

Commission of the European Communities

REPORT

ON SOCIAL DEVELOPMENTS

- YEAR 1986 -

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EEC Treaty)**

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INTRODUCTION

1. Economic growth remained steady during the year under review with average real GDP growth running at around 2.5 % as compared with 2.4 % in 1985. This trend, together with other favourable factors including a further decline in inflation rates and the moderation exercised by the two sides of industry in their wage settlements, helped to bring about a stronger increase in the volume of employment than that recorded in the preceding year.

These developments were not enough to bring unemployment down from the high level it has been running at for some years; there was, however, a measure of stabilization. Owing to the fact that the number of jobseekers rose more rapidly, there was a further, but slight, increase in the total number of registered unemployed - from an annual average of 15.86 million to an annual average of rather more than 16.1 million. As a result, the average unemployment rate (unemployed persons as a percentage of the civilian working population) rose from 12.0 % to 12.1 %. In contrast to this overall trend, the report period actually saw some Member States - notably the Federal Republic, Denmark and the three Benelux countries - achieved a measure of success in reducing unemployment.

2. Action to combat unemployment remains one of the Commission's prime concerns. In this context, efforts are centred on the cooperative growth strategy for more employment proposed by the Commission 1985 and approved by the Council on 12 November 1985¹ and reaffirmed by the European Council in London on 5 and 6 December 1986; The Commission initiated a series of labour market measures aimed at the implementation of this strategy in the course of the year under review, laying special emphasis on greater adaptability and a more forward-looking approach to management of the labour market.

¹ Social Report 1985, point 3.

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To this end, the Mutual Information System on Employment Policies in the Member States (MISEP) was further extended and efforts to promote integration of the Community labour market continued in the shape of a strengthening of the programme of exchanges of national employment service officials and the extension of the Sedoc-System¹ initially to Greece, with the two new Member States, Spain and Portugal, to follow at a later date.

In addition, various employment promotion measures started in earlier years were continued and stepped up in 1986. This applied more especially to local employment initiatives and action to encourage innovatory projects creating new employment opportunities. In this context, the Commission started work at the beginning of the year on a new action programme for the development and promotion of employment at local level, following on and carrying further the measures taken in previous years within the framework of the model consultations on forward-looking labour-market management and the action programme on local employment initiatives.

3. Employment promotion in general was discussed in depth by the Ministers of Labour at their meeting in Brussels on 11 December. This discussion arose out of a paper on "Employment Growth into the 1990s - a strategy for the labour market" submitted by the Government of the United Kingdom in agreement with the Irish and Italian Governments. At the end of its deliberations, the Council adopted a resolution on a action programme on employment growth in which it undertakes to concentrate its work on the

¹ European System for the international clearing of vacancies and applications for employment.

areas of promoting new business and employment growth; more efficient labour markets; better training for young people and adults; and more help for long-term unemployed people. It further expresses the commitment to take the decisions and measures necessary to achieve these goals in full agreement with the Commission.

Since such a programme cannot be carried through without the consent of the interested parties, the Council expresses the hope that the more intensive social dialogue which the Commission has developed in the past two years will continue and will lead to conclusions being reached between the two sides of industry which will give added impetus to the programme set out in the resolution. In addition, the resolution recalls Article 130 A of the Single European Act and endorses the importance of the achievement of economic and social cohesion aimed at reducing disparities between the various regions and the backwardness of the least favoured regions.

4. Long-term unemployment rose more sharply as a proportion of total unemployment than in previous years, a development which must be regarded as all the more serious given that very many of the workers affected are unqualified or poorly qualified and hence particularly difficult to place. As the period of unemployment lengthens, they find themselves facing not only serious financial difficulties but also psychological and social problems. In autumn 1986 an estimated 40 % of the unemployed had been without jobs for more than a year; indeed, in some countries the figure was over 50 %.

Acting on the basis of the Council resolution of 19 December 1984 on long-term unemployment ¹, the Commission has proposed a series of measures aimed on the one-hand at preventing more workers from joining the ranks of the long-term unemployed and on the other at giving priority to those already without jobs for over 12 months in the context of efforts to promote reintegration into employment. The action proposed includes special initiatives for the benefit of this target group under the European Social Fund and the second anti-poverty programme. At its meeting in the Hague on 26 and 27 June the European Council welcomed these Commission proposals, also advocating in this connection the possibility of arriving at tripartite commitments by governments and the social partners to stimulate the re-employment of those who have been out of work for a long time ².

5. Young people under 25 continue to account for a substantial proportion of the registered unemployed, even though this proportion has been brought down thanks to the manifold efforts undertaken to promote youth employment in recent years at both Community and national level. In the enlarged Community of 12 Member States there were still rather more than 6 million young people under 25 in search of first or new jobs in the autumn of 1986. This figure represented some 38 % of total unemployment. The extent of youth unemployment does, however, vary from country to country: in Italy, Spain and Luxembourg, youth unemployment represented about 44 to 47 % of total unemployment in October 1986, as compared with over 35 % in France, Belgium, the Netherlands and the United Kingdom, and less than 25 % in the Federal Republic and Denmark.

Efforts to promote youth employment are centred on ensuring, via vocational training or job creation, that young people are offered the possibility of rapid integration into the working world.

¹ Social Report 1984, point 7.

² Bull. EC 6-1986, point 1.1.3.

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The Commission has asked Member States to supply details of the measures taken to implement the resolution of 23 January 1984 on the promotion of employment for young people ¹. A report will be drawn up on the basis of these replies and forwarded to the Council together with suggestions regarding further measures to be taken to promote youth employment.

6. With a view to bringing the vocational education/training which young people receive more closely into line with the requirements of an economy increasingly reliant on new technologies, the Commission had already put forward in 1985 an action programme of the Community in education and training for technology - COMETT ², which the Council endorsed in principle in December of that year. The main purpose of this programme is to encourage: student placement in firms in other Member States; the joint organization of training programmes to provide specialized manpower with skills matching the pace of technological progress; and university-industry cooperation in advanced training. Once the Council and the Ministers for Education meeting within the Council had reached agreement on 9 June regarding the resources to be allocated to the programme, COMETT was formally approved on 24 July for a duration of 4 years (1986-89) with total funding of 45 million ECU - and the possibility of further resources being earmarked in 1988.

7. The Commission believes that there is a need for action to promote mutual awareness and understanding between young people from different Member States even before they have made a choice of career. This is the purpose of the European Community action scheme for the mobility

¹Social Report 1983, point 23.

²Social Report 1985, point 9.

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of university students - ERASMUS, which the Commission laid before the Council together with a proposal for a Council Decision on 3 January 1986¹. The Council and the Ministers for Education meeting within the Council discussed this proposal on 9 June and all the Member States expressed themselves in agreement with its goal - the promotion of mobility for higher education students through grants and the financing of intensive teaching programmes - without being able to reach final agreement on the adoption of the scheme.

After the Council and the Ministers for Education had once again failed to reach agreement at their meeting on 28 November, the European Council, meeting in London on 5 and 6 December, asked the Ministers to look at the proposal again with a view to reaching a decision at one of the coming Council meetings which would enable the scheme to commence as soon as possible, thereby moving a step further on the road to the creation of a "People's Europe".

Also at the meeting on 28 November, the Council and the Ministers for Education took note of the Commission proposal for a Youth Exchange Scheme for Europe ("Yes for Europe")² aimed at promoting and improving the quality of youth exchanges in the Community. On the basis of the experience gained by the Commission in the course of the exchange programme for young workers in progress since 1964 and in line with the report of the Ad Hoc Committee on a People's Europe approved by the European Council at its meeting in Milan on 28 and 29 June 1985, the proposed scheme is intended to give some 80 000 young people aged between 16 and 25 the opportunity to spend at least a week in another Member State in order to gain an understanding of its economic, social and cultural life. The Ministers further noted that the Commission planned to amend and supplement the proposal in the light of the opinions delivered by the European Parliament

¹ Social Report 1985, point 10.

² Bull. EC 2-1986, point 2.1.73.

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and the Economic and Social Committee; as a consequence no final decision was taken.

8. As is well known, since the beginning of 1984 75 % of all appropriations available under the European Social Fund for operations carried out within the framework of Member States' labour-market policies must be devoted to projects aimed at young people under 25. Accordingly, of the 2 460 million ECU granted to Member States during the year under review by way of assistance towards labour-market policy measures, some 1 920 million ECU (77.9 %) was allocated to operations in favour of young people under 25. The Community thus made a further substantial contribution to resolving the problem of youth unemployment.

The resources available to the European Social Fund were substantially increased in 1986 so as to take account of the needs of the two new Member States: together with approximately 95 million ECU for innovatory projects, the Fund had at its disposal commitment appropriations totalling 2 550 million ECU. Of this total, 355.8 million ECU (13.9 %) went to Spain and 223.8 million ECU (8.8 %) to Portugal, i.e. the two new Member States accounted for nearly a quarter of the Fund's resources.

9. The year under review also saw a continuation in the most diverse shapes and forms of efforts on the part of the Community institutions to pursue the implementation of the principle of equal treatment for men and women. By way of example, the new medium-term programme on equal opportunities for women laid before the Council on 20 December 1985¹ was adopted on 5 June in the shape of a second resolution, in which the Council endorsed the guidelines for the programme drawn up by the Commission. Member States are urged, in the course of this programme (i.e. over the period 1986 to 1990), to take a whole series

¹Social Report 1985, point 13.

of measures aimed at achieving greater equality between the sexes, notably in the fields of education and training, action promoting the employment of women and equal opportunities at all levels of the labour market, social protection, social security and the sharing of family and career responsibilities, and participation by the two sides of industry in efforts to achieve these goals.

The Council also adopted a further two Directives on equal treatment for men and women, starting on 24 July with a Directive on the implementation of the principle of equal treatment for men and women in occupational social security schemes¹. This extends the principle of equal treatment already embodied in the Directive of 19 December 1978 as regards statutory social security schemes² to occupational schemes, which in some Member States account for a substantial proportion of social security cover against certain risks. Specifically, the new Directive requires the elimination of discrimination on the basis of sex as regards the scope of occupational schemes and the conditions of access to them, the obligation to contribute and the calculation of contributions, and benefit entitlements (conditions, calculation and duration).

This was followed on 11 December by a Directive on the application of the principle of equal treatment between men and women engaged in an activity, including agriculture, in a self-employed capacity, and on protection during pregnancy and motherhood³. This Directive for the first time extends the principle of equal treatment, previously confined to wage and salary earners, to embrace self-employed persons as well.

¹ OJ L 225, 12.8.1986.

² OJ L 6, 10.1.1979.

³ OJ L 359, 19.12.1986.

