

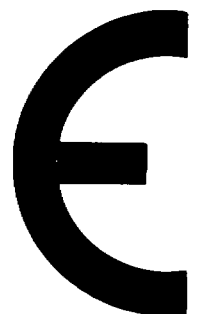
COMMISSION  
OF THE EUROPEAN COMMUNITIES

DOCUMENT

**REPORT ON  
SOCIAL DEVELOPMENTS  
YEAR 1983**

(Published in connection with the 'Seventeenth General Report  
on the Activities of the European Communities 1983'  
in accordance with Article 122 of the EEC Treaty)

March 1984



COMMISSION OF THE EUROPEAN COMMUNITIES

**Report  
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Brussels • Luxembourg

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## A. INTRODUCTION

1. The year under review failed to bring any improvement in the social situation in the Community. The forecasts had indeed been less than optimistic. In mid-1982 an unemployment rate of 9.4 % of the working population had been predicted for the end of 1983, though the severity of this prediction was tempered by the hope that 1983 would see some easing of the rate of increase as compared with preceding years. The unemployment figures did, admittedly, begin to stabilize in some Member States towards the middle of the year. This said, however, the overall picture for 1983 remains one of a further deterioration in the employment situation. At 10.3 % of the working population the unemployment average has reached a new high. This figure represents nearly double the rate recorded in 1979, when unemployment ran at close to 5.3 %. That was just after the second oil crisis and seemed high at the time.

2. Now, with 12 million people unemployed, it is impossible to be optimistic about the social situation. Add to this the fact that more than 4.7 million of those without jobs are under 25 years of age and over a quarter of these young people have been unemployed for more than a year, and the gravity of the situation should be clear. Moreover, whilst certain economic developments - some successes in the fight against inflation, smaller of balance-of-payments deficits and a certain revival of economic growth - may suggest that better times are on the way, the social crisis continues and indeed worsens, spreading like an ink blot. For an ever-growing number of people - for millions of families - this is a time of insecurity: unemployment, lack of a stable income and, increasingly, discouragement and social disorientation are everyday realities.

For certain particularly vulnerable groups - young people, women and migrant workers - unemployment becomes even more difficult to bear as time goes on. Lacking an income, without suitable vocational training and with no real chance of finding jobs (again), they are the first both to feel the effect of and to fuel social tensions. In this context it should be noted that while violent demonstrations remain fairly sporadic, manifestations of nationalism and racism are becoming dangerously common in the areas and firms hardest hit by the crisis. At the same time poverty - a phenomenon common to all ages - is growing with the arrival in force of the "new poor" - all those who have been disproportionately affected by the crisis, finding themselves forced into a situation of total material dependence because of their inability to obtain work. As a result, the number of people below the poverty line is now in all probability is well above the 10 million figure recorded in 1978.

3. Both national authorities and Community bodies have therefore had no hesitation in condemning unemployment as "the principal problem facing the Community".<sup>1</sup> However, just as unemployment is not the only manifestation of the present crisis, it is by no means the sole cause of the problems which have bedevilled the social situation throughout 1983. It will, of course, be evident from the following pages that unemployment has influenced all facets of social life : industrial relations, efforts to improve working conditions, wage bargaining and the elimination of imbalances in social security systems. There are, however, other problems - other major challenges to be met. Vocational guidance and training systems must, for example, be adapted to the task of equipping young people for the occupations of the future. Then again, with the introduction of the new technologies, society as a whole must be brought with the minimum possible upheaval to accept changes in the apportionment of the individual's time between work, leisure and social responsibilities. Finally, mention should be made of the difficulties associated with falling birthrates and the resulting demographic imbalances. As will be

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<sup>1</sup> 'Communication on the economic and social situation in the Community', COM(83)722 final, 25.11.1983, p. 9.

seen from the body of the report, many of the developments described in relation to the individual countries now overlap. Taken together, these constitute fairly definite trends, though it is as yet unclear what will be the shape of the new society to emerge from the process of transformation which they reflect.

4. The majority of the social problems which made the news during the year under review were tackled by Member States at roughly the same time and in comparable circumstances. The most striking example of this phenomenon is the youth unemployment problem, which has elicited a response from national authorities throughout the Community. The same is true of action to rebalance the finances of social security systems. In this context, 1983 saw frequently drastic cutbacks affecting the traditional categories of beneficiary. The fact that these questions have been under discussion at Community level - in some cases for a considerable time - is certainly not without relevance to the comparative convergence of the measures introduced by Member States. At all events, this convergence is in line with the Commission's frequently expressed view that the major social problems facing the Community call for harmonization of national measures or, at the least, extensive concerted measures and the establishment of common objectives. The action taken is also in line with the solemn undertakings entered into and reiterated on several occasions in recent years by the Council of Ministers and the European Council. The undertakings in question relate to young people and the labour market, the reorganization of working time and vocational training - more specifically in the context of technological change. In relation to other questions such as the dialogue between the two sides of industry and safety and health at work, new initiatives were taken at Community level in the course of 1983.

5. One of the most urgent problems, - youth unemployment - was raised specifically and repeatedly by both Heads of State and Ministers. The importance of according priority to the fight against youth unemployment was acknowledged not only at the joint Council meeting of Economic and Financial Affairs Ministers and Social Affairs Ministers held on

16 November 1982 but also at the European Councils in Brussels on 21 March 1983 and Stuttgart on 17 June 1983. Moreover, the agreement on the new European Social Fund reached by the Ministers of Labour on 2 June was described from the outset as being intended to "promote employment for young people under the age of 25". For its part, the Commission had constantly reminded the highest Community bodies of the need for specific and immediate measures to combat youth unemployment,<sup>1</sup> sending a communication to the Council on the promotion of employment for young people<sup>2</sup> in which it proposed a five-point programme of special measures<sup>3</sup>. The Standing Committee on Employment endorsed these proposals at its meeting on 20 May, also emphasizing that existing and future national measures should form the subject of a more intensive exchange of experience between the Governments and both sides of industry than hitherto, an exchange which would make an important contribution to the improvement of coordination at Community level.

6. In their statements establishing youth employment as the priority, both the Commission and, shortly thereafter, the European Council laid the accent heavily on long-term unemployment. Whilst the latter is by no means confined to young people, there is no doubt that they account for a high proportion of the long-term unemployed. In its communication of 22 April<sup>2</sup> the Commission stated that "as the rate of unemployment has increased, so has its duration". At that time, over two million young people had been without jobs for more than 6 months and almost one and half million for over a year. The problem is particularly severe in the case of young women since, traditionally, the range of training opportunities and job openings is narrower for them than for men. On this specific point, there is no denying that the comparatively recent efforts to diversify occupational choice for girls have yet to yield the desired results. More generally, for

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<sup>1</sup> 'Coping with the shortage of jobs in the 1980s', COM(83) 148 final, 14.3.1983.

<sup>2</sup> COM(83)211 final, 22.4.1983.

<sup>3</sup> Point 23.



the female population at large, current levels of unemployment and the changes taking place on the labour market are impeding the campaign to promote equality of opportunity with men. The Commission acknowledged this in its communication to the Council on women's unemployment<sup>1</sup> and endeavoured to catalogue the various causes. More importantly, however, this communication emphasized the need for specific corrective action in the shape, for example, of preferential treatment measures, facilities for child care and improved placement assistance.

7. One other population group has also been disproportionately affected by the repercussions of the economic crisis, namely migrants. Looking at developments in the Member States in recent years - and more particularly during the year under review - it is clear that a significant body of public opinion sees "foreign" workers as a problem. In the eyes of many people, the migrants who were accepted - or at least tolerated - in the days of high economic growth become undesirable intruders when the labour market takes a turn for the worse. The national authorities have not attempted to minimize the risks inherent in this situation. This does not, however, mean that they have succumbed to the temptation to make this very heterogeneous section of the population into scapegoats for the crisis. Their response has instead taken the form of positive action or voluntary measures. Efforts to integrate immigrants, the campaign against discrimination and action to combat illegal immigration were stepped up almost everywhere during the year under review. In some instances, indeed, existing restrictions on residence were relaxed. Finally, the principle of voluntary repatriation formed the subject of frank discussion in certain countries and the practical arrangements, more particularly those of a financial nature, were improved. In spite of these efforts, the migration problem will remain a feature of the situation in all parts of the Community as long as the profound changes currently under way continue.

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<sup>1</sup> COM(83) 653 final, 16.11.1983.

The Commission is therefore planning to tackle the question as a whole, looking at all facets of migration policy. To this end, a communication will be sent to the Council some time towards the middle of 1984. The arguments developed in this communication will be based on the principle that any migrant - whether he be of Community origin or not - should be seen as both worker and citizen and be offered progressively greater scope for social integration.

8. With the unemployment situation worsening steadily throughout the Community, new forms of action need to be taken within the framework of employment policies. These were summarized in the Commission's communication to the European Council in Athens on 5 December 1983<sup>1</sup>, though the Council had already given its approval in principle with the adoption on 12 July 1982 of a Resolution on Community action to combat unemployment<sup>2</sup>.

The Member States have not delayed in implementing these suggestions, though with varying emphasis on the individual types of measures - the principal categories being experiments in the reduction and reorganization of working time, various local employment initiatives and schemes involving the development of vocational training programmes.

9. The reorganization and reduction of working time has now gained a measure of acceptance. Though the subject is still a source of heated discussion between governments, employers and trade unions, initiatives involving adjustments in patterns of working time are springing up almost everywhere - in various shapes and forms. It may be recalled in this context that the Commission Memorandum<sup>3</sup> presented to the Council on 10 December 1982 argued that, in the face of rising unemployment, the Community should support and encourage the reduction and reorganization of working time not only with a view to improving living and working conditions but also as an instrument of economic and social policy. Throughout 1983, this topic shared the centre of the industrial relations stage with the questions of wages and technological change.

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<sup>1</sup> 'Communication on the economic and social situation in the Community', COM(83) 722 final, 25.11.1983.

<sup>2</sup> OJ C 186, 21.7.1982; Social Report 1982, point 5.

<sup>3</sup> COM(82) 809, 10.12.1982..

10. The review of the situation in the individual Member States <sup>1</sup> shows that progress has, gradually, been achieved in this field - with movement often coming in the context of the renewal of collective agreements. Whilst opinion remains deeply divided on the questions of principle, as was demonstrated both by the European Parliament debates (on the Ceravolo Report <sup>2</sup> and at the special part-session held on 27/28 April to discuss employment problems) and by the deliberations within the Economic and Social Committee, the fact remains that a certain pragmatism has prevailed "in the field".

The Commission welcomes this trend for two reasons. Firstly, because it confirms the hypothesis advanced in supporting its draft recommendation of 16 September on the reduction and reorganization of working time <sup>3</sup>, namely that "it is mainly the responsibility of the two sides of industry to work out at national, branch or enterprise level the agreements which will .... lead to a wider distribution of employment opportunities". Secondly, because the developments recorded during the report period show that progress can be achieved providing the measures proposed are "accompanied by increased flexibility in the use of equipment" and are sensitive to the requirement that companies remain competitive" <sup>4</sup>.

11. The other way of stimulating the creation of jobs - even if only on a very small scale - is to foster the development of local employment initiatives. From the very start of the crisis in the seventies, local initiatives aimed at creating or safeguarding jobs have been a feature of the situation. Such initiatives - in general widely dispersed and sometimes taking the form of cooperatives - are the result of coordinated efforts by individuals, action groups, employers, trade unions and/or local authorities. The Commission has endeavoured to identify and catalogue the various types of initiative, notably via a series of public consultations held at local level. A summary of the findings, together with policy guidelines and proposals for action, was presented to the Council in a communication of 21 November 1983 <sup>5</sup>: Whilst the task of establishing a precise typology of local employment initiatives is hampered by their diversity and multiplicity and by the influence of local factors, it is equally difficult to assess the number of jobs created with their assistance. What is known,

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<sup>1</sup> Point 75 et seq.; point 90 et seq.

<sup>2</sup> PE 82.890 fin., Document 1-71/83.

<sup>3</sup> COM (83)543 final, Explanatory memorandum, point 22.

<sup>4</sup> 'Communication on the economic and social situation in the Community', COM(83) 722 final, 25.11.1983, p. 10.

<sup>5</sup> 'Community action to combat unemployment: the contribution of local employment initiatives', COM(83) 662 final, 21.11.1983.

however, is that worker cooperatives alone now number around 14.000 and employ some 540 000 people in the Community. Local employment initiatives can also help young people to avoid social marginalization and provide the opportunity to try out innovations, thus making a significant contribution to the economic life of the areas or centres where they are located. Action might, furthermore, be taken to encourage local initiatives "involving new technologies and new goods and services based on these technologies which meet social needs, for example those concerning handicapped or elderly people".<sup>1</sup> For these reasons, therefore - and notwithstanding the fact that local initiatives can make no more than a modest contribution, Community-wide, to the task of absorbing unemployment, the Commission felt that Member States should be asked to encourage and support them. Training and learning needs were, of course, amongst the areas covered by the Commission's guidelines.

12. Education and training in the broadest sense constitute the true key to independence and success in the working world and form a further, absolutely essential element in the struggle to eliminate structural unemployment and bring the knowledge and skills of workers into line with technical progress. In recent years, the Community authorities have seized every major opportunity that has been offered to reaffirm solemnly the importance they attach to vocational training for young people. Statements to this effect were, for example, made at the joint Economic and Social Affairs Council on 16 November 1982 and the joint Education and Social Affairs Council on 3 June 1983. This latter meeting saw the approval in principle of the Resolution concerning vocational training policies in the Community in the 1980s<sup>2</sup>. This Resolution sets out guidelines for action by the Member States and provides for a

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<sup>1</sup> 'Technological change and social adjustment', COM(84) 6 final, 26.1.1984.

<sup>2</sup> OJ C 193, 20.7.1983.

variety of measures to be taken by the Commission to supplement and back up national endeavours. The main emphasis is on action to assist young people and promote adjustment to the new technologies. The Resolution should thus form a basis for translating into reality the wishes expressed by the Heads of State and Government at the Stuttgart European Council. There is, moreover, ample evidence in this report to show that the priority attached to vocational training at Community level is matched by a similar degree of concern in the Member States. All Community countries have recently taken some form of action to reform, extend or consolidate training systems or programmes, with young people as the prime intended beneficiaries. In some instances special attention has been given to training/work experience schemes, the needs of particular groups - women, young foreigners, young people from underprivileged backgrounds - or the new skill requirements imposed by technological change.

13. The Commission is in full accord with these endeavours. Continuing the policy pursued hitherto via the European Social Fund, but on a more intensive basis thanks to the new rules<sup>1</sup> and the increased resources allocated to the Fund, the Commission will encourage efforts along these lines, more especially by means of income support for young people under 25 participating in training schemes. Assistance will also be provided towards training for new occupations and retraining measures necessitated by the introduction of new technologies or new production and management methods. This raises again the question of the drive for innovation, which is indeed at the very heart of the Community's industrial strategy. Now is therefore a suitable point to recall that all the social developments outlined in this report are affected more or less directly by the repercussions of innovation. By facilitating and speeding up the redistribution throughout the world of knowledge - and hence of the factors of production - innovation faces all actors on the economic and social stage with the need

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<sup>1</sup> OJ L 289, 22.10.1983.

to effect dramatic qualitative improvements, improvements which will in the long run be of benefit to society. If this challenge is to be met adequately, both ends and means must be clearly identified. In the field of education and training, the Council Resolution of 2 June 1983 concerning vocational training measures relating to new information technologies <sup>1</sup> and the Resolution on the introduction of new information technology in education <sup>2</sup> went a considerable way towards fulfilling this condition. In themselves, they already constituted a basis for Community action. Further investigation did, however, need to be undertaken with a view to ascertaining the precautions necessary to ensure that economic revival was achieved under socially acceptable conditions. In other words, given the requirements to be met in terms of industrial competitiveness, it was necessary to determine how the aspirations of individuals and social groups could be taken into account.

14. Where workers are concerned, these aspirations relate not only to the most obvious point - namely the availability of jobs - but also to working time, working conditions, safety at work and industrial relations. All these problems emerge clearly from a reading of the various chapters which constitute the body of this report. As in previous years, 1983 saw difficulties in all these fields facing workers in the Community. By way of example, we need only cite the rationalization programmes already implemented, or under way, in a number of large firms in the textiles and clothing, chemicals and motor vehicle industries - all sectors where automation has led to a radical reorganization of production lines. Since the process of modernization is only in its infancy, however, and given that it must be made acceptable to all concerned, the Commission recently felt obliged to present a communication to the Council <sup>3</sup>

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<sup>1</sup> OJ C 166, 25.6.1983.

<sup>2</sup> OJ C 256, 24.9.1983.

<sup>3</sup> 'Technological change and social adjustment', COM(84) 6 final, 26.1.1984.

setting out a Community strategy for new technologies which identifies the measures necessary to bring a positive response to the associated social challenges, complementing the strategies already launched in the sphere of industry, research and innovation.

15. The measures proposed by the Commission relate primarily to three areas. In education and training initiatives should, for example, be taken at Community level as regards the training of teachers in the new technologies, the development of educational software and hardware systems, and the expansion of training and retraining provision for technicians and high-level specialists. As regards the management of working time and the organization of working conditions, a variety of measures should be taken with a view to improving the state of knowledge in relation to the impact of the new technologies on workers. Finally, the Commission puts forward a third series of measures aimed at involving workers and their representatives more closely in the decisions affecting them consequent on the introduction of new technologies. With this goal in view - over and above the measures contained in certain Directives/proposals for Directives presented in recent years - the Commission intends to continue its efforts to promote at European level the formulation by the two sides of industry of common principles regarding arrangements for informing and consulting workers. These principles would, it is hoped, provide the basis for collective agreements laying down procedures for the introduction of new technologies in firms.

16. The task of restoring the competitiveness of European industry on world markets entails far-reaching structural changes which the new technologies make different in kind from those carried through in the past. There is, consequently, a risk that they will seriously disrupt society as a whole if the necessary climate of understanding and acceptance of the new technologies is not created in advance. This is the role of the social dialogue - between authorities and the two sides of industry and between employers and workers - which the Commission for its part wishes to revive at Community level. Despite the numerous symptoms of a hardening of attitudes on the industrial relations scene in certain

countries - of an increasingly rigid confrontation between alternative strategies for curtailing inflation, stimulating growth and reducing unemployment in the context of a changing world economy - the Commission hopes to see the social dialogue pursued without major breakdown in all the Member States.

17. This social dialogue should not be confined to questions of jobs, wages or the reorganization of working time. Looking at the other matters traditionally of concern to workers and employers, there is little doubt that social security problems and the question of health and safety at work represent the most fruitful terrain for collaboration between the two sides of industry. As regards social security, the Commission made a contribution by presenting a communication to the Council towards the end of 1982<sup>1</sup>. The question was, however, already the subject of broad public debate in all countries, though 1983 did bring a measure of clarity as to the public authorities' intentions in terms of action to remedy the persistent imbalances in existing systems. Restrictions on benefits and increases in contributions/levies became increasingly general, but no definitive solution was found.

18. For its part, the Commission continued its investigations by organizing a two-stage programme of "round tables" on social security. These brought together a large number of people representing a wide range of interested groups and bodies. This undoubtedly provided an opportunity for the airing of a variety of opinions - in some instances representing little more than a reiteration of the customary antagonistic standpoints. More importantly, however, this initiative revealed a series of topics on which future discussions should focus. It was no surprise to the Commission to discover on the one hand a widely shared desire to maintain old-age and sickness benefits at their present level and on the other

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<sup>1</sup>'Social security problems - points for consideration', COM(82) 716 final, 17.11.1982; Social Report 1982, point 16 et seq.



general concern at the ageing of the population.

At the informal meeting of the Ministers for Social Affairs in Athens on 7 November a wide-ranging discussion on the problems was held, especially the financial problems facing social security systems in a period of economic stagnation. A consensus emerged on the usefulness of exchanging ideas and experience regarding problems common to all Member States.

19. The other area which offers particular scope for progress via the social dialogue is that of health and safety at work. As will be seen from the final chapter of this report, 1983 saw the introduction of a large number of new provisions and technical adjustments to existing provisions in this field. In the case both of technical standards for equipment and of protection against dangerous substances, the improvements introduced were largely the result of action by safety services controlled by the public authorities but involving - at company level - workers or their representatives. At Community level - where concern about safety and health at work is reflected in the drafting and implementation of legislation or outline programmes - there is also provision for the involvement of employer and worker representatives. The Commission expressed the view that "efforts should be made to interest workers in monitoring within the undertaking" in its first action programme on safety and health at work, adopted in 1978. Moreover, a tripartite Advisory Committee on Safety, Hygiene and Health Protection at Work has been in operation since 1974<sup>1</sup>. Its activities, which are aimed at the improvement of health and safety measures, must change in line with the dangers and health problems associated with work. The application of new techniques, the growth of interest in the ergonomic aspects of equipment and improvements in the ways in which equipment is used are facets of this process. In addition to the continuation of initiatives already begun the draft second programme on health and safety at work presented to the Council towards the end of 1982<sup>2</sup> is indeed specifically concerned with establishing principles and criteria for monitoring groups of

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<sup>1</sup> OJ L 185, 9.7.1974.

<sup>2</sup> Social Report 1982, point 19.

workers likely to be at high risk as a result of involvement with "biotechnology and other new technologies". This programme was under discussion by the various Community bodies and the two sides of industries through the year under review and has recently been approved by the Council.<sup>1</sup> The Commission will endeavour in 1984 - and throughout the implementation of the second programme - to translate the initiatives outlined there into reality through indepth studies, regulatory measures and a whole range of information activities directed at workers, employers, the scientific establishment and national public authorities.

20. To sum up, it is clear from the developments outlined above - and will become yet more clear from the body of the report - that Europe is negotiating a difficult transition. Social structures in the Community are being placed under exceptional strain by the current process of far-reaching economic adjustment and industrial renovation. Everyone knows what is at stake, the time available to carry through the essential changes is increasingly short, and yet it is clear that it would be dangerous in the extreme to neglect the human factor. Whether it be a question of finding work for young people, safeguarding the rights of other vulnerable groups, preserving the interests of society at large, e.g. via measures to eliminate imbalances in social security systems, or increasing the availability of highly qualified workers through improvements in education and training methods, there is very little room for manoeuvre and any further delay would be disastrous. Against this background, efforts in the field of social policy at both Community and national level must more than even be directed towards helping to maintain a balance between the interests of society at large and individual aspirations.

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<sup>1</sup> OJ. C 67, 8.3.1984.

If it is to fulfil this role, social policy must consist neither of empty incantations nor of palliatives to appease our consciences. Whilst social measures frequently have the effect of alleviating the repercussions of economic measures which predate them, social policy must not in the present situation be confined to a role of passive response. It must be involved directly in the process of adjustment on an equal footing with the other structural policies aimed at modernizing industry or strengthening research activities. The function which social policy has to play in this process is crucial - it must mobilize the Community's human resources.

B. Social developments in the European Community in 1983

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## Chapter I

### Employment

(including migrant workers)

#### Trends within the Community

21. Economic activity in the Community showed only a slight improvement over the performance of the previous year, although there were signs towards the end of the year that a slow but progressive recovery in output was under way with an upturn in both GDP and industrial production during the first six months. This was accompanied by a further fall in employment and a continuing increase in unemployment. For the year as a whole, GDP growth is estimated at 0,8 % (compared with 0,6% in 1982) and employment is expected to have fallen again by 1,1 % to 105,3 million.

While the working-age population is still expanding rapidly in the Community (+ 1,2 %), the active labour force has remained virtually unchanged. Nevertheless, the underlying trend in unemployment is still rising, even though its rate of growth is decelerating. In all Member States the rate of increase over 12 months remains positive, and in the Community as a whole it increased by 6,5% between December 1982 and December 1983. Among the Member States there is considerable divergence. In most, the annual rate of increase is now down to single figures but three countries (Ireland, Luxembourg and the Netherlands) still have rates of more than 10 %. By December 1983, unemployment had reached 12.5 million or 10.8 % of the labour force.

22. For the Community as a whole, the deceleration in the rate of unemployment appears to have benefitted men rather than women; by December 1983, the share of women in the total of unemployment was virtually unchanged from 12 months previously. Young people continued to be disproportionately affected by the rise in unemployment, but the increasing range of measures adopted by nearly all Member States during the course of the year under review helped to reduce the burden slightly as time went on. By December 1983, the share of young people in total unemployment had fallen to 38,9 % compared with 39,4 % one year earlier.

23. Nevertheless, youth unemployment remains one of the priority problems in the Community, as was recognised by the Joint Council held in November 1982, which expressed its deep concern about the employment prospects for young people and recalled that the March 1982 European Council had emphasized the key role of youth employment in the Community's overall strategy to alleviate unemployment. Furthermore, it reaffirmed its commitment to ensure over the next five years that all young people entering the labour market for the first time will have access to vocational training or a first job experience.

In follow-up to these guidelines, the Commission accordingly presented a communication to the Council in April entitled "The promotion of employment for young people". This communication is based on the fact that more than 4,5 million young people are without jobs, and that the unemployment rate for young people is twice the average rate. To combat this problem, the Commission proposed a three-part strategy, emphasizing the need to :

- strengthen the general strategy against unemployment;
- face up to the more specific and acute challenge of youth unemployment;
- develop a programme of specific measures at national and Community level aimed at combatting youth unemployment.

The Commission believes that this strategy could permit the Community to reduce the unemployment rate of young people down to the average rate within five years. This would require the creation of 2.5 million extra jobs.

In the proposed programme to meet this objective, five types of action are identified:

- expand employment opportunities through the reorganisation and reduction of working time, including the creation of part-time jobs, and to ensure that young people benefit from this process;
- encourage employers in the private sector to create new jobs and to increase the recruitment of young people, particularly through the use of recruitment premia;

- help young people to develop new enterprises;
- expand non-market sector employment opportunities with recruitment concentrated on young people, and provide jobs for long-term young unemployed through special temporary public programmes, or quotas;
- in the absence of an immediate improvement in the employment situation of young people, to assist them to develop their non-vocational interests through better support facilities.

These actions should be anchored in the following principle :

ensuring the stability and quality of employment, without necessarily insisting on full-time jobs; avoiding the encouragement of purely temporary or marginal jobs; emphasizing "positive actions" in favour of the most disadvantaged groups of young people and intended also to widen the range of jobs available to girls; and complementing the training opportunities provided under the social guarantee.

24. The Joint Council meeting had also agreed that the reorganisation and reduction of working time can, under certain conditions have a beneficial effect on the employment level provided that competitiveness is not impaired and there is sufficient flexibility in the labour market to prevent bottlenecks; at the same time proper account must be taken of specific and sectoral characteristics. In response to this, the Commission approved a "Memorandum on the Reduction and Reorganisation of working-time" in December 1982. Given the persistent economic problems, the memorandum underlines that the Community should support and promote the combined reduction and reorganisation of working time as an instrument of economic and social policy.

On the basis of this memorandum, the Commission held a series of consultations with the Member States and the two sides of industry during the first half of the year under review. On 16th September, it adopted a proposal for a draft recommendation of the Council on this subject.

This draft recommends the Member States to acknowledge the following policy aims :

- to bring about a reduction in individual working time, combined with its reorganisation, sufficiently substantial to support the positive development of employment, under conditions which safeguard competitiveness as well as basic social rights;
- to limit more strictly systematic paid overtime and increasingly to compensate necessary overtime by time off in lieu rather than by additional payments.

The Commission view was that the policy framework at the European and national level should take account of the specific situation in each Member State and allow for the necessary degree of differentiation according to sector and type of enterprise. Quantified targets for the reduction of working time, on which collective agreements at different levels could be based, should be fixed, where appropriate, at the national level. It is also underlined that the reduction and reorganisation of working time should result in the more efficient and flexible utilisation of capital equipment, in particular, where applicable, by lengthening production time. The role of government in this matter should be to support, where necessary, the efforts undertaken in this area and which achieve new recruitments by a financial contribution and, as the biggest employer, to gear its policy towards the reduction and reorganisation of working time.

25. Member States' policy towards the foreign population resident on Community territory has increasingly converged. Migratory flows, even within the Community, are at a low level. This has left room for a two-pronged approach : on the one hand a policy of consolidation of the foreign labour force, through the adoption of social and legal conditions favouring their insertion and integration, and on the other hand a more rigorous check on illegal movements.

In its Resolution of 18 November 1983 on the problems of migrant workers, the European Parliament emphasised that this convergence should lead to a migration policy co-ordinated at Community level.



## Development of the situation in the member countries

### Belgium

26. In Belgium, 1983 was probably a year of stagnation, since the improvement observed at the beginning of the year was not confirmed in the second half. The latest estimates therefore indicate that GDP remained at about the same level as last year. The austerity policy followed by the Government since 1982 is having an effect: the upward movement of prices is slowing down (the inflation rate has risen from 7,4 to 7,7%), while the balance of payments has improved markedly, mainly as a result of increased exports (+2,5% on average). Nevertheless, the fall in gross fixed capital formation has accelerated: - 6% as against - 2,6% in 1982.

Under the combined effects of slow growth and the structural adjustments related to the formation of more productive capital<sup>1</sup>, a further decline of about 195 000 may be expected in the employment level, with industry particularly affected<sup>2</sup>. Consequently, in spite of a slight decline in the number of unemployed during the first six months, due mainly to seasonal factors and anti-unemployment measures - some of which have been in force for a number of years - the annual average unemployment rate was up by 1,2 points: 14,4% in 1983 against 13,2% in 1982.

At the end of December 1983 the number of unemployed stood at 606 500, of which 284 300 were men (46,9%) and 322 200 women (53,1%). The unemployment rates were even more divergent: 11,4% for men, 20,2% for women. It should also be noted that more than a third (37,1%) of all unemployed were under 25 years and 64,5% had been registered with the national employment office for over one year. The rate of increase for this latest category over the last 12 months was higher than for the overall rate: 13,6% against 4,5% (December 82 - December 83).

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1 At present, firms are tending to carry out modernising investments or those which increase productivity rather than extend the capital stock.

2 Planning Office, pluriannual projection, Spring 1983 to 1987, Brussels, June 1983.

In view of the characteristics of the rise in unemployment, employment policy has been focused increasingly on the two problems of youth unemployment and long-term unemployment. In July, a programme to promote employment and absorb unemployed labour was agreed (Moniteur belge of 8.7.1983). Various other measures followed, adjusting or complementing the measures announced in the Law of 2nd February 1982, particularly in respect of working time (i.e. reduction of working time and recruitment of additional labour, experiments in the reorganisation of working time, encouragement of part-time work), as well as current programmes to absorb unemployment, which have had some degree of success. According to the latest figures, approx. 97.000 people had found jobs or full- or part-time courses by the end of July 1983 as a result of the measures<sup>1</sup>.

27. On 16 March the Government announced new measures with regard to immigration policy, which essentially concerned nationals of non-member States :

- the desire to improve the integration of foreigners in Belgian society was reaffirmed; measures were to be taken to ensure the effective application of the laws against racism and xenophobia and to facilitate the acquisition of Belgian nationality with the rights and duties that this entails;
- at the same time, "in view of the grave economic, social and financial situation", the government intends to ensure the full application of the ban on immigration decreed in 1974<sup>2</sup>, review provisions concerning the immigration of workers' families and the conditions governing the granting and withdrawal of residence and work permits and, finally, to restrict the number of new registrations of non-Community nationals in certain municipalities.

At the end of the year the Belgian Parliament was examining a draft law containing a number of restrictive measures, particularly concerning the immigration of workers families, rights to social assistance, and limits to new registrations of foreigners in certain municipalities where they already comprise a sizeable proportion of the population. On the other hand, the draft aims to facilitate naturalisation of foreigners in order to achieve better integration into the national community.

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<sup>1</sup> Monthly Bulletin of the ONEM, Brussels, November 1983.

<sup>2</sup> Social Report 1974, point 59.

## Denmark

28. The upturn in economic activity in 1982 was not sustained this year and GDP expanded by only some 2% compared to over 3.5% in 1982. As a result, the total number employed declined by about 8000 (-0,3 %), although manufacturing employment fell sharply by 14000 (-3,0 %). Despite this, however, the rate of increase in unemployment was still among one of the lowest in the Community; in December unemployment was 270 000 or 10,1% of the labour force, a rise of some 4,3% over the previous 12 months.

