in the Community.

One readily understands the indignation of the young at the enormous sums spent on missiles.

The social injustice in our society is intolerable — the scale of youth unemployment irrevocably seals the failure of the Community and the bankruptcy of our countries' austerity policies — and we are sorry that capitalism, which is responsible for this unemployment, is not blamed directly in the report by our colleague Mrs Salisch.

We do not believe that a twofold increase in the appropriation to the European Social Fund can remedy the tragic youth unemployment situation.

It is in the light of the positive proposals concerned in particular with the aim of a clearly formulated social guarantee for young people aged between 16 and 25 and the reaffirmation of the urgent need for a reduction in working time that we shall be voting in favour of Mrs Salisch's report.

Mr C. Jackson (ED), *in writing*. — I want to highlight the plight of young people in my own constituency of East Kent, where in the northern part once prosperous coastal resorts have general unemployment between 15 % and 20 %, and where in some cases half the school leavers cannot find jobs. Towns, such as Ramsgate, Margate, Whitstable, Herne Bay and Sheerness are particularly badly affected.

We have to face the facts. In the short term some will not get jobs. Are they to feel outcasts and failures? This would be intolerable. I feel our debate has not gone far enough on what we can do to help the young unemployed *use* their enforced leisure. How can we pick up the ideas of the 1950's about the 'leisure society' and use them? For the young there may be opportunities of public service, or of future experience which may in the broadest sense be of value though not necessarily job directed. I have asked the Commission to consider pilot projects in East Kent and other parts of the EEC to explore with imagination a scheme which need not be costly but could help bring hope and purpose to the 4 million young unemployed.

LEONARDI REPORT (DOC. 1-1335/82 'COMPETITIVITY OF INDUSTRY'): ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendments Nos 1, 2, 3, 4, 6, 7, 8, 10, 11, 12, 14, 15, 17 and 18 ;
- AGAINST Amendment No 5.

Explanation of Vote

President. I call Mr Alavanos for an explanation of vote.

(Protests from the European Democratic Group)

Mr Harris (ED) — Mr President, as Mr Alavanos always makes an explanation of vote and as very few people listen to him and as we are pressed for time, could he please put it in writing?

President. — No, Mr Harris, Mr Alvanos decided for himself, and it is his right, to give an explanation of vote. I give him the floor.

Mr Alavanos (COM). — (GR) We have come all the way from the Balkans to the North Sea to discuss an important matter. We are therefore not in the least disposed to surrender a basic right conferred on us by the Rules of Procedure.

I want to say that it was our wish to vote in favour of the report by Mr Leonardi, because he is a colleague in the Communist Group and because we deeply respect his analytical abilities.

But despite this we disagree with his analysis and we shall vote against his report, chiefly for two reasons. First, because we see the solution to the problem coming from the establishment of a new international economic order and not as a result of what Mr Leonardi is proposing. Secondly, we do not see the improvement of our economies as a race between the monopolies of Western Europe and those of the USA and Japan, just as we do not see what can be changed by Europe getting into Japan's position or vice versa when, indeed, something like this is proposed at the cost of freezing the incomes and cutting back the social benefits of European workers, etc.

Mr Deleau (DEP), *in writing*. — (FR) I have already expressed my appreciation of the report by Mr Leonardi this morning.

This report represents a constructive contribution to the many proposals put forward for dealing with the problem of unemployment. Who would not subscribe to the suggestions that it makes for increasing productivity? It is obvious that the establishment of a true internal market and abolition of customs barriers are necessary. Is it not also obvious that vocational training is a necessity and should be given priority? Training is a vital factor in the recovery of threatened economies which are losing momentum, and small and medium-sized businesses are able to provide excellent facilities. We need to continue the intensification of research activity. We must press ahead with efforts to establish a legal framework defining the European company.