It requires Member States to adopt provisions tailored to the specific situation of self-employed workers and spouses assisting them such as will facilitate the application to these groups of the principle of equal treatment for men and women at work and in statutory social security schemes, as embodied in the 1976 and 1979 Directives.

10. For a variety of reasons, social security systems have for some years been facing difficulties which have caused the individual Member States to take remedial measures of generally limited scope and largely in isolation from each other. These measures endeavour, in one way or another, to tackle the causes underlying the problems: on the one hand, a decline in the number of persons contributing, largely resulting from population trends but also exacerbated by the growth of unemployment; and on the other, the growth of expenditure brought about again in part by demographic factors (increased life expectancy), but also influenced by the rise of unemployment, increases in consumption, improvements in benefits and the higher cost of benefits.

As far back as 1982, the Commission drew up a communication on social security problems¹ aimed at stimulating extensive discussion in the Community regarding ways of controlling the growth of social expenditure, a review of financing methods and improvements in social effectiveness. As a result, round-table discussions were held in each of the Member States in the course of the following years. The Commission has now summarized the insights gained in the course of this debate in a second communication on "Problems of social security - areas of common interest" - laid before the Council on 6 August.² In this communication, the Commission selects for special consideration three of the problem areas facing social protection systems in the Member States: the financing of current or projected social security needs, the implications of demographic trends for social security financing and marginalization, i.e. the process whereby large

¹Social Report 1982, point 16.

²COM(86)410 final.

numbers of the Community's citizens are forced out onto the fringes of society (the new poor).

The Commission puts forward a series of suggestions aimed at alleviating these problems, e.g. changes in the proportions in which social charges are levied both within industry and households; as regards demographic trends, the launching of information campaigns to make public opinion aware of the economic and social impact of current population trends; as regards marginalization, the possibility of introducing a minimum social income.

11. One group particularly hard hit by the consequences of the economic and employment trends of recent years is the disabled. Not least for this reason, the Commission selected the promotion of the employment of disabled people as a priority theme during the year under review, to be investigated and developed at the policy level in the context of the programme on the promotion of the economic and social integration of disabled people approved by the Council in the form of a resolution in December 1981¹ on the basis of initiatives taken by the Commission and the European Parliament during the International Year of Disabled People. With this in mind, on 17 January, the Commission presented a draft recommendation on the employment of disabled people to the Council which the latter then endorsed on 5 June.²

This recommendation calls on Member States to take all appropriate measures to promote fair opportunities for disabled people in the field of employment and vocational training, to continue and, where possible, step up their efforts in favour of disabled people, with particular emphasis on the elimination of negative discrimination and on positive action for disabled people. The measures recommended under the latter heading include the fixing, subject to certain conditions, of realistic targets for the employment of disabled people in firms and the preparation of a code of good practice.

¹ Social Report 1981, point 13.

² OJ C 136, 4.6.1986, Bull. EC 6-1986, point 2.1.119.

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The Commission is invited to coordinate the exchange of information and experience on the rehabilitation and employment of disabled people between national authorities and to continue the provision of European Social Fund assistance for operations in favour of disabled people irrespective of age.

12. Mention has already been made of the fact that the persistent difficulties on the labour market - and more especially the increasing number of long-term unemployed - are steadily accentuating the problem of marginalization. Following on the Commission's final report on the first programme to combat poverty, the Council had adopted a Decision on a new specific Community action to combat poverty on 19 December 1984, granting financial support of 25 million ECU in total for the implementation of a series of action-research projects¹. With the approval of support for four projects aimed at marginal groups in February 1986, the Commission completed the first stage of this specific Community action, support having been granted in all for 65 action-research projects. In addition, the Council adopted a Decision on 11 December extending the specific Community action to combat poverty to the two new Member States, Spain and Portugal.

In recent years, several Member States have experienced a growing wave of hostility and violence towards foreign workers and their families, largely resulting from the fact that such workers are too readily seen as unwanted competitors in relation to employment, social security, housing and the utilization of education and welfare facilities. For this reason, the Commission proposed the

¹Social Report 1985, point 16.

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adoption of a joint declaration on this question in the memorandum on migration policy in the Community sent to the Council on 7 March 1985.¹ The Council and the European Parliament took up this Commission suggestion and the three institutions together drew up a declaration which was signed by representatives of Parliament, Council and Commission at a ceremony held at the European Parliament in Strasbourg on 11 June.²

In this tripartite declaration against racism and xenophobia, the Community expresses its commitment to maintaining an open society in which discrimination against or segregation of foreigners have no place. The signatories vigorously condemn all forms of intolerance, hostility and use of force against persons or groups of person on the grounds of racial, religious, cultural, social or national differences. In addition, they affirm their determination to ensure that all necessary steps are taken to carry through the joint resolve to protect the individuality and dignity of every member of society and to reject any form of segregation of foreigners.

13. The report period saw the continuation of efforts by the Commission to implement the various measures provided for in the second Community action programme on safety and health at work adopted by the Council on 27 February 1984.³ In particular, the Directive on the protection of workers from the risks relating to exposure to noise at work⁴, which the Council of Ministers of Labour and Social Affairs had already endorsed in principle on 5 December 1985, was formally adopted on 12 May. This Directive lays down Community maximum levels of exposure to certain forms of sound for workers and requires that measures be drawn up to reduce the exposure, should these levels be exceeded.

¹Social Report 1985, point 7.

²OJ C 158, 25.6.1986; Bull. EC 6-1986, point 1.4.1.

³Social Report 1984, point 19.

⁴OJ L 137, 24.5.1986, Bull. EC 5-1986, point 2.1.91.

The Commission also laid before the Council on 9 June a proposal for a Directive amending for the first time the Directive of 27 November 1980 on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work¹. In line with the second action programme, this proposal aims principally at establishing uniform exposure limits. To this end, the Commission has put forward a list of 100 exposure limit values chosen because they already appear on the lists established in several Member States and relate to frequently encountered agents.

14. The intensified efforts in the field of public health mentioned in last year's report² yielded concrete results in 1986; the Council and the Ministers for Health meeting within the Council on 29 May took a series of decisions on Commission proposals. Most importantly, they approved the programme of action against cancer put forward by the Commission on 18 November 1985². This programme concentrates on the following priority areas : limiting and reducing the use of tobacco (first priority), chemical substances, nutrition and alcohol, prevention and early diagnosis, epidemiological data, health education, treatment and aftercare, and international cooperation. Pursuant to this programme the Commission presented to the Council in December a three year (1987-89) action plan setting out 75 specific proposals for measures in the fields of cancer prevention, public information, education for members of the health professions and cancer research.

The Council and the Ministers for Health meeting within the Council also adopted a programme of action of the European Communities on toxicology for health protection aimed at contributing to the improvement of expertise, ensuring the quality and compatibility of data,

¹OJ L 327, 3.12.1980.

²Social Report 1985, point 18.

encouraging the more rational and economic use of the toxicological experiments carried out and promoting the elimination of certain non-tariff barriers to trade.

In addition, the meeting on 29 May saw the adoption of resolutions on other health problems, namely alcohol abuse, the adoption of a European emergency health card, the protection of dialysis patients by minimizing their exposure to aluminium and AIDS. These resolutions addressed in part to the Commission and in part to the Member States aim at a joint and more effective response at Community and national levels which will ensure improved protection for the groups concerned.

This is also the goal of the communication on action to combat the use of illicit drugs which the Commission sent to the Council in December. This proposes a series of measures to be taken preparatory to a future global programme.

Given the growth of drug abuse and the spread of new substances, drugs represent a real threat to our society and more especially to young people between 17 and 25. The Commission is of the opinion that the action already taken at national level must be complimented by Community action aimed at promoting exchanges of experience, preventing futile and costly duplication of prevention or research work and developing joint research and prevention projects. To this end, the communication proposes various measures relating primarily to the prevention of drug abuse, the treatment of drug addicts and their reintegration in society.

15. The revival of the social dialogue begun the preceding year was continued and intensified during 1986. In line with the decisions

reached at the meeting between the Commission and high-level representatives of the European employers' and trade union organizations at Val Duchesse on 12 November 1985¹, the Commission set up two working parties, one on "macro-economic questions", concerned primarily with the practical implementation of the Commission's cooperative growth strategy for more employment and the other on "new technologies and social dialogue", with a brief to discuss the various questions arising in connection with the introduction of new technologies at work.

As explained in more detail elsewhere in this report², the two working parties met several times in the course of 1986 under the chairmanship of the relevant Members of the Commission. The macro-economics working party was able, at its final meeting in November, to adopt a joint opinion fully supporting the economic policy options set out in the cooperative growth strategy. For its part, the working party on new technologies, whilst succeeding in bringing the two sides closer together, did not complete its work during the year under review and will meet again in March 1987.

16. This strengthening of the social dialogue is fully in line with the Single European Act's second addition to Article 118 of the Treaty of Rome, which reads as follows; "Article 118 B - the Commission shall endeavour to develop the dialogue between management and labour at European level which could, if the two sides consider it desirable, lead to relations based on agreement." The Commission will therefore endeavour in the future to strengthen further its relations with employer and worker organizations in the Member States.

¹Social Report 1985, point 19.

²Points 100 and 101.

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The first addition to Article 118 of the Treaty of Rome provided for in the Single European Act (Article 118. A) stipulates that : "Member States shall pay particular attention to encouraging improvements, especially in the working environment, as regards the health and safety of workers, and shall set as their objective the harmonization of conditions in this area, while maintaining the improvements made".

The Commission intends in the near future to devise new proposals and initiatives aimed at achieving the goal of social cohesion at Community level which it has already been pursuing for some years. This reflects a belief that the strengthening of economic cohesion and a significant and lasting reduction of unemployment in the Community which is the aim of the cooperative growth strategy must be accompanied by action on the social front, if a single internal market is to be brought into being which will offer the citizens of Europe the necessary scope for their personal development. These proposals will be drawn up following thorough consultations with the main organizations representing employers and workers and should contribute to the reduction of existing social imbalances within the Community, the establishment of a safety net of protective social provisions and the strengthening of consultation at Community level.

B. Social developments in the Community in 1986

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Chapter I

EMPLOYMENT

(Including migrant workers)

Trends within the Community

17. In 1986, the economic situation in the Community continued to improve slowly, with GDP growth estimated at 2.5 % compared with 2.4 % in 1985. As a result, employment increase is also accelerating to an annual rate of some 0.7 compared to 0.4 % in 1985. In 1986, employment passed again its 1970 level.

The effect on unemployment has been less positive, however: the total number of registered unemployed in the 12 Member States of the Community rose by 250 000 from 15.86 million in 1985 (annual average) to about 16.1 million in 1986.