The structure of unemployment has also remained fairly stable over the year, although the slowdown in the rise in total unemployment has been concentrated among males - the proportion of females in total unemployment has risen sharply from 44,0 % in December 1982 to 48 % in September 1983. At the same time, efforts to promote employment among young people have had beneficial effects; in August 1983 the proportion of young people under 25 in total unemployment had fallen to 28 % compared with 29 % twelve months previously.

With a view to reducing youth unemployment, the Government presented a Job Creation Act whereby government support is granted for new work places, of benefit to the Community, which would otherwise not have been performed and does not distort competition. Normally, the work must be performed by or in co-operation with private enterprises. To be eligible, the person employed must be aged between 18 and 25, have been unemployed for a certain time and be registered with the public employment service. Education or training may be included in the work for up to 20 % of the time.

The voluntary early retirement pay scheme was introduced as a labour market measure aiming at redistributing the existing volume of work as the withdrawal of older employees from the labour force makes it possible to employ young unemployed persons. It is a supplement to the existing unemployment insurance scheme, and as long as they satisfy certain conditions, is open to workers over 60 years of age. Participants joining the scheme will receive an amount corresponding to the unemployment benefit they would receive if unemployed - generally 90 % of previous earnings. Part-time workers may join the scheme, and participants may also work up to 200 hours a year without loss. Membership of the scheme is once and for all.

29. In its report on immigration policy, submitted to Parliament in April, the Government stated its intention of continuing to work for the successful integration of immigrants into Danish Society, while calling on immigrants themselves to make a personal effort to adapt to life in Denmark.

In June, a new Law was adopted on conditions governing the entrance and residence of foreigners, with a view to defining and codifying in greater detail a whole series of measures covering, in particular, the right of residence, expulsion and arrangements for migrant workers' families to join them.

## Federal Republic of Germany

30. There was a marked improvement in economic performance from the beginning of the year. However, unlike earlier periods of growth, where the impetus came mainly from exports, the economic recovery was based primarily on domestic demand. GDP rose by 1,2% in 1983. The total number of persons in employment continued to fall.

Although there were on average almost half a million more unemployed between January and September than in the corresponding period of the previous year, there was a slight improvement in the labour market situation at the beginning of autumn: for the first time for 3 1/2 years the seasonally-adjusted number of unemployed did not rise, the rate of increase having already slowed down in the preceding months.

There were three main reasons for this improvement on previous years :

- the intensive use of labour market policy measures by the employment offices;
- the slowdown in the growth of the potential working population;
- the drop in the number of dismissals.

At the end of October, the number of registered unemployed was 2,15 million but towards the end of the year the number of unemployed rose again because of seasonal factors. At the end of December the figure was 2,35 million or 8,7% of the civilian working population compared with 8,2% in December 1982. The unemployment rate for women (9,6% in December) was still well above that for men (8,2%).

There was still no solution to the problem of youth unemployment. There was a temporary improvement in the autumn, whereas youth unemployment had increased slightly at the same time in 1981 and 1982. At the end of the year the number of unemployed aged less than 20 years was 190 000 compared with 203 000 in 1982. Furthermore, in areas providing fewer than average training opportunities, it was observed that many young people, especially girls, were discouraged from seeking training places and jobs, a fact which cannot be taken into account in the unemployment figures.

A further problem concerns the unemployment of the severely disabled which reached a new peak at the end of 1983. It was only prevented from going even higher by the application of special measures under legislation concerning disabled people and the employment promotion (consolidation) law.

A regional comparison of overall unemployment showed clear signs of a North/South divergence. Above average unemployment figures were recorded in the northern Länder, due, among other things, to the crisis in the shipbuilding industry (13,5% unemployment in Bremen at the end of December), and in the Saarland, whereas in all southern Länder the unemployment rates were below the national average.

Following on from previous measures 1, the Berlin Senate presented a far-reaching labour market and structural programme in October under the motto "Innovation beats stagnation". Initially, a total of DM 87 million has been earmarked for this programme up to 1988.

The new Federal Governments' statement on 4 May referred to four main objectives of economic and social policy :

- Reducing unemployment;
- restoring seasonable rate of growth;
- continuing efforts to reduce public expenditure;
- safeguarding pensions.

As regards labour market policy, increases in unemployment insurance contributions and cuts in the expenditure of the Federal Labour Office were decided on for 1983. Further measures to cut expenditure were introduced with the presentation of the 1984 Federal Budget and accompanying laws in July. By increasing revenue and cutting benefits, the Federal Government plans to make savings of DM 2 600 million in 1984.

Special mention should be made of the following labour market policy measures :

- A package of measures to combat youth unemployment (vocational preparation, vocational training, retraining and job creation measures);
- expansion of job creation measures (ABM) to which DM 1 300 million were allocated in 1983 with the aim of providing around 50 000 persons with at least temporary work (in 1982 some 29 000 unemployed persons benefited from ABM measures).

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1. Social Report 1982, point 33.

31. In a joint statement on 24 March, the government, trade unions and churches drew the general public's attention to the dangers of blaming foreign workers for the adverse employment situation.

The government has on several occasions declared its intention to implement a policy of integrating foreign workers while at the same time allowing them to maintain their cultural links with their country of origin. This integration process is to be accompanied by efforts to stabilise the numbers of foreign workers, by attempting to stem further influxes and encouraging voluntary repatriation.

As regards aid for integration, the available appropriations are being allocated primarily to the development of reception services for foreign nationals, pretraining and vocational training and language courses.

On the question of voluntary repatriation, the Federal Government has adopted measures which have attracted a great deal of public attention and been the subject of a wide-ranging national debate. Migrant workers who have become unemployed as a result of closures or bankruptcies or who were partially unemployed for at least six months are entitled to a repatriation grant provided they leave the Federal Republic of Germany with their families.

This repatriation grant amounts to DM 10 500 plus DM 1 500 for each child also returning to the country of origin. In addition, they may claim back the contributions they have paid to the statutory invalidity and old-age pension insurance scheme without having to observe a waiting period where they were entitled to reimbursement after a waiting period of two years. The repatriation grant is supplemented by individual grants intended to further the recipients' occupational reintegration in their country of origin. The programme includes vocational training geared to the proposed occupation in the country of origin, technical guidance in the country of origin and investment aids. An information service has been set up in the Federal Republic to give workers wishing to return to their country of origin advice on any problem they might face.

## Greece

32. The expected economic recovery failed to materialize and the main economic indicators remained in the red during the year under review. There was no sign of a slowdown in the pace of inflation, which remains particularly high in the Community context (with prices rising by 20 % as compared with 1982); private sector investment declined yet further (by 6%) and the 16 % increase in public sector investment did no more than maintain economic activity at its 1982 level.

The rate of increase in unemployment slowed (with the number of registered unemployed rose by 6,1% between December 1982 and December 1983). The true unemployment total is estimated at 260 000, including some 200 000 in urban areas (i.e. 10 % of the urban working population). Young people under 25 continue to be particularly hard-hit by unemployment, irrespective of their level of education.

Encouraging results were achieved during the year under review thanks to the job-creation programme adopted in 1982<sup>1</sup>, which enables the National Employment and Manpower Office (OAED) to grant employment subsidies for hard-to-place jobseekers in partial substitution for unemployment benefit. The success was particularly marked in the case of the scheme aimed at young people under 29 years of age (under which payments were made to more than 500 firms) and the special scheme for building workers.

In a similar connection, it should also be mentioned that local job-creation initiatives are accorded priority under the new state investments programme, which has already made possible the establishment of a large number of cooperatives and local authority-sponsored ventures.

Finally, apprentice training centres have been brought under the direct control of the OAED, thus strengthening the latter's role in the field of vocational guidance and training.

33. As regards Greeks working abroad, the Government has indicated that it favours the encouragement of return migration accompanied by measures to facilitate reintegration into Greek society. A special office has been established under the aegis of the Ministry of Employment to deal with these question and, in particular, to coordinate the provision of financial aid under regional development programmes and the social/educational

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1 Social Report 1982, point 35.



measures to be taken in support of return migration - notably as regards the recognition of qualifications, the provision of further vocational training and the integration into the Greek school system of returning emigrants' children,

A decision of 31st August 1983 set up a subsidy programme under OAED for private enterprises, local authority organisations, organisations of public utility and co-operatives to create 800 jobs reserved for returning migrants from European countries aged 46 years or over.

The subsidy is fixed at 45% of the minimum daily wage of an unskilled worker and lasts for 6 months. The employer must employ the recruited worker for 1 year.

## France

34 Economic and financial problems were to the forefront in 1983 and the Government sought to convince the electorate that they rather than social problems should be given priority. This austerity policy was fairly effective with respect to wages and external trade (the deficit was held from 93 000 to less than 45 000 million, while the volume of unemployment rose again at the end of the year (+ 4,5% from December 1982 to December 1983) after a long period of stability.

However, the employment level in the private sector has continued to fall off since mid-1982, particularly in industry; overall, it dropped by nearly 150 000, or over 1 % (nearly 5 % in construction and civil engineering).

In the face of this fall in employment which is combined with continuing growth of the working population, two types of measures were implemented to curb unemployment:

### .. Administrative measures

- Application of new rules concerning unemployment benefit (waiting period, link between contribution period and period of entitlement to benefit, termination of benefit at 60 years) which has reduced the number of recipients by about 150 000;
- directives for stricter application of these rules concerning removal from the register: failure to report has replaced re-employment as one of the primary grounds for removal;
- the operation "long-term unemployed", which reduced their number by 44 %, principally through removal from the register (51 000), retirement (15 000) or incentives to withdraw from the labour market (12 500).

### b. Active employment measures

- Plan for the occupational and social integration of people aged 16-25 : this plan includes a number of existing measures, supplemented in particular by :

- . extension of the system of employment/training contracts, which benefited some 80 000 young people in 1982-83, accompanied by more flexible procedures known as "employment/adaptation" and "employment/orientation contracts";
- . extension of training/work experience schemes in the context of the two specific programmes for 16 - 18-year olds (90 000 beneficiaries in 1982-83) and 18-21 year-olds (45 000 beneficiaries).

All these measures aimed at young people have reduced their share in total unemployment (from 46,4% in October 1980 to 45,2% in October 1983), but between these two dates the number of unemployed under 25-years of age rose by more than 240 000 (736 000 to 979 000).

- the "long-term unemployed" operation : in addition to the administrative aspects referred to above, this programme revealed the need for preventive action by public services. It was also decided gradually to extend new processing methods tested experimentally : interviews, joint action ANPE and AFPA (national employment agency - association for adult vocation training) for job-seekers in the 4th and 13th month of registered unemployment;
- before their abolition in May the early retirement solidarity agreements met with a considerable measure of success leading to the recruitment of some 70 000 workers. However, more recent arrangements (phased early retirement and reduction of working time) had much less impact.
- promotion of employment at local level: the support of local initiatives to promote employment helped create 25 000 new jobs since the scheme was launched in July 1981. In addition, more than 10 000 grants were awarded in the first quarter of 1983 under the scheme for grants to help the unemployed set up in business.

Despite the impact of these various administrative and employment policy measures, there are many signs that preclude an optimistic view of the short-term prospects : the decline in job offers (30 % below the 1982 level), a significant increase in short-time working (+ 30 %) and the gradual tailing-off of the impact of the solidarity agreements all suggest a further increase in the rise of unemployment which began at the end of the year.

35. Current French Government policy guidelines with respect to immigration were highlighted in a communication to the Cabinet on 31 August: measures to combat illegal immigration will be stepped up, and at the same time the integration of immigrants and their families will be favoured, for example, by easing occupational and geographical restrictions applying to work permits.

At the end of the year, measures to help migrants return home were being planned.

Following the reform of the Social Action Fund (which can be summed up under three headings according to the circular of 2 June : extension of democracy; greater autonomy; regionalization) immigrants will in future be associated with the decisions of this body, which provides a large proportion of the finance (FF 1 000 million per year) in respect of specific actions on their behalf.

The law of 26 July concerning greater democracy in the public sector imposes no conditions as regards nationality; accordingly, foreigners may be elected to the supervisory bodies of public sector undertakings.

A note from the Minister of Education of 13 April called for the integration with effect from the beginning of the 1983 school year, into the education systems, called for the integration of teachers of the languages and cultures of origin of immigrant children, thereby eroding the distinction between parallel and integrated tuition.

By law of 1 July 1983 France ratified the Council of Europe Convention on the Legal Status of Migrant workers.

## Ireland

36. The employment situation continued to deteriorate, following a trend established in previous years. With output growth at 0,5 % down sharply from the previous year (1,2 %), employment declined by around 2 %. Combined with a growth in the labour force which is considerably above the Community average, there was inevitably a sharp increase in unemployment during the year. By December, registered unemployment stood at 208.000, or 16,4% of the civilian labour force, compared with 179.900 (14,2%) a year earlier - rise of 15,5%.

Of these unemployed, 31% were under 25 years of age. However, this does not take account of many first job seekers - mainly school-leavers - who are not included in the official statistics. At April 1981, there were an estimated 20.000 first job seekers.

The new Government which took office on 14 December 1982 regards unemployment as the most urgent problem, and proposed a series of specific employment measures to deal with it, including the setting up of an Employment Task Force, National Planning Board and National Development Corporation. The primary objective of the Task Force, which is comprised of key economic ministers, is to identify measures that can be taken immediately to alleviate the unemployment situation. Closely related to it is the National Planning Board, made up of independent experts in different economic and social policy areas, whose main task is to prepare for the Task Force a draft medium-term programme for the economy. Together, the results of these activities will constitute a plan for national development over a medium-term period, to be kept under continuous review.

The Youth Employment Agency (YEA) founded in 1982<sup>1</sup> and funded by a 1 % youth employment levy, considerably extended its activities. Expenditure was increased substantially on youth employment, training and work experience schemes, and particularly for meeting the need to give priority access to the long-term unemployed - some 21.000 unemployed young people in Ireland have been out of work for 6 months or more - in all employment schemes directed at young people. In addition, YEA has started a pilot programme aimed at giving assistance to sustainable employment at local level - the Community and Youth Enterprise Programme, an employment scheme for young scientists and techno-

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<sup>1</sup> Social Report 1982, point 39.

logists, and a combined training and work experience scheme for all young entra to agriculture. Altogether, over 45.000 young people are expected to participate in programmes financed from the youth employment levy in 1983, which in its first full collection year is estimated to total some IRL 70 million.

37. Despite the pressing unemployment problem, there is no evidence to suggest that Irish workers are going to EEC countries in significant numbers to find work. On the other hand, the recession is having an adverse effect on the movement of labour towards Ireland including managerial staff, as seen from the fall of the already small number of residence permits issued in 1983.

No significant legislation has been passed in the period under review.

## Italy

38. In 1983, the world-wide economic recession largely contributed to the stagnation and decline of the economy in Italy, which was reflected in a fall in gross national product, a high rate of inflation, a weakening of domestic demand, a slow down in production and steadily rising unemployment.

At the end of December, the employment offices had more than 2,8 million registered unemployed on their books (1,47 million men and 1,36 million women), representing <sup>an</sup> unemployment rate of 12,5 % (10% for men and 17,3 % for women). Compared with the same month at the previous year, unemployment has risen by 250,000 or 9,6% (9,5% for men, 9,8% for women). Of this total, almost 1,4 million job-seekers were under 25 years; in other words, nearly half the unemployed are young people. Although the unemployment rate is still very high, its rate of rise has slowed down as regards both the overall total and the different categories.

With a view to containing the economic recession and the decline on the labour market as well as promoting job creation, on 22 January the Government concluded a national agreement on wage costs with the employers' and workers' representatives. On 25 March this agreement was transposed into law no 79; the law goes beyond the question of wage costs, however, and includes 14 chapters dealing with various economic, legislative and political aspects which in the years to come will determine the relations between the two sides of industry and other parties in Italian economic and social life. One chapter is devoted to the flexibility of the labour market and by introducing new recruitment procedures, part-time work and fixed term contracts will promote mobility between firms. Provision is also made for the recruitment by name of people aged 15 - 29 years for a maximum of 12 months during which they will be given vocational training while working in a firm.

In the first half of the year, 63 000 young people (42 600 men and 20 400 women) were recruited under fixed-term training contracts : 2 000 in agriculture, 44 400 in industry and 16 600 in the services sector.

In the context of the same law employers may, for a period of one year starting on 29 January 1983, apply for authorization to recruit by name up to half the total numbers of workers in respect of whom numerical authorization is required. Between February and June this measure led to the recruitment of over 60 000 persons (41 500 men and 19 000 women), of whom 5 700 found work in agriculture, 37 700 in industry and 17 000 in the services.

The Government has undertaken to intervene in the management of the labour market by setting up on an experimental basis public bodies endowed with adequate financial means, an autonomous structure and their own staff, which the labour market observations units are required to use.

Under law no 130 of 26 April, the investment and employment fund set up in April 1982<sup>1</sup> was allocated LIT 7 820 000 million for 1983 to be distributed among 8 specific areas of activity, such as investment in securities, electricity generation, reduction of VAT, subsidies for public and private sectors of industry, financing and improvement of agricultural infrastructure and regional development aid for the Mezzogiorno and Calabria.

39. The national elections in 1983 put a stop to legislative work intended to regulate and update current legislation on immigration and resolve the thorny question of foreign workers in an illegal situation.

In April, Parliament adopted new provisions with respect to nationality and placed men and women on the same footing as regards the transmission of nationality to the spouse and children.

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<sup>1</sup> Social Report 1982, point 41.



## Luxembourg

40. The Luxembourg economy, which is largely based on steel, has been badly affected by the international crisis in the steel industry. The continuing weakness of external demand, together with signs of a fall in internal demand in some sectors, therefore led to a further fall in the gross domestic product (-2,4%) for the third consecutive year.

The slowdown in the rate of increase in consumer prices observed at the beginning of the year marked time in July as a result of the tax rises introduced by the law of 1 July. The average annual inflation rate exceeded 8% (8,4% against 10% in 1982). Moreover, the improvement in the external balance was preserved, despite a considerable fall in exports (-2,2% in volume over 1982).

The structural changes now affecting the Luxembourg economy place a burden on public finances while at the same time reducing employment. In the first nine months the average number employed in the iron and steel industry was 1.289 (= 10,4 %) lower than in the same period in 1982. At the <sup>same</sup> time, total employment in industry fell by 4,7%.

The situation on the labour market continued to deteriorate. Throughout the year, there was a steady increase in unemployment (an annual rise of 15,4%) and the number of jobless at the end of December was 2.558, 1,8% of the labour force. The increase recorded is mainly due to the rise in unemployment among young people under 25 (around 50%).

In order to combat unemployment, the Government has introduced a number of laws and regulations (Grand Ducal Regulations of 25th August) directed towards economic diversification and geographical and occupational mobility of the unemployed or workers affected by restructuring. Moreover, in the course of consultations between the

Government, the trade unions and the steel industry, carried out under the plan for the restructuring of the iron and steel industry, an agreement was reached on a reduction in working hours and a cut in wages. For its part, the Government undertook to grant financial aid of LFR 11 500 millions in 1983, with the possibility of renewal in 1984. This additional expenditure will be financed in part by a series of tax measures which came into force on 1 July : increases in value added tax, the tax on tobacco and alcohol and the solidarity tax payable by firms and natural persons.

41. In spite of the fact that more than 37 % of the working population are foreigners, around a quarter of them frontier workers, the Government has no plans for measures to encourage them to return to their countries of origin. Its whole policy is geared to the greatest possible degree of integration. With this in mind, the Luxembourg Parliament unanimously adopted a Resolution calling on the Government to do everything necessary to ensure that the children of immigrants have the same opportunities as nationals on entering the labour market. In addition, measures were taken to promote pre-school education for immigrant children and incorporate two hours of classes in the native language and culture of foreign children in the normal school timetable.

## Netherlands

42. At the end of December there were 855,600 registered unemployed (589,000 were men and 266,600 women), corresponding to an unemployment rate of 15,3% (16% for men and 14% for women). Compared with December 1982, the number of jobless has risen by 91,100 (60,300 men and 30,800 women). This 11,9% increase is due partly to the decline of employment (estimated at 90,000 man-years in 1983 and partly to the increase in the working population (some 90,000 persons annually), mainly deriving from young people finishing their education and entering working life.

However, it must be pointed out that since January 1983 the definition used for the registration of the unemployed has been amended in conformity with the definition of the working population laid down in 1981. These two definitions are now fully consistent. This amendment involves a considerable broadening of the statistical base, for some groups which were not previously regarded as being unemployed are now registered as such. These groups cover persons temporarily unavailable for placement, persons looking for work on their own account or working at home, persons looking for jobs involving between 20 and 25 hours of work per week, and others.

At the end of December, 322 100 young people under 25 years of age were registered, representing an increase of 24 000 in 12 months. The proportion of young people in the total number of unemployed is 38,8%, a slight improvement over the previous year (40,3% in December 1982).

In contrast to the high level of unemployment, which is expected to go higher yet (a monthly average of 900 000 being forecasted for 1984), there were a few faint signs of economic recovery in the first 9 months of 1983: the volume of industrial production, consumer spending and exports tended to stabilize or even improve slightly, while in November the inflation rate was only 2,9%, one of the lowest in the Community.

It goes without saying that the Government is concentrating almost all its endeavours on dealing with the major unemployment problem with which the Netherlands is faced and is giving absolute priority to measures aimed at preventing an increase in unemployment among young people. Thus, for example, the youth employment plan (JWP) launched in 1982<sup>1</sup> was allocated a budget of HFL 531 million in 1983. The Government takes the view that, whatever the cost, it must prevent a situation arising in which some young unemployed persons become irrevocably isolated and thus cut off from any chance of finding a job. Bearing in mind that unemployment among girls is even more acute than among boys, particular attention is to be devoted to providing them with employment opportunities, in particular by granting special subsidies for apprenticeships, organizing courses for young unemployed persons and widening opportunities for participation in vocational training courses specifically intended for adult women.

In a memorandum the Government set out broad guidelines for initiatives aimed at improving the employment situation : maintenance of the policy of agreement through consultation, involving both responsibility and freedom of negotiation for both sides of industry; modernization of the working of the labour market; reorganization of available work; a search for alternative forms of structural employment (for example, work combined with unemployment benefit). In an attempt to strengthen the demand for labor, the Government envisages a policy of reindustrialization, a policy for the new technologies, the financing of economic recovery and the reduction of working time. As regards the modernization of the working of the labour market, the government believes that greater flexibility would make a substantial contribution to the reduction of job losses.

The Ministers for Education and Science and for Social Affairs and Employment have launched a pilot project to assist 60 unemployed graduates by obtaining for them temporary employment lasting a year. This project, carried out in collaboration with three universities, has a budget of HFL 2.5 million.

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1 Social Report 1982, point 45.

43. In a note of September 1983 on minorities, the Dutch Government takes the view that account must be taken of ethnic and cultural minorities in general policy measures, as well as in the traditional measures specifically aimed at particular groups. In particular; the recent revision of the constitution to include the principle of non-discrimination is expected to bring about a genuine emancipation of minority groups. Furthermore, the Government proposes to assist the struggle against discrimination by setting up a national office with the task of helping victims of discrimination to take full advantage of the Dutch legal system.

For the municipal elections scheduled for 1986 the Government is to set up machinery to ensure that foreigners resident in the Netherlands have the right to vote and to stand for office. The most recent amendment to the constitution removed the existing barriers to this.

## United Kingdom

44. Although the forecast for GDP growth has been revised upwards slightly to 3,2%, compared with 2,4% in 1982, this still represents a modest recovery which will do little to improve the unemployment situation. At the end of December the total number of unemployed was 3,08 million which represented 11,9% of the civilian labour force compared with 2,95 million in December 1982 (11,3 % of the labour force).

Long term unemployment is a particularly serious problem. In April, 36 % of the unemployed had been out of work for a year or more and it is estimated that in 1984 this group will account for almost 40 % of total unemployment. Of special concern is the high level of youth unemployment: in August, 39.5 % of the unemployed were under 25-year-olds and in April young people accounted for over 26 % of the long-term unemployed.

The Youth Opportunities Programme (YOP) has been phased out. In its 5 years of existence, the YOP offered training to 1.8 million unemployed young people of whom 1.3 million were school leavers looking for their first job. Just under 1 million of those who entered the programme obtained jobs or went on to further training within 6 months of leaving the programme.

The Youth Training Scheme (YTS) started from April 1983 and became fully operational in September. Over 400.000 places have been made available in the first year. Each programme of training and planned work experience lasts up to a year, including at least 13 weeks off-the-job training or further education. The majority of places are work-based with employers. The scheme is open to 16-year old school leavers, whether employed or unemployed, unemployed 17-year old leavers and disabled 18-21-year old leavers. The Scheme includes a guarantee of an offer of a suitable place by the end of 1983 for all 16-year old leavers who remain unemployed.

Other schemes for the young unemployed include The Armed Services Youth Training Scheme with up to 5 200 places which became operational from autumn 1983, and the Young Workers Scheme which was introduced in January 1982. This encourages employers to take on more young people under 18. Employers who pay a young recruit UKL 42 or less in gross wages may claim UKL 15 per

week and those who pay between UKL 42 and UKL 47 may claim UKL 7,50 per week. The scheme is structured in this way because the government believes that many of the young unemployed have priced themselves out of the market given their lack of experience and, in many cases, need for training. In September, 94 000 people were covered by the scheme.

The Manpower Services Commission is financing a pilot project for the introduction of technical and vocational education in schools in 14 local education authorities.

The Community programme, a major initiative to help the long-term unemployed, was introduced in October 1982. The programme aims to fund up to 130 000 full- and part-time places on projects of community benefit.

To be eligible, projects must make a significant contribution to increasing the long-term employment prospects of those involved and, provide lasting practical benefits for the Community. Priority is given to those unemployed people aged 18-24 who have been unemployed for at least 6 in the last 9 months and those over 25 who have been unemployed for 12 in the last 15 months.

The Job-Splitting Scheme came into operation in January, and will be open for applications until the end of March 1985. It encourages the division of existing full-time jobs into two part-time jobs by providing a UKL 750 grant to an employer who splits an existing full-time job into two and keeps both posts filled for a year.

Following a government review, a voluntary unemployment registration scheme was introduced on 18 October 1982. The unemployed can now choose whether or not they register for work at a Jobcentre. As an unemployment count based on registration at a Jobcentre would become less complete another source had to be found for the regular monthly count. The only alternative source was records of unemployed people claiming benefit at Unemployment Benefit Offices. The new basis of the count consequently excludes unemployed people who are not claiming benefit but includes severely disabled unemployed. In the year to October 1983 it is estimated that the new claimant count was about 6% lower than the old registration count. Nearly half the difference was due to the more accurate computer based counting system which reduced the delay between a person finding a job and this being reflected in the figures.

45. New immigration rules came into effect on 16 February 1983. They make a number of changes, mainly concerned with admission to the United Kingdom of husbands and fiancés.

The Commission for Racial Equality's code of practice on the elimination of racial discrimination in the workplace received parliamentary approval in 1983 to become operative in April 1984. The Code does not extend the law but any appropriate provisions may be taken into account by industrial tribunals.

The Data Protection Bill, now before Parliament, would allow people whose records are on computer to see the data on them and to correct them if inaccurate; this right would be denied to people subject to immigration control.



## Chapter II

### VOCATIONAL GUIDANCE AND TRAINING

#### Trends within the Community

46. The shortcomings of the traditional training systems and the urgent needs resulting from the increasing inadequacy of the vocational qualifications provided by these systems prompted many member countries to introduce reforms and measures which, at first focussed exclusively on young people, are now gradually tending to encompass the greater part of the labour force.

A searching reappraisal is under way in the Community regarding the real nature of the many regional or sectoral crises occurring in recent years. In every quarter, the principal cause has been identified as an inadequate capacity to adapt in the face of the challenge presented by competition from an extra-European industry better equipped from the technological point of view and readier to adopt new industrial strategies. At national level, these observations have given rise to spirited - and sometimes dramatic - debates regarding the role of education and training in protecting the heritage of technical mastery and industrial prestige which has for many years been the prerogative of the European countries.

Another point on which a consensus can be seen is the need for the modernization of productive activities and a rapid assimilation of the progress made possible by the new technologies which have, in recent years, often revolutionized the bases of more traditional ways of thinking.

47. Whilst in France and the UK, special training programmes for young people set up in the previous year were operating on an unprecedented scale - hundreds of thousands of young people took part - in Belgium, the Government raised the compulsory school leaving age from 14 to 18 years, laying considerable emphasis in the final years on training alternating with work experience.

In the other countries, measures of this kind tended to be more sporadic, although based on the same principle of promoting the dissemination of technical knowledge among a broad public, including adult workers.

This, then, forms the background to the Community actions approved by the Council meeting on education and social affairs :

- Council Resolution of 11 July concerning vocational training policies in the European Communities in the 1980s <sup>1</sup>,
- Council Resolution of 2 June concerning vocational training measures relating to new information technologies <sup>2</sup>,
- Council Decision of 17 October on the tasks of the European Social Fund <sup>3</sup>.

48. Through these three important measures, a framework was established providing for a wide range of actions by both national and Community authorities.

Top priority is given to one social category: young people. Especially hard-hit by unemployment, young people will benefit from an undertaking by the member countries aimed at guaranteeing them vocational training for at least 6 to 12 months. In addition, 75 % of the ESF appropriation are to be earmarked for this category. Other categories favoured are those needing assistance in their aspiration to achieve equality of opportunity with regard to training and employment: women, the handicapped, children of migrant workers and the long-term unemployed.

Particular attention was also devoted to workers in small and medium-sized businesses because of the employment potential represented by this sector.

Finally, ventures aimed at developing economic activities at local level are to be the subject of special support measures, both national and Community.

49. Within this broad framework, the primary concern in relation to each of the types of measures envisaged is to promote innovation, whether economic, technological or social.

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<sup>1</sup> OJ C 193, 20.7.1983.

<sup>2</sup> OJ C 166, 25.6.1983.

<sup>3</sup> OJ L 289, 22.10.1983.

A substantial quota of ESF assistance has been earmarked for the promotion of innovatory projects; from the Community viewpoint, however, this task constitutes a direct or indirect objective of most of its actions.

The need to maintain closer contact with the current economic and social situation has prompted Community bodies to intensify their exchanges of views with the two sides of industry as well as the public authorities in the member countries. It is believed to be vital to determine, through events and the positive reactions they elicit, the evolution of educational and training models currently being developed in the Member States with the aim of facilitating their transfer to and assimilation by the various national systems.

## Development of the situation in the member countries

### Belgium

50. In Belgium the year under review was marked by renewed interest in vocational training problems, not only on the part of the Government but also of political parties and the various economic and social interest groups. Seen against a background in which unemployment and the inadequacy of the existing systems were the salient factors, all parties agreed that vocational training should be part of the general human and social education of the individual, in so far as it took place within the existing educational structure.

These views were enshrined in the law of 29 June concerning compulsory education, which raises the school-leaving age from 14 to 18. This law makes a distinction between two phases :

- the first, up to the age of 15, during which full-time education is compulsory;
- the second, from 16 to 18, during which part-time education is compulsory.

During the second phase, education may take place in a part-time educational establishment or through an officially recognized training scheme. The young people concerned are mainly vocational training students, and the object is to make sure that they do not leave school without a basic vocational training qualification. The progressive application of this law took effect on 1 September 1983.

51. The raising of the school-leaving age goes hand in hand with the development of training/work experience schemes, which had until now played only a minor part in State education. The new arrangements should also help to bring into line the various vocational training techniques used by the state education system, the Further Training Institute for the Small Businesses Sector, and the National Employment Office.

Meanwhile, the Royal Decree of 29 June laid down conditions for equal opportunities for men and women regarding access to jobs and self employed professions, working conditons, and vocational training and advancement.

These legislative measures were taken to ease the transition from general to technical education and vice versa. Also vocational training courses will give limeted access to qualifications equivalent to those of general or technical education. The teaching of certain subjects, such as mathematics, will be gradually organized in both vocational training and general education, to accommodate a system of recognized credit units and qualification certificates.

## Denmark

52. In February the new Government, which came into power in September 1982, put forward a 32-point action programme for a more coordinated and intensive effort to combat youth unemployment. Top priority in the programme is given to training measures.