We attach great importance — rightly, in my view — to the expansion of job-creating investment, especially, as I said this morning, investment in small and medium-sized businesses. To this end, we should be mobilizing all the Community's resources, all its funds, particularly those of the EIB and the NCI. We should be developing the use of lump-sum loans and improving their distribution, tackling the problems in the area of exchange guarantees, finding more risk capital, setting up an intra-Community investment guarantee system, and perhaps even looking into the possibility of forming a Community development corporation.

We look to the Commission and the Council of Ministers to display imagination, decisiveness and real ambition in the cause of defeating unemployment, in mobilizing all the forces of a united, interdependent Europe conscious of its responsibilities to find ways of dealing with this painful problem of unemployment.

My group will be voting for the report by our colleague Mr Leonardi, to whom our thanks once again.

Mrs De March (COM), *in writing*. — (FR) In this debate on the employment situation and industrial competitiveness in the Community, I should like to discuss the situation in the shipbuilding industry, against the background of the report from the Committee on Economic and Monetary Affairs.

It serves little purpose to bemoan the plight of the less-favoured regions or to complain of foreign competition if the approach adopted at Community level and in each country to the problems of combating the crisis and achieving profitability merely reproduce, through the medium of European directives, the austerity models on the basis of which unemployment and restructuring are justified.

True competitiveness is based on the logic of upward harmonization of social legislation in our countries.

True competitiveness, along the lines that the workers and their trade unions would like to see, entails economic expansion on the basis of new priority criteria corresponding with social needs, through the upgrading of skill levels among our producers and our young people, who can guarantee the independence of our States by developing industrial co-operation.

An excellent example of objectives making for well-being and social justice is the development of dynamic shipbuilding industries, applying the most modern technology and realizing their potential for job creation.

Attainment of such objectives calls for vision and firm political will to follow up the aspirations and struggles of the creators of wealth.

This is why I am today once again supporting the proposal for a return to economic expansion made by the French Communists and Allies.

Consistency demands that priority for national aid should be given unequivocally to modernization of shipyards, vocational training, and job creation.

The course that Europe should be taking in the best interests of her peoples is not, therefore, to export austerity policies, but to open up new horizons for workers, to opt for the progressive approach to safeguarding jobs and to combat industrial unemployment by positive action.

Mrs Theobald-Paoli (S), *in writing*. — (FR) Yes to competitiveness, no to the law of the jungle. There are ground rules which have to be obeyed, in shipbuilding as elsewhere. Hence the urgent need for internal and external defensive action to stop the massive job losses and sweep away the obstacles to development in this industry.

What is it that we are told? 'There is overcapacity, our European shipyards are not competitive, so we must restructure this oversubscribed sector by scaling down the level of activity'.

This is a distortion of the truth. The shipyards in Europe have suffered a decline in orders because their competitors, especially in Asia, enjoy the benefit of covert subsidies which are often in breach of the rules of international trade, and because these competitors exploit their workers shamefully.

It is vital to boost the European shipbuilding and ship repair industry by securing internal economic measures, social measures, and both external and internal commercial measures, so that more of our imports and exports are shipped under Community flags and our shipowners use the facilities offered by our yards more regularly. Our independence is at stake here, since we rely on trade with the rest of the world more than any other power.

We shall defend this so-called declining industry with all our might.

Yes to competition, no to deceitful deregulation.

Yes, we find Mr Leonardi's report a positive contribution.

Mr Wurtz (COM), *in writing*. — (FR) I should like to explain why the French Communists and Allies will be voting against the report on competitiveness by the Commission on Economic and Monetary Affairs.

This report cannot correspond to the requirements of the type of industrial development that we want for France, along the lines initiated by the Left in our country.

First, we ascribe a central role in the process of industrial recovery to the public sector, whereas the ideas in this report tend to run counter to development of the public sector.

Secondly, this report — instead of identifying areas of complementarity — contrasts national industrial development and national markets with Community industrial development and Community commercial policy.