Thus, unemployment reached a new historical peak in 1986, but current forecasts of the Commission suggest that a small decline can be expected in 1987, the first since 1973. Among the Member States, the unemployment performance has been mixed, with significant declines in some of them offset by continuing rises in others. Further declines will depend on the extent to which the Community and the Member States can implement and pursue the cooperative growth strategy outlined in the Annual Economic Report 1985/86¹. Part of this strategy recognize that in the short-term, specific labour market measures will still be required to combat the severe labour market situation, while the longer-term benefits of the strategy work through to employment and unemployment.

18. During 1986, the Commission has continued its efforts to develop and monitor policy initiatives at Community level, as well as following developments in the Member States.

¹ Social Report 1985, point 3.

At the beginning of 1986, the Commission launched a new action programme on local labour market development. This new programme extends and develops the work already carried out through the series of 6 pilot consultations on forward-looking labour market management held in 1985¹ and complements work carried out under the current programme of action on local employment initiatives. The programme is designed to respond to the need to encourage co-operation at local level, strengthen support for local employment creation measures and develop more integrated, practical policy approaches to combat unemployment. The overall aim of the action programme on local labour market development is to identify and evaluate successful initiatives in order to develop guidelines for practical action to tackle unemployment through local employment development techniques and through forward-looking labour market policies. The focus is on employment development - the creation of new jobs and the substitution of jobs lost.

A working document on forward-looking labour market policies which described the action programme on local labour market development was submitted to the Standing Committee on Employment at its session of 24 April. The Committee expressed its support for the new Programme and invited the Commission to submit proposals for further action based on the outcome of the pilot projects and the recommendations of the final report.

19. In accordance with the request from the Council, the Commission has monitoring developments in the Member States in follow-up to existing policy commitments. During the year, it has asked the national governments to provide information as regards the realization of the three Council Resolutions of 1984 on the promotion of employment for young people (23 January), on the contribution of local employment initiatives to combating unemployment (7 June) and on action to combat long-term unemployment (19 December). On the basis of the answers, the Commission will draft a report in which it will evaluate action undertaken by the Member States in follow-up to these Resolutions.

¹ Social Report 1985, point 24.

20. As regards migration, there is some agreement in the Member States on the need for tighter controls on the flow of job seekers, measures to combat illegal immigration in the face of the development of new patterns of organization on the labour market (flexibility, hidden economy, technological developments), an investigation of the demographic impact of migration in the light of the labour market and social policies and transparency as regards selective and steady immigration on a lawful basis.

Moreover, in most Member States, there are clear signs that immigrant groups are integrating more smoothly in the host countries, because among other things the original immigrants are gradually growing older and there are more children who are descendants of migrants. There are around 4 million of the latter in primary, secondary and vocational schools, with a significant increase in the number of young people on long general and vocational secondary courses.

Development of the situation in the member countriesBelgium

21. Economic growth, in comparison with the two previous years, was even more marked (increase in GDP in real terms of 2,2 %); this was appreciably higher than the trend earlier in the 80's. Although the figures for employment and unemployment were also slightly more favourable, the changes in the annual average were minimal. Employment was also rising slowly in particular as a result of efforts to reorganize public finances and restrictive civil service recruitment policies. Consequently, the average rise in employment was only 0.3 % over the year and the unemployment rate (registered unemployed as a percentage of the civilian working population) has fallen from 13.6 % to 12.6 %. Women and young people continue to be particularly affected by unemployment: the unemployment rate for women is twice as high as that for men; the proportion of young people in the overall unemployment figures did indeed show a downward trend, but was still 34.0 % in 1986.

The third law on special powers establishes the following priorities as regards the new Government's employment policy:

- the abolition, reduction or redistribution of employers' contributions to the social insurance scheme;
- special measures for young people and students;
- measures to adapt the existing programmes to combat unemployment (special temporary employment programme, job creation, the alternative job market programme, etc.).

With this approach in mind, the Government programme envisaged reducing youth unemployment by at least 50 000 between 1986 and 1989. To this end, the Ministry for Employment put forward 10 proposals which were discussed with the employers and employees and in tri-partite negotiations. The proposals were aimed in particular at expanding vocational education, combining training with gainful employment, increasing the number of apprenticeship contracts and promoting part-time work.

As in previous years, priority in employment policy was given to reorganizing working time and making it more flexible. In all, over 50 agreements on the reorganization of working time have been concluded since the end of 1982, affecting well over 40 firms employing more than 15 0000 workers. Greater use has also been made of facilities for career breaks in the private and public sector.

22. There has been no change in Belgium in the laws and regulations governing migration. If adopted, a draft law before Parliament would reduce by 20 % the pensions and social security benefits paid to migrants returning to their country of origin and to Belgians living abroad.

In its report to the OECD conference on the future of migration in May 1986, Belgium announced that it is planning gradually to pursue a number of objectives, such as greater stability, greater participation in the life of the host community, improved education and vocational training and encouraging immigrants to take Belgian nationality. Questions such as the acceptance of political refugees, enrolment fees for foreign students, racist and xenophobic acts and restrictive measures adopted by some local authorities in respect of certain categories of foreigner have been the subject of press comment and public debate.

A project to train immigrant interpreters in the medical and social field produced excellent results and the public authorities are planning to support such initiatives on a permanent basis.

Denmark

23. As a result of an appreciable reactivation of gross investment in fixed assets and a marked improvement in the profitability of undertakings deriving from continued moderation as regards wages and salaries, the Danish economy once again showed considerable growth in the period covered by this report, even though the 3.4 % recorded was somewhat lower than in the previous year.

The result was that the labour market situation again improved, although overall unemployment figures remained too high. Roughly one half of the increase in the volume of employment - 2.1 %, i.e. 50 000 to 60 000 persons - was reflected in a decrease in unemployment of some 30 000, which produced a decline in the unemployment rate from 8.7 % to 7.6 %; in 1983, it was still 10.1 %. A great deal more women than men are out of work in Denmark: the unemployment rate for women in October 1986 was 9.7 %, while that for men was only 4.9 %. In the same month the share of young people under 25 in overall unemployment (23.8 %) was relatively lower than in most other Member States.

There has been a great deal of discussion in Denmark in the last few years about the high level of unemployment among women, which is due, in part, to the fact that in the recent past a large number of women have begun looking for jobs, while male unemployment was reduced by the introduction in 1979 of the voluntary early retirement scheme.

The Government has issued a report stating that it intends to step up its efforts to overcome structural labour market problems. The most important of the ideas mooted in this connection is that of introducing a number of decentralization measures. The Ministry of Labour is to reconsider a number of objectives with a view to making improvements and setting new priorities as regards the aims and modus operandi of the employment service and vocational training system and the attitudes of employers and employees. It is hoped to arrive at a more intensive

monitoring of the labour market, more effective efforts on the part of the placement service and a more flexible vocational training system.

A large number of persons took advantage during the year covered by this report of the amendment to the law on entitlement to a job offer¹, which came into force on 1 July 1985; more than 1 300 persons took part in the training courses on offer and over 600 took advantage of the allowances for setting up their own businesses. The programme for the 1986-87 school year will be revised in the light of the evaluation of results to be undertaken when the 1985-86 school year ends.

24. Around 2 % of the total population of Denmark consists of foreigners, half of whom are nationals of the Scandinavian countries, the United States or other EEC Member States. Although Denmark is not faced like other countries with a major problem of illegal immigration, it is under increasing pressure from persons seeking political asylum.

A survey by the Danish Institute for Social Research on non-European immigrants confirms the need for action to encourage integration, education, training and employment, given that these members of the population either have or belong to families which are larger than the Danish average, the women have no jobs, the men are more affected by unemployment than are Danes and more than two-thirds are unskilled.

A very welcome initiative has been taken by the Ministry of Social Affairs with the creation of an interpreting centre whose services are available by telephone to anyone free of charge.

¹ Social Report 1985, point 28.

Federal Republic of Germany

25. As in the previous year, the labour market situation showed conflicting trends: encouraged by the marked economic growth (increase in GDP in real terms of 2 1/2 %) the average employment figures for the year also rose by 1 %, corresponding to approximately 270 000 extra jobs. Unemployment however, continued high: with an average for the year of 2.22 million registered unemployed, it was only slightly below the previous year's level (2.3 million). Principally, for demographic reasons, but backed up by active labour market and vocational training measures, the unemployment figure for young people evolved more favourably than for unemployment in general. (a decline of the proportion of young people among unemployed from 24.4 to 23,1 %).

The proportion of workers out of work for more than one year continued to grow: of particular concern is the increase in the number of workers unemployed for more than two years. Accordingly, the Government is expected to further extend the period of payment of unemployment benefit to certain groups of older workers.

Funds available to finance labour market measures in accordance with the Employment Promotion Law (AFG) were increased overall in 1986. In particular, the number of workers participating in job creation measures (ABM) and in further training and retraining measures (FuW) could clearly be increased. A key point of labour market policy in which Government, employers, trade unions and educational establishments cooperated, was the "training offensive", i.e. the vocational training of unemployed persons and the further vocational training of employees already in post.

The Federal Minister for Employment and Social Affairs set aside funds for the first time to try out new ways of developing the labour market, including, in particular, pilot schemes for categories of unemployed persons and young people who are difficult to place and who wish to set themselves up in self-employed occupations.

Employment opportunities to the severely disabled are to be improved by an amendment to the law on severely disabled persons.

The most important provisions are as follows :

- reference will now be made to the "degree of handicap" rather than "impairment of earning capacity";
- the levy for failing to comply with the quota for severely disabled employees will be increased from DM 100 to DM 150 per month in respect of each post;
- training places will no longer be counted towards this quota;
- special protection against dismissal for severely disabled workers will only begin after the person concerned has been employed for 6 months.

New legal provisions laid down by the Federal Labour Office should help to ensure equal treatment of men and women as regards finding employment and training places. Even where an employer expresses for one sex rather than another in advertising a vacancy, the employment office should place workers without regard to their sex.

26. The main objectives of policy with regard to foreigners living in the Federal Republic of Germany are still to integrate both economically and socially those who have been in the country for some time (57 % have been living there for 10 years or longer), limit the numbers of new workers arriving, encourage those wishing to return to their country of origin to do so and admit only those persons who can claim special status or who qualify on legal or humanitarian grounds, such as members of immigrant workers' families and refugees. The question of refugees has been widely discussed by the Government and the political parties, the churches and the press; an amendment to Article 16 of the Constitution has also been proposed. As of 1 October, the German Democratic Republic has undertaken to allow transit through East Berlin only for asylum seekers holding a valid visa for the Federal Republic of Germany or other Western countries.