The background to this measure was the fact that youth unemployment has reached unacceptable levels where people aged under 25 account for about one third of unemployment, a total of some 75.000 young people without any sort of work.

Among the points stressed in the action programme are the following:

- Training capacity is to be increased with about 9.000 additional training places from August 1983, the aim being to increase the numbers on training courses by 10 %, provided this is practically possible and provided no additional expenditure is incurred as regards buildings or staff, which would be superfluous in a few years time when the low birth rate years reach training age.
- All young people leaving lower secondary school are to be provided with either training or work. In this connection the vocational schools are required to provide guidance and give young people who have not found a place on the training course of their choice the opportunity of alternative training.
- The provision of more apprenticeships and training places with relaxation of the approval criteria for firms and allowing for specialized firms, which otherwise would not be able to obtain approval in their own right to combine in providing a full training course, together with the simplification of paper work involved in establishing apprenticeships and training places.
- In addition, consideration should be given as to whether there is a need for a special financial premium system - in addition to the existing scheme for subsidizing apprenticeships and training places - or some other aid for the initial establishment of training places and apprenticeships.
- Wider geographical spread of basic vocational training and apprenticeship training courses.

- More training places in the public sector.
- Open admission to more training courses within the context of the abolition of restrictions on entry, which can only be retained in cases where there are basic problems concerning training places and employment.
- More women in "men's jobs" via the involvement of working women in traditional "men's jobs" by means of vocational guidance.
- Restrictions on entry to second training courses by people training who have already received training, in another skill and the scrapping of the age requirement in connection with admission to courses.
- An attempt should be made to establish new training courses for older workers and for other groups, together with a new basic industrial course.
- Reorganization and simplification of cooperation between the various guidance bodies.

Many of these points recur in the circular issued by the Ministry of Education on 1 October concerning training measures to combat youth unemployment in the local and country authorities. As part of the training and guidance activities aimed at young unemployed persons aged under 25 there are plans to set up combined instruction and production programmes, specially for 16 to 19 year-olds who have not received training leading to a qualification and who do not have direct motivation or opportunity to begin such a course, together with guidance courses designed to meet the needs of groups of young people with special problems as regards choice of training and occupation.

53. The total number of apprenticeships and practical training places set up under the training agreements with the Danish Employers Association (DA) is expected to hold at about the same level in 1983 as in 1982, i.e. about 37.000. This means that about 10.000 young people will continue to be on the waiting list at the beginning of 1984.

In addition, it should be pointed out that in the 1983/84 school year more pupils registered in the technical schools where class sizes rose throughout.

The so-called youth guarantee scheme is being wound up and will terminate finally on 1 January 1984.

## Federal Republic of Germany

54. In the year covered by this report the creation of adequate training opportunities for school-leavers was once again a central concern of endeavours by the Federal Republic of Germany in the field of vocational training, with the Government and the two sides of industry once again stressing the importance of the dual training system. Some two-thirds of the estimated 804.000 lower secondary school leavers applied for training places under the dual system, along with young people who have already attended full-time vocational training schools and, increasingly, school leavers with university entrance qualifications.

The number of available training places was increased by an estimated 5 % - which means that the expected overall demand for such training places (655.000) has been largely met. However, because of the persistence of regional imbalances and the fact that applications tend to concentrate on only a few out of the total of 439 recognized skilled trades/occupations, it proved impossible to provide all applicants with the training place of their choice.

On 4 October the Government adopted a special programme offering vocational training to young people registered as applicants for training places before 30 September. This decision is designed to promote vocational training in recognised occupations under joint industrial training schemes or provided by other bodies.

The Federal Government is placing particular stress on the promotion of training for groups felt to be at particular risk. Thus, for example, the pilot programme for the training of girls in industrial and technical occupations is being continued and increased resources have been made available for vocational preparation programmes and measures in support of training for disadvantaged young people, particularly young foreigners, entering working life without having acquired an occupational skill. Under the programme to promote vocational training for disadvantaged young people initiated by the Federal Minister for Education and Science towards the end of 1980, more than 8.000 young people who attended special schools or left lower secondary schools without a leaving certificate, as well as young foreigners who were



unable to obtain training although they had attended vocational preparation courses, will be trained in a recognized occupation in the 1983/84 school year. A further 1.000 young foreigners will receive training in a recognized skilled trade/occupation under a pilot programme. Some 10.000 young people will attend vocational preparation and social integration courses in the 1983/84 school year.

The modernization of training courses was continued, with the field of "new technologies in vocational training" gaining increasing importance. More than 30 skilled trades/occupations are affected by this trend. A number of pilot experiments are under way in vocational training schools and firms authorized to provide training in an endeavour to acquire basic data for revised training regulations. In addition, a pilot programme entitled "new technologies in occupational training" is being drawn up which will get under way in 1984 with 20 to 25 projects.

55. As regards continuing training, the measures taken by firms in this field were of particular importance. These are meant mainly to provide staff with the new qualifications which technological change demands. However, continuing training is also being developed as a preventive instrument of labour market policy. Compared with last year, there was an increase in the number of measures in the fields of continuing vocational training, retraining and initial skill adaptation training which received assistance under the employment promotion law.

The Federal Government pursued its wide range of measures on behalf of vocational training staff, particular support being given to the international exchange of vocational training instructors and other experts in the vocational training field.

## Greece

56. Law No 1351 of 28 April introduced arrangements for the appointment to each of the Area Boards for Public Vocational Training (NELEs) of up to seven training specialists, who will work either individually or as a collegiate body depending on circumstances. They will primarily be responsible for determining local training needs, coordinating the activities of training bodies and organizing instructor training.

In this same connection, the Prime Minister's Office is currently considering a draft decree on the structure and responsibilities of the Ministry of Education Secretariat-General for Public Vocational Training. The reasons behind the establishment of this body are as follows: the need to coordinate the training activities of public authorities so as to make the best possible use of existing facilities and expertise; the need to coordinate training activities with training bodies, local authorities and cooperatives; the need to integrate training programmes into an overall strategy also comprising social, political and cultural facets; the need to promote local development with the assistance of the new public bodies.

The Public Vocational Training Programme is 55 % financed by the European Social Fund and covers some 84 000 people per year, mainly first-job-seekers, people returning to the working world after a long break and workers who are underemployed or facing redundancy.

With regard to special education, Article 3 of Law No 1351 provides for deaf and dumb people holding upper secondary school leaving certificates to be admitted to post-secondary educational establishments and universities without undergoing any further examination, whilst Presidential Decree No 137 of 11 March provides for the establishment of a special vocational school for pupils from the special education sector. With this latter measure the Greek authorities are embarking on an

experiment in the field of vocational training for adolescents with special problems.

At some point in the near future, Parliament is expected to approve a law on the structure and functioning of the advanced technical education establishments which are due to replace the advanced technical and vocational training centres (KATEEs). The Government's aim is to create a modern, autonomous and coherent national economy. In setting up the new establishments the intention is to foster the training of high-level managers, create an organic link between educational establishments and the manufacturing sector, ensure that new knowledge and research findings are quickly and effectively applied, and encourage the development of a national technology.

57. The contribution to be made by the Public Vocational Training Programme in terms not only of vocational preparation and training but also of both initial and mid-career vocational guidance was amongst the factors considered in the context of work on the draft five-year plan.

It should be noted in this connection that the aim of the Public Vocational Training Programme is not merely to improve training provision but also, by adopting a participation-oriented approach, to encourage those taking part to resolve their own problems. Considerable importance is therefore attached to the question of methodology. The authorities are endeavouring - with the assistance in particular of special training seminars for administrators and instructors - to develop a self-instructional approach which demands active involvement of the part of trainees and exploits their past experience.

A whole series of such seminars have been organized either at regional centres - for NELE members, training centre administrators and instructors - or in the context of technical and vocational education.

## France

- 58 . Vocational training remains a priority in France. The Vocational training budget for 1983 was some 13.500 million francs, an increase of 20% over 1982. Major changes in the policy and organisation of vocational training are under way.

Particular efforts continue to be made in the field of social and vocational integration of young people. The funds for this purpose have been increased by 79%. At the beginning of 1983, the Government announced that the training opportunities made available to 16-18 year-olds under the law of 26 March 1982 would be extended to 18-21 year-olds, and that it intended to make systematic arrangements covering the social and professional integration of young people up to the age of 25. Apprentice training has also been improved and expanded (an increase of 18% in the number of places available).

- 59 . On 26 October, the CNPF (employers' Federation) and FO (one of the trade union confederations) signed an agreement on linked work and training for young people, which has subsequently been signed by the other trade union bodies apart from the CGT. This agreement, which will come into effect in 1984, provides for 300,000 youth training places.

Other actions include the reorganisation of the Association pour la formation professionnelle des adultes, AFPA (the Association for Adult Vocational Training); and specific action programmes in key sectors, undertaken in collaboration with industry,

## Ireland

60. In 1983 the Irish Government continued its policy of support for ANCO, the Industrial Training Agency, which is the principal instrument in the field of vocational training financed from public funds.

The principal beneficiaries are unemployed young people and the long-term unemployed; however, particular attention is being given to the needs of small business on account of the significant employment potential of this sector.

During the year, ANCO's range of activities was considerably expanded in the area of micro-electronic technology. Besides the introduction of a computer-controlled plastic injection moulding simulator, software was developed for multiple-choice examinations and a financial management course was set up for non-administrative managerial personnel. In addition, micro-computers have been installed in the mobile units providing training in rural areas, of which the number has been increased.

In education projects, often launched in close liaison with industry, one of the main objectives is to identify training needs which have arisen in the past few years. A direct approach is favoured in the establishment of the courses, combining theoretical training with practical activity, and involving successive stages of research, planning the output, and evaluating the results. Major efforts are also being made to increase the effectiveness of the training process by improving the communication systems available to trainers.

61. While the number of ANCO training centres increased, a rather different client group - adults - was showing growing interest in retraining and advanced training courses relating to the most recent technological developments. These courses are being developed gradually and cover a variety of specialised fields such as data banks, business management, maintenance of office equipment and domestic appliances, etc.

Meanwhile, the CERT—a public body active in this area — has continued its standardization and updating work with regard to its own training courses for the hotel and catering trades. It is expected that in 1986 virtually all the students following this body's courses will be awarded diplomas attesting to the vocational skills acquired.

As regards priority social categories, the Minister of Labour has ruled that young people having failed to find a job for six months after leaving school must be given priority access to the Work Experience Programme. In 1983, measures were taken for women intending to resume an occupational activity after a long interruption; training courses were offered in linotyping and, in the crafts sector, hand-loom-weaving.

The CERT courses for unemployed workers enabled over 400 persons to seek semi-skilled jobs in the hotel and catering trades; as a result, 86% of trainees found work.

## Italy

62. The measures designed to expand and clarify the role of vocational training at regional level were not brought into effect in Italy in 1983. Difficulties dogged efforts to reform the employment services and bring their operations into line with the requirements of regional labour markets, while the reform of upper secondary education designed to ensure continuity between school curricula and vocational training rather than offer rival channels was delayed.

A little progress was achieved at regional level as a result of efforts to bring the outline Law No 845 of December 1982 on vocational training<sup>1</sup> gradually into effect, to the extent permitted by the general economic situation and the difficulties of foreseeing the future development of society and the type of training that will be required. It is all the more difficult to forecast requirements at a time when uncertain, and in many cases experimental, efforts are being made to adjust skills to a demand for labour which largely stems from a wide variety of individual initiatives. In the circumstances, it is no surprise to find that measures adopted at regional level are mostly geared to expanding existing facilities, the activities being limited in number and mainly concentrated in regions with a long-standing industrial tradition. A major problem encountered nearly everywhere is the need to train teaching staff for training centres; in some cases the associated financial requirements are out of all proportion with local resources.

Although the outlook is discouraging, training facilities are gradually being consolidated throughout the country. Thus, although the overall number of centres has been reduced (1 647 in 1982 against 1 748 in 1981), resources are being concentrated as a result of the elimination of separate sections. The main trends in vocational training are clear: about 53 % of pupils are enrolled in industrial training courses (64-65 % in northern Italy), and the remainder are enrolled in business or administration courses. For the most part, these trends reflect traditions that do not necessarily coincide with the economic situation in the respective

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<sup>1</sup> Social Report 1982, point 77.

regions or with labour market requirements. Over 150.000 students are enrolled in vocational training centres: of these, 62 % are enrolled in two-year courses and the rest are almost evenly divided between one-year and three-year modular courses.

Young men account for a high proportion (59 %) of students enrolled (85 % in industrial training courses). While young women tend to prefer service activities, an increasing number take up occupations which in the past were mainly carried out by men; in general, there has been an improvement in the level of skills acquired by women.

63. At policy-working level, considerable attention has been focused on vocational training and educational and vocational guidance for the same reasons as those prevailing in other Member States. Vocational training plays a primordial role in plans to reorganize the labour market as expounded in May by the Minister of Labour in office at the time, who has also been asked to join the present Government. These plans include a labour market monitoring system whose activities will assist those of the regional committees and employment services. The organization at details of this system are still under study. Vocational training will play its part in the management of the labour market by taking account of employers' requirements for specific occupations; at the same time the sector will stimulate changes in school curricula in the context of the reform of upper secondary education already under way.



## Luxembourg

64. The year under review saw a major step forward in the process of implementing the law of 21 May 1979, which established organizational arrangements firstly for vocational training and technical secondary education, and secondly for adult vocational training <sup>1</sup>.

As from the 1983/84 school year, the regulatory framework necessary for the operation of technical secondary education, vocational training and adult vocational training is almost entirely in place. Old-pattern classes are rapidly disappearing, though residual provision must continue until existing pupils/trainees have completed their courses.

The curricula for the observation/pre-specialization stage (1st, 2nd and 3rd years of technical secondary education) are beginning to stabilize. Considerable work does, however, remain to be done as regards the differentiation of the curriculum in the 3rd year.

There are still some problems in connection with the options which form a part of the observation/pre-specialization stage, notably as regards their function in channelling pupils towards particular specializations. There appears to be a danger of pupil choice at the end of the 3rd year severely disturbing the balance between supply and demand in various sectors of the labour market. The number of pupils opting for certain trades is well below an adequate level, whilst the popularity of other trades is likely to produce a surplus. Though there is no question of limiting freedom of choice, it is essential to convince pupils of the need to take account of labour market requirements and their own suitability for a given course.

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<sup>1</sup> Social Report 1979, point 93.

As regards the intermediate stage (4th , 5th and 6th years), from the 1983/84 school year all divisions of the technical branch (full-time education in school) are in operation at 4th-year level. Certain divisions - craft and industry, health and social work, arts, administration and commerce - are also in operation at 5th-year level.

In the vocational branch ("mixed" scheme - initially full-time education, then part-time) all divisions are now operational at 4th-year level. The new curricula are also in use at 4th-year level for all divisions of the vocational branch "parallel"(scheme-school attendance combined with practical training in firms).

New requirements for admission to the various apprenticeship training schemes were established by the Grand Ducal Regulation of 11 August and came into operation on 15 September. The aim of these new requirements is high-quality vocational training capable of providing all sectors of the economy with workers possessing the skills needed today and of opening up genuine employment opportunities for the young people concerned.

As regards the advanced stage (7th and 8th years), the general technical division is in operation at seven technical schools and the administrative studies division at two technical schools. The technicians division (new pattern) will come into operation at the beginning of the 1984/85 school year. The examination for the technical upper secondary leaving certificate (general technical division) was held for the first time in 1983 and 42 pupils passed.

65. As regards adult vocational training, the state training centres continued their activities in the field of basic training, refresher courses and retraining.

In general, student/trainee numbers were broadly the same as the previous year. There is thus no evidence to support the thesis that a deterioration in the labour market situation necessarily leads to increased demand for places on adult vocational training courses.

## The Netherlands

66. The 1982 Youth Employment Plan was continued in 1983. The aims are to create more opportunities for vocational training (educational component: preventative), and to keep periods of unemployment as short as possible (labour market component : creative).

Two measures, which form part of the educational component of the Youth Employment Plan, are particularly significant : the Vocational Training Contribution Scheme (BVJ) and Short Secondary Vocational Training (KMO).

The objective of the 1982/1983 BVJ scheme was to restore the intake of trainees to the 1980 level (i.e. an increase of 40 % = 10 000 new trainees).

This objective was to have been reached by means of agreements between management and labour in the various sectors of industry where training takes place, concerning an increase in the numbers of young people entering training and the provision of funds for the benefit of vocational training, in the sectors concerned to finance capital formation. Each undertaking or institution taking on a trainee would receive a grant of HFL 2000, or HFL 4 000 in the case of capital formation. Partly as a result of the economic recession the objective has not been reached.

For 1983/1984 the BVJ scheme has been modified in a number of ways. The two sides of industry, represented on the national apprentice training bodies were asked to draw up a policy plan establishing the number of trainees to be taken on, and setting up funds to finance the operation. These funds were asked to concern themselves specifically with the promotion of joint training activities; training courses with a part-time on-the-jobs component, and the enrolment of girls for courses in jobs traditionally carried out by men.

By June 1983, 24 training funds had been set up. Policy plans have already been prepared or are in preparation for each occupational field. 32 occupational fields are expected to have their own training funds

established before long. The policy plans, moreover, suggest that there will be a slight increase in the number of young people entering training. The new pattern of grants is as follows: HFL 4 000 for each new trainee; an additional HFL 2 000 in the case of joint training activities, and a further HFL 2 000 where the trainee is a girl.

The final and complete introduction of short secondary vocational training courses, which had been planned for 1983, has had to be postponed. The trial period has been extended to August 1987. The number of trainees under the scheme is nevertheless growing steadily: 1 200 in 1979/80, and 8 300 in 1982/83. For 1983/84 the number of places available in existing experimental projects was increased by 2 000.

67. The girls' training schemes are concerned with preparing girls for traditionally male occupations. On 1 August a circular was sent out to all area schools providing part-time vocational education and to all institutes offering short secondary vocational training courses, informing them that additional facilities would be made available for training girls in technical occupations. The experimental phase has now come to an end. The decision was taken on the basis of experience gained from experimental projects, which have shown that girls require counselling, particularly during the first year.

The principal objective of the regulation on subsidies for school/work contact centres (COA), which became effective on 31 May, is formulated as follows: "a school/work contact centre is a means of improving the transition from education to work at provincial level". At the end of 1983 there were 8 of these centres receiving subsidies under the regulation referred to. This will apply during the experimental period, following which the definitive form and composition of the COAs will be determined. A so-called national COA policy group has been created as an umbrella organization with members drawn from both sides of industry and from educational organizations.

Contrary to expectation, the 22 projects selected in the framework of the Adults' Vocational Qualification Scheme did not start on 1 January 1983, due to organizational and technical problems. The preparatory phase began in April/May of this year and teaching started in September/October, but not all groups were ready, since recruitment and application procedures had not been completed; there were also a number of organizational problems connected with the on-the-job component of the various courses. A number of groups will probably start work sometime after October.

## United Kingdom

68. The main developments during the year relate to the progressive implementation of the government's New Training Initiative 1 .

### The Youth Training Scheme

The new Youth Training Scheme 2 became fully operational in September. It provides a structured programme of training and work experience, including 13 weeks off-the-job training and further education, lasting one year. All 16 year-old school-leavers, whether employed or unemployed, are eligible to participate. Unemployed 17 year-old and disabled 18 to 21 year-old leavers are also eligible. An undertaking has been given to offer all eligible unemployed 16 year-old school-leavers a suitable place on the scheme by Christmas 1983.

In a related development, September 1983 also saw the start of the new Technical Vocational Education Initiative. This initiative was launched by the government to stimulate the provision of technical and vocational education within schools. 14 pilot projects which will eventually cover about 15,000 young people aged 14-18, are currently in operation. Plans to extend the scheme are in hand.

### Adult and skill training

The New Training Initiative also called for the modernisation of the customary arrangements for the training of young people in skilled occupations. Progress has been made, in particular, in the engineering, electrical contracting and printing industries, although much remains to be done in modernising training arrangements in some other sectors.

The New Training Initiative also involves developments in the field of adult training. While existing programmes have continued - nearly 60 000 adults were trained through the Training Opportunities Scheme in 1982/83 - there have also been some significant changes.

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1 Social Report 1982, points 88/89

2 Social Report 1982, point 89

From 1 April 1983 the network of government Skillcentres (centres for off-the-job industrial training) were reorganised under a new Skillcentre Training Agency. The Agency will sell its services both to the Manpower Services Commission and to employers. It is intended that it should fully recover its operating costs by 1984/85.

The Open Tech Programme has now been operational for over a year. Contracts had been signed for 40 projects of open and distance learning for technicians and supervisors. In 1983-84 some 6.000 people are likely to train under these projects, rising to around 25.000 in 1984-85. To aid discussion of the strategic issues involved in widening opportunities for adult training, the Manpower Services Commission published a consultative paper "Towards an Adult Training Strategy", in April 1983. The Government is currently considering the Commission's proposals based on responses to this document, and will then think how to proceed with its objective of opening wider opportunities for adults to train and retrain.

#### New technology

69. 1983 has also seen increased interest in the use of audio-visual techniques and the new information technologies in training. The Open Tech Programme has already been mentioned. As a further example of work in this area, by January 1984 it is expected that the national network of Information Technology Centres (ITECs) will have 150 centres. In addition to offering basic training and work experience in fields such as micro-computing and word processing under the Youth Training Scheme, they are developing a wider role in promoting the use of new technology in business and in the Community as a whole.

## Chapter III

### INDUSTRIAL RELATIONS

#### Trends within the Community

70. The European employers' and workers' organizations were consulted a number of times at Community level on the various aspects of Community social policy.

In particular, the two sides of industry were consulted at European level in the context of Commission activities in connection with the reorganization of working time, work sharing and the new technologies.

The difficulties associated with the tense climate of industrial relations and the deterioration in the employment situation highlighted the importance of continuing and intensifying sectoral consultations between management and labour at Community level.

The joint committees for agriculture, sea-fishing and the various sectors of transport continued their work during 1983. In the case of agriculture, safety, working conditions and training were the main topics of discussion; in the case of sea-fishing, discussion centred again on the social aspects of the common fisheries policy; and in the case of road transport, the main topic continued to be the difficulties encountered in applying Regulation 543/69 and the consequent need for revision of this Regulation.

At a series of meetings with representatives of workers and employers in certain other sectors (metal processing, foodstuffs, building, services) various topics were discussed - notably the social impact of the introduction of new technologies, the reorganization and reduction of working time, vocational training and employment prospects in the sectors concerned.



71. The economic situation and its repercussions for workers, particularly as regards employment, continued to be the main topic of concern for both sides of industry.

In pursuit of its campaign against unemployment, the European Trade Union Confederation (ETUC) presented a statement of its economic strategy to the Commission and public opinion at large in February of the year under review. In the ETUC's view, the need is for a coordinated European policy aimed at achieving full employment and economic revival, with the emphasis on job-creating investments, the reduction of working time and its redistribution amongst a larger number of workers, and the maintenance of workers' real incomes.

The ETUC also expressed its disappointment at the results of the European Council in Stuttgart on 17, 18 and 19 June and criticized the Heads of State and Government for failing to make a coordinated attack on the tasks of reducing unemployment and reviving economic growth.

For its part, the Union of Industries of the European Community (UNICE) reaffirmed the importance it attaches to the fight against youth unemployment. UNICE pointed out that a solution to this problem necessarily depended on the restoration of the competitive capacity of the European economy, the elimination of imbalances between supply and demand on the labour market, improvements in vocational training systems and measures to lighten the burden of wage costs.

72. The proposal for a recommendation on the reduction and reorganization of working time presented to the Council during the year under review aroused reactions from both employers' and workers' organizations at European level.

After reaffirming its fundamental opposition to the adoption of any Community instrument on the grounds that questions of working time were exclusively a matter for collective bargaining between the two sides of industry, the Employers' Liaison Committee (ELC) went on to dispute that measures to reduce and reorganize working time could be used as a means of combating unemployment, arguing indeed that they might actually have harmful effects on employment because of the additional financial burden placed on firms. In the employers' view, the purpose of any reductions in working time must remain the improvement of living and working conditions: objectives relating specifically to employment should not be set. The ELC also felt that, in order to avoid an increase in units costs which would impair the competitiveness of firms and endanger the revival of employment,

reductions in working time must be accompanied by a substantial cut in workers' earnings. Finally, it pointed out that the European employers' organizations did not legally have the power to enter into a Community agreement on this question.

For its part, the European Trade Union Confederation (ETUC) took the view that reductions in working time were a major element in the campaign to safeguard existing jobs and create new ones. For such measures to have any significant impact on the employment situation, however, they would have to be massive and the ETUC therefore reiterated its call for a 10 % reduction within the very near future. Arguing that coordination at European level was essential for the attainment of this objective, the ETUC described the Commission's proposal for a recommendation as a first step in this direction and urged the Council to adopt it without delay. The ETUC also stressed that negotiations must, as a matter of urgency, be started at all levels in the individual Member States with a view to implementing in practice the objectives set at Community level.

73. The increasing pace of technological change and the extension of the new technologies to all sectors of economic activity are a cause of concern for both sides of industry, particularly as regards the implications for workers.

Following the seminar on the new technologies and working conditions held in Paris from 9 to 11 May, the ETUC demanded that workers be informed and consulted prior to any decision on the introduction of new technology, and that they be given an opportunity to negotiate on the social repercussions of such decisions. In this context, the ETUC takes the view that, failing the negotiation of an outline agreement at European level on the introduction of new technology by employers, the Community institutions should adopt a Directive laying down disclosure, consultation and representation requirements to be met vis-à-vis workforce, with detailed implementing rules established by collective agreements at national, regional, sectoral and company level.

At an analogous seminar on the social implications accompanying the introduction of new technologies held in Wépion on 6 and 7 July, the employers pointed out that a variety of provisions already in operation in the Member States ensured the involvement of workers in decisions on new

technologies and protected them against the harmful effects of such decisions. The employers' representatives also argued that the legal provisions and new technology agreements currently in force in Member States took account of the differences between national traditions, the needs of firms and the constraints under which the latter were obliged to operate.

The European organizations representing employers and workers had an opportunity to elaborate on their views regarding this highly complex question in the course of consultations held by the Commission preparatory to the drafting of a communication to the Council on technological change and social adjustment <sup>1</sup>

Emphasizing that the introduction of new technologies was no longer a matter of choice for any firm which wished to remain internationally competitive, the Employers' Liaison Committee (ELC) criticized this communication on the grounds that its adoption would slow down the introduction of technological advances by adding new impediments (e.g. in terms of participation requirements) to Member States' legislation. The ELC also stressed the vital role of education and all forms of training provision in this field and expressed its conviction that the new technologies would help to create jobs. With regard to procedures for informing and consulting workers, the ELC argued that action at Community level would be inappropriate and pointed out that the employers were entirely willing to cooperate with workers in the individual Member States, within the framework of each country's legislation and practices, and at the level closest to the workplace.

In contrast, the European Trade Union Confederation (ETUC) reacted favourably to the Commission initiative. The unions took the view that the impact of the new technologies on individual jobs, working conditions and employment in general - and indeed the key questions of who would benefit and whether the advantages would outweigh the disadvantages -

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<sup>1</sup> COM(84)6

would depend on the way in which decisions were reached and the process of change was managed. The ETUC therefore insisted that decisions on the introduction of new technologies be negotiated between employers and unions instead of being taken unilaterally by employers. In such negotiations, the unions' attitude to the change proposed would be conditioned by their assessment of the potential repercussions in terms of employment level, improvements in working conditions and reductions in working time, and the adequacy or otherwise of the retraining and other measures planned to ease the process of transition. Finally, the ETUC reaffirmed its fundamental demand, namely that the Community adopt a Directive on the introduction of new technologies which would oblige employers to meet disclosure, consultation and negotiation requirements vis-à-vis the unions and to organize a European campaign to promote mass computer literacy.

74. The problems raised by the development of multinationals and in particular the implications for the terms of employment and working conditions of workers in the companies concerned continued to be one of the main topics of discussion.

In June the Commission adopted an amended proposal for a Council Directive on procedures for informing and consulting the employees of undertakings with complex structures, in particular transnational undertakings<sup>1</sup>. This amended proposal is the outcome of extensive consultations with industry and the unions, and takes account of the European Parliament's opinion on the initial proposal.

The main changes in the proposal concern: a simplification of the structure of the Directive, the definitions of "parent undertaking" and "establishment", a narrowing of the field of application, the procedure for the communication of information, a simplification of the list of items of information to be communicated, a requirement that information be passed annually rather than six-monthly, restrictions on the disclosure of secret or confidential information, the procedure for consultation, an extension of the list of circumstances requiring consultation, the deletion of the "by-pass" provision and its replacement by a provision suspending the implementation of the proposed decision pending submission of the opinion of the employees' representatives.

In a statement issued on 28 September, the Union of Industries of the European Community (UNICE) reaffirmed its fundamental opposition to this proposal. UNICE argues that the proposed Directive will in no way

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1 Social Report 1982, point 96.

help to improve the climate of industrial relations, whilst it will impair the competitiveness of European industry.

The view of the European Trade Union Confederation (ETUC), as expressed by the Executive Committee at its meeting on 13 and 14 October, is that this Directive constitutes a valid compromise between the interests of workers and employers and remains a workable instrument of industrial relations policy. The ETUC sees this as a small but significant step towards democratizing the Community economy and improving worker rights vis-à-vis large firms, especially multinationals.

The amended proposal is currently under discussion in the Council Working Party on Social Questions.

#### Development of the situation in the member countries

75. In Belgium, industrial relations were coloured by an economic situation which, in spite of certain improvements, continued to give cause for concern. The general climate was to a large extent determined by the political context: special powers in 1982, wage restraint, request for new special powers in 1983.

The tripartite conferences between the Government, employers and trade unions were resumed in the course of the year. Although discussions on the implementation of government measures in the field of wage restraint and working time do not seem to have caused any difficulties, there were nevertheless major disagreements on fiscal policy, the need for continued wage restraint and economy measures in the public sector. The measures announced by the Government in respect of the public services provoked a general strike in this sector; this conflict demonstrated that there are certain limits to wage restraints policy which it is hazardous to exceed.

During the first nine months of 1983, negotiations between the two sides of industry were even more fruitless than in 1982.

During this period, these negotiations, which took place mainly at meetings of the National Labour Council, clearly revealed fundamental differences between employers and workers, particularly with regard to rules governing overtime and shiftwork. The situation improved, however, during the last quarter of the year: the conclusion, in the National Labour Council, of a collective agreement concerning information and consultation regarding the social consequences of the introduction of new technology is particularly significant. It should be noted, however, that agreement was not reached until the Government made it clear that it would intervene if the negotiations broke down.

Negotiations between employers' and workers' representatives at sectoral and firm level, on the other hand, which dealt mainly with a reduction in working time offset by the recruitment of more workers, were, generally speaking, fairly successful.

Tripartite negotiations meanwhile continued, their main purpose being to prepare the ground for in-depth discussions in 1984 on the reform of the social security system, incomes policy, and economic restructuring.

76. In Denmark, mention has to be made of the fall in December 1983 of the government of the day on account of inability to reach a final agreement on the budget (fresh elections took place in January 1984), and also of the submission to the Folketing of the main lines of government policy, which envisage the promotion of growth and the modernisation of organisation of production.

In this context, industrial relations were marked by the conflict-free conclusion of new collective agreements, in the private sector, without the need for intervention on the part of the authorities.

These new agreements, which run until spring 1985, involve a considerable reduction in the rate of pay increases over previous years, with the result that it will be possible to keep the average increase in wages and salaries at about the 4 % set as a goal by the Government.

As indicated above, there were few industrial disputes in 1983 compared with earlier years. The number of illegal strikes was about 30 % lower in 1983 than in 1982. Among the disputes which did take place, reference should be made to the dock strike called in response to new legislation relating to supplementary daily allowances.

77. In the Federal Republic of Germany, relations between the two sides of industry and the Government were marked by the change of Government in the autumn of 1982 and the confirmation of the new Christian Democrat/Liberal coalition in the election on 6 March. This government's policy of reducing public expenditure deficits, which took the form of both immediate and proposed cuts in the social sector, a 2 % limit on salary increases for civil servants and calls for wage restraint or even a wage freeze, helped bring about a change, particularly as regards the attitude of the trade unions to the government; although their relations with the government have become more strained and cooler, the unions repeatedly declared their readiness to cooperate. For its part, the government kept up its top level talks with the unions and the employers' associations.