Thirdly, there can be no recovery and no growth in any of our countries without an increase in purchasing power and consumption. The report does not pay enough attention to this aspect. On the contrary, it dwells on the areas of incompatibility between competitiveness and social rights, whereas we hold that it is impossible to consider competitiveness other than in the context of meeting needs. We cannot accept the very conception of competitiveness as it emerges from the report, since it puts the emphasis on the financial cost-effectiveness of investments at the expense of improvement of productivity by means of upgrading the skill content of work, reducing working time and introducing new technology in a context of growth.

For these various reasons, we shall be voting against the report of the Committee on Economic and Monetary Affairs.

CERAVOLO REPORT (DOC. 1-71/82 'WORKING TIME'): ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendments Nos 1, 10, 11, 16, 18, 19, 21/corr., 24, 33, 37 and 42 ;
- AGAINST Amendments Nos 2, 3, 4, 5, 6, 7, 8, 12, 13, 14, 15, 20, 28, 29, 30, 31, 32, 34, 35, 36, 38, 39, 40, 41, 43 and 44.

Explanations of vote

Mr Alavanos (COM), in writing. — (GR) We disagree with Mr Ceravolo's motion for a resolution, despite certain positive points that it contains.

The basic reason for our disagreement is that, with regard to the reduction of working hours, it envisages 'an equal sharing' of the resulting costs between employers and workers. But this falls within the framework of the Commission's proposals and, we fear, those of the employers as well. The position of the Communist Party of Greece is that the reduction of working hours must not impinge on the purchasing power of the workers.

We are also worried by the frequent mention in the Ceravolo report of the Commission's memorandum which contains a series of proposed measures inspired by the employers.

In voting against the Ceravolo motion the Communist Party of Greece takes account of the grave reservations expressed about this resolution by the European Confederation of Trades Unions.

Mr Ansquer (DEP), in writing. — (FR) Massive unemployment is the great challenge confronting Europe ; will the Community be able to stem the tide and then turn it back ?

Having experienced a period of very rapid expansion, we now face an upsurge in the dangers generated by recession and unemployment : a breakdown in respect for law and order, moonlighting, trafficking of one kind and another, violence and conflict.

The European Parliament means to propose measures to meet this crisis. However, we must beware of peddling illusions. We know, for instance, that a reduction in unemployment is not going to come as a result of a new explosion in industrial jobs, any more than it is going to be brought about by job-sharing. What is required is the multiplication of jobs.

This will require action to create new and more flexible forms of work. A major effort is needed to open up educational systems, with the aim of constantly upgrading skills and developing the widespread use of computers in management and production.

It will also require a thoroughgoing Community policy to promote fundamental technological research.

Finally, it will require a strong boost to the type of investment which is capable of maintaining the competitiveness of our companies and the creation of durable jobs.

At the same time, the harmonization of social legislation must be pursued tirelessly. And it is towards the individual's management of working time that our attention should be directed. Here we have a new area of freedom which man must learn to make his own. There is a deeply felt popular aspiration for a reduction in working time or, to put it another way, for a rediscovery of the value of time. We can achieve this by introducing more freedom and personal responsibility.

Rather than a massive reduction in working time, we would prefer to see a rescheduling of working time and a broadening of the range of options : more flexible regulation of overtime, optimum use of plant and equipment, development of part-time work and experimentation with day-release schemes, improvements in shiftwork, flexible retirement.

The aspiration for greater personal independence and greater participation in decision-making affecting everyday life is universal. To meet it, it will be necessary to change industrial relations. Freedom and responsibility cannot be dissociated from industriousness and social wellbeing.

Nothing can do more to promote employment than greater freedom for the individual and for enterprise.

Only on these conditions will the efforts of our rapporteur, Mr Ceravolo, and the proposals of the European Parliament realize their full potential.

Mr Habsburg (PPE), in writing. — *(DE)* I regret to note that this report, which deals with an important subject on which much could have been said, is superficial and therefore misses its mark. The Papaefstratiou report makes all the salient points and we should have left it at that.

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