An agreement allowing the use in Turkey of home ownership scheme loans granted to Turkish workers in the Federal Republic of Germany was signed in Ankara, thus providing some DM 4 000 million for housing in Turkey.

At the request of the Ministry of Social Affairs and Employment, the Friedrich Ebert Foundation drew up a report on relations between foreigners and German nationals which shows a speeding up of the integration process and an increase in the number of young foreigners qualified for skilled jobs.

Foreign workers are now entitled to work permits regardless of the employment situation provided that they have been legally employed for at least five years during an eight year period of residence. This provision has ensured that foreign workers do not lose their rights if they have become unemployed or have not received unemployment benefit for a certain period. Before, workers who had already been living for some time in the Federal Republic of Germany often lost their entitlement to a work permit in similar circumstances.

At its Thirteenth Congress, the DGB (German Trade Union Confederation) adopted a declaration on migration policy which, among other things, calls on the Government to make it easier to acquire German nationality, review certain sections of the law on foreigners and grant them the right to vote in local elections.

Greece

27. The radical stabilization measures introduced in Greece in October 1985 with the aim of creating the conditions for lasting economic growth and eventual convergence of the Greek economy with that of the other Member States had not yet made their full impact in the year under review. Nevertheless - contrary to the predictions of a slight decline - an increase in the gross national product of 0.4 % in real terms was achieved.

This produced a slight increase in the volume of employment so that the number of employees contributing to the national unemployment insurance scheme in the first 7 months of the year covered by this report was more than 3 % higher than a year ago. During the whole year, however, the increase in employment was only 1/2 %. By the same token, there was no reduction in unemployment; on the contrary, figures show a stronger increase. As is well known, the official statistics for registered unemployed do not reflect the actual state of affairs and the real figure is considerably higher. OECD estimates place the 1986 unemployment rate at between 8 1/2 and 9 % - 1 % higher than that for 1985.

It is estimated that in the next few years some 30 000 new jobs will be needed annually to absorb the growing number of new jobseekers and migrant workers returning to Greece. At its meetings on 30 June and 30 July, the National Development and Programming Council therefore decided on a number of measures intended to combat unemployment. These include the introduction of an early retirement scheme applicable from the age of 60 and, in some cases, 55 (initially, for 6 months on an experimental basis), the possibility of agreeing at company level on the introduction of a fourth shift, the granting of aid for local employment initiatives and of subsidies for setting up businesses, a total ban on double employment, continuation of the employment service's programme to support the setting up of 32 000

new jobs in the public service, public undertakings and cooperatives and continued implementation of the employment service's vocational training programmes, 37 % of the cost of which will be borne by the European Social Fund and 30 % by the employment service.

In conjunction with a Ministerial Decree of 2 December 1985 on the creation of 22 000 new jobs for young people and the long-term unemployed, new provisions were laid down for the year under review which amend job creation measures on behalf of building workers and disabled persons.

Under the Ministerial Decree of 29 January building workers and unemployed persons may be recruited by local authorities and non-profit-making bodies to carry out State building projects; a subsidy of DR 1 800 daily is paid for foremen drawing unemployment benefit, DR 1 600 for foremen not drawing such benefit, DR 1300 for other employees drawing benefit and DR 900 for those not drawing it; in some areas the last-named amount may be increased to DR 1 300.

Two further Decrees are concerned with the creation of jobs for disabled persons. One of them lays down that a subsidy may be paid from public funds to private undertakings, non-profit-making bodies, cooperatives, local authorities and employers in general if they employ disabled persons. The subsidy amounts to DR 1 300 per day and is granted for a period of 12 months. During this period and for three months prior to recruitment employers may not dismiss any of their employees.

The other Decree is concerned with the granting of subsidies to employers who set up workplaces suitable for disabled persons, the maximum amount being DR 50 000.

28. Greece, which has a tradition of emigration, is now faced with major problems associated with the reintegration of Greek nationals returning to the country (a trend which began after 1974), whether economic emigrants or former political refugees, particularly from eastern Europe, and also the entry, in some cases illegally, of immigrants from developing countries.

For repatriated Greeks, the Government has taken a number of economic and social measures, such as loans for the purchase of professional equipment, incentives for employers to recruit them, recognition of diplomas obtained abroad, housing aids, public assistance for schemes for investing savings built up abroad and vocational training courses aided by the European Social Fund for emigrants returning without jobs. Two offices have been providing information, advice and guidance in Athens and Thessaloniki since 1983 and 12 000 people have made use of their services in that time. Concerned at a new type of temporary emigration often arranged by unscrupulous intermediaries, the Government adopted a law in 1984 on the protection of Greek workers employed in Asian and African countries, which sets out a standard contract designed to protect the workers concerned throughout their period of employment abroad.

There is no general law dealing with immigration at a whole and the Greek authorities are considering whether legislation should be brought into line with the new phenomenon of seasonal immigration which occurs after a contract expires and with the arrival, particularly from Asia and Africa, of workers who have been recruited illegally by agencies or who have remained ashore after serving legally on Greek ships.

Spain

29. Mainly as a result of an evident upturn in domestic demand, the real value of the gross domestic product rose by 2.7 %, slightly more than in preceding years. This development had a positive influence on the labour market situation. While the number of employed persons declined steadily in the first half of this decade, the trend was reversed in the year under review, with employment increasing for the first time- by 2.2 %.

Nevertheless the number of unemployed again rose, namely by an annual average of nearly 120 000 to more than 2.75 million. With a rate of 22 %, unemployment in Spain is the highest in the Community. The unemployment rate for women is even higher: over 25 %. Concern is also being caused by the high proportion of young people in the overall unemployment figure: at the end of October 1986, for example, of 100 unemployed persons 44 were young people up to the age of 25; of 100 unemployed women even more than half were under 25 years of age. However, it is a positive sign that the share of young people in overall unemployment has been appreciably reduced in the last years.

To make the labour market more flexible, a number of new forms of contract are planned as part of the 1984 reform of employment contract provisions, their common characteristic being that they are of fixed duration. The aim is to promote employment. A Royal Decree of 21 November 1984 provided opportunities for placing employment contracts on a fixed-term basis in order to meet temporary requirements or requirements specific to a particular firm. These include contracts for the performance of tasks or services which do not fall directly within the sphere of activity of the undertaking in question, contracts for dealing with a temporary and exceptional increase in activity, relief contracts for the temporary replacement of absent employees and fixed-term contracts for the promotion of new activity.

In view of the persistent labour market problems the Government issued a Decree on 17 October 1984 which extends opportunities for concluding temporary employment contracts (ranging from 6 months to a maximum of three years) and further Decrees on 31 October of the same year extending opportunities for the conclusion of training contracts and part-time and replacement contracts.

In addition, the Government adopted in 1986 an amendment of the legal provisions governing the duration of employment and the payment of employees performing work of a non-profit-making nature. While retaining the idea that such work is of a temporary nature, the amendment provides that the originally planned duration of employment (up to 5 months) may be prolonged until expiry of the employed person's claim to unemployment benefit or unemployment assistance.

30. In the last decade, Spain, traditionally a country of emigration, has experienced a change in migratory flows either because its nationals have stopped emigrating or even, in some cases returned, or because of the arrival, often illegally, of immigrants coming particularly from North Africa, Pakistan and the Philippines, or of political refugees; a special law was adopted on 26th March 1984 covering the latter category.

On 1 July 1985, Spain also adopted a general law on the rights of foreigners which lays down the conditions for entering, residing in and leaving the country, as well as access to jobs, equivalent qualifications and penalties for non-compliance with the rules; both the worker and the employer are liable to penalties in cases where foreigners are recruited illegally. There is also a preferential scheme for certain foreigners who have family ties or special historical links with Spain.

The Spanish Government therefore has to redefine its migration policy to take account of the new phenomenon of immigration (whereas in the past it was geared only to emigration), the implementation of its recent legislation on foreigners and the provisions on free movement of workers in the light of the EEC Accession Treaty (Royal Decree 1099/1986 of 26 May 1986).

France

31. The overall decline in total employment was reversed in 1986, but given the increase in the working population unemployment continued to mount: it went up from 2.46 to 2.52 million, i.e. from 10.5 to 10.8 % of the civilian working population. It is hitting traditionally vulnerable groups increasingly severely (young people, the unskilled and persons close to retirement age) and is gradually affecting groups spared hitherto (especially men aged 35 to 49). The period of time away from the labour market has lengthened: in April 1986 11.8 % of the unemployed had been out of work from over two years.

Following the change in Government after the March elections, a new approach to the unemployment problem has been developed. Instead of social measures the new Government proposes to substitute economic measures based on firms' capacity to create jobs in an economy freed from State control. Since March, the public authorities' action has favoured the following angles: return to private initiative, deregulation of the labour market and incentives to recruit young people.

The first measure mainly takes the form of the privatization of large State - controlled industrial or banking groups. The process, for reasons relating to the absorption capacity of the financial market, will be spread over a period of time. The process was started with the sale in September 1986 of part of the shares in Elf Aquitaine.

With respect to deregulation of the labour market, elimination of administrative authorization for dismissals has undoubtedly had a significant psychological impact although it is not yet possible to foresee the precise economic consequences.

Initially, a law of 3 July eliminates the requirement to obtain prior administrative authorization in cases of recruitment during the 12 months following dismissals on economic grounds checks as to whether these grounds are genuine, and consultation with the administrative authorities on dismissals in the context of recovery measures or liquidation by the courts. These administrative procedures will be abolished totally from 1 January 1987.

At the same time, a number of measures were taken to improve the adaptability of the labour market by making it easier to conclude fixed-term contracts and recruit workers on a part-time basis.

A discussion on the need to expand "small jobs" brought the Ministry of Labour into conflict with certain trade unions in the summer, but no practical measures have yet been introduced.

Finally, significant resources (FF 4.5 billion for 1986) were set aside to encourage firms, by exempting them from social security contributions, to recruit young people or take part in their training. Exemptions are provided in three cases: 25 % exemption from employers' contributions for the recruitment of young people before 30 January 1987, 50 % exemption in the case of the recruitment of young people within three months of the completion of a training course, training/job experience or apprenticeship contract, total exemption in the case of apprenticeship contracts or work experience/training contracts concluded before 31 January 1987. This significant support can be seen as a subsidy for firms, in that a large proportion of the expected recruitment would in any case have taken place.

32. In accordance with the "moral contract" offered by the Government to immigrant workers legally present in the country, France pursued its efforts with a view to their economic and social integration "with due regard to the individual's rights, dignity and permanent residence". By contrast, the Government adopted more stringent methods to counter illegal immigration. In particular, the adoption of the law of 9 September on entry and residence conditions for foreigners in France reintroduced the administrative expulsion procedure.