In spite of signs of improvement and slight recovery in the economy, due especially to increased domestic demand, particularly in the building sector, there was still little in the way of surplus to be shared out. In view of this fact both sides of industry showed a sense of responsibility. This is reflected in the fact that during the year under review they were able to conclude negotiations which had gone on for many years, such as an agreement concerning the election of trade union representatives in the chemical industry and agreements on improved job and income guarantees.

Trade union activities took on a noticeably more political colouration, a tendency which made itself felt mainly by the DGB call for brief work stoppages on 5 October related to disarmament and the peace movement. Another new development is the fact that some workers, for example those in the shipbuilding industry, have taken to occupying temporarily their places of work in protest against closures and dismissals. On the whole, however, collective agreement negotiations between employers and unions during the year under review passed off without major incident and without spectacular events.

Because of the considerably steadier nature of price movements - the annual inflation rate fell to 2 1/2 % at times - the wage rises agreed on remained relatively low at around 3.2 %. As most agreements on working hours did not expire until the end of the year, there were few developments in this area; however, by the end of the year there was, preparatory to the negotiation round in 1984, a massive

trade union demand for a reduction in the working week to 35 hours with full compensatory wage adjustment after the adoption of a recommendation to this effect at the meeting of the individual industrial trade unions with the federal executive of the DGB on 7 June. On several occasions, trade union representatives underlined that they would be ready to carry through this demand, if necessary with the help of a massive industrial dispute. On the other hand, employers offered to negotiate agreements on early retirement schemes with the trade unions.

During its annual Conference in December, the German Confederation of Employers confirmed once again its hostility to any reduction in weekly working time. The president of the Employers' Confederation declared that it was prepared to renew the dialogue with the trade unions; this dialogue should not necessarily taken the former form of "concerted action", but could perhaps take the form of a flexible round-table.

78. In Greece, industrial relations were affected by a deterioration in the economic situation: a decline in agricultural production, a low level of investment activity in private industry, falling exports and rising unemployment.

A rash of strikes broke out in various sectors (banks, urban transport services, hospitals, the education system, state bodies and public utilities) in spring, leading to the adoption by Parliament of Law No. 1365/83 on the socialization of public utilities and public service undertakings. The highly controversial provisions introduced by this Law with regard to the right to strike have caused a major crisis within the Greek Confederation of Labour which was, however, resolved at its Twenty-Second Congress.



79. In France, the Government stopped up its efforts to control unemployment and curb inflation while industrial relations were affected by the urgency and scale of current economic and financial problems.

Following a realignment of the franc in the European monetary system, economic and financial austerity measures were instituted to restore the internal and external economic balance.

In this context, the Government decision to place an 8 % ceiling on price rises in 1983 led to the imposition of the same ceiling on wage increases. Some of the most important provisions in the austerity plan concerned the creation of special funds for industrial development and job creation. On this point, the Government instructed the National Collective Bargaining Committee to examine the possibility of introducing such funds. The Committee concluded that the two sides of industry should have the greatest possible degree of freedom to negotiate regarding the details of these funds and their operation. The Finance Law of 29 December introduces tax exemptions for the amounts committed.

The weakening of trade union power and the firmness of the Government's stance did not prevent some progress from being made in consultations on training (agreement on linked work and training for young people under 26), unemployment insurance and reductions in working time, partly due to growing tendency on the part of employers to take the initiative in this field. Negotiations continued in several branches and various agreements were concluded: on video terminal work in the banking sector; on part-time work in the Paris transport system; on the reduction of working time in the aerospace industry; on wages in the metalworking and textiles sectors in the Paris area; on the renewal of the "social" agreement" in the steel industry; on the job classification system and promotion in the motor vehicle sector. A national inter-trade agreement on management staff - the first of its type covering this category of employees - was also concluded. It contains a number of guidelines to be implemented through negotiations in the respective branches.

Fewer industrial disputes took place. Wage claims were not the main issue in the disputes after the summer break, but rather employment, the problem being to work out a compromise between job losses, aids to companies and the various forms of compensation for workers made redundant.

80. In Ireland, collective bargaining has taken place against the background of the recession and rising unemployment. The Government was determined to curb public expenditure and to reduce the serious imbalance in government finances and the level of foreign borrowing by the Exchequer. Employers supported a strong lead on pay policies by the Government, and emphasized the need for a long pay pause. The trade unions sought to secure pay rises that would maintain workers' living standards.

The Government called for a pay pause into the autumn followed by an increase in single figures. The 23rd Pay Round negotiations were conducted at industry or enterprise level in the private sector and the main public enterprises. National level bargaining took place in the Public Service between the Minister and the unions, and resulted in the Agreement on Public Service Pay.

Negotiations were almost exclusively concerned with pay, with some few agreements on productivity and new technology, and the vast majority of wage settlements were concluded through direct negotiations without recourse to industrial action. The assistance of outside conciliation services was sought in about 10 % of cases and about 3 % of cases went on to adjudication. Disputes about pay accounted for less than one strike in four in 1983 and the number of days lost due to strikes in 1983 (311,000) dropped substantially from the 1982 level (437,000) the lowest number in fact since 1975.

The Labour Court and its Joint Labour Committee and Joint Industrial Councils were active over the period. The Court issued several controversial Recommendations, which, though not legally binding, carry great influence.

In November 1983, the Department of Labour issued a Discussion Document on Industrial Reform and the Minister for Labour has initiated discussions thereon with the Federated Union of Employers and the Irish Congress of Trade Unions. The document is in five sections which deal with the following issues : reform of the law governing collective bargaining; institutional arrangements; minimum wage fixing machinery; industrial relations practices and procedures; and the structure of trade union and employer organisations. The range of issues covered is not regarded as exhaustive, and either or both social partners may add to the list.

81. In Italy, the most significant event in industrial relations was the conclusion of a tripartite agreement at top level on 22 January, and most collective bargaining agreements were renewed in both the private and the public sectors.

The Agreement of 22 January may be regarded as the first significant attempt to achieve a concerted approach by Government, labour and management to a large number of questions of common interest, such as anti-inflation measures, labour costs, pay-indexation, taxation, the level and content of collective bargaining, working conditions, sickness benefits, family allowances, etc.

Compatible approaches and attitudes had to be arrived at by labour and management and a considerable volume of legislative work undertaken before this agreement could be concluded.

With particular reference to collective bargaining and industrial relations, the salient points of the agreement are: revision of the index-linking mechanism and changes in the method of calculating the cost of living supplements ; a moratorium on wage claims and the establishment of ceilings to be applied to wage increases until 1985; a freeze on negotiations at company level for 18 months; greater flexibility in the use of manpower; a plea to labour and management to limit mini-disputes; rigorous control of absenteeism; undertaking by the Government to institute a levy of 0.5 % on wages to finance a solidarity fund set up with a view to job creation.

As a result of this agreement, branch collective agreements in both the private and public sectors were subsequently renewed, and the number of disputes considerably reduced.

In accordance with the agreement of 22 January, private sector agreements affecting over 9 million wage earners included measures designed to lead to: a reduction in annual working time; more flexibility in the use of labour (overtime not subject to prior concertation, shift work, Saturday and Sunday work, part-time work, etc.); control of absenteeism; creation of a solidarity fund and increased financial recognition of skills. In the public sector, on the other hand, the agreements - which affect nearly 3 million wage earners - do not seem compatible with the Government aims of combating inflation.

82. In Luxembourg, the problems of employment and restructuring in the steel industry dominated the scene in industrial relations.

With respect to employment, the legislative and administrative provisions designed to combat unemployment and under-employment were extended and improved; measures designed to promote economic diversification in industrial areas were adopted, and actions as regards innovation approved.

With respect to restructuring measures in the steel industry, wide-ranging negotiations were initiated at a tripartite conference and led to agreements concerning the scope of Government intervention and the efforts to be made by firms to reduce wage costs. More particularly, to offset greater central government influence on the decision-making bodies of the steel companies, assistance will inter alia include the extension of the early retirement scheme, the institution of a special disability insurance scheme, severance grants for the disabled and conversion aid.

Concertation between the Government and the two sides of industry on the Economic and Social Council and the Tripartite Coordinating Committee, in particular, has continued to play a significant role.

On 22 August the Economic and Social Council delivered an opinion on the economic, financial and social situation of the country, which stressed the difficulty of reaching operational conclusions at a time of crisis.

Collective agreements concluded or renewed over the period in question on the whole provide for modest wage increases.

83. In the wake of a nation-wide agreement reached in the Netherlands by the trade unions and employers' associations at the end of November 1982 and aimed at improving the profitability of undertakings and combatting unemployment<sup>1</sup>, wage agreements were concluded in many industries and undertakings, which, in a departure from earlier practice, often covered a two-year period. The main feature of these agreements is that during the period concerned (in most cases from the beginning of 1983 to the beginning of 1985) the money which would normally have been devoted to cost-of-living increases is instead to be used to create new jobs, in particular through a reduction of individual working time. Agreements of this kind were concluded for approximately two thirds of all workers. In most cases, the procedure followed is that, for 1983 and to some extent for 1984, a number of additional leave days are being granted. The ultimate aim is to convert such additional leave days into a shorter average working week. A new development in this sphere is the conclusion of agreements on working time on a yearly basis. This means that undertakings have a wider range of opportunities for the flexible organization of working time. At the same time, many wage agreements include arrangements for early retirement and specific agreements on better job prospects for young people. For workers in the other sectors, agreements have either not yet been concluded or the traditional practice of paying out cost-of-living increases on fixed dates (generally on 1 January and 1 July) was applied. In the building trade, for instance, such an increase was paid out on 1 January, but it was later agreed that the funds which would have been devoted to cost-of-living increases due on 1 July and subsequent fixed dates would be used to promote employment by reducing working time. As yet, however, the reductions in working time have been slow in producing the desired results and in 1983 and 1984 are expected to generate new jobs to the tune of only some 25 %.

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<sup>1</sup> Social Report 1983, No. 105.

The initial measures taken by both sides of industry to reduce and reorganize working time are in line with the government's general economic and social policy, the main objectives of which, in addition to a redistribution of work, are a reduction of the budget deficit and an improvement of the productivity of undertakings. In this context the government is endeavouring to support the agreements between labour and industry with appropriate action relating, in particular, to ways of bringing the statutory minimum wage more into time with the new situation (a question on this matter was addressed to the Economic and Social Council), to legal provisions permitting greater flexibility in working time arrangements, and to measures reducing working time in the public service sector. Should both sides of industry wish, above and beyond the agreements already reached, to introduce reductions in working time with a corresponding reduction in wage, the government would not oppose such moves.

Both sides of industry consider that there is room for improvement in the relations between them and the government, the latter, in their view, having failed to take sufficient account of the Economic and Social Council, as an embodiment of the organized economic groups, and of the functions which they are called upon by law to perform within that body. The Council complained, in particular, that it was not given enough time to draft exhaustive opinions on important problems and that the government took insufficient notice of the opinions it delivered. Another area of disagreement was the treatment of workers in certain state-subsidized institutions (radio and television, sickness insurance schemes, etc.) who the government wished to bring into the system applying to all public servants, whereas employer and labour representatives wished to maintain freedom of wage bargaining in these sectors. The matter of government intervention in wage bargaining is likewise the subject of a complaint, which management and labour filed as far back as 1976 with the International Labour Office concerning the government's failure to observe Agreement No. 87. What is involved here is repeated unilateral determination of terms and conditions of employment (in particular with respect to wages) by the government. With the government's agreement, the ILO has undertaken to pursue the matter under the so-called direct contact procedure,

whereby an independent expert appointed by the ILO will look into the matter and report back to the ILO.

While the employers' organizations generally welcome the government's economic and social policy, the trade unions have considerably misgivings over what they see as an excessively rigorous austerity policy leaving little scope for the development of employment opportunities and over the unequal treatment of workers in the private and public sectors. This became particularly evident after the presentation of the 1984 draft budget which, in line with the austerity policy introduced in 1983, provides for a 3.5 % wage reduction in the public sector with effect from 1 January 1984 (a cut which is also to be applied to social benefits). The trade unions demanded that the Government withdraw these plans and industrial action in the public sector followed; this did not, however, lead the Government to change its mind concerning the measures planned for 1984. The Dutch Trade Union Federation (FNV) retaliated by withdrawing from negotiating bodies for several months.

84. In the United Kingdom, the economic outlook is uncertain. The Conservative Government was re-elected with a massive majority in June and intends to continue to attack inflation and to improve economic efficiency so as to become more competitive in world markets. In particular, it wishes to stimulate small business and private enterprise, and to persuade large organisations to hive off activities and decentralise responsibilities. Such changes have important implications for the conduct of future pay negotiations, especially since the Government prefers not to intervene in private sector bargaining but rather to rely on industry to control pay increases and labour costs. In the public services, a new review body for nurses and others has been set up; the civil service Pay Research Unit has not been replaced but there is agreement on ground rules for collection of information to "inform" 1984 pay negotiations. Pay settlements will have to emerge from negotiations subject to the government's overall 3 per cent allocation announced on 15 September 1983.

Trade unions have been concerned with jobs rather than salaries, and there has been a marked reluctance to take industrial action, not least because money lost on strike cannot be recovered where only small percentage increases are sought. In the private sector, settlements have ranged from 3 to 7,5 %. In the public sector, settlements were slightly over the Government's 3 % target, but cash limits were maintained by savings in the numbers of people employed, generally by natural wastage and curtailed recruitment. Morale is deteriorating in the public service because of Government cuts and proposals to "privitise" and/or "decentralise" certain sectors such as the National Health Service and British Telecom. Industrial relations in such areas are suffering as a result.

Trade unions are financially weakened due to a fall in membership from 11 million to 10,5 million in 1982, with a similar drop expected over 1983, mainly in manufacturing industry. In contrast, public sector membership remains steady and there has been a slight increase in the non-manual private sector. After the June election, a new mood of "realism" took hold, as the unions came to terms with several more years of a Conservative Government. The TUC Conference in September voted to reopen talks with the Government on Labour Law reform and to end 20 months of boycott. The first bilateral meeting took place later that month, and though it achieved little of substance, both sides began to adopt more cooperative postures after a long period of empty confrontation.

The Government is committed to "unshackling" industry from restrictive labour laws and to restraining the "arbitrary" exercise of trade union power. It therefore sees no inconsistency between "democratising" trade unions in the sense of compelling them to be more responsive to their members, whilst at the same time energetically resisting the "industrial democracy" provisions emanating from the European Community, that is, the V Directive on Company Law and the Vredeling Directive on information and consultation. The Green Paper of late 1983 is expected to state the Government's view that such measures are unnecessary and anti-competitive, a view which is supported by the CBI and IOD but condemned by the TUC and some large employers.



## Employee representation

85. In Belgium, collective agreement No. 39, which was adopted by the National Labour Council on 13 December 1983, concerns the information and consultation of workers on the social consequences of the introduction of new technology. It applies to all private undertakings with at least 50 workers. Under this agreement, employers are bound to follow certain information and consultation procedures when decide to invest in new technology, if this decision is expected to have significant repercussions on employment, the organization of work, or working conditions. Information must be provided regarding the nature of the new technology, the economic, financial or technical grounds for introducing it, the nature of the social implications, and the timetable for carrying out the project. This information is given to the Works Council, where one exists, or to the trade union representatives. The consultation procedure deals with the implications for employment, work organization and working conditions, health and safety and the training and retraining of workers. It takes place either at Works Council level, or with the health and safety committee in conjunction with trade union representatives.

A ballot was held in the spring to appoint new Works Councils and health and safety committees, on this basis of legislation which has remained virtually unchanged since 1979; consequently, the problem of separate management representation remains unresolved.

86. In the Federal Republic of Germany, the trade unions again called for an extension to the arrangements for worker participation in decision-making which date from 1976 in their present form.<sup>(1)</sup> In October, the DGB started a nation-wide campaign asking that the existing worker-codertermination arrangements for large undertakings be unified, i.e. partly extended. The same applied to a more or less parallel campaign by the German Union of Salaried Employees (DAG). The employers' associations are opposing these moves, taking the view that such an extension is neither socially nor constitutionally feasible.

The Federal Labour Court and a number of Regional Labour courts were called on a deal with cases involving the participation of workers or of the works council and the law governing labour disputes, e.g. the admissibility of actions for injunctions by works councils (Federal Labour Court Judgement of 22 February), the right of work councils to participate in the special development of work places with VDUs (test case taken before the supreme Labour Court), the legality of token strikes (Frankfurt Labour Court Judgement of 27 February) and the legality of lock-outs (Hamm Labour Court - December 1982).

(1) Social Reports 1974, point 161; 1975, point 118; 1976, point 108;

87. In Greece, Law No 1365/83 on the socialization of public utilities and public service undertakings introduced provisions ensuring worker participation in management, the formulation of strategy, planning and supervision in respect of: state-controlled banks, telecommunications, electricity distribution, public transport undertakings, hospitals, insurance companies, state-controlled refineries, defence industries and scores of other state-controlled undertakings.

In addition, Law No 1385/83 introduced arrangements for worker representation on the supervisory boards of firms in the mining and quarrying sector.

Finally, a draft law on information and consultation rights for private-sector workers is under consideration.

88. In France, many agreements were concluded implementing the law of 4 August 1982 concerning wage-earners' right to express their views on matters concerning their firm.<sup>(1)</sup> Of the 6.000 enterprises affected by the law, 2.030 had signed an agreement by 15 September, those covering 2 million of a potential total of 6 million workers. Most of these agreements were in the health services, banking, commerce, construction engineering and food processing sectors.

Law No 83-675 of 26 July is designed to extend democracy in the public sector. Under this law, wage-earners' elected representatives are entitled to sit on the management or supervisory boards of all sizeable public sector firms; in addition, by providing for the appointment to the board of distinguished figures from other walks of life the law seeks to ensure that public undertakings are in contact with their economic and social environment. This law also supplements the provisions of the "Auroux laws" by enabling workers in every workshop or office to meet periodically to express their views on matters concerning their establishment. Finally, it reinforces trade union rights and slightly extends the terms of reference of the works council.

89. In Luxembourg, the government has tabled a draft law amending the legislation setting up the Economic and Social Council. The proposed amendments will restore the balance between the groups represented on the Economic and Social Committee and redistribute certain consultation and discussion functions given the multiplicity of tripartite bodies. The council replaces the General Tripartite Conference and has taken over its work; in this capacity, it is chaired by the Prime Minister.

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(1) Social Report 1982, point 108.

## Chapter IV

### WORKING CONDITIONS AND LABOUR LAW

#### Trends within the Community

##### Working conditions

90. As in 1982, attention focused primarily on the reduction and reorganization of working time and work-sharing. The approaches adopted differed from country to country, however, with varying emphasis laid on the following options - a shorter working week, increases in leave entitlement, arrangements for early retirement and measures to encourage part-time work. The year under review also saw some movement towards a more flexible organization of work schedules with increases in the scope for exemption from certain statutory restrictions - e.g. on weekend work.

##### Labour Law

91. The economic crisis affecting the Community has not failed to influence developments in labour law : legal provisions and administrative measures adopted in most Member States were essentially aimed at improving the situation of certain underprivileged categories of workers and strengthening the legal protection apportioned to all workers and their rights.

## Development of the situation in the member countries

### Working conditions

92. In Belgium negotiations were completed at sectoral and company level on additional recruitment and reductions in working hours in exchange for wage restraint (3 %) <sup>1</sup>. Approximately 1000 collective agreements were concluded for 81 sectors, sub-sectors and undertakings, and a tripartite working party (government-labour-employers) has been set up to evaluate the results. The provisional figure for new workers recruited in this context is between 20.000 and 50.000. By the end of 1984 an estimated 66 % to 75 % of workers in the private sector will be working 38 hours per week or less (75 % to 84 % if measures planned for the building sector are approved); the public sector has been working a 38-hour week since 1982. The 1984 draft budget for this sector, adopted by the Government, provides for a 20 % reduction in working time for public servants recruited to make up for natural wastage, with a proportional cut in salary.

Other measures relating to a reduction in working time are those restricting overtime and the law of 29 June 1983 concerning the minimum working age, which was modified by the raising of the school-leaving age.

An Employment Fund was set up by Royal Decree No 181 of 30 December 1982; its purpose is to allocate resources which have become available as a result of wage restraint to sectors and firms not covered by these agreements.

At the same time the Government has been seeking to increase the number of new jobs by encouraging part-time work and experiments with the reorganization of working time in industry. Thus, Royal Decree No. 179 of 30 December 1982 provides for agreements involving the workers and employers of specific undertakings as well as the Minister for Employment. Under these agreements certain legal provisions regarding working time, such as Sunday work, for instance, may be waived.

Supporting measures have been taken to encourage these agreements and experiments. Thus, the Government will cover certain costs arising from recruitment or additional labour and part of any reduction in wages resulting from a reduction in working time.

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(1) Social Report 1982, point 114.

On 13 December 1983 the National Labour Council adopted collective agreement No 39 concerning procedures for the information and consultation of workers on the social consequences of the introduction of new technology. The idea is to consult workers on the implications as regards the organization of their work and working conditions, health, and safety.

Collective agreement No. 38, adopted on 6 December 1983, also by the National Labour Council, established rules concerning the recruitment and selection of workers.

93. In Denmark, Parliament asked the government to contact the two sides of industry to discuss the question of reducing working time and to report back before the end of the current year. These discussions began at the end of August.

Their basis is a declaration by Parliament in May that "Parliament recognizes the need, for reasons connected with employment and on humanitarian grounds, to assess the possibilities of reducing working time and improving the distribution of the time spent by the individual on work, education and leisure".

The government supported this declaration but it is not in favour of a general reduction in working time in the present economic circumstances. It believes that the two sides of industry ought to deal with the matter, a conclusion expressed in its report on "working-time-policy", submitted to Parliament in December.

The two sides of industry have very different views on the question of working hours. The LO advocates a reduction of the working week to 35 hours as soon as possible, whilst the DA fears the myriad serious consequences of such a move. The DA would prefer a more flexible system of working time regulation to adapt working hours to the needs of the individual worker and workplace. The government's attitude is close to that of the DA.

In addition, the Labour Inspectorate has issued an Order (No 473) of 7 October 1983) under the workers environment law, on work in the sewage disposal sector, most of the provisions of which will enter into force on 1 January 1984.

Finally, an Order by the Minister for Employment (No 469 of 6 October 1983) on the subject of safety training was adopted.

A further draft law will amend the workers environment law introducing the possibility of exemptions from existing provisions concerning rest time while a second draft law provides for amendments to the provisions currently in force concerning holiday pay.

94. With many outline collective agreements due to expire at the end of 1983, the trade unions in the Federal Republic of Germany made the introduction of the 35-hour week increasingly the central issue of their collective bargaining strategy; given the alarming labour market situation, the unions stressed the effects of a reduction in working hours on employment.

By contrast, the employers' associations had hitherto kept resolutely to their principle of maintaining the 40-hour week, which by the end of 1982 had been introduced under collective agreements for 96 % of all workers. In the course of the year, however, they showed the first sign of a slight shift away from this rigid defensive position by agreeing to take part in talks on greater flexibility in the organization of working time. This covers retirement arrangements, rest periods and flexible working hours, job sharing and part-time work in all its forms.

The first practical breakthrough was achieved with the conclusion of a new outline collective agreement for the chemical industry on 25 March. This agreement grants all employees over 58 an age-linked reduction in working time of 4 hours every second week from September 1983 and every week from January 1987, i.e. an average working week for older employees of 38 hours from September 1983 and 36 hours from the beginning of 1987.

The agreement is set to run until the end of 1987. Other trade unions have expressed their regret at this move by IG Chemie, since they regard it as a provisional withdrawal from the struggle for the 35-hour week expected when a large number of outline collective agreements come up for renewal next year. For the 1984 bargaining round this demand had already been given massive support by several large trade unions (including IG Metall).

A new factor in the discussion on working time came in with the publication on 22 December of a new draft Law on working time. This draft provides that the daily working time cannot exceed 8 hours; this can be exceeded only if the average number of daily working hours during a period of 12 weeks does not exceed 8 hours. The new draft law also provides for an adequate rest period at work and an uninterrupted rest period of at least 11 hours every 24 hours.

For some two million employees, the introduction or authorization of flexible working hours has been agreed in principle, with the details being left to agreements at company level. Part-time work has also increased steadily in the Federal Republic of Germany in recent years (by 21 % between 1977 and 1981); over 90 % of part-time workers are women. The Federal Government intends to do all it can to promote the creation of part-time jobs, particularly through legislation to eliminate discrimination against part-time employees and improve the position as regards their working conditions, welfare provisions and collective bargaining status.

On the basis of earlier agreements in particular, around one half of all employees were granted further increases in annual holiday entitlement during the period under review. By the end of 1982 some 38 % of all employees were entitled by collective agreement to 6 weeks' annual holiday and more and a further 45 % to between 5 and 6 weeks; 94 % were entitled by collective agreement to extra holiday pay, which takes the form either of a lump sum or a percentage of monthly income (around 46 % on average).

95. In Greece, the statutory standard working week has been reduced from 41 to 40 hours under an agreement between the two sides of industry. Industrial firms may operate on a seven day per week basis if they recruit additional staff to cover the weekend. A six-day working week may be operated by agreement between management and labour at company level. As of 1 January 1984, time worked above the 40-hour ceiling will be regarded as overtime and paid at time-and-a-quarter. Finally, the weekly rest period is now set at two consecutive days including Sunday.

In parallel with these provisions, a 36-hour week has been introduced under sectoral collective agreements for certain categories of worker (smith, preparatory work, etc.). With a view to promoting employment, the maximum permitted number of hours overtime for workers in industry has been reduced from 70 to 40 per six-month period, except in a limited number of cases where the maximum is 50 hours.

It should also be mentioned that all workers employed on private-law contracts of employment by the State, local authorities and other bodies corporate governed by public law now enjoy the same statutory working week as civil servants (37.5 hours).

As regards the reorganization of working time, flexible working hours and certain other arrangements are not permissible under current legislation because they are incompatible with the provisions on maximum daily working hours.

Finally, Law No 1346/83 increased from 6 to 14 working days the special leave allowance for workers taking examinations organized by schools and /or other establishments approved the State.

96. In France, the Ministry of Labour has drawn up the first annual review of collective agreements to be submitted to the national collective bargaining committee for examination. On 15 June, 97 agreements had been signed in 86 sectors pursuant to the protocol of 17 July 1981 on working time. The agreements cover 5 1/2 million wage-earners; they extend the fifth week of paid holidays to everyone and include a reduction in weekly working time of between one hour and two and a half hours.



On 31 December 1982, 736 "solidarity" agreements leading to reductions in working time had been signed, affecting 214 027 workers. Of these, 121 107 were covered by 389 agreements with local authorities and 347 by agreements concluded with firms. The agreements provide for the recruitment of 14 524 workers ( 8 481 by local authorities and 6 043 by firms). These figures correspond to net increases in the number of jobs, resulting from reductions in working time.

Other agreements signed in 1983 concerned large undertakings (Société générale, SNIAS, Kronenbourg, Rhône-Poulenc, Gervais-Danone and BSN) or specific sectors (introduction of a fifth shift in the steel industry).

With respect to legislation, the Government has issued two decrees implementing the Order of 16 January 1982 (1) on the reduction and reorganization of working time. These decrees concern exemptions from the ten-hour limit on the working day and the statutory rest day on Sunday. Other decrees with more limited scope were issued in the road transport sector, bakery and small-scale meat preparation.

At the end of December 1983, a law was adopted introducing leave for setting up businesses and sabbatical leave for wage-earners. This measure represents one aspect of the job-creation policy: leave for setting up businesses contributes to the objective of developing activities and the sabbatical leave contributes to the policy of reducing working time. Workers with at least 36 months' service with a firm may claim this type of leave, during which the employment contract is suspended; on completion of the leave period they may return to their former post or a similar post in the same firm. Leave to set up businesses may be granted for one year (renewable), while sabbatical leave may be granted for from 6 to 11 months.

Another law alters the rules governing parental leave and introduces the possibility of half-time work for one of the parents. Parental leave may be granted for a two-year period following maternity leave and the employment contract is suspended during that time. Following parental leave or the period of half-time work, the worker is reinstated in the same or a similar post.

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<sup>1</sup> Social report 1982, point 118.

97. In Ireland, the denunciation of ILO Convention No. 89 became effective as from 26 February 1983. From that date it became possible for women to be employed on industrial work at night by the making of Exclusion Regulations, and the issue of shift-work licences to employers, under the terms of the Conditions of Employment Act, 1936. The Irish Congress of Trade Unions has advised trade unions to insist on prior negotiations to any application from an employer, and has requested the Minister for Labour to issue shift-work licences for twelve month periods only, renewable subject to satisfactory compliance with certain conditions which Congress wishes the Minister to attach to the process. The Minister is considering the approach from Congress. In the meantime, the Department of Labour has indicated that a recommendation will be attached to each shift work licence which would pregnant employees on night shift the option of transferring to an alternative shift, and that there would be a specific condition requiring the provision of facilities for heating food. No Exclusion Regulations have as yet been made in the period under review.

98. In Italy no legislative measures were adopted in this area. Innovations in collective bargaining are described above <sup>1</sup>.

It should however be stressed that part-time work is continuing to expand: the number of workers involved rose by 10.6 % between 1982 and 1983. Legislation in this area is still lacking, the lacuna being offset by negotiations at firm level and between individuals.

99. In Luxembourg, legislative activity in this area was dominated by the consequences of restructuring in the steel industry. The main points were :

- the public authorities' contribution to the cost of remuneration for workers made redundant for structural reasons;

- the continuation into 1985 and 1986 of statutory provisions on early retirement ;

- the codicil of 21 December 1982 to the collective agreement for the steel industry on the reduction of working time (12 additional rest days per year) and the accompanying non-linear pay reductions for 1983 and 1984 <sup>2</sup>.

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1 Social Report 1982, point 119.

2 Point 81.

100. In the Netherlands a result of the discussions about working time<sup>1</sup> has been that during the year covered by this report, leave entitlement has in many cases been increased by between two and four days per year as a first step towards the reduction in working time due to be put into effect over the 1983-85 period. In 1983, for instance, Hoogovens granted two additional leave days and lowered the early retirement age to 60. In contrast to most wage agreements, the agreement concluded at DAF Trucks provides for a reduction of the working week to 36 hours with effect from 15 August 1983, with the workers accepting an overall cut in wage of some 10 % in return for an undertaking that there would be no redundancies in 1983 and 1984. At Philips, the reduction in working time was likewise initiated by an increase in the number of leave days; Philips has furthermore made a particular effort to increase the scope for flexible working hours. In other fields, such as the metal industry and the services sector, similar forms of working time reduction were agreed. In the metal industry, management and labour agreed to offer young people jobs with a 32-hour week and to undertake a series of experiments to test the feasibility of various forms of working time reduction in terms of the desired objectives (i.e. more jobs and greater flexibility); a clause to this effect was inserted in the collective agreement, to enable a sound judgement to be reached before the definitive introduction of shorter working time at the end of 1984.

In the public sector an attempt is being made to offer young people only jobs with a 32 hour-week, while a 36-hour week is to be the rule for those over 23. It was furthermore decided that 30 % of all jobs with Government departments would be restricted to a 32 hour week, particularly in cases where experience was not an essential requirement. If this measure yields positive results, it may be applied to 50 % of jobs.

It should also be pointed out that in certain cases, workers employed by undertakings which are in serious difficulties have accepted conditions less favourable than those laid down in the wage agreements. At Dow Chemical, for instance, the workforce may exchange income for additional leave

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1 Point 83.

(up to 5 days, or 8 days for shiftworkers) at the rate of one day in exchange of 5 % of gross monthly earnings. The undertaking concerned sees this system as a precursor to a more comprehensive plan for flexible working arrangements, which has, however, not been well received by the trade unions. The unions are also highly critical of the announcement by Volvo, that workers who are frequently ill should be made redundant in preference to workers in good health.