A new law on identity checks which entered into force on 5 September gives the police greater powers to check the identity of people in public places. Legislation is also being prepared which may lead to a revision of the nationality code, particularly as regards the right to take up French nationality.

The condition that all foreigners wishing to enter France, with the exception of EEC and Swiss nationals, must first obtain visas was reintroduced on 16 September.

By means of a circular of 2 July 1984, Government repatriation grants were abolished in respect of Greeks, Spaniards and Portuguese, since under the Treaty of Rome they cannot be prevented from returning to France to exercise activities as self-employed and, in the medium term, employed persons.

A study carried out by the INSEE in the Rhône-Alpes region found that foreigners have twice the unemployment rate of French nationals, the explanation being that the majority of people threatened by unemployment are unskilled.

Ireland

33. The reactivation of the economy noted in the previous two years continued, but in a more moderated way, prospects for the immediate future improved. The growth in real terms of the gross domestic product was 1.2 % against 2,0 % in 1985. The labour market situation was also influenced by two other factors: the increase in net emigration and a major loss of momentum on the job offers front. This produced a slight decline in the volume of employment - estimated at 1.3 %.

The number of registered unemployed rose by some 6.000 to an annual average of 236.400; this means that the unemployment rate rose from 18.0 in the previous year to 18,4 %. Unlike most other Member States (excluding the United Kingdom), the unemployment rate for women is lower than that for men in Ireland. Young people under the age of 25 account for 30 to 32 % of the total unemployment figure.

The Government has introduced a further series of measures to combat unemployment. These include subsidies to stimulate building activity in the fields of urban redevelopment, home improvements, the development of community, leisure and tourist facilities, acceleration of the development of the natural gas grid, extension of the Employment Incentive Scheme and exemption from social security contribution for private employers who give full-time jobs to job-seekers registered as unemployed for at least six months.

The Irish Economic and Social Council instructed a group of advisers to take a close look at Irish labour market policy. The findings of this study, together with the conclusions of the Economic and Social Council, have now been made public. It was felt that one of the outstanding characteristics of Irish labour market policy over the last two decades is that most economic and social policy decisions were made without considering their impact on the labour market. The Economic and Social Council therefore suggests that the

responsibilities of the Department of Labour be extended so that it can assess the importance of social and economic measures for the labour market. The study also deals with other institutional questions and with the various instruments of labour market policy. It stresses the need to make the vocational training system more flexible and more specifically tailored to deal with future requirements. It says that the placement service should concern itself mainly with persons experiencing particular difficulties in finding work, as well as young people and the long-term unemployed. It maintains that the long-term unemployed - along with school leavers who have little or no skills - deserve special attention, including the provision of practical work experience and the acquisition of vocational skills.

34. Republic of Ireland is now facing up to its responsibilities arising out of signing of the U.N. Convention of 1951 and Protocol of 1967 concerning the statue of refugees.

The Government has almost completed a new structure under the Department of Foreign Affairs for the reception and integration of refugees. It consists of a Refugee Resettlement Committee and a Planning Advisory Committee both with accountability upward to the Minister or Minister of State for Foreign Affairs.

The preliminary report of the census reveals that emigration from the Republic of Ireland is now running at the highest level for 20 years with a total outflow of 31.000 for 1985 - 1986.

Church bodies with limited resources are providing information on request in an effort to eliminate unplanned emigration.

Italy

35. Mainly as a result of a dynamic development of Italy's export trade the economic upswing noted in the previous two years increased again slightly in the year covered by this report (an estimated growth rate of 2.7%) and thus contributed to a further increase in employment (0.3 %). However, structural imbalances persist on the labour market. Furthermore, it was noted that undertakings tended to use these more favourable trends to employ on a full-time basis those who had been working short time or to resort to overtime rather than recruit new employees.

Furthermore, since improved employment prospects brought about an increase in the number of persons seeking jobs, unemployment did not decrease, as had been hoped, but showed a not inconsiderable increase. On an annual average over 220,000 persons more than in the previous year were registered as unemployed - which meant that the unemployment rate rose from 12.9 to 13.8 %. The unemployment rate for women was considerably higher than that for men: in October 1986, for example, it was 19.1 as compared with 11.2%. The percentage of unemployed young people fluctuated between 45 and 50 % depending on the month.

This caused the Government to present a new employment programme for young people, which went into effect when the Law of 11 April 1986 and the Decree of 23 June were adopted. It is concerned with employment for young people between the ages of 18 and 29, who have been unemployed or registered as job seekers for at least 12 months. Training employment contracts were planned for 40 000 young people - at least half of them from Southern Italy - to facilitate their access to the labour market. Private and public undertakings, associations and foundations are required to report their projects to the Ministry of Labour and Social Affairs, stating the duration and the amount of time allotted to training and to work.

Firms participating in the programme are paid a subsidy amounting to 15 % of the remuneration paid to employees recruited on a training/

employment contract, while 20 % is paid if the firms are active in the fields of data-processing and automation.

In addition, every worker recruited in this way who is subsequently taken on under an unlimited-duration contract by his employer receives a monthly allowance of Lit 100 000 for 12 months, this figure being raised to Lit 200 000 monthly in Southern Italy.

In addition, the Law of 28 February provides for the financing of projects which may last up to 36 months and whose purpose is to apply new advanced technologies for the preservation of cultural assets, provided this creates jobs for young people. The carrying out of these projects is entrusted to firms or groups of firms which conclude fixed-term contracts with young people who have been unemployed for more than a year under the procedure for recruitment of workers specifically by name. Lit 600 000 million have been made available for this purpose in the 1986-87 financial year, half of which is earmarked for the Mezzogiorno. The projects are concerned mainly with the preservation of archaeological sites, Italy's architectural, urban, documentary, literary and linguistic heritage, historical archives, as well as statuary and other objects d'art.

The Decree-law of 30 December 1985 was converted into the Law of 28 February 1986, under which the State takes over certain social security contributions, so as to reduce the costs of undertakings. The Law provides that employers' contributions between 1 January and 30 June 1986 be reduced by 1.6 percentage points for male and by 4,0 percentage points for female employees. A further reduction by 5.24 percentage points is laid down for industrial and craft undertakings in the processing and basic raw materials sector and the heavy engineering sector and by 2.54 percentage points for Southern Italy. In the agricultural sector the reduction amounts to 17.5 % of total contributions.

36. The number of foreigners lawfully resident in the country increased, but the matter causing most concern is illegal immigration. In this connection, a law on the entry, the placement and the residence of workers from outside the European Community has been adopted in December; this law provides, inter alia, for the possibility of legalizing the situation of workers in an irregular situation.

The new phenomenon of "development project" or "technological" emigration is a growing one, calling for specific rules which a Committee is responsible for preparing on the basis of a number of draft laws presented by Members of Parliament and the Decree Law presented to Parliament by the Government on 4 March 1985 concerning the protection of Italian workers employed by undertakings operating in non-EEC countries.

At the end of November, elections were held among Italians living abroad to appoint the members responsible for cooperating with the consular authorities in the "Italian Emigration Committees" (COEMIT).

An Interministerial Decree laid down that diplomas and certificates obtained by emigrants at training establishments abroad are recognized in Italy for appropriate purposes provided that those establishments, after investigation by the Ministry of Labour, provide the necessary guarantees as regards their training programme, its content and the examination arrangements.

Luxembourg

37. In the year under review, economic developments were determined mainly by the continuing high level of consumption, so that a 2,4 % increase in real terms of gross domestic product was achieved. This influenced employment, which rose by an estimated 0.8 %, and also unemployment. The overall total of registered job seekers was reduced, in comparison with the previous year, by some 300, i.e. by 11,5 %. This meant that the unemployment rate declined from 1.7 % in 1985 to 1.5 % in 1986.

In April 1985 the Government set up a pilot programme for putting those in receipt of unemployment benefit to work at tasks declared by the Government to be socially useful. These include clearance, upkeep and reafforestation in State-owned forests, maintenance of natural sites, the maintenance of historically significant sites and one-off or urgent archaeological excavations. Unemployed persons called on to perform such socially useful work receive a flat-rate monthly amount to cover their expenses amounting to 10 % of the reference pay on which unemployment benefit is based. Their transport expenses from the meeting place designated by the employment service to the workplace are likewise reimbursed. The duration of the job must not exceed 32 hours per week spread over four working days. Unemployed persons performing such work are entitled to paid holidays commensurate with the time worked.

38. Since the national conference on immigration convoked by the Government in 1975 to examine problems of immigrants and ways of improving their social integration, major efforts have been made to enable migrant workers to bring in their families and to provide appropriate schooling, language courses and vocational training.

On 26 June 1985, the Law governing Luxembourg nationality was amended to make it easier to acquire that nationality, since this was seen as an important aspect of the integration process. However, some criticisms were expressed by migrant workers, particularly about the fact that the ten-year residence requirement remained unchanged.

Netherlands

39. The increase in the purchasing power of private households was responsible for the maintenance of the economic upswing, which, in the year under review, produced a similar increase in the gross domestic product (an estimated 1.9 %) to that recorded in the previous year. This made possible an increase of some 1.2 % in the volume of employment. In some sectors, however, job shortages made themselves felt.

The number of registered unemployed declined from some 761 000 in 1985 to some 711 000 in 1986, i.e. by almost 7 %. This means a decline in the unemployment rate from 13.3 to 12.4 %. Slightly more than a third of the unemployed were under 25; at the beginning of the eighties young people accounted for more than 40 %.

In the year covered by this report, the Government made particular efforts to combat long-term unemployment and facilitate the reintegration of benefit recipients in working life.

Of the more than 700 000 unemployed some 400 000 had been out of work for more than 12 months; among these is a hard core of 150 000 long-term unemployed. The Government drew up a working paper containing a series of special measures for combatting long-term unemployment for consultation with the two sides of industry. The Government takes the view that, particularly in order to reduce long-term unemployment among young people, a joint approach with the two sides of industry is necessary, covering, for example, limiting the working hours of young people to 32 per week, granting of State subsidies to employers who take on long-term unemployed, setting up joint training centres and the like.

To put these ideas into practice, the Minister of Social Affairs and Employment has launched a new scheme to promote the reintegration of the long-term unemployed. MOA, the "occupational integration scheme", replaces the "placement promotion scheme" (PBM) operated so far. Under the MOA scheme an employer who hires a person registered as

unemployed with the employment service is entitled to a maximum subsidy of HFL 1 000 a month for up to 6 months as a contribution to the cost of training that person. Employer and employee must conclude a contract which can be of limited or unlimited duration, but which must be for a period of at least 6 months. The scheme is aimed mainly at persons who have been registered as job seekers for 12 months, persons registered as unemployed for 12 months who are performing voluntary, unpaid work and women who have not been in employment for at least 12 months because they have been looking after their household.