101. In the United Kingdom, the Government wishes to facilitate the trend towards cashless pay. At present, about 44 % of all U.K. workers (75 % of manual workers) are paid in cash, a much higher proportion than for example elsewhere in the EEC or in the United States. The nineteenth century Truck Acts, enacted to protect manual workers from abuses which they prevailed in connection with the deductions from pay and payments in kind, require, inter alia, the payment of wages in cash except under specified conditions. The Government announced in July that it intends to repeal or amend the Truck Acts and to denounce I.L.O. Convention 95 on wages protection, following consultation with the CBI and the TUC. Up-to-date legislation will be enacted giving new protections against unfair deductions from pay. The Government also declared its intention of reviewing its obligations under ILO convention 26 on minimum wages during 1985.

On January 3rd, the Job Splitting Scheme was introduced, a type of worksharing aimed to prevent and reduce unemployment. Employers are given a financial incentive to split an existing full-time job as to provide part-time work to a person who would otherwise be unemployed.

Otherwise, there have been no centrally agreed developments nor for most of the period any general policy discussions between the three social partners. Normal working hours have continued to be reduced to under 40 hours per week. In 1982, about 2 million of the 11 million manual workers covered by national collective agreements gained a reduction to 39 hours per week, mainly local Authority workers, the motor vehicle repair and retail industry, and British Rail. In the first half of 1983 there were reductions to 38 hours in the Chemical, Pharmaceutical and Oil Industries, but overtime working generally was at a high level. Paid holidays have also increased. 93 % of manual workers have a basic holiday entitlement of 4 weeks or more (additional to public and customary holidays), and 20 % of workers have 5 weeks or more.

## Labour law

102. In Belgium, collective agreement No 24 of 2 October 1975 concerning mass redundancies was amended by collective agreement No 24 a) approved by the Labour Council on 6 December. This agreement takes account of certain comments by the Commission of the European Communities regarding discrepancies between agreement No 24 and the Directive of 17 February 1975. The amendments incorporated in the new agreement are mainly concerned with the concept of mass redundancy as such.

The law of 29 June 1983 which raises the school-leaving age from 14 to 16 or 18 forbids the employment of minors who are still undergoing compulsory full-time education; in addition, they may not be required to perform work outside the framework of their education or training.

Following the public services strike in September, the Liberal Party put forward proposals for strike legislation; however a formal text of these proposals for discussion by Parliament has not yet been drafted. They deal - inter alia - with picketing, the organization of ballots in undertakings affected by disputes, and the procedure for requisitioning staff.

Finally, draft legislation in a number of fields is under examination: temporary work and labour hiring; changes in the provisions concerning redundancy pay for workers on contracts of unlimited duration; and the protection of workers in the event of the insolvency of the employer.

103. In Danmark, measures have been taken to improve the rules on maternity leave.

In addition, a draft law sets out to amend the law on equal treatment for men and women. This draft is based on the criticisms put forward by the Commission concerning certain provisions of the law already adopted to implement the Council Directive of 9 January 1976 on the principle of equal treatment for men and women as regards access to employment, vocational training and promotion.

104. The Order of 1 August on the improvement of training for young people (BGBI I, page 1057), which entered into force in the Federal Republic of Germany on 5 August, relaxes the existing ban on training for young people at night by authorizing such training between 6 and 7 a.m. or 8 and 11 p.m. for certain activities to be carried out during this time (e.g. butchers, building and construction works and in health care establishments). During the first reading of this amendment in the Bundestag, representatives of the DGB and the food, drink, tobacco catering trade union had voiced severe criticism of the proposed changes.

The Federal Union of Employers' Associations is still calling for the repeal of legislation which adversely affects employment. It holds the view that the existing laws on protection at work, collective agreements and judgments on labour law matters give employees such a degree of protection that to take on a new employee represents a heavy burden for companies; among other things, this explains the reluctance of many firms to recruit unemployed workers.

In its judgment of 16 November 1983 the Federal Constitutional Court ruled unconstitutional the system whereby in calculating the duration of employment of a manual worker for the purposes of determining the longer period of notice, no account is taken of employment before the age of 35, whereas in the case of salaried staff the corresponding age limit is 25. The legislator therefore has now to decide how to eliminate this inequality in treatment of these two categories of workers.

The law on the acceleration and streamlining of labour court procedures<sup>1</sup>, which came into force on 1 July 1979, initially led to a significant reduction in the number of cases, particularly before the Federal Labour Court. However, it has been apparent since 1981 in the lower courts and since 1982 in the Federal Labour Court as well, that the number of cases is again on the increase. This can partly be attributed to the bad employment situation.

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(1) Social Report 1979, point 142.

105. In Greece, Law No 1365/83 of 22 January on the socialization of public utilities and public service undertakings restricts the circumstances in which a strike may be called in a "socialized" undertaking, requiring a vote in favour by an absolute majority of the trade union's members in the undertaking.

The Government has, pursuant to its goal of establishing a comprehensive new body of labour legislation, announced a number of draft laws concerning: the ratification of ILO Convention No 135 on the rights of workers' representatives in the undertaking; the repeal of Law No 3239/1955 on collective agreements; the establishment of a voluntary procedure for the settlement of industrial disputes; the reorganization of the labour inspectorate; the improvement of working conditions, safety and health at work and the elimination of occupational hazards; the elimination of all forms of discrimination between men and women; the protection of workers in the event of the insolvency of their employer; the safeguarding of workers' rights in the event of transfers of undertakings, businesses or parts of businesses.

Finally, mention should also be made of the tabling, in mid-September, of a draft law on the ratification of ILO Convention No 62 concerning safety provisions in the building industry.

106. In France, Law No 83-635 of 13 July seeks to establish equal rights and equal opportunities for men and women in working life. Under this law, representative trade unions in a firm may bring an action on behalf of a wage-earner discriminated against on grounds of sex. In addition, each year, the employer must present to the Works Council a written report comparing the position of men and women in the firm. Lastly, the law establishes a National council for equal treatment at work responsible for participating in the implementation of the policy to promote equality at work.

Law No 83-528 of 28 June completes the incorporation into French Law of the Council Directive of 14 February 1977 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses.

107. In Ireland, there has been no legislation in the labour law area but the Government elected in December 1982 has stated that it intends to introduce legislation to fix the normal working week at 40 hours and curb "excessive" overtime. Additional State enterprises are to be brought within the ambit of the worker participation legislation (worker directors), and the legislation on notification of collective redundancies is to be strengthened by extending the prior notification period and imposing stronger penalties for non-compliance with consultation and notification procedures. A Bill is to be introduced implementing the EEC "Insolvency" Directive (80/987/EEC) to protect workers' interests in the event of their employers becoming insolvent.

Following a review of the employment equality legislation, an amending Bill is to be introduced to deal with indirect discrimination and administration and enforcement procedures. The Unfair Dismissals Act 1977 has also been reviewed, and proposals for the emendment have been formulated on the basis of that review.

The Holiday (Employees) Act, 1973 and the Minimum Notice and Terms of Employment Act, 1973, are presently under review.

108. In Italy in the period in question, a substantial volume of legislation was passed to implement the different measures provided for in the agreement of 22 January <sup>1</sup> .

Law No 79 of 25 March laid down the rules for training contracts for young people and introduced greater flexibility for manpower by more extensive use of fixed term contracts.

In addition, Decree Law No 463 of 12 September once again drew Parliament's attention to the reform of the labour market, particularly as regards placement and checking absenteeism on account of sickness.

Attention should be drawn to Law No 93 of 29 March, the so-called outline law for the civil service. This law seeks to establish homogeneous conditions of employment and remuneration for public officials and agents and to promote more efficiency in public administration.

Finally, the provisions regarding fixed-term contracts were extended to all sectors of activity under Law No 79 of 25 March.

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<sup>1</sup> Point 81.



109. In Luxembourg, the Grand-Ducal Regulation of 25 August laid down the procedures and conditions for the award of mobility grants to job-seekers, a premium to promote the recruitment of long-term unemployed workers and a flat-rate re-employment grant.

The Grand-Ducal Regulation of 22 August established the composition of the standing committee for the monitoring of manning levels in the steel industry, responsible for ensuring the implementation of the social aspects of restructuring in the steel industry, particularly changes in manning levels. This is a tripartite committee.

110. In the Netherlands, the first phase of the Law on the Work Environment entered into effect on 1 January of this year. It gives workers a number of new rights in respect of improved conditions of safety, health and well-being at the place of work. Obligations on the part of the employers are increased accordingly. The most important feature of this law is that it imposes a greater degree of cooperation between management and the workforce in these matters and that it strengthens the position of the works council. To assist in the practical implementation of these legal provisions and their coordination with other laws, a special committee was set up within the framework of the Social and Economic Council, in which Government policy is compared with the views and practical experience of the two sides of industry.

To bring it into line with the Community Directive on equal treatment for men and women in working life, the 1919 Labour Law was amended in the sense that night work in factories for women over 18 is now possible under certain conditions, which include the employer having to obtain the approval of the relevant authority. With regard to the concept of "suitable work", i.e. the extent to which unemployed persons may reasonably be expected to accept jobs involving night work, the law lays down that men and women with family commitments or aged over 45 cannot reasonably be expected to accept night work. The same applies to persons asking exclusively for part-time work.

Efforts to bring Dutch law into line with the Council Directive of 14 February 1977 relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses ran into difficulties in interpretation, with the Ministry of Justice finally deciding that the relevant articles did not likewise apply in the event of a takeover following bankruptcy. Specifically, the difficulties arose over the question of whether the acquiring firm would then have to meet the wage claims of the workforce. If this were so - as the trade unions argue - it would mean that takeover bids would frequently fail and jobs be lost as a consequence. The Minister for Social Affairs has announced that a law is being drafted to clarify this subject, on which the courts have handed down varying decisions. In the meantime, it has also been brought before the European Court of Justice.

111. In the United Kingdom, the Government presented the Trade Union Bill on trade union reform, which contained three main provisions. Firstly, trade unions are required to elect the members of their governing body by direct secret ballot of their members at least once every 5 years. Secondly, a trade union must, if it wishes to retain its immunity in tort, hold a secret ballot of the members concerned before ordering or endorsing industrial action in breach of contract. Thirdly, trade unions with political funds must hold a ballot every ten years as to whether their members wish to retain a political fund as provided for by the Trade Union Act 1913. The Government notes that the Bill is the latest step in the gradual reform of industrial relations consisting so far of the Employment Acts 1980 and 1982. There may be negotiated modifications to the Bill as it proceeds through Parliament.

In fulfilment of its Community Law obligations to provide an Equal Value remedy under the Equal Pay Act 1970, the Government laid the Sex Discrimination - the Equal Pay (Amendment) Regulations 1983 before Parliament, a revised version of an earlier much criticised draft. From 1 January 1984 a woman may claim equal pay for work of equal value to a man's (or vice-versa) where no job evaluation scheme exists or where the scheme is flawed by sex discrimination. Burden of proof will be the same as under the Act. An industrial tribunal will be able to appoint an independent expert from a list drawn up by ACAS to evaluate the jobs of the complainant and the chosen comparator to assess whether comparable demands are made of both workers. Tribunal procedure has been accordingly modified by the Industrial Tribunals (Rules of Procedure) (Equal Value Amendment) Regulations 1983.

Men can no longer lawfully be excluded from training as midwives on grounds of their sex, following the Sex Discrimination Act 1975 (Amendment of Section 20) Order of 1983.

The Race Relations Code of Practice issued by the CRE comes into force in April 1984. Pursuant to a critical review of the effectiveness of the Race Relations Act 1976, the CRE has issued a consultative document with a view to submitting amendments for the consideration of the Government.

The Transfer of Undertakings (Protection of Employment) Regulations 1981, implementing the Acquired Rights Directive 77/187/EEC, entered into full force in May 1982. Limitations on their scope are becoming clear, in particular, that they do not apply to takeovers (transfers by acquisition of shares) and hence do not cover the normal method of transferring sizeable businesses in the U.K. As a result, the trade union information and consultation procedures may be of limited effect, since small businesses covered by the Regulations are less likely to be unionised than large ones.

The Insolvency of Employer (Excluded Classes) Regulations 1983 have been introduced to bring the U.K. into compliance with the Directive on Insolvencies 80/987/EEC. Save for the area covered by the Regulations, the U.K. regarded its law on insolvency as already in broad compliance with the Directive.

Section 1 of the Employment Act 1982 obliges companies with more than 250 employees to describe in their directors' annual reports for financial years starting on or after 1 January 83 the measures taken, if any, during the year to introduce, maintain or develop arrangements for employee involvement.

## Chapter V

### WAGES AND INCOMES

#### Trends within the Community

112. The year under review saw Member States pursuing the cautious aims of their diverse economic policies which are all aimed at improving budgetary control, combating unemployment and safeguarding the level of employment against a background of efforts to reduce prices and restrain wage inflation. Whilst wage restraint remains compulsory in Belgium, other Member States (such as Denmark and the Netherlands) which had experimented with statutory incomes policies have returned to the system of free collective bargaining subject to government guidelines. In the United Kingdom the social partners are completely free to negotiate settlements in the private sector but pay bargaining in the public sector has to take place within cash limits based on what the government believes the taxpayer can afford. It must be noted that pay bargaining in the Federal Republic of Germany has always been a matter for social partners only.

113. In the domain of wage policy two events are particularly noteworthy in 1983: firstly the unprecedented tripartite protocol in Italy which has laid down an economic framework for the future and secondly the supplementary agreement for the Luxemburg Steel industry (a key factor of this country's economy) which reduced the wage bill by 6 %.

114. The rate of increase of hourly wages in the Community has significantly slowed down in 1983, compared to the rates in the last three years. The annual increase of average gross hourly wages of workers in industry in the first quarter of the year was in fact only 11 % as against the record 16 % increase in the second quarter of 1980. This deceleration is, in great part, due to solidarity evinced in the matter of moderating income growth and hence controlling labour costs. In the present economic context where profitability of firms is of prime importance, Member States have done all they could to avoid increases in imported goods, which bring about a deterioration in the terms of exchange, from significantly influencing labour costs through automatic wage drift. In the circumstances, it was inevitable that the controversy surrounding wage indexation be revived. In Member States with legal systems, amendments to the basic legislation have instituted new modes of payment, less frequent adjustment or even temporary suspension of the mechanism. In France, the President warned the two sides of industry against using a system expressly forbidden by law.

115. The Member States made substantial progress in their fight against inflation during the year under review, and the Community average in November 1983 was down to 8.1 % p.a. as against 9.7 % in November 1982. At that date only three Member States have a double-figure annual inflation rate, Greece (19.9 %), Italy (12.7 %) and Ireland (10.3 %), whilst France had a rate just under 10 %. The rates in the other Member States were all under the Community average (8.1 %) : two, Belgium and Luxemburg, near to the 7-8 % mark; two others, Denmark and the United Kingdom near to the 5-6 % mark, whilst in the Federal Republic and in the Netherlands, the rates are running particularly low at around 3 %.

Given these price inflation rates, the only Member States where wages increased in real terms during 1983 were the United Kingdom, Ireland, Italy and the Federal Republic of Germany. The loss of purchasing power in the six other Member States ranged from the 1 % in France to Greece's 5 %.

## Development of the situation in the member countries

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116. In Belgium, the statutory provisions contained in the Royal Decree N° 180 of 30 December have laid down the rules for wage policy in 1983. In its first part the Decree which deals with salary indexation has extended the 1982 regime to July 1983. Under this regime salary indexation has consequently been limited to that part of the salary which is equivalent to the minimum wage. After July, indexation has been applied to the whole amount earned but the adjustment mechanism is triggered off only on the basis of the average index figure for the proceeding four months (instead of the proceeding month as in the past). It must be noted that the composition of the index has since been revised, to take effect on 1 January 1984, in line with the findings of the household expenditure surveys for 1979-1981. The second part of the Decree prohibited any salary increase in real terms except those resulting from incremental scales or change of post. During the year under review, conventional wages went up by 4.8% for white collar staff and by 5.5% for workers. In view of the 7.7% increase in retail prices, the loss in the purchasing power of salaries staff can be estimated, in terms of the wage bill for the year, to be around 3%.

The minimum wage was 3 times adjusted in 1983. From 29,611 BFR per month since 1 December 1982, it passed to 30,206 BFR on 1 April 1983, to 30,809 BFR on 1 September and finally to 31,426 BFR on 1 December.

117. In Denmark, the wage freeze imposed in October 1982 ended on 1 March 1983 when the collective agreements were renewed. At the same time, all the indexation systems, based on differences in the development of wages and salaries, were scrapped and agreements providing for indexation suspended until March 1985. The Government imposed a limit of 4% per year on wage increases in the public sector and recommended the private sector to observe the same limit when concluding the new agreements. Overall, this agreement was followed by management and labour who accepted conciliation proposals put forward by the Mediator and signed new agreements running for 2 years until March 1985 without

industrial disputes and with no further intervention by the authorities. The new agreements provide for two increases in the minimum hourly rate for workers equivalent to 110 øre each from 1 March and 1 September 1983. The renegotiation clause will be applied, at the most, once during the first year of the duration of the conventions and twice in the second year, and a novel clause allows employers to restrain the evolution of wages in their sector. Once again the guaranteed minimum hourly wage features in some agreements only and in those cases where it has been maintained, it rose to DKR 46.90 on 1 March, a figure which is generally exceeded in practice : in fact the average real hourly salaries for the first quarter 1983 were DKR 70.24 for men and DKR 59.18 for women.

When the 5.3% average wage increase is set against the rate of inflation as measured by the (September) 6% per annum rise in the index of consumer prices, it follows that average wages underwent a loss in purchasing power of about 1% over the year.

118. In the Federal Republic of Germany, the economic forecasts for 1983 were based on an assumption of zero growth, 4% annual inflation and an increase of 1.5 to 2.5% in the wage bill. These projections generally influence collective negotiations most of which were signed in the first quarter and provided for 3.1% average wage increases (compared with 4.1% in 1982).

The agreement at Volkswagen covering 15 months from 1 February and granting a 4% wage rise led to tough negotiations in the metalworking industry where the trade unions had taken it as a point of reference for the sector as a whole. Agreement was finally reached on a 3.2% rise from 1 February; in the building sector, the agreement of 1 April granted 3%. In the public sector, wage negotiations dragged on, but after arbitration, an agreement was reached on a wage rise of 2% from 1 March, 2.5% from 1 July and 3% from 1 March 1984. The agreement is to run for 18 months. The statutory increase for civil servants, in the strict sense of the word, was 2% from 1 July.

In view of the fact that annual inflation is only around 3% (2,9% in September), it can be said that the 3.1% average wage rise per 1983 provided for a very small increase in the purchasing power of the average wage earner.

119. Wage policy in 1983 in Greece has been influenced by two authoritative measures : the first one, at the beginning of the year, suspended wage indexation in the first eight months of the year and the second one (art. 27 of Law N° 1320 of 11 January 1983) prohibited all other forms of wage increase. It must be recalled that in late 1982, half of the 10% index-linked increase due on 1 January in respect of cost-of-living adjustment for the final quarter of 1982 had been postponed to 1 May. The first index-linked payment increase for 1983, based on the price increase in the first eight months, was therefore not paid until 1 September and even then only in respect of that part of the wages under DR 80,000 per month and weighted according to wage bracket

- the full increase (10.2%) being paid for wages up to DR 35,000, half (5.1%) for amounts in the DR 35,000

- 50,000 bracket and a quarter (2.55%) for amounts in the DR 55,000-80,000 bracket. On the other hand the consumer price index is in the process of being recast in the light of the 1982 household expenditure survey.

The upgrading of the minimum wage was this year followed by its adaptation to the price index as laid down in Article 6 of Law N° 1346 of 1983. During 1983 it consequently went up from DR 825 to DR 1,085 per day for workers and from DR 18,580 to DR 24,383 per month for employees.

In view of the increase in consumer prices - 20.8% per annum in September - it has been estimated that real earnings of the average worker will have fallen by 4-5% during the whole year.



120. In France, the austerity policy adopted by the Government following the currency realignment of 12 June 1982 gave priority to curbing price and wage increases rather than combating inflation in general, which has always been the keystone of Government policy hitherto (although little control can be exercised over external factors). Whereas the sectoral agreements had made it possible to pursue a more flexible price control policy when the wage freeze was lifted in October 1982, the decision to keep annual inflation down to 8% led to a directive to apply this overall ceiling to wage increases, account being taken of improvements in low pay levels (and greater purchasing power for the SMIC). Notwithstanding this constraint and a 9.2% per annum price increase, the hourly wage rate maintained its purchasing power throughout the year, but real earnings fell by at least 1%, as they were affected by the 1% proportional levy on salaried income and by the compulsory equal to a 10% increase in tax for all those paying more than FF 5,000 income tax.

This mention by the President in his September address, coming after that of the Prime Minister last year, of systems (illegally) linking wages to salaries, adversely affected negotiations between the Civil Service Minister and the trade unions with respect to the application of the clauses in the Statement of Conclusions of December 1982, which provided that once the price index for December was published discussions would take place on the readjustment of wages in the light of the economic situation. In the event, the eventual readjustment will be discussed in February 1984 and it is expected that the compensation will be spread out over time.

Although the Government did not achieve its target of a 4% increase in the purchasing power of the SMIC in 1982, a total increase of 3.6% - including + 0.8% gain in purchasing power - was achieved three months later (1 March 1983). The increase on 1 June exactly offset the rise in the index without, however, any improvement in purchasing power, (the SMIC was upped from FF 21.02 to FF 21.65 per hour). The statutory increase on 1 July raised hourly rates of pay to FF 21.89 and included an extra 0.4% which offset the increase in the workers' social security contributions. The 2% increase on 1 October exactly offset the price rise from June to August and for the whole year the SMIC will thus have gone up by 10.1% (to FF 22.33 per hour) whilst prices rose by 9.2%.

121. In Ireland, the 1983/84 wage agreements in the private sector were the result of negotiations between employers and trade unions at industry or enterprise level. A major analysis of wage settlements indicates that cumulative increases were in the region of 11% over 13 1/2 months, and over one third of agreements had a pay pause for an average duration of less than 3 months. In the public service, discussions took place between the Minister for the Public Service and the Public Service Trade Union representatives which resulted in the conclusion of a public service pay agreement providing for a 6-month pay pause and an 8.15% pay increase in two phases over a duration of 15 months.

The latest official statistics available on industrial earnings relate to June 1983 when weekly earnings in manufacturing industry averaged IRL 163 for men and IRL 97 for women. According to the same source, the average earnings in industry in June 1983 were about 11% higher than in June 1982 - an increase which at that time about maintained the purchasing power of workers' average earnings. For the year as a whole it has been estimated that average weekly earnings in industry will be 11.25% higher than in 1982. Since the rate of inflation dropped to 10.5% in 1983, there was a slight improvement in purchasing power of wage earners.

122. In Italy, this year can be said to have been exceptional for it was the first time tripartite consultations resulted in an agreement on the approach to be adopted for the renewal of collective agreements in the context of government economic policy guidelines. The protocol, signed on 22 January, seeks to resolve various problems by achieving three main objectives subordinated to a reduction in the public finance deficit and to an incomes policy : keeping inflation down to 13% in 1983 and 10.5% in 1984; a 2% economic growth in 1984 after the decline in 1983; and an 0.5% increase in employment levels.

The vital element in the incomes policy aims at a maximum 10% annual increase in labour costs. With this in view, the protocol provides that the parties concerned may negotiate wage increases at up to LIT 25,000 per month in 1983, LIT 35,000 per month in 1984 and LIT 40,000 per month in 1985. These amounts are to include any skill-related increases and may not be raised in 1983 nor in 1984 by agreements at firm level. A radical reform has been introduced to attenuate the effects of the wage indexation system. January 1980 was chosen as the new base of the index (it was 335 on the old base) and imported inflationary elements, such as the impact of dollar fluctuations were excluded. The value on an index point has been tripled but under the protocol it will be reduced by 15%. The safeguard clause provides for a tax modification in favour of wage-earners if estimated inflation rates are exceeded, but the clause will come into effect only if the increase in inflation can be ascribed to internal factors. In the event the 13% per annum increase in prices forecast for 1983 looks realistic as this is exactly the annual rate for the twelve months to November.

123. In the Grand Duchy of Luxembourg, the most important development in 1983 as regards wages was without doubt the 21 December 1982 amendment to the collective agreement in the steel industry, which concerns reductions in pay- and working hours - in 1983 and 1984. The reduction of 6% on average in the wage bill in this vital sector of the Luxembourg economy in 1983 has had profound effect on pay trends throughout the whole of industry. The 4.4% increase in the first six months of the year compared with the same period in 1982 corresponds to a 4.4% decline in per capita wages in real terms, given the 9.1% inflation rate during that period.

The state of the economy severely restricted increases in contractually agreed wages which, since September 1982, have risen solely as a result of cost-of-living indexation. The hourly wage rate for manual workers increased by 7.8% between September 1982 and September 1983, but when the increase in prices is taken into account, this is equivalent to a 0.7% loss in real terms during that period.

The rules governing this year's application of the wage indexation system were laid down by the law of 24 September 1982, which amended and supplemented that of 8 April 1982 providing for special measures to maintain employment and the competitiveness of the economy in 1982. Index rises (each of 2.5%) were programmed in advance for the beginning of May, September and December.

Under the law of 12 March 1973 on the reform of the statutory minimum wage, its level was adjusted three times during the year at the beginning of March, September and December. On the last date, it amounted to LFR 27,022 per month for workers with no dependants and to LFR 27,840 per month for those with dependants.

124. Despite their major differences on social and economic policy on the renewal of collective agreements for 1983, the two sides of Industry in the Netherlands, faced with another year of statutory wages policy, reached agreement in November 1982. The trade union federations responded to the concern expressed in respect of improving the profitability of undertakings and safeguarding the level of employment by urging their member unions to settle for qualitative advantages rather than quantitative ones, thus sacrificing any salary increases (due to indexation or otherwise). This recommendation was subsequently given a legal framework by the enactment of the so called "paraplu-wetje". Collective agreements covering two-thirds of all Dutch workers followed this line. In the other cases, which include the building and transport sectors, a single index-linked increase of 2.06% was paid out on 1 January. The holiday bonus was again set at 8% in almost all collective agreements, but some of them voluntarily settled for the 7% accepted in 1981 and 1982.

In the public sector indexation was shelved and the holiday bonus restricted to 7.5%, civil servants receiving three additional days of annual leave in compensation. In addition the Government raised their social security contributions by an average of 0.35% as from April and announced pay scales reduced by 2.1 to 9.2% for new civil servants recruited in 1984.

125. In the United-Kingdom, the Government remained committed to responsible pay bargaining without central intervention, while continuing to stress the importance of taking account of market forces, including, of course, the pay levels required to both recruit and retain employees. In the private sector, then, responsibility for wages and salaries rests entirely with employers and employees who are free to negotiate settlements which suit their particular circumstances. In the public trading sector, the Government has set limits on expenditure similar to the constraints affecting private sector negotiations, while in the public services, cash limits on expenditure are based upon what the Government believes the taxpayer and ratepayer can afford.

The 7.25% increase in average earnings in the year to October 1983 reflects more than the rate of increase during the 1982-1983 pay round since it also includes some of the higher settlements agreed at the end of the previous round and the effect of increased earnings from overtime and productivity bonuses. It is, however, consistent with the CBI estimate that the average level of settlements has been between 5.5 and 6% in manufacturing industries.

The rate of increase of the retail price index fell steadily right up to June when it reached 3.7% per annum, its lowest for 15 years. The trend for the last six months was however upwards (+ 5.0% in October) and the rate of increase for the year as a whole was 5.3%. Consequently the purchasing power of average earnings in the United Kingdom rose by approximately 2.1% in the twelve months ending October 1983.

## Chapter VI

### FAMILY AFFAIRS AND SOCIAL WELFARE

#### Trends within the Community

126. Eight of the ten Member States (the exceptions being Greece and Ireland) are facing a decline in the birthrate of such proportions as will make it impossible in the long term to maintain population levels.

As a consequence, there is increasingly widespread recognition in Community countries of the link between family policy and demographic problems.

Discussion at the Eighteenth Conference of European Ministers responsible for Family Affairs, which was held in Copenhagen in September with Commission representatives in attendance, centred on the elderly and their rôle in the family of the '80s. A resolution adopted by the European Parliament on 9 June<sup>1</sup> also stressed the rôle of the family vis-à-vis the elderly at a time when the number of elderly people is rising rapidly and the provision of institutional care is becoming increasingly problematic, largely because the resources are not available for facilities capable of meeting the growing needs.

National provisions on parental leave vary substantially from country to country within the Community and two Member States (Denmark and the Netherlands) have no statutory provisions on parental leave whatsoever. The main differences concern the payment or otherwise of parental leave and the length of the period covered. With a view to eliminating the existing disparities by approximating legislation while maintaining progress within the meaning of Article 117 of the EEC Treaty, the Commission has sent the Council a proposal for a Directive on parental leave and leave for family reasons<sup>2</sup>.

It is clear from the efforts being made in Member States that the provision of public daycare services and facilities for young children under three years of age is increasingly being regarded as a major goal of family policy, in spite of the reservations expressed in certain quarters and of the budgetary restrictions applicable in all the Member countries. The annexed table, which is taken from a study carried out for the relevant Commission departments, presents the most recent figures available with the regard to the number of day nurseries in the individual Member States<sup>3</sup>.

<sup>1</sup> OJ C 184, 11.7.1983, p. 116.

<sup>2</sup> OJ C 333, 9.12.1983, p. 6.

<sup>3</sup> Camille Pichault : "Public daycare facilities and services for young children under three years of age in the European Community".

127. Efforts have also been made to identify ways and means of enabling elderly people to remain in their home environments and retain a measure of independence whilst at the same time making due allowance for the need to achieve savings. A study circulated by the Commission considers 180 schemes in six Member States by way of example giving some measure of the endeavours directed towards helping the elderly to retain their independence.

Thanks to the availability in the Commission budget of a limited amount of funds for measures to assist the elderly, the organizations representing this group have been able to step up their activities at Community level by strengthening their coordinating body EUROLINK-AGE. The latter is also amongst the bodies being consulted with a view to the formulation of suggestions for a second programme to combat poverty in the Community.

128. As already indicated in last year's report<sup>1</sup>, social services have been hit by austerity measures at the very time when the world economic crises is increasing the pressure of demand on these services, pressure which is by to means confined to unemployed people who have exhausted their entitlement to social security benefits. In some cases, the austerity measures have taken the form of a decentralization of social services combined with a cut in the funds allocated to these decentralized services, whilst in others the clients have been called on to contribute towards the cost of the services provided. There would seem also to have been a substantial decline in the purchasing power of families, especially those living on a single income.

Aside from these austerity measures, in almost all Member States the emphasis is being shifted from welfare work by professionals to voluntary welfare work, often by means of national or local authority subsidies. Mention should, however, be made in this context of the positive developments at Community level brought about by the activities of Volonteuropa, a coordination committee whose aim is to promote disinterested voluntary work in the Member States. Only in Greece is absolute priority being given to welfare work by professionals, with little encouragement for voluntary work.

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<sup>1</sup> Social Report 1983, point 203.

Number of establishments - Number of places

	Information dating from	Number of establishments	Number of places	Total number of places per country	
Belgium	1980	Public day nurseries	308	14 100	66 424
		Private day nurseries	216		
		Day nurseries in private homes	78	1 710	
		Childminders	6 566	19 471	
		Preschool establishments	?	31 143	
Denmark	1982	Public day nurseries	617	21 337	68 231
		Day nurseries in private homes	18 410	39 310	
		Preschool establishments	?	7 584	
Federal Republic of Germany	1981	Day nurseries	1 325	26 098	26 098
Greece	1981	Public day nurseries	48	3 111	7 129
		Private day nurseries	15	1 320	
		Employer day nurseries	20	329	
		Childminders	135	2 169	
		Preschool establishments	4	200	
France	1980	Public day nurseries	1 006	50 251	703 324
		Private day nurseries	147	7 389	
		Employer day nurseries	222	11 771	
		Day nurseries in private homes	554	34 129	
		Childminders	226 500	340 000	
Preschool establishments	?	(estimate) 259 784			
Ireland	1982	Private day nurseries	?	(13 000?)	(13 000?)
Italy	1980	Public day nurseries	1 614/ 1 810 (in 1981)	78 404	79 921
		Private day nurseries	43	1 517	
Luxembourg	1981	Public day nurseries	15	492	2 592
		Private day nurseries	10	+ 450	
		Employer day nurseries	12	+ 350	
		Childminders	?	+ 300	
Netherlands (Government reply)	1980	Private day nurseries	126	1 168	1 568
		Preschool establishments	31	400	
United Kingdom	1980	Public day nurseries	613	28 400	174 400
		Private day nurseries	734	19 900	
		Employer day nurseries	72	2 100	
		Childminders	39 500	99 000	
		Preschool establishments	?	25 000	
TOTAL (to be treated with caution)					1 142 700



Comments

BELGIUM :

- (i) Employer-operated nurseries (primarily provided by hospitals and universities) are counted as private nurseries.
- (ii) The 1980 statistics make no distinction between day nurseries and pre-nursery school centres.