The Government has proposed an extension of Art. 30 of the Law of 30.6. 1976 on the granting of unemployment benefit under which local authorities would be enabled to organize social/cultural work for the unemployed. Whereas the stress so far has been on mitigating the negative consequences of unemployment, what the Government now proposes aims rather at using such work as a preparation for reintegration into working life. The Government is suggesting that the concept of "social/cultural work" be replaced by "arrangements" aimed at improving an individual's chance of finding employment, acquiring occupational skills and taking part in training courses related to such aims. The Government's intention is that Article 36 should in future not be applicable only to recipients of unemployment benefit or assistance, but to all unemployed and disabled persons who have been registered with the employment service as job seekers for more than one third of their regular working time.

A new Law adopted in the Netherlands makes it possible for persons receiving unemployment benefit to take up unpaid employment. The Law has two aims. One is to legalize unpaid work by recipients of unemployment benefit, for many such recipients are prepared to perform such work until they can find paid employment. The other is to introduce a monitoring system to ensure that unpaid employment does not have a negative effect on other employment. Permission for recipients of unemployment benefit to engage in unpaid work is generally valid for a year. The Law is valid for four years.

40. The government was concerned with implementing its policy on minorities, formulated in 1982, which guarantees minorities living in the Netherlands the same status, as individuals and as groups, and the same opportunities as any other citizen of the country. Such an overall policy towards minorities aimed at overcoming the disadvantages from which they suffer requires the mobilization of considerable resources and must therefore be accompanied by restrictions on immigration. However, the government is still faced with the problem of illegal immigrants and refugees.

In the local elections held on 19 March, some 88 % of foreigners entitled to vote did so for the first time and about 20 foreign candidates were elected to the various local councils.

After an experimental period, the Government introduced new measures to assist voluntary repatriation, aimed in particular at 55-65 year olds who are unemployed, have been living in the Netherlands for at least five years and have decided to return to their country of origin : a subsistence allowance is paid up to the age of 65 and then an amount is set and regularly adjusted on the basis of minimum allowances in the Netherlands and subsistence levels in the country of origin.

Portugal

41. Because of its heavy dependence on exports, the Portuguese economy profited more from the decline in oil prices than did the other Member States. The all but 4.2% increase in the gross domestic product was thus greater than the increase in the rest of the Community. But there was only a small increase in employment by 0,3 %.

Nevertheless, there was a slight increase in unemployment: from 342 000 in 1985 to 368 000. Men were affected by this more than women, although the number of out-of-work women is - in both relative and absolute terms - very much higher than the number of unemployed men. While the unemployment rate for men fluctuated between 6 1/2 and 7 % in the year under review, the rate for women rose from 11 to almost 13 %.

The Portuguese Government's main efforts are concentrated on combatting unemployment among young people. For example, a recent Law aims at improving permanent job openings for young people by temporarily exempting firms from paying social security contributions if they recruit young people aged between 18 and 25. It applies only to open-ended contracts with young people looking for their first job. This includes young people who have already had in-firm traineeships or a probationary employment contract. Exemption from paying social security contributions is granted for a two-year period.

A programme co-financed by the European Social Fund was also implemented in the second half of 1986 to create fixed term jobs for young people in the field of socially useful work. The programme is intended to provide jobs for young people between the ages of 18 and 25 who are not in employment and who receive no unemployment benefit. Priority will be given to young people who are looking for their first job, who belong to large or economically underprivileged families, or who are best fitted for the projects - which are located in the fields of culture,

social and community assistance, environmental protection, tourism and agriculture - by reason of training, experience and age. The jobs last for six months with an average working week of 40 hours and a monthly wage of ESC 16 875.

To bring the granting of financial aid for the setting up of businesses into line with the amended criteria of the European Social Fund, the relevant regulations were amended at the beginning of the year. Professions which require higher education qualifications are henceforward ineligible for such assistance. Eligible persons are young people aged between 18 and 25 and all workers who have been out of work for at least a year. The condition imposed is that they should exercise the activity in question for at least 36 hours per week. The aid given does not have to be repaid and is granted for a maximum period of one year. For 1986 it was set at ESC 3300 a week.

Finally, the first legal framework for local employment initiatives was set up in June, laying down the conditions for obtaining technical and financial assistance from the public authorities. Priority will be given to projects which hire the largest number of first job seekers and unemployed, have the highest percentage of persons working on or involved in the overall project, and are located in regions with a particularly high level of unemployment, less-favoured economic and social development and the lowest capital intensity.

42. Before 1974, emigration from Portugal was to the Americas, to its former overseas provinces and, in the sixties, to elsewhere in Europe. Since then, with the cessation of immigration into most industrialized countries in Europe, there has been a sharp reduction in emigration with the emergence of four new trends: the arrival en masse of people who had been working in the former colonies, the return of workers who had emigrated to other European countries, the often illegal entry of emigrants from various places, particularly the Cape Verde Islands and a new flow of emigrants to the oil-producing countries. These movements have given rise to serious problems, which the Government has had to confront by setting up special administrative structures such as the Repatriates Commission in 1976, the Office for the Support of Emigrants in 1980 and, in 1983, a Representation and Agency Office and a Study Centre within the Delegation of the State Secretariat for Emigration, and a Working Party made up of the Secretaries of State for Regional Development, Emigration, the Treasury and Employment and Vocational Training in 1984. Regulations have also been adopted such as a Decree-Law of 17 March 1977 on residence and the right to take up work, a Decree Law of 3 September 1981 concerning the expulsion of foreigners and specific measures such as certain exemptions from customs duties and taxes on the savings of migrant workers or the offer of legal or administrative assistance.

United Kingdom

43. After a hesitant start economic growth increased slightly during the rest of the year, so that an increase in real terms of 2.4% can be expected. As in 1984 and 1985, employment continued to increase, though on a somewhat smaller scale than in the previous year (by 0.7 against 1.3%). Furthermore, the increase is mainly attributable to a rise in the number of women taking up part-time employment.

The number of unemployed (3.3 million) remained almost unchanged in comparison with the previous year, giving an unemployment rate of 12.1%. However, developments have been positive to the extent that while unemployment figures were appreciably higher in the first half of the year than during the same period of the preceding year, they were lower in the second half. The share of young people in overall unemployment, which amounted to more than 40% at the beginning of the '80s continued to decline in the year under review - to 35.6% on the average.

The Government's March budget contained a number of proposals for creating jobs aimed primarily at the long-term and young unemployed, such as an extension of pilot schemes for the long-term unemployed, an expansion of the Enterprise Allowance Scheme to an annual rate of 100 000 entrants by April 1987 with some additional training, a new upgraded Small Firms Loan Guarantee Scheme, an expansion of the Community Programme¹ to accommodate 255 000 rather than 200 000 long-term unemployed this year, a New Workers Scheme aiming to facilitate the entry of young people into the labour market by providing subsidies for employers, an extension of the Business Expansion Scheme and the like.

Another of the Government's measure to reduce unemployment is the stimulation of new economic activities at local level. On 1 April it introduced an extensive five-year funding scheme to support enterprise agencies, providing the sum of UKL 2.5 million for the first year - 1986/87.

(1) Social Report 1985, point 44.

There is no automatic entitlement to assistance; it is limited to agencies with long-term potential but inadequate funding and to those with an operating income in the first year not exceeding UKL 60.000. The aim of the scheme is to establish a network of viable, self-supporting agencies largely funded by the private sector. Later the Government intends to reduce its assistance and expects the private sector to make a larger contribution.

On 6 January new pilot schemes were initiated which aim at placing long-term unemployed persons - who account for more than 40 % of the overall number of unemployed - in regular jobs or on training schemes. These six-months schemes were carried out in 9 areas. They consist of three main elements : the first is an personal invitation to the long-term unemployed in the pilot areas to attend an in-depth interview at the job centre, which leads either to a job offer or an invitation to take part in one of the variety of schemes available. The second is an entirely new short course lasting one or two weeks and tailored specifically to the needs of the long-term unemployed. The third element is a Job Start allowance of UKL 20 a week for up to 6 months payable to persons living in the pilot areas and out of work for twelve months or more, who find a full-time job with gross earnings of up to UKL 80 a week. Ministries are carefully monitoring the pilot schemes to see whether the desired effect is being achieved.

44. The basis of immigration policy in the United Kingdom continues to be the need to control primary immigration, in order to provide the conditions necessary for developing and maintaining good community relations. But the Government does not intend to prevent all immigration, particularly of the dependents of those already settled in the country, of the refugees and others who have a justified fear of returning to their country of origin.

In response to the demands of Immigration Officials, the Government is considering the introduction of visa requirements for Commonwealth visitors, as is already the case for nationals of Sri Lanka, India, Pakistan, Bangladesh, Ghana and Nigeria, in order to reduce the waiting time at passport desks and improve, where necessary, the detention or accommodation facilities for "dubious" visitors and illegal immigrants.

On September 18, the Home Office decided to comply with a Divisional Court judgment and abrogate an immigration rule which prevents dependent relatives from joining families, residing in United Kingdom, if their standard of living is comparatively higher than that of their fellow citizens.

A new code of conduct aimed at ending racial discrimination at the Bar, should lessen the impression of discrimination which is sometimes perceived by black barristers.

The Home Secretary admitted that recruitment of ethnic minority members in the police force should be a priority. On his side, the police force has acknowledged the problem of racial tension and has introduced social awareness programmes into the training of new recruits.

Chapter II

EDUCATION

Trends within the Community

45. A major concern of the European Community Member States throughout 1986 was to improve the quality of education in the different education systems to meet the increasing demands for highly educated manpower.

During a period of rapid economic change, marked by major unemployment and also characterized by rapid developments in economic, technological, social and cultural areas, young people must be better prepared to face the many challenges confronting them.

The fight against youth unemployment and the support of those groups of young people who have special educational needs are problems which still need to be solved in a common effort in the field of education.

Owing to a combination of restraints on government spending and the fall in the birth rate, the level of recruitment of new teachers tended to continue to fall in most Member States.

46. Major efforts to face those problems have been undertaken by the Member States in :

- introduction of the new information technologies in general education and vocational training. Special efforts were made to attract girls and young women;
- linkage between schools and institutions of higher education to enterprises with the objective to promote interaction and dialogue between the education systems and the labour market;
- the initial in-service training of teachers;

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- an increase in the use of open and distance learning with an emphasis being placed on the flexibility these techniques give in continuing education.