DENMARK : The definition of day nurseries in private homes would seem to differ from that applicable in the other countries.

FRANCE : The figures for public day nurseries include 67 mini-nurseries with between 12 and 15 places each (total 1 255). In the case of childminders, the number of places has been estimated on the basis of 1.5 children each.

GREECE : Children from 0 to 5 1/2 years of age.

UNITED KINGDOM : Children from 0 to 5 years of age except in the case of preschool establishments (England only).

## Development of the situation in the member countries

### Belgium

129. The government decided to cut back certain family allowances :

- by maintaining in effect the reduction of BFR 500 per month (i.e. BFR 6 000 for the year 1983);
- by abolishing the 13th and 14th month of family allowances for the 1st child (for other children these benefits were included in the monthly payments, which led to an apparent increase in these benefits of 16 %);
- by restricting the index-linking of family allowances.

These cuts were to some extent compensated for by improved tax concessions for dependents.

As a result of these measures the purchasing power of families with less than three children was reduced by 3 %.

The government decided that in 1984 the monthly levy of BFR 500 would be reduced to BFR 375. Family law was changed in the sense that young people between the ages of 21 and 25 no longer require their parents' approval to marry (repeal of the "acte respectueux").

By Decree of the Flemish Authorities on 17 October 1982, a Flemish High Council for the problems of the elderly was set up. The Chairman and members of this council were appointed by a Decree of 27 January 1983.

On 1 April the guaranteed minimum income (for elderly people receiving neither pension nor salary) was fixed at BFR 16 805 per month (for couples) and BFR 12 099 (for single persons), while the minimum for other categories of persons without resources was fixed at BFR 16 805 (couples), BF 12 099 (single persons) and BFR 8 903 (for people cohabiting).

Limits have been placed on the possibility of recruitment and replacement of personnel in the Public Welfare Centers in Brussels.

## Denmark

130. Almost 43 000 families have been affected by a measure under which cash social benefits are reduced once the recipient has been drawing them for 9 months without a break. In the course of a year almost one third of single parent families receive benefit under the Social Assistance Law. Since the conditions for awarding this benefit have been tightened, a group of social workers has set up a private assistance organization, known as "The new mothers' assistance association", which sets out to help single mothers and at the same time act as a pressure group.

With a view to amending the legislation a working party, under the auspices of the Ministry of Justice, has drawn up a report on parental authority and right of access.

Following the withdrawal of the circular on reducing public expenditure for young people who decide to live away from home<sup>1</sup> by the supreme social legislation appeals tribunal, the Minister responsible introduced a proposal for an amendment to the Social Assistance Law which would give full legal force to this reduction.

The normal rate of cash aid was fixed at DKR 3,166.-/4,764.- per month, with a supplement for housing expenses (heat, electricity etc.), if these are over 25 % of the normal rate.

Maternity leave will be extended from 1st July 1984 and it will be possible for both parents to share the leave after the first 14 weeks which make it a paternal leave.

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1 Social Report 1982, point 207.

## Federal Republic of Germany

131. Although the new Government declared its intention to give higher priority in its social policy to the family and to compensations for expenditure associated with the family, the financial situation has made this impossible. Plans to introduce an allowance for bringing up children and the inclusion of periods spent bringing up children for pension insurance purposes have been deferred until the financial situation has been readjusted. In order to achieve this aim, higher income families are to receive lower family allowances and the maternity allowance is to be reduced from 1984 : DM 510 instead of DM 750. In this connection, the introduction in Berlin of a tax-free family allowance of DM 4 800 for children born after 1 January 1983 to parents whose gross annual income does not exceed DM 66 000 is a positive family policy measure worth mentioning.

Mobile services for the elderly were further developed to avoid their having to go into homes. The fourth family report, which should be ready by 1987, will pay particular attention to the position of the elderly in the family. The aim is to enable old people to maintain links with the younger generation and live in familiar surroundings for as long as possible.

Expenditure on social assistance in 1982 went up by DM 1 500 million to DM 16 300 million, an increase of 10,5 % over 1981. Of the total, DM 5 500 million, i.e. around a third, went on subsistence allowances. The remaining two-thirds was spent on assistance to people in special circumstances, mostly beneficiaries resident in institutions. Of the various types of aid, most is spent on care payments (DM 6 000 million) and aid to integrate handicapped persons (DM 3 400 million). Expenditure contrasted with revenue of DM 3 800 million, 11.7 per cent up on 1981.

In 1981 (latest figures available) the number of persons receiving social assistance fell from 2.14 million to 2.08 million (a decrease of 2.8 %). This is due to a drop of around 71 000 in the number of German beneficiaries, while the number of foreign recipients rose by some 11 000.

Greece

132. There was no repetition during the year under review of the substantial increases in family allowances which has been granted in 1982 <sup>1</sup>.

A major reform of family law aimed at greater equality for women was, however, achieved with the adoption of Law 1329/83. Under the new rules the husband is no longer regarded as the head of household, parental authority is to be exercised by the two parents, the wife may decide to keep her maiden name and her children may elect to take this name as their surname. Dowries have been abolished and the wife may now work outside the home without prior authorization from her husband.

Owing to the repercussions of the world economic crisis, the supply of social workers exceeds demand by some 30 to 40 %. This can partially be ascribed to the fact that the reform of the health care system, which would also have created a large number of jobs for social workers, has not been carried through. Though the draft Law concerning this reform was ready for presentation, it was not brought before Parliament during the year. There is, however, some hope that the Government's plans regarding the decentralization of welfare services will help to provide employment for social workers.

The open centres for the protection of the elderly (KAPI) are institutions set up recently by the health ministry in cooperation with local authorities and are aimed at allowing the elderly to live as closely as possible with their family in their own home environments. 74 KAPI are already in operation.

The working group, set up to evaluate the need for social workers, has finished its work and the organisations responsible are evaluating the results.

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1 Social Report 1982, point 196.

## France

133. Although family allowances continued to be raised in line with the price index, the level of benefits as a whole has not kept up with inflation on account of austerity measures entailing the change of the date for the beginning, modification and cessation of rights; the insufficiency of the re-evaluation and also the abolition of certain benefits (e.g. single wage allowance, family income supplement, removal grant etc.).

In view of certain non-traditional arrangements for the placement of children which are not precisely defined in law, the public authorities have been led to exercise greater vigilance in this area to ensure that the conditions meet the required standards as regards the children's safety, health and moral welfare.

The National Congress of pensioners and the elderly took place in Paris from 28 March to 1 April in an atmosphere of solidarity; topics already examined at regional level were discussed. The summary reports, unanimously approved, were delivered to the Prime Minister.

Action for the elderly is still geared to enabling them to continue to live in their own homes, and priority is given to providing organized home care services. The interministerial rural development fund (FIDAR) participates in these measures in mountain and disadvantaged areas.

Emergency services have been set up in 15 large conurbations to assist in the early detection of problem situations at points where difficulties are likely to arise (e.g. on leaving school, military service, hospitalization). The emergency services operate round the clock and provide a telephone advisory service, arrange for accommodation, hand-outs and guidance for persons in difficulty.

An operation to help long-term unemployed workers has been initiated: unemployed workers registered for over one year with the ANPE (National Employment Service) are systematically interviewed. Social workers have been made available locally to the ANPE offices, to carry out this operation.

## Ireland

134. For the first time in many years, family allowances were not increased in 1983. A new family income supplement will be introduced as soon as possible to help low-income families in the active labour force. Though industrial wages kept pace with the inflation rate, real disposable income (purchasing power) went down through the incidence of personal taxation and higher social security contributions.

Weekly social welfare payments increased by 12 % (long-term payments) and 10 % (short-term payments). The social welfare maternity grant (Ir £ 8,-) was abolished from April 1983. About one million people depend on social welfare payments; for 700,000 of them these payments are their main source of income. One in six of all children live in families dependent on long term social welfare benefits. Poverty is also widespread in old age; two thirds of households headed by elderly persons are poor. One quarter of the Irish population are under 15; the elderly represent 10.7 % of the population.

Personal social services are financed through the Department of Health budget and cut-backs forced to economies; no new social workers could be employed and even voluntary agencies have found their funding cut; one agency in Dublin has been forced to close.

A report assesses the effectiveness of the present delivery of community care, including social work services under health boards as a first phase of a fundamental review of the functioning of the existing organisation (in Dublin only 4 % of the elderly had access to social workers).

A report on travelling people contains a detailed analysis of all aspects of existing policies, programmes and services which relate to the travellers and recommends a series of programmes, including action in the areas of accommodation, education, employment, health and social welfare. A Government review body, composed of Ministers of State, has been established to ensure urgent consideration of the recommendations in the report.

## Italy

135. Salient features of the demographic situation are a fall in the birth-rate, to the lowest level in the Community, accompanied by a fairly substantial reduction in the mortality rate. However, the significant flow of returning immigrants combined with the entry into Italy of foreigners from poor countries has maintained the number of residents at around the level of previous years. Marriage and divorce rates are also among the lowest in Europe.

Law No. 53 of 28 February raised the ceiling on the income of the spouse and children for the calculation of tax relief; at the same time, income tax rates for wage and salary earners were lowered.

The decree law of 29 January (transposed into law no 79 of 25 March) raised the family allowances for wage-earners with dependent children to levels differentiated according to the family's composition and income situation.

Law No 184 of 4 May laying down provisions with respect to adoption and related procedures stipulates that children may be adopted up to the age of 18 years and establishes stricter procedures for the adoption of foreign children, who will benefit from greater safeguards. In addition, an adopted child enters the new family with full rights and is automatically recognized, even in respect of collateral relationships. Finally, in the case of a foreign spouse (wife or husband) applying for Italian nationality, the law imposes a residence requirement of at least six months unless the couple has been married for at least three years.



## Luxembourg

136. Family allowances have been exempt from the general rule limiting the index-linking of social benefits <sup>1</sup>.

Households with an income below a certain ceiling are entitled to an annual heating allowance of LFR 4.000 in the case of a single person, and LFR 6.000 in the case of a household of three or more.

Draft laws have been tabled to institute systematic medical examinations for children aged 2 to 4 years and for pregnant women, including 4 post-partum medical examinations. Under another draft law, entitlement to family allowances is vested directly in the child, financing procedures are reformed and the four different funds at present in operation are replaced by a single management body.

The Government proposes to establish loan facilities for young people to help finance expenditure on first setting up house, and provides additional assistance on the birth of each child. Young couples will be entitled to aid for home ownership involving interest rate subsidies combined with partial cancellation of the resulting debt in accordance with the composition and income situation of the family.

Several homes for the elderly were opened by local authorities in 1983.

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<sup>1</sup> Social Report 1982, point 200.

## The Netherlands

137. The idea of linking the amount paid in family allowances to the age of the child was adopted in principle. Under this new system, children under 6 years of age are entitled to 70 % of the normal rate, children between 6 and 11 receive 100 % and those between 12 and 18 130 % of this rate. The new system will be introduced over the next few years.

With effect from 1 July, family allowances were cut by 1 % in order to make the necessary savings.

To compensate for the resulting loss in purchasing power, families and single parents on minimum incomes are entitled to a one-off payment for each dependant child. Large families will nevertheless suffer a decline in their purchasing power, estimated at HFL 268 for a family with 6 children.

Policy with regard to the elderly is increasingly aimed at de-institutionalization, the objective being to reduce the percentage of elderly people in residential care from 10 % to 7 %. By freezing the number of beds available (45.000), this reduction will come about through the significant rise in the number of elderly people. To meet the increase in demand, ambulant care and home care will be stepped up, hours for the elderly will open their doors to non-residents and more help will be provided by relatives and voluntary workers.

The draft outline law on welfare has been withdrawn by the Minister concerned, thereby putting an end to efforts to decentralize the social services, with the exception of the four largest urban areas in the Netherlands (Amsterdam, Rotterdam, The Hague and Utrecht).

An internal survey carried out by the department concerned shows that approximately 3 million people are engaged, in one way or another, in voluntary social work. Government policy is geared to increasing voluntary work (subsidies, experimental projects and coordination with salaried social workers).

## United Kingdom

138. The Government, in pursuance of their policy of maintaining or improving the value of child benefit as economic circumstances permit, decided to increase these benefits from November 1983 to their highest ever value in real terms. This resulted in child dependancy additions to social security benefits being reduced because child benefit forms an essential part of the support for children of those who receive social security benefits.

Cut backs in service have continued in all local care services, provided by both health authorities and by local authorities. These include cuts in provision for children, in day-car provision for all groups, and in facilities such as home help provision, meals on wheels and other social services.

Inequality in the distribution of disposable incomes has sharpened. A family with 2 children, living on 2/3 of the average wage, now pays 25 % more in income tax and national insurance contributions than they did in 1978/79, while earners, at 10 times the average, pay about 18 % less across the board.

The increasing numbers of elderly meant an urgent requirement to develop services to meet their needs. The Government announced their intention to spend £.6 million over the next 3 years to fund experimental schemes to develop services for the elderly mentally ill.

The Government increased financial help to the schemes, to support voluntary projects where unemployed people can help the elderly and physically or mentally handicapped.

## Chapter VII

### SOCIAL SECURITY

#### Trends within the Community

139. Imbalances in public finances continued in some measure to influence social security policy in the Member States. In Belgium, Denmark, the Federal Republic and the Netherlands in particular, the growth of expenditure in the social field led to the introduction or proposal of far-reaching austerity measures, whilst similar decisions are expected in Italy. In the United Kingdom, a number of measures are being planned to contain the growth of expenditure. In France, a number of planned improvements had to be delayed.

The measures taken were of an across-the-board character in a number of countries - involving the revision or temporary suspension of indexation arrangements. In other cases, however, they were directed specifically at certain sectors or benefits. Health expenditure in particular was subjected to more stringent control and new arrangements were introduced for the payment of a share of costs by insured persons. The year under review also saw significant cuts in the level of family allowances in certain countries.

140. These restrictions on benefits can be explained by the difficulties which governments have encountered in their endeavours to bring revenue up to the level of expenditure in the absence of an adequate economic revival. Insured persons' contributions have nevertheless had to be increased. In some instances, indeed, 1983 saw the introduction of contributions for certain previously exempt social groups or persons drawing benefits. Other possible solutions were also tried out, notably in France, where a 1 % levy on total taxable income was introduced and taxes were imposed on alcohol and tobacco consumption for the purposes of funding social security. In contrast, owing to their desire to improve the competitiveness of firms, governments were noticeably reluctant to increase employers' contributions and in some cases endeavoured either to alleviate the burden of social security contributions on firms - as in the Netherlands - or to redistribute the burden between firms - as in Belgium.

141. Mention should be made of the efforts undertaken with a view to reorganization in a number of countries. Taking Greece as an example, the year under review saw movement towards the establishment of a national health service, state control of the pharmaceutical industry and the amalgamation of social security institutions. In France, the statutory and supplementary pension schemes were reformed, as was the Italian family allowances scheme. In the United Kingdom, the system of direct payment by the employer for the first eight weeks of sick leave came into operation. The approval of an early retirement pension scheme to come into operation next year in place of a range of other benefits - notably widows' pensions - made 1983 a year of reform in Denmark also, whilst Belgium and the Netherlands are in the process of reviewing the whole area of their social security schemes.

Changes were also made in the legislation of various Member States to comply with Directive 79/7/EEC<sup>1</sup>, which requires that all forms of direct and indirect discrimination between men and women under statutory social security schemes be eliminated by the end of 1984.

142. Measures to control the growth of social security expenditure and revise financing arrangements must be combined with efforts to improve the efficacy of benefits. Such is, at all events, the view taken by the Commission in its communication to the Council on social security problems<sup>2</sup>, which sets out concrete suggestions in relation to each of these questions with a view to stimulating extensive public debate. The current problems should not, in the Commission's opinion, be tackled purely as an exercise in achieving financial equilibrium. Instead, there should be a fundamental reassessment of goals and resources aimed at bringing social security systems more closely into line with both economic constraints and social needs. The desired debate began during the year under review in the context of round tables attended by national experts in the individual Member States and of consultations with senior social security officials at Community level. Discussion is continuing in the various Community bodies and it is clear that concern regarding the future of social security systems is widely shared. Without wishing to prejudice the outcome, it can

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1 The Commission presented further proposals - relating to occupational schemes - in April (Bull. EC 4-1983, point 2.1.70).

2 Social Report 1982, point 220.

reasonably be expected that this exchange of ideas and experience will permit the identification on the one hand of the topics meriting further consideration at Community level and on the other allow Member States to consider if any more specific measures might be appropriate to their social security policies.

### Development of the situation in the Member States

#### Belgium

143. A number of restrictive measures introduced last year were prolonged; these covered family allowances, indexation and the freezing of certain payments to health care workers<sup>1</sup>.

As regards financing, special contributions were maintained, while compulsory subscription to a loan of BFR 5.000 million issued on behalf of the statutory health insurance scheme was imposed on the insurance companies. The 6.17 % reduction in employers' contributions was with effect from 1 January changed to a flat-rate reduction to favour labour-intensive undertakings or those employing a large proportion of low-paid labour. The finance available for this reduction was halved in 1983. Employees' contributions, on the other hand, were increased with effect from 1 October, health insurance contribution going up by 0.75 % and pension insurance contributions by 0.50 %.

A Royal Decree of 1 March appreciably extends the length of time for which unemployment benefit may be drawn by a person engaged in part-time work.

A draft law has been tabled amending the systems of taxation applied to unemployment benefit. The tax relief granted will henceforth vary according to total annual taxable income, becoming degressive from the BFR 600 000 level and reaching 0 at BFR 750 000. On request the tax due on these benefits can be deducted at source.

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<sup>1</sup> Social Report 1982, point 221.

A report on a reform of the social security system has been drawn up by the relevant Minister to serve as a basis for prior agreement by consultation with the two sides of industry. The proposals put forward include : a reappraisal of financing arrangements (mainly with a view to promoting employment); greater selectivity in the award of benefits, taking account of family situation; harmonization of the existing schemes : greater effort to contain expenditure, particularly in respect of sickness and invalidity insurance; and the simplification of the system.

#### Denmark

144. The automatic indexation of social security benefits having been suspended temporarily (with the exception of pensions), special decisions were taken from April onwards to uprate these benefits. The method of determining the "social income" which plays a part in the calculation of certain benefits was also amended with regard to several points.

The law of 8 June introduced a reform of the pension system providing from 1984 onwards for early pensions for on the one hand beneficiaries whose earning capacity is permanently reduced by a minimum of 50 % and on the other for people aged between 50 and 67 if their state of health or their particular social circumstances so require. As a result the following are discontinued : the lower rate invalidity pensions, widows' pensions, old age pensions paid to women from the age of 62 onwards and certain other pensions or allowances. At the time of its entry into force on 1 January 1984 the amount of this new type of pension will be equal to the amount of the old age pension; a supplement will be added in 1985 if the early pension is taken before the age of 60 and will be paid until normal pensionable age is reached. This represents a change of traditional conceptions, and relates to the principle of equality of treatment between men and women.

It should also be noted that the three day waiting period relating to compensation for unemployment due to bad weather has been abolished.

With the aim of restricting public expenditure the Government proposes to introduce provision for financial contributions by those using

the public services, for example in the case of medical examination and treatment, appeals against administrative decisions etc. Grants to local and regional authorities will also be considerably reduced in 1984 and 1985.

#### Federal Republic of Germany

145. Apart from the adjustment of pensions, particularly a reassessment of supplementary pensions for steel workers in the Saarland, measures were decided on in June to make it easier for non-Community migrant workers made redundant as a result of the bankruptcy or closure of their company to return to their countries of origin. The measures involve financial aid coupled with the reimbursement of pension contributions. (Law of 28 November 1983).

The budget guidelines adopted in 1982 with respect to social matters<sup>1</sup> were confirmed during the preparation of the 1984 budget, which provides for the following :

- cuts in expenditure of the Federal Employment Office to balance its budget : mainly reductions in income-replacement benefits; unemployment benefit was reduced for beneficiaries without children from 68 % to 63 % of the last net earnings;
- Federal subsidies to the agricultural pension scheme to be reduced;
- a whole series of measures to stabilize wage-earners' pension insurance, including : adjustment of pensions in line with wage adjustments in the previous year, tightening up the conditions governing the granting of invalidity pensions, replacement of pension increases for children by normal family allowances, reduction in the allowances paid to surviving spouses in the event of re-marriage, etc. In addition the qualifying period for entitlement to an old age pension at 65 is to be lowered from 15 to 5 years. These measures are contained in the 1984 complementary budget law passed on 22 December 1983.

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1 Social Report 1982, point 223.



## Greece

146. The Greek Government regards its social security scheme as underdeveloped and its policy has therefore been primarily directed towards extending and reorganizing social protection.

A law adopted at the end of 1982 and entering into force on 1 July 1983 brought within the sphere of responsibility of the Social Insurance Institution (IKA) all employees and self-employed persons not previously covered. It administers the general scheme and is now responsible for the whole territory of Greece.

A variety of provisions extending protection in respect of health care came into force on the same date. Persons drawing pensions from the self-employed traders' and craftsmen's fund - and their dependants - are now covered by the IKA in respect of sickness and maternity insurance benefits in kind. This cover is financed by a contribution equal to 10 % of the pension drawn, 4 % of this being paid by the pensioner and the remaining 6 % by the pension fund. Arrangements financed from public funds have been introduced to cover agricultural pension scheme contributors and pensioners, and their dependants, against the cost of pharmaceutical products (75 % cover being provided under normal circumstances and 100 % in the case of chronic illnesses). Improvements have also been made in the protection afforded to certain other groups (migrant workers, Greek civil war refugees, insured persons performing their military service). Finally, family allowances have been increased by a supplement of DR 1 000 per month payable from the third child onwards.

In organizational terms, the process of unifying the system under the umbrella of the IKA continued during the year under review, in the shape of changes consequent on the measures outlined above and, in November, the absorption of the employees' supplementary insurance scheme, which had previously been administered by an independent fund; the IKA can therefore now fairly be described as the national social security institution. As regards health care, Law No 1316 published in January 1983 introduced State control over all facets of the pharmaceutical industry - production, marketing, retail sales, research and measures to protect the public interest. In particular, the production and sale of proprietary medicinal products is to be controlled by a newly-established National Pharmaceutical Corporation, which will attain its objectives by means of agreements with private

manufacturers. Another law creating a national health service was approved towards the end of summer. Each doctor will henceforth be assigned to one of a network of health care centres, which constitute the fundamental units of the system. The old sickness funds will be integrated into the national scheme when the latter has become fully operational.

Social security benefits were adjusted to match increases in prices (8.8 %) in two stages - on 1 January and 1 May. The adjustments granted were degressive in character - the full increase being paid only in respect of benefits up to DR 35 000, whilst amounts between DR 35 000 and DR 80 000 attracted a progressively smaller percentage increase and those above DR 80 000 no increase whatsoever.

### France

147. A law of 19 January lays down specific measures to restore the financial soundness of the social security system. It introduces new sources of revenue for sickness insurance : contributions from those receiving early retirement pensions, surcharge on pharmaceuticals advertizing, levies on tobacco and alcohol, and payment of FF 20 per day by insured persons towards their hospital expenses. Hospitals will be provided with an overall annual allocation instead of the present system whereby costs are calculated on the basis of services provided. With effect from September, a 1 % levy on all taxable income has been introduced to be distributed over the entire social security system, while the unemployment insurance contribution was raised from 4.8 % to 5.8 % in July. In addition to these measures to increase revenue, a plan to achieve savings by a cut in certain medical costs, deferment of certain increases, etc. has been put into effect.

The decision to grant a statutory retirement pension at the age of 60 was taken last year<sup>1</sup> and came into effect in April. Supplementary retirement benefits were adjusted through a collective agreement signed on 4 February, complemented by an agreement with the public authorities concluded on 18 March. From now<sup>w</sup> on supplementary retirement benefits can be claimed at the age of 60

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<sup>1</sup> Social report 1982, point 225.

and are guaranteed to correspond to 20 % of the insured person's average earnings over his working life of a contribution record of 150 quarters. The State contributes to the additional cost incurred by the insurance schemes. This twofold operation involving statutory and supplementary schemes has led to the abolition of the guaranteed income (early retirement pension) without, however, affecting any rights acquired by current beneficiaries under the age of 65. In addition, the law of 31 May establishes a minimum of about FF 3 000 per month for pensions payable at the full rate. Henceforth payment of the pension will be subject to final withdrawal from the occupation in question. It will still be possible to take up another activity subject to payment of a solidarity contribution to the unemployment insurance scheme.

Adjustments on 1 January and 1 July raised family allowances by 11.5 %, while minimum old-age pension was raised from FF 25 500 to FF 27 560 per year. Pensions will be increased in line with wage trends during the current year. Benefits for handicapped persons were improved in January.

For the first time since their abolition in 1967, elections were held in October to appoint representatives of insured persons to the social security funds, the principle having been restored by the law of 17 December 1982 <sup>1</sup>.

### Ireland

148. Social Security benefits were increased by 12 % (long-term benefits) and 10 % (short-term benefits) from end June and there was a further 5 % increase in unemployment assistance in October for those unemployed for over 15 months. In addition in December a double weeks payment was made to the recipients of long-term benefits. On the other hand the pay-related supplement payable with flat-rate unemployment, sickness and maternity benefits was reduced from 40 % to 25 % of former earnings for the first six months and from 30 % to 20 % and 25 % to 20 % for each of the following two three-month periods respectively. The waiting period to qualify for payment of the pay-related supplement was extended from 12 to 18 days. The entitlement of workers on short-time (3 day week) to pay-related supplements was abolished and the flat-rate benefit was revised so that these workers may now claim two-fifths

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<sup>1</sup> This law abandons the strict parity maintained between trade unions and employers on management bodies.

rather than three-sixths of the flat-rate benefit as formerly. The maternity grant of IRL 8 per confinement under the social insurance system was discontinued.

The small daily subvention payable by the State for patients in private general hospitals was discontinued from 1 February 1983. From 1 January 1983 an increase of approximately 50 % was imposed on charges for private and semi-private accommodation in public hospitals. The decision taken last year to provide free health care for all persons in receipt of social security pensions regardless of means was repealed. The government, however, abolished hospital out-patient attendance charges. The base figure of IRL 16 in excess of which monthly expenditure on prescribed medicines was refunded by the State was increased to IRL 23.

The annual pay-related social insurance contribution ceiling was raised from IRL 9 500 to IRL 13 000 and a temporary 1 % levy on all incomes was introduced.

A commission was set up by the Minister for Social Welfare to review and report within a period of two years on the social welfare system and related social services and to make recommendations for their development having regard to the needs of modern Irish society. In particular the Commission was asked to review the system of pay-related social insurance and health contributions and their effects on social security and employment.

### Italy

149. A Law of 25 March extends the partial reduction in employers' sickness insurance contributions, and with effect from 1 July introduces a system whereby family allowances are increased in inverse proportion to income and in direct relation to the number of children (under 18 years). For example, an annual income of under LIT 8 million entitles the insured person to an allowance of LIT 135 000 for two children; this amount drops to LIT 107 000 for an income of LIT 10 million, and to LIT 65 000 for an income of LIT 13 million. Beyond this figure, the first child receives no allowance; with an income of over LIT 18 million per year, the first two children receive no allowance, and so forth.

This law also provides for an increase - less than expected - in pensions with effect from 1 July.

A Law of 18 February restricts voluntary contribution to the wage-earners' pension scheme; the self-employed are excluded from 1 January 1980, and from 1987 only those workers who have a contribution record of at least three years (one year at the present time) during the 5 years preceding their application to continue to contribute voluntarily will be considered eligible.

Following the change in Government, certain proposed reforms before Parliament had to be shelved and will have to be presented again by the new Government. For the immediate future, a Decree Law was adopted on 11 July containing a number of urgent measures (insured person's contribution to health care, procedures for payment of overdue contributions, etc.). Another Decree Law of 12 September restricts the right to draw a disability pension in the case of persons in receipt of earnings exceeding a certain level, extends early retirement possibilities and raises various contributions. Other measures, contained in the 1984 budget, should take effect next year.

#### Luxembourg

150. Various changes have been made to the sickness-maternity insurance scheme. With effect from 1 July, sickness benefit will no longer be reduced in the case of hospitalization (this also applies in legislation concerning agricultural sickness insurance and industrial insurance). Optional insurance facilities are extended to all persons otherwise not protected by sickness insurance cover; on the other hand, the possibility of "co-insurance" - from which certain discriminatory aspects are eliminated - has been excluded in the case of insured persons' relatives in the ascending line. With respect to maternity, the 6-month waiting period for entitlement to health care has been eliminated. The sickness insurance contribution remains at the same level except in the case of cash benefits, where it has been raised by 0.1 %.

Further, the cost-of-living supplement (granted to certain recipients of social benefits and chargeable to the central government budget) has been raised (for example, for a single person, it has been upped from LFR 3 050 to 3 400). The concept of employment that cannot reasonably be refused has been defined for the purposes of unemployment benefit.

The indexation system, suspended last year <sup>1</sup> except in the case of certain benefits, has been restored.

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1 Social report 1982, point 228.

## The Netherlands

151. As in the previous year, the main objectives of social policy were to slow down the rise in expenditure and limit the cost to industry and the national budget.

As of 1 January, minimum unemployment and invalidity benefits were paid only to people with dependents; until then all beneficiaries had been entitled, for work incapacity and to bread-winners and those aged over 35 for unemployment, to this minimum, which, in the case of a married couple, is equivalent to the minimum wage. The period during which job-seekers under 23 are entitled to unemployment benefit was reduced from two and a half years to 6 months; this measure, however, is applied less strictly in the case of a long qualifying period in the insurance scheme.

A contribution by insured persons to the cost of pharmaceutical products was introduced with effect from 1 February. (HFL 2.50 for each prescription, up to a maximum of HFL 125 per year).

Family allowances were reduced by 1 % from 1 July, while in certain cases more stringent requirements were introduced (child living at home or in an institution). Moreover, the amount of the legal minimum wage was frozen on the same date, which has in turn affected the indexation adjustments of social benefits.

On 1 July, social security contributions were raised for employees only, the government being anxious to heighten the charges on industry to maintain competitiveness. Invalidity insurance contributions for employees were increased from 13.05 % to 18.20 %, while employers' contributions were reduced from 6.75 % to 2.95 %; workers now contribute 4.40 % to the unemployment insurance scheme instead of 3.55 %, and employers 0.50 % instead of 1.85 %.

Plans are also being studied to harmonize the unemployment and invalidity insurance schemes, and to reform the sickness insurance scheme. The 1984 budget is likely to include new measures reducing social benefits or suspending indexation.

## United Kingdom

152. On 6 April new measures came into effect concerning the first 8 weeks of sickness benefit<sup>1</sup>, which would henceforth be paid directly by the employers. Implementing regulations to this effect have been issued. This has also led to changes in the industrial injury and occupational diseases insurance scheme as regards the initial period during which benefits are paid.

The rules governing the indexation of social security benefits saw a return to the system applied prior to 1976 : the November annual benefit upratings are based on the actual rise in the retail price from May to May instead of an estimate of the increase, usually made at the time of the budget in March, from November to November. As a result most benefits have gone up by 3.7 % (reflecting the rise in the cost of living from May 1982 to May 1983, except for supplementary benefits (4.3 %) and family allowances (11 %). Unemployment benefit, however, was raised by over 8 % (as the 5 % reduction applied in 1980 was made good).

The schedule of prescribed diseases has been revised.

Improvements have also been made in the benefit provisions for victims of occupational deafness, byssinosis and neoplasma of the bladder. Two new diseases have been added to the list. Other extensions to the scheme are being considered.

A number of minor changes were made in the contracting out arrangements (whereby occupational pensions schemes provide earnings - related benefits instead of the state pension scheme). Other technical changes are soon to be made by legislation.

On 23 November 1983 the Secretary of State for Social Services announced that he was setting up an Inquiry into provision for retirement, which he would chair. The Inquiry has the following terms of reference : to study the future development, adequacy and costs of State, occupational and private provision for retirement in the United Kingdom, including the portability of pension rights, and to consider possible changes in those arrangements, taking account of the recommendations of the Select Committee on Social Services in their

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<sup>1</sup> Social Report 1982, No 230.

report on retirement age. It is expected that the Inquiry will report on the question of portability of pension rights in the Spring of 1984 and on the remaining aspects by Autumn 1984.

Progress was made in equal treatment for men and women with regard to social security dependency additions, family income supplement and supplementary benefit.

Finally, in April, contributions for insured persons and employers were increased by 0.25 %<sup>1</sup>. The Government is moreover planning economy measures in the National Health Service which will lead to redundancies among administrative and medical staff.

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<sup>1</sup> The National Insurance surcharge was reduced from 2 % to 1 %.



## Chapter VIII

### SAFETY AND HEALTH AT WORK

#### Trends within the Community

153. The variety of work done by the Member States in the reference year in the field of health and safety at work can best be illustrated by dividing activities into three groups.

The first group of measures covers the unending task of ensuring that the most recent scientific and technological knowledge is used to improve the safety of installations at the workplace, to make sure that machines and appliances are designed and used in such a way that they do not represent a danger and to protect people engaged in particularly dangerous jobs. There are very few fields not covered here - from the revising of rules on lighting at the workplaces to improvements in the specifications for plant subject to surveillance, e.g. steam boilers, pressure vessels, hoists, mobile machines and tools and work involving electrical plant, compressed air or excavation. The measures in question are not merely legislative ; it is also the responsibility of the authorities concerned to draw attention to any general or specific hazards.

The second group covers the protection of persons handling dangerous substances. In this connection it has often been pointed out that this area is to a large extent the subject of Community legislation which constantly has to be brought into line with scientific developments. The Member States will be involved for a long time to come with the incorporation of these provisions into national law. The many improvements in the health surveillance of employees should be mentioned in this connection.

The third and final group covers measures which are intended to ensure, firstly, that the authorities concerned are kept informed, via

suitable bodies, of improvements which those at the workplace feel to be necessary and, secondly, that the legal and administrative provisions are duly and appropriately implemented.

Mention should be made of the establishment of advisory bodies in many branches of industry and at various levels. An improvement in the safety services, with the cooperation of employees, should lead to a higher standard of internal safety measures. New inspection offices have been recognized, which are responsible for examining dangerous installations at the workplace or dealing with the ever increasing demand for safety certificates for machines and appliances. Finally, efforts are being made to improve the effectiveness of the factory inspectorates, which have been in existence in some of the Member States for over 125 years.

#### Development of the situation in the member countries

##### Belgium

154. Two Royal Decrees amend and supplement the provisions of the general regulations on health and safety at work. The first (29 November 1982) provides that the supervisory authorities must be given advance notice in writing of works in connection with the construction or renovation of drainage systems, underground electric cables, etc. on similar works which involve the digging of trenches and shafts more than 1.20 m deep and are expected to take one week or longer. The second (2 September) concerns lifting gear and deals mainly with definitions and specific technical provisions for passenger lifts, building hoists, goods lifts and lifts in industrial installations.

Some of the work on reforms in the areas listed in the 1981 Social Report<sup>1</sup> is nearing completion. Work has started on amending and supplementing the provisions on the protection of workers and the general

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<sup>1</sup> Social Report 1981, point 210

public from ionizing radiation, as well as on the training of heads of safety services, on certain types of inoculations and on toxic substances and preparations.

### Denmark

155. The time limits after which existing lifts must meet the requirements set out in the Order on lifts<sup>1</sup> have been extended by a Ministry of Labour Order of 26 January. An Order of 7 March permits the limited use of old agricultural tractors after 1 July 1983 even if they are not equipped with a protective cabin.

The Ministry of Labour Order of 7 July gives new powers to the Labour Inspectorate in the field of hazardous or stressful work. In particular the Labour Inspectorate may order that particular measures be taken to prevent disease, overwork and accidents. The focus is on avoiding repetitive stresses, an unhealthy work rate and isolated work and on protecting workers against noise, dangerous radiation, dangerous substances and other ergonomically unacceptable conditions. The employer is made responsible for certain supervisory tasks in the occupational health field. Certain working procedures must be approved by the Labour Inspectorate. At present approximately 40 legal provisions and 60 guidelines are being drafted covering a very wide range of occupational safety and health topics.

Safety campaigns conducted in the reporting year concerned the promotion of safety at work in the following areas : air pollution in screen printing painting work and paints, safety organization, use of plant protection agents and insecticides, cleaning work, work at visual display units.

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<sup>1</sup> Social Report 1981, point 211.

## Federal Republic of Germany

156. The Order on the improvement of youth training of 1 August has affected the Order concerning workplaces of 20 March 1975<sup>1</sup> in that the provisions on separate washroom facilities for men and women have been relaxed. This makes it possible for small and medium-sized undertakings to employ women, particularly female apprentices, even if they do not have such separate facilities.

By decision of the Federal Minister for Labour and Social Affairs of 15 September, notified through the Federal Occupational Safety Office, the duties and organization of the Dortmund Office have been reorganized.

As part of the safety regulations, a new list of the relevant German standards and accident prevention provisions of the employers' accident insurances associations has been issued in the form of general administrative provisions (January 1983) under legislation on industrial equipment ( Safety of Appliances Act). The Federal Minister for Labour and Social Affairs has furthermore published a number of changes and additions to the regulations. The most important are the following :

- directive on distances between stocks of specific explosive substances (20 January ) ;
- technical regulations on the labelling of preparations containing asbestos (21 January ) ;
- amendment to the technical regulations on flammable fluids (12 February) - List of standards, instructions, accident prevention regulations, etc. ;
- containers on vehicles ;
- construction and testing for overflow precautions ;
- amendment and extension of technical rules on steam boilers (18 February, 29 March, 22 June and 21 August ) - List of main standards, instructions, etc. ;
- flue gas, water feed heater ;
- operating of steam boiler installation ;
- directives on inspections and processes ;
- overview of the relevant rules) ;
- amendment of the technical rules on hazardous substances (29 March) - (acrylonitrile) ;
- new instructions on medical surveillance in cases of asbestosis (13 May ) ;
- technical regulation on specific requirements for pressure gas containers and packaging (11 June), incorporating EC Directive 75/324/EEC of 20 May 1975 ;

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<sup>1</sup> Social Report 1975, point 227 .

technical regulations on pressure containers (4 July) (experts, inspection application, inspection certificate); technical regulations on hazardous substances - 29 July (amendment and extension of the recommended levels for dangerous working substances and their labelling; revision of the regulations); MAC-values 1983 (11 August).

An order is being drawn up relating to hazardous materials (based on the Chemicals Act of 16 September 1980)<sup>1</sup> and to the various regulations on the classification, packaging, labelling, manufacture and use of dangerous substances and preparations. These regulations supersede, for example, the Order on working substances and the "Land" Orders on poisons and incorporate a series of EC Directives into national law.

The programme of research into the "humanization of working life" and its practical implementation was continued.

### Greece

157. Law 1396/83 on the obligation to lay down and implement safety measures in the building industry and in other forms of private technical work specifies the responsibilities and obligations of persons responsible for the protection of employees and third parties in this sector. In principle, responsibility lies with the employer. However, it can be transferred to managers or supervisors when this seems necessary in order to ensure improved worker protection. The safety measures to be taken must be set out in a special booklet. Persons infringing the provisions of the law are liable to prosecution.

The preparatory work described in the previous report<sup>2</sup> has been continued and in some cases is nearing completion. In addition, a draft regulation on the protection of workers exposed to asbestos has been prepared. Also, the reorganization of the technical services of the Labour Inspectorate within the Ministry of Labour should make for improved efficiency.

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<sup>1</sup> Social Report 1975, point 227.

<sup>2</sup> Social Report 1982, point 235.

The situation as regards health and safety in Greece was described at a seminar in October, organized jointly by the Ministry of Labour and the CEC.

### France

158. A Decree dated 25 January permits certain exemptions from the requirements for the installation and operation of belt conveyors.

Several Decrees relative to official recognition of persons and bodies responsible for carrying out technical tests in the following fields : sampling and evaluation of asbestos dust (3 February), measures to determine airborne carbon monoxide and benzene concentrations at workplaces (3 February), machinery and appliances (4 February), testing of hoisting gear other than lifts and building site hoists (15 March), certificate of conformity for electrical equipment to be used within certain voltage ranges (7 April).

A national supervisory board for industry was set up by a Decree dated 24 February. By a Decree dated 25 May, a special committee on industrial medicine was established under the Supreme Council for the Prevention of Occupational Risks.

A Decree date 14 March lays down safety requirements for portable grinders and portable circular saws. A further Decree of the same date stipulates the time limits within which the general occupational health and safety regulations must be applied to portable handoperated machinery and appliances ; exemptions from the provisions of the Labour Code have also been laid down for certain categories of such tools (Decree dated 19 March ). Exceptions to the regulations generally applicable were also laid down for eletrical installations operated at over 500 volts in power generation, transformer and distribution plant (Decrees dated 14 and 15 June ) and for live work at voltages of 500 volts and over (Decree dated 16 June ).

New line the Labour Code was supplemented by

three Decrees. One of them (2 August) introduces new regulations on lighting at workplaces, laying down in particular the minimum light intensity for the illumination of working areas, stairs, storerooms and windowless premises used as permanent workplaces, etc. ; another (2 August) contains supplementary regulations on lighting requirements to be observed in the construction or fitting out of all buildings to be used for industrial, commercial or agricultural activities ; lastly, a Decree dated 23 September introduces provisions respecting works committees on health, safety and working conditions, stipulating the number of employees who may participate in such committees, and the working procedures of the committees.

### Ireland

159. The remaining provisions of the Safety in Industry Act<sup>1</sup>, the first part of which came into force on 1 March 1981, entered into force on 1 January 1983. The Commission of Inquiry on Safety, Health and Welfare at Work<sup>2</sup> presented its report to the Minister for Labour on 14th July 1983. The Report will shortly be laid before the Houses of the Oireachtas (Parliament) and will then be published for public examination and debate.

The Mines and Quarries Advisory Council (a statutory body whose principal function is that of advising the Minister for Labour in connection with the operation of the Mines and Quarries Act, 1965) conducted a countrywide campaign during the year for personnel in the mining and quarrying industries. The campaign comprised a series of seven one-day seminars under the general theme "The Prevention of Accidents due to Falling and Slipping at the Workplace" and is supported by the EEC Commission and the EEC Safety and Health Commission for the Mining and other Extractive Industries.

A statute for the safety protection of workers on offshore installations is being prepared. Proposed draft regulations for worker safety protection in relation to dangerously flammable liquids and transport are under examination.

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<sup>1</sup> Social Report 1980, point 226.

<sup>2</sup> Social Report 1981, point 215.

Draft regulations in respect of safety training of workers in mines are in course of preparation.

Projects being examined or in preparation :

restricting the use of benzene in toys of parts of toys (Directive 82/806/WEC). Draft European Communities (Paints, etc) Classification, Packaging and Labelling (Amendment) Regulations ; Regulations under the Dangerous Substances Act to control the loading, unloading, and storage of liquefied petroleum gas.

### Italy

160. Three Interministerial Decrees of 23 December 1982 set up the branches of the ISPESL (Institute for Accident Prevention and Occupational Safety) to deal with the issuing of licenses, defined the licensing duties of the now defunct ENPI (Accident Prevention Office) and ANCC (Fire Prevention Association) which are to be the responsibility of the Institute and, finally, empowered local health offices in certain cases to issue licences for new plant or alterations on behalf of the ISPESL.

The Interministerial Decree of 29 April set up an interministerial coordinating committee within the Ministry of the Interior to be responsible for joint technical assessments in connection with licensing.

A Decree pursuant to the Order of 2 April dealt with the approval of safety installations for mobile hoists with particular reference to the definition of 'mobile', pre-operational testing, documentation on equipment and regular and spet testing.



The interministerial coordinating committee also considered the technical criteria to be laid down for licences for elevating platforms and mobile working platforms.

### Luxembourg

161. No legal or administrative regulations on safety, hygiene and health protection at work were issued in 1983.

Work is, however, in progress on draft regulations in associated fields and some of this is well advanced.

A draft Order in implementing the provisions of the Act of 14 March 1979<sup>1</sup> defines the experts responsible for investigation and observation of any infringement of the legal and administrative regulations.

There will also be a bill incorporating into national law the sixth version of Directive 67/548/EEC on the classification, packaging and labelling of dangerous substances and preparations. Under the terms of this the manufacturer is responsible for examining any new substances which may represent a danger to man and the environment before placing them on the market and for submitting the results to the authorities responsible.

Finally, bills incorporating Directives 77/728/EEC on the classification, packaging and labelling of paints, varnishes, printing inks, adhesives and similar products, 73/173/EEC on the classification, packaging and labelling of dangerous preparations (solvents) and 80/1107/EEC on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work are being examined.

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<sup>1</sup> Social Report 1979, point 222.

## Netherlands

162. Pursuant to the Royal Decree of 15 November 1982, the first part of the Working Conditions Act<sup>1</sup> took effect on 1 January 1983 ; it mainly concerns provisions hitherto contained in the 1934 Safety Act, the Silicosis Act, the Act on Compressed-Air Work and the Stevedores Act.

The royal Decree on containers of 25 March , based on the Dangerous Working Implements Act, is an initial step towards the ratification of the International Convention on safe containers.

At present provisions are being drafted with a view to bringing national law into line with the Community Directives on the classification, packaging and labelling of dangerous substances and preparations, on safety provisions for inland navigation and on of serious accident hazards in particular professions. It is also intended to bring the Decree on safety in stevedoring work into line with present-day requirements. Moreover, the Radiation Protection Decree issued under the Nuclear Energy Act is being revised, mainly with a view to a ligning it with the EEC Directive amending the basic safety standards on the health protection of the population. Finally, work has started with a view to extending the area of application of the Working Conditions Act to the public services and the armed forces.

## United Kingdom

163. The Health and Safety Commission (HSC) continued its policy of establishing comprehensive Regulations, Codes of Practice and Guidance on all matters relating to health and safety at work, within the framework provided by the Health and Safety at Work etc Act 1974. Regulations which

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<sup>1</sup> Social Report 1981, point 218 ; 1982, point 240.

came into force during the year included the Packaging and Labelling of Dangerous Substances (Amendment) Regulations which implements Directives 81/957/EEC and 82/232/EEC, and the Classification and Labelling of Explosives regulations. Several sets of Regulations were also made on fees charged for licensing, approvals, medical examinations etc and on metrication of weights and measures in existing regulations.

The Commission Industry Advisory Committee (IAC) for the rubber industry is now fully operational. The HSC has approved the setting up of an IAC for the cotton and allied fibres textile industry and consideration is being given to the creation of an IAC for the mining industry.

The HSC issued consultative documents concerning proposals for revised arrangements for reporting accidents, ill health and dangerous occurrences at work ; for provisions on dangerous substances in harbour areas ; and provisions for the control of industrial major accident hazards (to implement Directive 82/501/EEC).

The HSC considered recent research which had highlighted the dangers of asbestos. Accordingly, it was decided that stricter control limits should apply to all types of asbestos from 1 August 1984. The HSC made it clear that employers will be expected to comply with the new levels before that date wherever possible.

## Chapter IX

### HEALTH PROTECTION

#### Radiation protection legislation

164. In 1983, the Member States continued the procedure for the application of the Council Directive of 15 July 1980 amending the directives fixing the basic standards for the protection of the population and workers against the risks of ionizing radiation <sup>1</sup>.

The following legislation came into force:

#### Belgium

Ministerial order of 20 July amending the ministerial order of 16 July 1980 on the processing by ionizing radiation of food-stuffs of human or animal consumption (MB of 17.8.1983).

Law of 14 July amending the law of 29 March 1958 on the protection of the population against the risks of ionizing radiation (MB of 6.8.1983).

#### Federal Republic of Germany

Directive of 17 September 1982 on technical knowledge in radiation protection (GMBL 1982, page 592).

#### Italy

1983 Law amending the regulation on the activities of medical radiology technicians.

This Law n° 25 of 31 January (published in the Official Journal of 9 February 1983) amends Law n° 1103 of 4 August 1965 and the Decree of the President of the Republic n° 680 of 6 March 1968, which governed the activities of auxiliary staff employed in medical radiology work.

1983 Law amending the 1975 Law on the siting of nuclear power stations.

This Law n° 8 of 10 January (Official Journal of 14 January 1983) covers payments to be made to local and regional authorities where power stations are to be located (except for power stations fuelled by hydrocarbons).

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<sup>1</sup> OJ L 246 of 17.9.1980 .

Luxembourg

Law dated 10 August on the medical use of ionizing radiation (Mémorial A n° 69 of 31.8.1983).

United Kingdom

The Law published on 9 May, made some amendments to the provisions of the 1965 Law on nuclear installations, governing the responsibilities of nuclear power station operators.

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x x

The Commission has given its opinion according to Article 33 of the Euratom-Treaty on the following regulatory draft provisions:

Denmark

- Order concerning industrial X-ray installations, etc. ;
- Order concerning industrial radiography installations, etc. .

Greece

- Decision on the basic safety standards for the health protection of the general public and workers against ionizing radiation ;
- Decision "Medical surveillance of exposed workers";
- Decision on the measurements of doses received by exposed workers and the archiving of the results.

## Radiation protection measuring techniques

165. In Denmark the International Bureau of Weights and Measures conducted a comparative study to check the standard measurement for radioactivity.

In the Federal Republic of Germany, many standards have been published for equipment generating X-rays and gamma-rays, orders of magnitude, terminology, dosimetry, the recording of doses, electron accelerators, technetium generators and protective screens, as well as amendment on standardization.

In France a railway carriage has been fitted out as a laboratory with 32 detectors for whole-body monitoring of gamma radiation.

In Italy the dosimetric services of the ENEA have been automated by adopting the techniques of thermoluminescent dosimeters which will gradually replace film dosimeters from 1984 onwards. A report has been drawn up on the standard of performance of the dosimetric services.

In the Netherlands four whole-body counters have been brought into service. Research has been carried out on a neutron dosimeter. A third of the film dosimeters have been replaced by TLD dosimeters. The programme to monitor radiation from natural sources has been continued.

In the United-Kingdom research has been carried out to develop TLD dosimeters for measuring extremely small or large doses and neutron dosimeters. The development of measuring instruments has been hampered by the lack of any decision on orders of magnitude to be monitored.

### Monitoring radon in mines

In Belgium, the Federal Republic of Germany, France, Italy and the United Kingdom concentrations of radon and decay products have been monitored in non-uranium-bearing mines under the aegis of the Commission of the European Communities.

These measurements were carried out in selected mines where there is a possible radiological risk. The results of this inquiry will be examined together the various authorities responsible for health and safety in mines.

### Monitoring radioactivity in the environment

166. In all Member States, the radioactivity present in the environment (air, water, fallout, food chain) is measured as appropriate, in representative samples.

The results of these analyses are sent to the Commission as required by Article 36 of the Euratom Treaty.

Overall, the measurements carried out show no significant departure from those of previous years. The levels are well below the absorption limits for members of the public as fixed by the Euratom basic standards, according to the most recent amendment published by the Council on 15 July 1980.

Any differences in monitoring techniques in the Member States are negligible and relate to the following points:

In Denmark and Germany the emphasis is still on measuring radioactivity levels in sea water and fish. Although they are not abnormally high, the observed levels, mainly in the North Sea, must be treated as significant, especially since no tendency towards a drop in levels has been noted.

In France, two trends have been noted, one concerning the recording of results, which are no longer notified below certain non-significant thresholds, and the other concerning the samples measured in the food chain. In this latter respect, whereas it has always been considered that milk is an excellent indicator, it has now also been admitted that it is equally sensible to take measurements of 'shopping baskets'.

An overall analysis has to be carried out on all these measurements taken in the environment, taking into account, of course, the radioactivity emitted into the atmosphere by the routine working of nuclear installations and also, to a lesser extent, from the discharges of medical installations and natural radioactivity, which is particularly high in the water supply systems of certain areas.

## Monitoring radioactive effluents

### 167. 1. Plans for the disposal of radioactive waste

The following plans were subject to examination in 1983 in the frame of Article 37. Following the revised recommendation of 3rd February, 1982<sup>1</sup> the communications called for from Member States now extend to preliminary data prior to construction of a nuclear power station or a nuclear fuel reprocessing plant.

#### Federal Republic of Germany

Emsland: nuclear power station - preliminary data;

Neckar II: nuclear power station - preliminary data;

Exxon-Lingen: extensions to a fuel fabrication plant..

#### France

Cruas: nuclear power station;

Paluel: nuclear power station;

Pierrelatte: fuel fabrication plant.

### 2. Evolution of radioactive effluent discharges

The most recent edition of a periodic Commission report<sup>2</sup> on effluent discharges from nuclear power stations and nuclear fuel reprocessing plants was published reviewing the data up to the end of 1980. It was estimated that even members of the most exposed population groups rarely received more than 0.5% of the dose limit as a result of nuclear power station discharges. As regards nuclear fuel reprocessing plants, the maximum dose from SELLAFIELD, UK, was estimated at some 20% of the limit and measures are in hand to reduce the discharges. Doses received in other Member States and from effluents from other reprocessing plants have been very much lower.

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1 OJ L 83 of 29.3.1982.

2 "Radioactive effluents from nuclear power stations and nuclear fuel reprocessing plants in the European Community Discharge Data - 1976-1980 - Radiological Aspects", doc.V/3267/83.



## Health education

### Health education in school - Nutrition

168. In all Member States, measures have been taken to provide appropriate education for school children, in particular in the field of nutrition.

In Belgium special efforts are still aimed at teachers, who are considered to provide the most effective channel for disseminating the information.

In Germany interesting experiments have been carried out in the "Gesamt-schulen" in the Land of Hamburg. It will be impossible, however, to evaluate in the immediate future the impact of the campaigns which have been undertaken.

In Ireland the Health Education Bureau was set up by the Minister for Health in 1975 to advise the Minister on priorities in health education, to draw up and implement health education programmes in co-operation with statutory and voluntary bodies in the field, to promote and conduct research and to act as a national centre of expertise and knowledge in all aspects of health education. There is provision within the existing school curriculum for pupils to be made aware of food values and the importance of developing healthy eating habits from the earliest days in the primary school. Discussions are in progress between representatives of the Department of Education, HEB and other interested parties to develop special programmes designed to raise the level of awareness of the value and importance of nutrition, school lunches, etc.

In Luxembourg, children are educated on nutrition by means of vocabulary lessons (Luxemburgish, German, French).

In the Netherlands an interesting aid (voedingsplank) has been produced for the use of teachers, to be used in the general education of children aged between 10 and 14.

In the United Kingdom Home Economics and sometimes Sciences teachers are responsible for nutrition education in secondary schools. Inspectors and advisers support them in this work.

### Mass catering

169. Mass catering is becoming an increasingly common feature of our society today, especially in the countries of the European Community, but it is important to make a distinction between mass catering for children in nurseries and schools and catering for adults at work.

School meals are particularly important in Belgium, France and the United Kingdom, but less so in the other countries. Canteens for adults are becoming more popular in all the Member States.

There is virtually no legislation providing for rigorous checks on hygiene and the composition of menus. There are, however, special legal provisions in the following fields:

1. Air-line catering.
2. Food hygiene in hospitals (in accordance with a Council of Europe recommendation).
3. In works canteens, etc., particularly in France, where the staff committees and health and safety committees are entitled to check catering arrangements.

Works doctors may also sit on these committees in a consultative capacity.

#### Epidemiology of Occupational Diseases

170. The prevention of and compensation for occupational diseases are two important objectives of the Community's social policy, objectives which were, moreover, defined under the terms of Article 118 of the EEC Treaty.

If such diseases are to be prevented and compensation paid, it is obvious that they must be identified and notified and that records must be kept. In all the European Community countries, there is specific legislation to ensure that such returns are made. However, the ways in which they are notified vary from one Member State to another.

In Belgium, the declaration has to be made by the occupational physician whose job it is to inform the National Occupational Diseases Fund (Fonds National des Maladies Professionnelles). The declaration is based on the Belgian list of occupational diseases. The occupational physician also has to notify the authorities of any disease which may possibly be occupational in origin, even if this disease does not appear on the national list.

In Denmark Order n°148 dated 30.3.1978, states that it is the responsibility of doctors and dentists to notify the social security authorities and the Labour Inspection Service of any suspected or proven cases of occupational disease; this information enables the said authorities to decide whether the victim is entitled to compensation according to the law on insurance against accidents at work and occupational diseases. The employer is then obliged in turn to make an additional declaration to the social security authorities or to his insurers.

This declarations are then used for statistical purposes.

In Germany, the employer, doctor or dentist is obliged to notify such diseases on the basis of the national list. Suspected cases also have to be declared.

The notification must be sent to the accident insurance agency and the chief occupational physician. The declarations are then used for statistical and prevention purposes.

In Greece occupational diseases are included with accidents at work. A special form is used for notification of such diseases or accidents. The doctor, employer and the insured are all required to declare to the social security office cases of diseases on the national list. At the same time, the Ministry of Labour is informed of these declarations.

In France the patient notifies any disease which is suspected of being occupational in origin to the Caisse Primaire d'Assurance Maladie (primary sickness insurance fund) using a certificate supplied by the doctor in charge. The case is investigated by the medical inspection departments and the decision is taken by this fund. The extended European list of occupational diseases<sup>1</sup> is used as a reference.

In Ireland the Ministry of Labour must be informed of cases notified by the employer. At the same time, the person insured must inform the Ministry of Social Welfare. Declarations are based on the national list.

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<sup>1</sup> Annexes I and II of the EEC recommandation dated 23.7.1962.

In Italy doctors have to notify occupational diseases to the sickness insurance bodies (INAIL) using as a guide the extended list which is similar to the French list. The employer also sends to the INAIL a detailed declaration.

In cases of agricultural diseases, doctors make the declarations and send them to the labour inspectorate.

In Luxembourg it is the responsibility of the insured person to report his disease to his employer, who is then obliged to notify the occupational accident insurance association; this association then sends the doctor in charge a detailed form to fill in. The declaration is based on the national list.

In Netherlands the employer has to notify occupational diseases, based on the extended list which is the same as the French and Italian extended lists. The sickness insurance scheme collects information and, in appropriate cases, sends the information to the labour inspectorate in order that appropriate preventive measures may be taken.

In the United Kingdom the insured person had to send an application for compensation to the DHSS. Independent bodies then give their opinion, based on the national list of "prescribed diseases", as to whether the cause of the disease was occupational and on the identification of the disease.

The general problem of the epidemiology of occupational diseases was the subject of a workshop which the Commission organized in Luxembourg from 5 to 7 December 1983. Representatives from the competent authorities in the Member States, specialists in occupational pathology and occupational medicine and representatives from the ILO all took part in the workshop.

The following problems were discussed:

- the reliability of current epidemiological methods for the detection of diseases which may be caused by occupational exposure to a given noxious substance;
- the evaluation of medical examinations and in particular of biological examinations used for medical surveillance;
- the advantages and reliability of recording data on occupational pathology.

C. STATISTICAL APPENDIX

- I - Population
- II - Education
- III - Employment
- IV - Unemployment
- V - Industrial relations - Working conditions
- VI - Incomes, wages, labour costs
- VII - Standard of Living
- VIII - Social protection

I. Population

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10	
<b>1. Total population</b>												
<b>a) 1.000 - annual average on 30 June</b>												
1960	9119	4581	55433	8327	45684	2832	50198	315	11487	52559	240535	
1970	9638	4929	60651	8793	50772	2950	53661	340	13039	55522	260295	
1980	9847	5123	61566	9643	53714	3401	56127	365	14150	56360	270296	
1981	9852	5122	61682	9728	53966	3443	56502	365	14247	56348	271255	
1982	9856	5118	61638	9792	54219	3483	56639	366	14313	56341	271765	
<b>b) Average annual increase as %</b>												
1960/70	0,6	0,7	0,9	0,5	1,1	0,4	0,7	0,8	1,3	0,5	0,8	
1970/80	0,2	0,4	0,1	0,9	0,6	1,4	0,6	0,7	0,8	0,1	0,4	
1980/81	0,1	-0,0	0,2	0,9	0,5	1,2	0,2	0,1	0,7	0,0	0,3	
1981/82	0,0	-0,1	-0,1	0,6	0,5	1,7	0,2	0,0	0,5	0,0	0,2	
<b>c) .By age groups (end of the year) as %</b>												
0-14 years	1960	23,7	24,9	21,6	26,1	26,5	31,1	24,5	21,4	30,0	23,3	24,3
	1970	23,6	23,1	23,1	24,6	24,7	31,2	24,4	22,0	27,2	24,0	24,2
	1980	20,0	20,6	17,8	22,6	22,2	30,4	21,7	18,6	22,1	20,9	21,0
45-64 years	1960	64,3	64,4	67,5	65,8	61,9	57,7	66,0	67,8	61,0	65,0	64,9
	1970	63,0	64,5	63,6	64,3	62,4	57,7	65,0	65,4	62,6	63,2	63,4
	1980	65,6	65,0	66,7	64,3	63,9	58,9	64,8	67,8	66,4	64,1	64,8
65 years and over	1960	12,0	10,7	10,9	8,1	11,6	11,2	9,5	10,8	9,0	11,7	10,8
	1970	13,4	12,4	13,3	11,1	12,9	11,1	10,6	12,6	10,2	12,8	12,4
	1980	14,4	14,5	15,5	13,1	13,9	10,7	13,5	13,6	11,6	14,9	14,2
<b>2. Components of population changes</b>												
<b>a) Birth rate (live births per 1000 inhabitants)</b>												
1960	17,0	16,6	17,4	18,9	17,9	21,5	17,9	15,9	20,8	17,5	18,0	
1970	14,8	14,4	13,4	16,5	16,8	21,9	16,5	13,0	18,3	16,3	15,9	
1980	12,7	11,2	10,1	15,6	14,9	21,9	11,3	11,4	12,8	13,5	12,6	
1981	12,6	10,4	10,1	14,5	14,9	21,0	11,0	12,0	12,5	13,0	12,4	
1982	12,2	10,3	10,1	14,2	14,7	20,4	10,9	11,8	12,0	12,8	12,2	
<b>b) Death rate (deaths per 1000 inhabitants)</b>												
1960	12,5	9,5	11,6	7,3	11,4	11,5	9,4	11,8	7,6	11,5	10,8	
1970	12,3	9,8	12,1	8,4	10,7	11,4	9,6	12,2	8,4	11,8	10,9	
1980	11,5	10,9	11,6	9,1	10,2	9,7	9,7	11,3	8,1	11,8	10,6	
1981	11,2	11,0	11,7	8,9	10,3	9,4	9,6	11,2	8,1	11,7	10,6	
1982	11,1	10,8	11,6	8,8	10,2	9,4	9,4	11,3	8,2	11,8	10,5	
<b>c) .Net migration (per 1000 inhabitants)</b>												
1960	+0,5	+0,7	+6,1	-3,7	+3,1	-14,8	-1,9	+1,7	-1,1	+1,7	+1,6	
1970	+0,4	+2,4	+9,2	-5,3	+3,5	-1,2	-0,9	+3,1	+2,6	-1,5	+2,4	
1980	-0,4	+0,1	+5,1	+5,2	+0,0	-0,4	+1,4	+3,7	+3,7	-1,4	+1,5	
1981	-0,7	-0,4	+2,5	+0,7	+0,0	+0,1	+0,4	+0,2	+1,2	-1,4	+0,4	

Source : EUROSTAT

## II. Education

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
<b>1. Compulsory education</b>											
<b>a) Minimum age</b>											
1960	6	7	6	7	6	6	6	6	6	5	5-7
1970	6	7	6	7	6	6	6	6	6	5	5-7
1980/82	6	7	6	5 $\frac{1}{2}$ - 6	6	6	6	6	6	5	5-7
<b>b) School-leaving age</b>											
1960	14	14	14	13	14	14	14	15	14	15	13-15
1970	14	14	14/15	13	16	14	14	15	14	15	13-16
1980/82	14	16	15	14 $\frac{1}{2}$ - 15	16	15	14	15	15/16	16	14-16
<b>2. Numbers of pupils 1 and students</b>											
<b>a) 1.000</b>											
1960/61	1.503	.	7.222	.	8.469	.	6.961	40	2.303	.	.
1970/71	1.902	930	9.866	1.560 <sup>2</sup>	10.183	634	9.449	54	2.719	10.515	47.812
1980/81	1.904	1.040	10.912	1.746 <sup>2</sup>	11.059	773	10.782	51	3.104	10.928	52.285
1981/82	1.887	1.037	10.742	...	11.246	785	10.655	50	3.071	11.022	52.240
<b>b) Pupils and students as % of the population</b>											
1960/61	16,4	.	12,9	.	18,4	.	13,8	12,7	19,9	.	.
1970/71	19,7	18,8	16,2	17,7	20,0	21,3	17,6	15,7	20,7	18,9	18,3
1980/81	19,3	20,3	17,7	18,2	20,5	22,8	18,9	13,9	21,8	19,5	19,3
1981/82	19,2	20,3	17,4	...	20,8	22,6	18,8	13,7	21,5	19,7	19,2
<b>c) Pupils and students by level of education as %</b>											
<b>First level</b>											
1965/66	57,5	49,3	45,6	.	60,3	72,6	56,9	.	60,1	56,9	55,8 <sup>3</sup>
1970/71	54,8	48,9	41,4	58,9	50,5	63,0	52,2	60,1	56,3	55,6	51,0
1980/81	45,1	41,8	26,4	51,5	44,4	55,7	41,1	51,0	46,0	45,4	40,7
<b>Second level</b>											
1965/66	37,6	44,1	47,9	.	35,2	24,1	38,0	.	35,0	39,7	39,4 <sup>3</sup>
1970/71	38,6	41,0	51,8	35,6	41,9	32,9	40,6	39,0	37,2	40,0	42,5
1980/81	44,6	47,9	62,6	41,6	46,3	38,9	49,3	47,4	45,0	49,7	50,7
<b>Third level</b>											
1965/66	4,9	6,7	6,5	.	4,5	3,3	5,1	.	4,9	3,3	4,8 <sup>3</sup>
1970/71	6,6	10,1	6,8	5,5	7,5	4,1	7,3	0,9	6,5	4,3	6,5
1980/81	10,3	10,2	11,0	6,8	9,2	5,4	9,6	1,6	9,0	4,9	8,6

1 Excluding nursery schools.

2 1979/80.