47. The Education Council held in Luxemburg in June 1986 adopted two resolutions :

1. COMETT, the Community Programme for Education and Training for Technologies. The objective of this programme is to strengthen European Community cooperation between universities and enterprises and to encourage the pooling of experience in developing human resources within the framework of building a Technological Europe.
2. Consumer education in primary and secondary schools. The programme invites the Member States to promote consumer education within school teaching programmes, taking into account the fundamental rights of consumers as well as the general environment within those rights.

The Education Ministers held an exchange of views on ERASMUS, the European Community Action Programme for the Mobility of University Students, which by increasing the number of students able to study in another Member State will create a cadre of high level manpower with direct experience of European cooperation on which to base further economic and social collaboration within a genuine People's Europe.

Development of the situation in the member countriesBelgium

48. The Royal Decrees N° 438 of 11 August and N° 457 of 10 September introduced the notion of a "national coefficient" to act as a compulsory reference figure for purposes of calculating staff members in full-time secondary education. Schools are not permitted to deviate from this national norm by more than 20 % and the figure represents the total ratio of organized teaching hours/total number of pupils registered in the country.

In fact, in view of the special features of the various forms of secondary education (general, technical, artistic) there are four national coefficients which are fixed in this way, two for technical education and for vocational education.

Changes have also taken place in special education. A Law of 11 March is aimed at encouraging social integration and training and offering pupils the opportunity of obtaining a schoolleaving certificate from ordinary education. The early or permanent integration of disabled pupils in ordinary education has been organized under the title of "Integrated Education". Under Royal Decree N° 439 of 11 August measures to rationalize and plan special education are introduced. Under this law two figures are fixed for the minimum number of pupils at such special education establishments.

Under Royal Decree N° 456 of 10 September measures to rationalize and organize boarding establishments are also introduced.

A circular of 19 August makes it compulsory to teach a second national language in the fifth and sixth years of primary education in all State schools. Hitherto, this requirement only applied in certain regions defined under the language laws of July 1963 (Brussels, areas in the linguistic frontier, etc.).

The study of two modern languages has been introduced in the first common year of secondary State education (Circular of 2 July 1986).

The timetable for this first year also now includes one hour of computer studies (science course) organized in those State secondary education establishments which have the necessary staff and materials at their disposal.

This year a registration fee has been introduced for the first time on social advancement courses (Royal Decree of 17 September). However, young people subject to compulsory schooling requirements and certain categories of job-seekers are exempt from payment of this fee.

Moreover certain measures included in Royal Decrees N° 412 and N° 434 of 5 August amending legislation on the financing and control of university institutions make provision for :

- the administrative board of each institution to fix the amount of registration and examination fees, which has led in a number of institutions to an increase in such fees;
- a reduction on social subsidies hitherto granted.

Under the Royal Decree of 7 April diplomas at short-course higher education institutions organized on a full-time basis now follow standard pattern. The rationalization and programming plans for shorter-course higher education and education for social advancement respectively, were set out in Royal Decrees No. 460 and 461 of 17 September. They establish criteria for rationalization, minimum school population levels, etc.

Under Emergency Powers Decree N° 459 of 10 September the building and conversion of schools has been cut back considerably.

49. Other Decrees have been adopted which have an effect on the careers of teaching staff. Under Royal Decree N° 442 of 1 August a more flexible system of dealing with interrupted careers is introduced. Under Royal Decree N° 435 of 5 August absence and leave on reduced timetable are introduced. Those teaching staff who have reached the age of 50 or have at least two children which have not yet reached the age of 14 can be authorized to work on a reduced timetable. Such leave is unpaid and must amount to between half and a maximum of four fifths of a full daily timetable. Authorization may be obtained also for absence on a reduced timetable.

These advantages can be enjoyed for a maximum of 5 years. There is also the possibility of taking early retirement for those aged over 55 who have been in service for at least 30 years. This applies to staff members working in educational institutions organized and subsidized by the State or in PMS centres, but excepting university teaching. In addition, members of the inspectorate for subsidized nursery and primary education can benefit from this measure (see in this connection Royal Decree N° 436 of 5 August). At the same time, there has been a change in legislation relating to trainees : the number of trainees is reduced from 1.2 % to 0.7 % (Royal Decree of 4 August).

Royal Decree N° 458 of 10 September lays down that pupils of foreign nationality whose parents or those exercising parental authority in relation to them are not subject to personal income tax in Belgium, only count for 80 % for purposes of determining the number of regular pupils in secondary education and thus for purposes of fixing staffing numbers. Under Notice N° 1a of 26 August this measure was extended to cover nursery and primary education.

Denmark

50. Denmark's economic growth and the increase in investments has begun to cause problems as regards obtaining suitable skilled labour in some areas of industry. With a view to countering such potential bottlenecks the government put before the Parliament a plan which postulates a contribution on the part of training policy as a way to solve the problem. Following on from this, the Ministry of Education, from the 1986/87 school year, has extended training capacity in areas where there are good employment opportunities.

In this connection, this year free entry to a number of advanced training has been introduced, mainly where employment prospects are good. Since at the same time numbers applying have increased sharply in 1986 free entry has meant that places have been found for over half on the increased number of applicants. On the other hand the pressure of applicants has also meant that there has been an increase in those rejected.

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51. In June, the Minister of Education received the results of a Committee Study on the future of engineer and technician training. The report includes proposals aimed at increasing the numbers of highly qualified workers in technical areas. Work is now in hand to transpose the report's proposals into actual measures, including a draft law on advanced technical training courses.

At the same time the Minister of Education has asked a new committee to examine the need and scope for revising basic vocational training courses. The idea is to replace existing apprenticeship and efg (basic vocational training) courses and any other basic vocational training courses by a uniform, more transparent and at the same time more flexible training system.

In May, the Minister of Education together with the Minister for Industrial Affairs put a proposal to the Parliament concerning the Government's policy in respect of new undertakings. The report describes current and planned training and industrial policy measures which are partly designed to make people more aware of the possibilities of becoming self-employed and partly at making life easier for those who have already launched their own business.

In spring, a study was begun on educational and vocational counselling. The aim of the study is to determine whether young people receive guidance designed to give them a good basis for choosing their future training and occupation. At the same time, the study is to determine whether guidance measures are in line with the views of society or whether there is a need for change.

The Government has put forward a proposal for a law on further technical training courses, the purpose of which is to introduce a framework as regards the content and operation of technical training courses which are situated at a level between basic technical vocational training and engineer training courses. A further objective of the proposal is to increase recruitment to technical training courses in the future.

Federal Republic of Germany

52. In 1986 general developments in education were again marked by a demographically-based fall in numbers of pupils in primary and secondary schools although the fall was somewhat less sharp than in recent years. As a result of a change in attitude on the part of those leaving upper secondary school with university entrance qualifications the number of people beginning university courses fell once again. There was a corresponding increase in the number of persons with university entrance qualifications as a proportion of total numbers seeking training places in the dual system of vocational training and consequently, in spite of the falling numbers of school-leavers the numbers seeking training places continued high. Nevertheless, the demand for training places in firms was largely met. The changing attitude to training affects on the one hand changing prospects for graduates on the labour market and on the other increased interest in vocational training courses.

53. The Tenth Law amending the Federal Law on Financial Assistance for Students of 16 June introduced not only financial but also structural improvements in the grants available to school pupils and students. These improvements relate mainly to study courses in countries outside Europe and practical training periods spent as well as assistance for disabled students, young foreigners and married school pupils. The family allowance package which entered into force at the beginning of 1986 brought considerable financial relief for families with children undergoing training.

Educational activities relating to the introduction of new information and communication technology in education which were already described in the 1985 report were continued and stepped up in 1986. At the beginning of 1986, the Conference of the Ministers for Education has published an inventory, in which the Länder agreed that the provision of education in information technology was one of the tasks of schools.

In February, the National Council for Academic Affairs put forward proposals concerning the structure of higher education courses. The main proposal was that these courses should be organized in such a way that an individual student could pursue his programme of studies up to the final examinations qualifying him for entry into a profession within a maximum of four years and three months.

In addition, the Council recommends the further development of post-graduate courses and the introduction of further training courses in higher education institutions. In May, the National Council also presented, on a proposal from the Federal Government, an "opinion on cooperation between universities and industry", which takes account of the increasing importance of transfer of information, technology and staff between universities and industry and in addition includes important principles relating to the profitable development of this cooperation.

On 12 March, the Federal Government replied to a question by the German Federal Parliament concerning "The situation and outlook regarding studies by foreign students in the Federal Republic of Germany". In this paper the Federal Government stressed the importance of foreigners studying in the Federal Republic of Germany as an essential element in international relations between universities and stressed the importance of student exchanges for the further integration of the peoples of Europe.

The university building planning committee approved a "Report on the situation of computer studies". In this report a development target is set of 4.000 first year student places in computer studies at each higher education institution and specialist higher education colleges.

In 1986, the programme to encourage advanced technological research known as the "Prize for German academics under the Gottfried Wilhelm Leibniz Programme of the German research Association" got under way. In this programme which is financed jointly by the Federal authorities and the Länder, individual academics and research groups will receive grants of up to DM 3 million which, spread over as much as five years, can be drawn on in a very flexible manner.

Overall the conditions for study abroad have been improved during recent years. The number of grants has been increased and new ways of promoting study abroad have been created. An important contribution has been made by the universities in increasing contacts with foreign universities in the framework of partnerships. The number of these partnerships has risen to 984 in 1986 and has nearly doubled since 1981. Most of the co-operation agreements include the exchange of students and the reciprocal promotion of study abroad by making grants available.

Greece

54. In primary education, ministerial decrees C1/231 and C2/232 of 30 April have regulated matters concerning "progress reports and certificates" (that is, the designations A, B, C have been abolished).

In secondary education, Presidential Decree 137/86 of 30 April has regulated the following :

- a) the method of examining pupils who repeat a year due to absence from school;
- b) matters concerning pupils who don't follow music lessons;
- c) the exemption of pupils from special schools from music and foreign language lessons;
- d) the date lyceum pupils may leave.

In addition, a Presidential Decree 102/86 of 31 March has regulated all matters concerning the "General Examinations" at the end of the lyceum.

With regard to special education, 36 new special classes were created in normal schools for children with learning difficulties, 6 new special schools and 3 nursery schools, which began to operate from the 1986-87 school year.

A ministerial Decree announced that 24 places will be allocated in new branches (psychologists, speechtherapists, physiotherapists etc....) to complete the staffing and operation of special education units. Until now such branches had not existed in the Greek education system.

55. With regard to teacher education, a joint Decision of 14 February of the Ministers of the Presidency of the Government, Education and Religious Affairs, and Economic Affairs (FEK 110/B/86) has regulated the foundation, composition, setting up, organization and operation of the committee for the equivalence of Teacher Training Schools (EISEDPA). A Decree of 8 Augustus has regulated matters concerning transfers to Teacher Training Schools and Faculties (Paedagogical Academies, Nursery Teacher Schools, Harakopios college of Domestic Science).