3 Excluding Greece and Luxembourg.

Source : EUROSTAT



### III. Employment

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
<b>1. Working population</b>											
a) 1.000 - annual average											
1960	3.598	2.085	26.351	3.601	19.820	1.118	21.691	132	4.232	24.639	107.267
1970	3.830	2.380	26.817	3.430	21.430	1.118	20.873	140	4.795	25.300	110.113
1980	4.152	2.662	27.191	3.636	23.147	1.239	22.804	160	5.389	26.701	117.081
1981	4.161	2.671	27.395	3.863	23.231	1.264	23.100	160	5.547	26.548	117.940*
1982	4.174	2.684	27.501	....	23.394	1.283	23.188	161	5.696	26.303	118.060*
b) Activity rates (working population as % of total population)											
1960	39,5	45,5	47,5	43,2	43,4	39,5	43,2	41,9	36,8	46,9	44,6
1970	39,7	48,3	44,2	39,0	42,2	37,9	38,9	41,2	36,8	45,6	42,3
1980	42,2	52,0	44,2	37,7	43,1	36,4	40,0	43,8	38,1	47,7	43,2
1981	42,2	52,2	44,4	...	43,0	36,7	40,4	43,9	38,9	47,2	43,2
1982	42,3*	52,4	44,6	...	43,1	36,8	40,5*	44,1	39,8	46,6*	43,3*
<b>2. Employment</b>											
a) Total employment (1.000) - annual average											
1960	3.481	2.054	26.080	3.514	19.581	1.055	20.476	132	4.182	24.313	104.868
1970	3.761	2.363	26.668	3.294	20.920	1.053	19.762	140	4.708	24.745	107.414
1980	3.841	2.489	26.302	3.541	21.695	1.163	21.107	159	5.080	25.188	110.565
1981	3.762	2.455	26.123	...	21.536	1.151	21.187	159	5.113	24.153	109.200*
1982	3.713	2.450	25.668	...	21.526	1.146	21.119	159	5.094	23.533	107.980*
b) Female employment as % of total employment											
1960	30,4	29,8	37,6	34,0*	32,7*	26,3*	29,7	25,2*	22,0*	33,1	33,0*
1970	31,9	38,6	35,9	26,4*	34,8	26,7	27,5	27,5	25,7	35,8	33,2
1980	35,1	44,0	37,4	28,1	37,1	28,1	31,3	29,8	30,0	39,8	36,0
1981	35,6	44,9	37,6	...	37,3	29,1	31,2	29,8	31,2	40,1	36,3
1982	36,1	45,0	37,8	...	37,8	29,6	31,6	29,9	30,9	40,6	36,9*
c) Total employment by sectors as %											
<b>Agriculture, fishing</b>											
1960	8,6	17,6	13,9	57*	21,4	37,0	32,2	16,6	11,2	4,7	18,2
1970	4,7	11,5	8,6	40,8	13,9	27,1	20,2	9,3	6,3	3,2	11,5
1980	3,0	8,1	5,6	30,3	8,7	18,5	14,2	5,4	4,9	2,6	8,0
1981	3,0	8,5	5,5	...	8,6	17,7	13,4	5,1	4,9	2,6	7,8*
1982	2,9	8,6	5,5	...	8,4	17,3	12,4	4,7	5,0	2,7	7,7*
<b>Industry</b>											
1960	46,3	35,6	48,0	18*	37,3	23,5	33,5	44,8	41,0	46,3	41,0
1970	43,2	37,8	49,3	25,0	39,7	29,9	39,5	44,3	39,1	44,8	42,8
1980	34,8	28,9	44,2	30,2	36,0	32,4	37,8	38,0	31,4	37,7	38,0
1981	33,4	27,1	43,5	...	35,3	31,7	37,5	37,5	29,9	35,7	37,1*
1982	32,4	26,3	42,7	...	34,6	31,1	37,0	36,6	28,8	34,7	36,3*
<b>Services</b>											
1960	45,1	46,8	38,1	25*	41,3	39,5	34,3	38,6	47,8	49,0	40,8
1970	52,0	50,7	42,1	34,2	46,4	43,1	40,3	46,4	54,6	52,0	45,8
1980	62,3	63,0	50,3	39,5	55,3	49,1	47,9	56,7	63,6	59,7	54,0
1981	63,6	64,5	51,0	...	56,2	50,6	49,2	57,4	65,2	61,7	55,1*
1982	64,7	65,1	51,8	...	57,0	51,5	50,6	58,7	66,3	62,6	56,0*

\* Estimates

Source : EUROSTAT

III. Employment - continued

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
3. Employees in employment											
a) Total (1000) - annual average											
1960	2.579	1.580	20.257	1.130*	13.944	650	12.257	94	3.296	23.009	78.800*
1970	3.067	1.885	22.246	1.500*	16.457	725	13.368	113	4.045	22.851	86.257*
1980	3.218	2.097	22.986	1.853	18.101	876	15.240	137	4.469	23.177	92.154
1981	3.135	2.084	22.877	1.884	17.989	867	15.262	138	4.482	22.035	90.753
1982	3.091	2.096	22.455	...	18.026	864	15.242	139	4.443	21.415	89.655*
b) As % of total employment											
1960	74,1	76,9	77,7	32,2*	71,2	61,6	59,9	71,4	78,8	94,6	75,1
1970	81,5	79,8	83,4	45,5*	78,7	68,9	67,6	80,4	85,9*	92,3	80,3*
1980	83,8	84,3	87,4	52,3*	83,4	75,3	72,2	86,4	88,0	92,0	83,3
1981	83,3	84,9	87,6	49,9*	83,5	75,3	72,0	86,8	87,7	91,2	83,0
1982	83,3	85,5	87,5	...	83,7	75,4	72,2	87,3	87,2	91,0	82,9
4. Employees in the iron and steel industry											
a) 1.000 - end of the year											
1973	62,4	2,7	228,4	.	151,7	0,8	89,7	23,2	23,3	196,2	778,4 <sup>1</sup>
1979	48,7	2,8	204,8	.	120,6	0,7	98,7	16,4	21,2	156,6	670,4 <sup>1</sup>
1980	45,2	2,2	197,4	.	104,9	0,7	99,5	14,9	21,0	112,1	598,0 <sup>1</sup>
1981	44,1	1,7	186,7	.	97,3	0,7	95,7	13,4	20,9	88,2	548,8 <sup>1</sup>
1982	41,6	1,6	175,9	.	95,2	0,6	91,5	12,4	20,2	74,5	513,6 <sup>1</sup>
1983	39,9	1,6	163,7	.	90,7	0,7	87,3	12,9	19,2	63,7	479,7 <sup>1</sup>
b) Average annual increase (+) or decrease (-) as %											
1973/79	-4,0	+0,6	-1,8	.	-3,8	-2,2	+1,6	-5,7	-1,8	-3,7	-2,5 <sup>1</sup>
1979/80	-7,2	-21,4	-3,6	.	-13,0	-28,6	+0,8	-8,6	+0,5	-28,6	-10,8 <sup>1</sup>
1980/81	-2,4	-22,7	-5,4	.	-7,2	-40,0	-3,8	-10,1	-0,5	-21,3	-8,2 <sup>1</sup>
1981/82	-5,7	-5,9	-5,8	.	-2,2	-14,3	-4,4	-7,5	-3,3	-15,5	-6,4 <sup>1</sup>
1982/83	-4,1	0	-6,9	.	-4,7	+16,7	-4,6	+4,0	-5,0	-14,5	-6,6 <sup>1</sup>

\* Estimates

1 EUR-9

Source : EUROSTAT

IV. Unemployment

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10	
1. Registered unemployed												
a) 1.000 - annual average												
1960	128	31	271	87	131	53	1.546	0	29	393	2.669	
1970	81	24	149	49	262	59	888	0	46	612	2.169	
1980	369 <sup>1</sup>	176 <sup>1</sup>	889	37	1.451	102	1.776	1,1	325 <sup>1</sup>	1.658 <sup>1</sup>	6.784 <sup>1</sup>	
1981	454	235	1.272	42	1.773	128	1.993	1,6	480	2.430	8.808	
1982	535	253	1.833	50	2.008	157	2.379	2,0	655	2.789	10.660	
1983	589	277	2.258	61	2.041	193	2.698	2,5	801	3.046	11.968	
1983	March	563	295	2.387	75	2.017	189	2.739	2,3	768	3.010	12.045
	June	545	249	2.127	45	1.878	189	2.632	2,1	793	2.955	11.415
	Sept.	631	265	2.134	39	2.087	193	2.690	2,4	827	3.167	12.035
	Dec.	606	289	2.349	88	2.227	208	2.830	3,0	856	3.079	12.536
b) Unemployment rates (unemployed as % of the civilian working population)												
1960	3,6	1,5	1,0	2,4	0,7	4,8	7,2	0,0	0,7	1,6	2,5	
1970	2,2	1,0	0,6	1,5	1,3	5,3	4,4	0,0	1,0	2,5	2,0	
1980	9,1 <sup>1</sup>	6,7 <sup>1</sup>	3,3	1,1	6,4	8,3	8,0	0,7	6,2 <sup>1</sup>	6,3 <sup>1</sup>	5,9 <sup>1</sup>	
1981	11,2	8,9	4,7	1,2	7,8	10,2	8,8	1,0	8,8	9,2	7,6	
1982	13,1	9,5	6,8	1,5	8,9	12,3	10,5	1,3	11,7	10,7	9,2	
1983	14,4	10,4	8,4	1,7	8,9	15,2	11,9	1,5	14,3	11,7	10,3	
1983	March	13,8	11,0	8,8	2,2	8,8	14,9	12,1	1,4	13,7	12,2	10,6
	June	13,4	9,3	7,9	1,2	8,2	14,9	11,6	1,3	14,2	11,5	9,9
	Sept.	15,4	9,9	7,9	1,1	9,1	15,2	11,9	1,5	14,8	12,2	10,4
	Dec.	14,8	10,8	8,7	2,4	9,8	16,4	12,5	1,8	15,3	11,9	10,8
2. Structure of unemployment												
a) Proportion of women among the unemployed as %												
1960	25,4	11,7	34,1	.	37,4	11,5	28,8	.	16,9	27,9	28,8*	
1970	42,1	18,0	37,6	.	44,4	16,8	30,1	.	21,6	15,3	27,9*	
1980	61,6 <sup>1</sup>	50,0	52,0	40,6	54,6	23,9	46,0	51,9	35,8 <sup>1</sup>	28,8 <sup>1</sup>	44,5 <sup>1</sup>	
1981	56,9	45,7	48,7	39,7	51,5	23,5	47,7	46,8	33,3	27,9	42,4	
1982	54,6	46,8	44,3	38,8	50,0	24,1	48,6	46,5	31,9	28,3	41,6	
1983	53,5	49,7	43,6	39,8	49,0	25,0	48,1	46,0	31,3	29,1	41,3	
1983	March	53,3	45,7	41,0	37,1	48,8	24,3	47,5	41,5	29,8	39,5	
	June	53,6	50,9	44,8	41,9	48,9	25,1	48,6	46,5	31,8	41,2	
	Sept.	53,9	53,5	46,3	35,8	49,6	25,3	48,2	48,1	32,9	42,3	
	Dec.	53,1	51,1	42,8	41,6	48,2	25,4	48,0	47,4	31,2	41,3	
b) Proportion of young people <sup>2</sup> among the unemployed as % - October												
1975	44,0	.	28,6	.	47,7	.	.	.	41,3	36,6	.	
1980	41,4	32,6	27,3	.	46,4	25,2	51,4	53,3	47,2	44,6	43,6 <sup>3</sup>	
1981	41,3	31,0	29,8	.	46,9	27,5	54,0	51,8	47,4	43,1	43,7 <sup>3</sup>	
1982	40,4	29,0	30,3 <sup>4</sup>	.	46,4	29,5	48,7 <sup>1</sup>	50,9	42,5 <sup>1</sup>	39,5 <sup>1</sup>	41,7 <sup>3</sup>	
1983	39,0	26,4	29,2 <sup>4</sup>	.	45,2	30,7	49,1	53,9	41,0	40,7	40,4 <sup>3</sup>	

\* Estimates

- 1 New statistical series.
- 2 Aged under 25 years.
- 3 EUR-9.
- 4 September.

Source : EUROSTAT

v. Industrial relations - Working conditions

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
<b>1. Trade union membership<sup>S</sup> (Union members as % of all employees)</b>											
1960	62	70	38	20/25	24	44	55/60	60	38	44	42
1970	66	70/75	38	25	23	50	50/55	55	36	46	41
1980/82	70/75	75/76	42/40	25/30	23	50/48	45/50	55/60	37	52/50	45/43
<b>2. Industrial disputes</b>											
<b>a) Average number of working days lost per year (1.000)</b>											
1960/69	270	278	219	216 <sup>S</sup>	(17.400)	420	13.993	-	69	3.555	36.420
1970/79	826	507	1.165	.	3.558	585	17.843	1,6	165	12.835	37.485
1980	222	192	128	2.617	1.674	412	13.514	0	55	11.964	30.780
1981	...	651	60	711	1.496	434	8.664	0	24	4.267	...
1982	...	93	15	...	2.327	434	16.243	80	215	7.916	...
<b>b) Average number of working days lost per 1.000 employees</b>											
1960/69	99	176	11	195 <sup>S</sup>	(1.167)	607	1.137	-	21	154	472
1970/79	269	260	54	.	211	759	1.310	0	41	570	436
1980	71	93	6	1.570	95	479	920	0	13	523	343
1981	...	315	3	420	86	509	589	0	5	197	...
1982	...	45	1	...	133	511	1.108	579	50	375	...
<b>3. Hours of work per week</b>											
<b>a) Normal hours of work for industrial workers fixed by collective agreements</b>											
1960	45-46	48	40-45	48	40 <sup>1</sup>	44	46 <sup>1</sup> -48	44-48	45-48	43-44	40-48
1970	42-44	42-41 <sup>3</sup> / <sub>4</sub>	40-41	48	40 <sup>1</sup>	41-42	42-44	41-45	42-43 <sup>3</sup> / <sub>4</sub>	40-41	40-48
1980	37-40	40	40	43-44	40 <sup>1</sup>	40	36-40	40	40	39-40	36-44
1981	- 2 <sup>n</sup> -	40	40	42-43	40 <sup>2</sup>	40	36-40	40	40	38-40	36-43
1982	- " -	40	40	41	39 <sup>2</sup>	40	35-40	40	40	37 <sup>2</sup> -40	35-41
<b>b) Hours of work offered to industrial workers - October</b>											
1966	44,2	.	43,9	43,6 <sup>4</sup>	47,3	.	44,6 <sup>3</sup>	45,7	45,9	.	.
1970	42,7	.	44,1	44,6 <sup>4</sup>	45,9	.	42,5	45,0	44,3	.	.
1980	35,7	.	41,6	39,0 <sup>4</sup>	40,9	42,3	38,4	40,2	40,8	40,7	.
1981	35,9	.	41,3	39,0 <sup>4</sup>	40,6	42,5	38,6	40,6	40,7	41,4	.
1982	34,9	.	40,0	37,8 <sup>4</sup>	39,4	41,7	37,5	39,0	40,6	41,4	.
<b>4. Basic annual paid holidays for industrial workers fixed by collective agreements in days<sup>5</sup></b>											
1960	12	18	12-18	6-12	18	12	12	8-18 <sup>6</sup>	12-15 <sup>*</sup>	12	6-18
1970	18	18	16-24	6-12	24	12-18	12-15	18-24	15-18 <sup>*</sup>	12-18	6-24
1980/81	24	26-30	21-30 <sup>*</sup>	10-12 <sup>7</sup>	24	17-19	20-24	25 <sup>*</sup>	20-24 <sup>*</sup>	18-23	10-30
1982	24	26-30	21-30 <sup>*</sup>	12-24 <sup>7</sup>	30	17-19	20-24	25 <sup>*</sup>	22-25 <sup>*</sup>	19-25	12-30

v - Industrial relations - Working conditions - continued

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
	5. Public holidays paid for and not worked (fixed by legislation and laid down in collective agreements)										
1960	10	9 $\frac{1}{2}$	10-13	6	4-7	6-7	17	10	7	6-7	4-17
1970	10	9 $\frac{1}{2}$	10-13	6	8-10	6-7	17	10	7	6-7	6-17
1980/82	10	9 $\frac{1}{2}$	10-13	6	11	7-8	10-11	10	7-8	8	6-13

<sup>8</sup> Estimates

- 1 Normal hours fixed by legislation.
- 2 From 1 February.
- 3 1967.
- 4 Hours paid for.
- 5 Working days; where the data have been annotated \*, it is question of days of work.
- 6 According to some works agreements.
- 7 After one year of service.

Sources : 1), 3.a), 4) + 5) : Commission  
2), 3.b) : EUROSTAT

VI. Incomes, wages, labour costs

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
<b>1. Gross domestic product per inhabitant at current prices and purchasing power parities</b>											
1960	1.032	.	1.207	391	1.047	662	834	1.543	1.108	1.236	1.059
1970	2.378	2.751	2.631	1.173	2.463	1.457	2.067	3.067	2.460	2.349	2.344
1980	8.233	8.515	8.791	4.331	8.508	4.909	6.770	9.188	8.159	7.187	7.712
1981	8.883	9.234	9.586	4.668	9.274	5.379	7.387	9.702	8.778	7.751	8.378
	9.786	10.429	10.344	5.055	10.218	5.865	8.101	10.217	9.372	8.642	9.181
<b>2. Average annual remuneration of employees</b>											
<b>a) Average annual rates of increase in nominal terms (%)</b>											
1960/70	7,8	(10,3)	8,6	9,8	9,4	9,9	10,6	6,7	10,6	7,1	8,8
1970/80	12,0	11,5	8,5	18,3	13,8	18,1	18,5	10,5	11,0	16,1	13,3
1980/81	7,3	10,2	5,3	23,9	14,5	18,5	22,0	7,7	3,3	14,7	11,5
1981/82	7,2	10,8	4,5	27,3	13,2	11,7	18,7	6,3	5,9	9,3	...
<b>b) Average annual rates of increase in real terms (%)</b>											
1960/70	4,1	(4,2)	4,8	6,4	4,8	4,2	5,8	2,7	5,2	2,7	4,4
1970/80	4,6	1,7	3,2	4,0	4,0	3,9	3,2	3,9	3,1	1,9	3,1
1980/81	2,0	-0,6	1,2	3,5	2,3	0,7	3,7	-0,1	-2,2	2,3	2,2
1981/82	2,5	0,3	-0,2	4,4	1,8	-5,3	1,0	0,5	-0,2	0,6	...
<b>3. Average gross hourly earnings of industrial workers</b>											
<b>a) Converted into current purchasing power standards</b>											
October 1975	2,88	3,49	2,77	1,23	2,02	2,48	2,48	3,51	2,95	2,80	.
October 1980	5,42	5,84	4,96	2,70	3,78	4,38	4,49	5,84	4,95	4,25	.
October 1981	6,21	6,48	5,52	3,11	4,27	4,88	5,21	6,42	5,40	4,63	.
October 1982	6,61	6,97	6,00	3,92	4,72	5,15	5,64	7,01	5,99	5,13	.
<b>b) Average annual rates of increase as %</b>											
Oct 75/ Oct 80	13,5	10,8	12,3	17,0	13,4	12,0	12,6	10,7	10,9	8,7	.
Oct 80/ Oct 81	14,6	11,0	11,3	15,2	13,0	11,4	16,0	9,9	9,1	8,9	.
Oct 81/ Oct 82	5,6	10,2	4,2	36,5	13,1	14,4	17,0	8,2	8,9	8,9	.
<b>c) Development in real terms (indices, October 1975 = 100)</b>											
October 1960	45	48	50	.	50	45	39	50	43	62	.
October 1970	72	75	87	80	76	72	71	79	75	83	.
October 1975	100	100	100	100	100	100	100	100	100	100	.
October 1980	112,4	94,7	112,4	127,0	114,9	107,6	116,1	111,2	105,5	99,1	.
October 1981	115,1	93,8	111,4	130,7	115,9	107,8	121,5	107,4	103,3	98,5	.
October 1982	110,6	93,5	110,7	149,1	119,8	105,5	119,9	105,2	105,4	101,5	.
<b>4. Labour costs in manufacturing industries</b>											
<b>a) Average hourly costs in ECU</b>											
1975	5,89	5,74	5,75	.	4,69	2,66	4,26	5,93	6,46	2,95	.
1978	9,34	7,87	8,51	.	6,51	3,75	5,00	9,16	9,16	3,78	.
1981	12,16	9,54	10,96	3,83	9,82	5,99	7,34	10,29	10,77	7,32	.
<b>b) Country with the highest level = 100</b>											
1975	91	89	89	.	73	41	66	92	100	46	.
1978	100	84	91	.	70	40	54	98	98	40	.
1981	100	78	90	31	81	49	60	85	89	60	.

<sup>1</sup> Manufacturing industries only.

Sources : EUROSTAT

VII. Standard of Living

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
<b>1. Dwellings</b>											
<b>a) Existing dwellings per 1.000 inhabitants - end of year</b>											
1960	351 <sup>1</sup>	328	264	242	295*	240	275	309	248	317	285
1970	355 <sup>1</sup>	353	341	290*	320	244	319	329	288 <sup>1</sup>	346	329
1980	386	422	412	354*	360*	263	380*	383	342 <sup>1</sup>	384	381
<b>b) Completed dwellings per 1.000 inhabitants</b>											
1960	5,1 <sup>2</sup>	5,9	9,4	6,5 <sup>2</sup>	7,0	2,1	5,8	4,2	7,3	5,8	6,9
1970	4,8 <sup>2</sup>	10,3	7,9	12,9 <sup>2</sup>	9,0	4,6	7,0	5,1	9,0	6,6	7,8
1980	4,8 <sup>2</sup>	5,9	6,3	20,2 <sup>3</sup>	7,0	8,2	4,3	5,5	8,0	4,2	6,0
1981	3,4 <sup>2</sup>	4,3	5,9	11,1 <sup>2</sup>	7,2	8,4	3,8	5,6	8,3	3,6	5,5
<b>2. Durable consumption goods - end of year</b>											
<b>a) Passenger cars per 1.000 inhabitants</b>											
1960	86	88	78	5	121	62	40	118	47	108	81
1970	213	218	230	22	254	133	190	278	181	215	210
1980	320	271	377	89	343	215	310	352 <sup>1</sup>	322	281	317
1981	325	267	385	94	349	225	330	378	325	283	325
<b>b) Television sets per 1.000 inhabitants</b>											
1960	67	118	83		41		42	23	69	210	91
1970	217	267	271 <sup>3</sup>	10 <sup>3</sup>	216 <sup>3</sup>	152 <sup>3</sup>	181 <sup>3</sup>	209	235	294 <sup>3</sup>	227 <sup>3</sup>
1980	297	362	320 <sup>3</sup>	147 <sup>3</sup>	292 <sup>3</sup>	223 <sup>3</sup>	231 <sup>3</sup>	290*	296	331 <sup>3</sup>	306 <sup>3</sup>
<b>c) Installed telephones per 1.000 inhabitants</b>											
1960	124	174	107	28	95	57	77	162	140 <sup>1</sup>	92	96
1970	211	342	225	120	172	104	174	327	168	268	211
1980	369	641	464	291	460	190	337	570	517	496	436
<b>3. Consumer prices</b>											
<b>a) Index - 1975 = 100</b>											
1960	50 <sup>4</sup>	36	57	46	44	34	40	55 <sup>4</sup>	43	37	
1970	67 <sup>4</sup>	64	74	56	66	54	58	71 <sup>4</sup>	66	54	64
1980	136,0 <sup>1</sup>	164,0	122,0	212,6	164,5	193,2	213,1	134,2 <sup>4</sup>	134,9	195,6	167,0
1981	146,5	183,3	129,2	264,7	186,5	232,6	254,8	145,1 <sup>4</sup>	144,2	218,9	188,4
1982	159,2	201,9	136,1	320,1	208,9	272,5	296,6	158,6 <sup>4</sup>	152,7	237,7	209,1
<b>b) Annual average rate of increase</b>											
1960/70	3,0	5,9	2,7	2,1	4,0	4,8	3,9	2,6	4,5	4,0	
1970/80	7,4 <sup>1</sup>	9,8	5,1	14,3	9,6	13,7	13,8	6,6	7,4	13,7	10,0
1980/81	7,6	11,7	5,9	24,5	13,4	20,4	19,6	8,1	6,9	11,9	12,8
1981/82	8,7	10,1	5,3	20,9	12,0	17,2	16,4	9,3	5,9	8,6	11,0

\* Estimates

1 New statistical series.

2 Buildings started.

3 1979.

4 Excluding rents and associated costs.

Source : EUROSTAT

VIII. Social protection

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
	1. Total social protection expenditure as a % of the gross domestic product										
1970	18,5	19,6	21,5	13,6 <sup>1</sup>	19,2	13,2	17,4	16,4	20,8	15,9	19,3 <sup>3</sup>
1975	24,5	25,8	28,0	14,3 <sup>2</sup>	22,9	19,4	22,6	22,4	28,1	19,5	24,2 <sup>3</sup>
1980	27,6	28,7	28,7	...	25,9	22,2	22,8	25,6	30,5	21,4	25,8 <sup>3</sup>
1981*	30,2	29,3	29,5	...	27,2	23,4	24,7	27,1	31,7	23,5	27,1 <sup>3</sup>
	2. Social protection benefits										
	a) Benefits per inhabitant at 1975 prices and purchasing power parities										
1970	650	800	860	.	720	300	510	760	770	590	680 <sup>3</sup>
1975	1030	1210	1240	.	1000	500	760	1100	1200	820	980 <sup>3</sup>
1980	1280	1390	1520	.	1290	640	930	1450	1490	970	1200 <sup>3</sup>
1981*	1360	1410	1540	.	1340	660	1000	1490	1500	1030	1250 <sup>3</sup>
	b) Benefits per function as %										
1970											
- Sickness	22,3	29,2	27,7	.	26,9	28,7	26,3 <sup>4</sup>	17,2	29,8	26,3	.
- Invalidity, employment injuries	10,5	14,1	12,6	.	9,9	10,2	21,3	7,8	12,1	9,2	.
- Old age, survivors	37,8	36,3	45,6	.	41,1	36,9	34,8	63,0	40,4	46,9	.
- Maternity, family	19,1	14,1	10,2	.	16,8	17,1	12,9	11,5	14,0	10,8	.
- Unemployment, vocational training, placement	4,3	2,8	2,0	.	2,0	5,7	1,1	0,0	3,3	4,5	.
- Other	6,0	3,6	1,9	.	3,4	1,4	3,5	0,6	0,3	2,3	.
	100,0	100,0	100,0	.	100,0	100,0	100,0	100,0	100,0	100,0	.
1980											
- Sickness	22,5	26,8	29,6	.	25,8	36,2	23,1	23,9	29,1	22,8	.
- Invalidity, employment injuries	11,4	9,1	11,5	.	9,1	6,9	22,5	17,0	19,9	10,0	.
- Old age, survivors	38,2	35,5	43,3	.	42,1	32,5	43,8	48,8	33,0	42,8	.
- Maternity, family	12,3	10,9	8,4	.	12,6	10,9	8,0	9,4	9,6	13,1	.
- Unemployment, vocational training, placement	12,8	13,0	5,9	.	6,9	8,3	2,4	0,7	6,3	9,8	.
- Other	2,8	4,8	1,3	.	3,5	5,1	0,2	0,2	2,1	1,6	.
	100,0	100,0	100,0	.	100,0	100,0	100,0	100,0	100,0	100,0	.
	3. Receipts according to nature (%)										
1970											
- Employers' contributions	46,8	11,2	47,1	.	59,2	19,3	.	36,1	43,3	33,6	.
- Contributions from insured persons	21,2	6,4	24,2	.	18,9	12,4	.	24,8	35,8	18,0	.
- Contributions from public funds	25,4	79,6	23,7	.	18,6	67,5	.	29,9	12,5	38,4	.
- Other	6,6	2,8	5,0	.	3,3	0,8	.	9,2	8,4	10,0	.
	100,0	100,0	100,0	.	100,0	100,0	.	100,0	100,0	100,0	.
1980											
- Employers' contributions	41,0	10,2	39,0	37,4 <sup>2</sup>	55,9	24,7	58,5	35,4	37,0	33,3	.
- Contributions from insured persons	20,2	2,1	25,6	37,3	23,6	11,2	13,6	23,0	31,0	14,6	.
- Contributions from public funds	34,7	83,2	32,2	21,7	17,5	63,1	25,4	32,4	20,4	43,3	.
- Other	4,2	4,5	3,2	3,6	3,0	1,0	2,6	9,2	11,6	8,8	.
	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	.

\* Provisional data 1. 1969 2 1977/78 3 EUR-9

4 Data from the 2nd European social budget.

Source : EUROSTAT



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Every year the Commission publishes its annual Social Report, which gives an outline of the main developments in the social field which have taken place in the countries of the European Community during the past year.

The introduction, which has a general and political character, provides a summary of the Community's main activities in the social field in 1983 and outlines the prospects for the near future.

This is followed by 9 chapters which constitute the main substance of the Social Report. Each chapter is divided into two sections: the first, which is of a political nature, sets out the trends within the Community as a whole, whilst the second, which is of a descriptive nature, outlines developments in the individual Member States during 1983.