With regard to student affairs, two ministerial Decrees of 25 September which will be notified by a law from the Parliament - abolish from the 1986-87 academic year, transfers of students from abroad to Greece because their father is Greek.

Also abolished from the 1986-87 academic year are transfers of students because they already have a brother or sister studying there to the departments of the polytechnic faculties of the Thessalonika University and the National Polytechnic of Metsove, and to the department of medicine of the Universities of Athens and Thessalonika.

With regard to physical education, regulations have been passed which govern matters concerning school athletics competitions and determine the athletics activities of secondary schools for the 1986-87 school year. A compulsory medical examination has been established for all primary and secondary school pupils before they take part in physical education.

A Presidential Decree has established new examinations for modern Greek language and grammar in the gymnasium (lower secondary school).

According to Law 1674 of 1986, from the 1987-88 academic year transfers of students from foreign university-level institutions will be permitted by examination to an extent of 10 % in the 5th semester of the equivalent Greek university-level institution, but only if the student is successful in all the lessons of the four first semesters and first two years of the institution where he is studying; and other transfers and enrollments from non-university level institutions to university-level institutions in Greece and abroad are permitted to an extent determined by decision of the general assembly of the university-level institutions department, which for all categories together should not be higher than 10 % and lower than 4 % of the number entering the department.

Spain

56. A number of significant legislative measures were passed during this period implementing various aspects of the Law governing the right to education (Ley Organica reguladora del Derecho a la Educacion - LODE) including the composition of and the rules for the school boards or governing bodies of various types of schools. Decrees were passed covering pupils' associations, parents' and pupils' associations and corresponding activities in recognized private schools.

Between April and June the first elections to the school boards of public and recognized private schools took place, with the participation of teachers, parents and pupils. The composition of the boards, to be reelected every two years, depends on the number of classes. If there are more than 16, the board comprises the head, the director of studies, one representative of the local authorities, one of the administrative and services staff, eight teachers, five parents and three pupils (four pupils in academic and vocational upper secondary schools). In recognized private schools, the school board includes the head, three representatives of the governing body, four teachers, four parents, two pupils and one member of the non-teaching staff. The current situation as regards the reform and experiments taking place in the compulsory general basic education system is as follows :

Stages one and two (1st, 2nd, 3rd, 4th and 5th years) : the relevant adjustments have been made, the methods used are subject to assessment and advanced training courses for teachers are provided.

Stage three (6th, 7th and 8th years) : the experiment has been introduced in the sixth year, and the groundwork laid for the experiment in the seventh year.

57. The reform of the first stage of secondary school has reached the third experimental year; it was implemented in 194 schools.

In the 1985 - 1986 school year the programme for the integration into the school of disabled children was initiated for children of pre-school age and in the first year of primary in 173 schools (144 public and 29

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private). The programme is checked by means of an assessment system that covers all aspects of the plan. At the same time, in support of the principle of school integration, the Royal Decree of April set up a National Resource Centre for Special Education covering the main areas of disability : visual, hearing and speech, motor disorders, mental handicaps and behavioural problems.

Negotiations between the education authorities and the teachers' unions on the future regulations for teaching staff in State non-university education was an enterprise of some magnitude. The discussion was based on the initial document drafted by the Experts' Committee, appointed for this purpose by the Ministry of Education and Science (MEC). On 9 May following long negotiating sessions, an agreement was reached between the MEC and the FETE-UGT, ANPE, FESPE and CSIF on the basic aspects of the new staff regulations: mobility, application of the new salary system, access to the teaching profession, promotion, rights and duties of teachers in civil service grade, inter-institutional promotion etc. The agreement affects some 250.000 teachers, and in the next three years PTAS 25.000 million will be allocated for the purpose of matching teachers' salaries of those of the rest of the civil service.

The Law on the promotion and general coordination of scientific and technical research, known as the Science Law, was approved by the Senate on 25 February. The basic goals are : to give Spain the necessary programming machinery to take advantage of all national resources : to make the management of research more efficient by treating it as a whole; to change the administrative and budgetary system of the public research bodies. Recently, the Minister for Education expressed keen interest in implementing this law during the new term of office.

During the last three months of 1986 a big transformation of the organic structure of the Ministry of Education and Science took place. Previously organized by level of education, the new structure emphasizes the renewal and improvement of the quality of education, and there is a more operational organization of the network of teaching establishments (Decree 2352/1986 of 7 November).

Negotiations have begun between the Ministry of Education and the trade unions on the Statute of Teachers; they are discussing, article by article, the document "Basic rules for adapting non-university teachers

(civil servants) to Law 30/84 of 2 August on rules for the reform of the Civil Service".

France

58. Three principles have guided recent developments in education policy in France : quality, responsibility, efficiency. The aim is to make "National Education" a big modern enterprise capable of responding to the challenges of our society.

At primary level, the foundation on which to build education, new programmes have been introduced with the support of educational documents for teachers, and pupils are to be assessed at the beginning of the second year of the elementary course.

A new plan of vocational training in the teacher training colleges ("écoles normales") allows primary teachers to be better prepared for carrying out their jobs.

The creation in primary schools of real headmaster function will make it possible to provide primary education with high-level teaching staff equal to its mission.

The same need for quality applies to development in the colleges. Since the beginning of the school year, half of them have been involved in a modernization programme with clear objectives and assessed results. A reference guide has been prepared for teachers. The establishment of technology education has become a necessary part of modernization. In addition, since the beginning of the school year, new programmes have been applied in the 6th class.

The aim is to bring 80 % of a particular age group to baccalaureat level, by the year 2000, this also calls for the lycees to be adapted.

A first project prepared at the beginning of 1986 is being reminded in order to take more account of the means needed to achieve its objectives.

The reception capacities of the lycees will therefore be increased, in agreement with the regional authorities which, with the decentralization measures undertaken in recent years, are now responsible for the construction and equipping of the lycees. From this year, staff resources have been reinforced by the allocation of 3,718 new jobs, and the 1987 budget provides for the creation of 4.240 posts in the lycees.

Efforts in favour of technical education continue : this concerns the attributions of 1300 jobs as required by the programme law on technological education, the creation of new "baccalaureats professionnels", and new "brevet de techniciens supérieurs" and many technological 4th and 5th classes.

With regard to the content of training, there are two important initiatives among measures taken or being examined : the launching of a new "plan national informatique" which, after the "informatique pour tous" plan of 1985, concerns the content of training at various levels and the creation of software adapted to needs; and the examination of a law on artistic education.

In addition, the Ministry of Education is taking measures to facilitate the professional integration of young people who have left school without sufficient qualifications. Arrangements have been made to guide these young people either to further training or to employment or to taking up their studies again.

In higher education, the period has been marked by the preparation of a new law whose aims is to strengthen the autonomy of the universities and simplify their operation.

59. The improvement of teachers' qualifications is an indispensable condition for an improvement in the quality of education, and is being undertaken at all levels. From now on primary teachers are all recruited by a competition open to candidate with two years of higher education.

All teachers in "colleges" will henceforth be recruited through the CAPES examinations. The number of posts offered is increasing : 7,087 will be offered for the CAPES in the 1987 session and 1,900 for the "agregation" examinations.

At the same time, a big effort to modernize the administration of "National Education" has been made in order to make it, according to a slogan launched by the Ministry at the beginning of the last school year "the enterprise of the future".

This effort comprises four main directions :

- new attention to staff functions by creating a Directorate for inspection and management staff, the examination of training actions concerning these staff and the creation of teachers-head teachers in primary schools;
- the setting up of bodies for analyses and training actions making modern management center possible;
- deconcentration of administrative powers to authorities closest to the practical field.

A first series of 30 measures has been taken. A second series is being studied :

- the development of communication methods : a Directorate for Information and Communication has been created to set up modern communication methods both inside the education system - which represents about 70,000 teaching establishments and administrative centres - and for its users and the public.

Ireland

60. Arising from the Government Decisions on the "Ages for Learning" Post-Primary courses are being developed so as to enable pupils to spend up to six years in post-primary schools. Transition Year Options were introduced in a number of post-primary schools from September. The Curriculum and Examination Board issued a document "Transition Year Programme : Guidelines for Schools". Oral tests in Modern Languages were introduced into the Leaving Certificate Examination for the first time in June. This follows on the earlier introduction of listening/comprehension tests to the examination.

The Curriculum and Examination Board published its major report "In Our Schools : A Framework for Curriculum and Assessment" and it is being considered in the Department of Education. Meanwhile, the preparation of legislation to establish the Board on a Statutory basis is proceeding.

New syllabuses in Computer Studies (Junior Cycle), Mathematics (Junior Cycle) and in Physical Education have been introduced.

The capitation grants to primary schools were again increased as was the per capita grant to secondary schools. The special fund for primary schools in disadvantaged areas was also increased. Extra remedial posts in primary schools and extra remedial/guidance posts in post-primary schools in areas of special need, were created.

Increased grants were made available for Youth and Sport development.

61. Under the Youth Policy, "In Partnership with Youth" responsibility for certain aspects of youth services has been transferred to the Department of Education from the Department of Labour. These services will be administered nationally by a new Community Education and Training Division in the Department of Education.

Also arising out of the National Youth Policy, Local Youth Services Boards are being established throughout the country.

Adult Education Boards under the aegis of the Vocational Education Committees have been set up. The Department issued discussion papers on "Adult Literacy" and "Community Education".

A special grant was made to the National Parents Council to enable them to help it establish its organisation.

The Department of Education established a New Information Technologies in Education Centre. This Centre based at the National Institute for Higher Education Dublin will share information and foster the development and application of NIT's in schools in the primary and post-secondary sectors.

The National Board for Curriculum and Assessment Bill was introduced in the Parliament in November. The purpose of the Bill is to establish, on a statutory basis, a body which will be the principal agency for advising the Minister for Education, on the formulation and development of the school curriculum, on methods of assessment and certification of pupils and which will have executive responsibility for conducting examinations and such other assessments as would be approved.

The Minister for Education appointed an international consultancy group to examine the third level technological sector outside the universities, including the question of the establishment of a new Technological University and its relationship with existing third-level educational institutions outside the present university sector.

Italy

62. The Ministry of Education passed a measure introducing significant changes, in form and in content, in the textbooks for the first two years of primary education. The new textbooks will be introduced at the beginning of the 1987-1988 school year when the new teaching programmes come into effect. The ministerial measure provides for changes to be introduced subsequently in the textbooks for the other three years of primary education.,

In March, the Ministry of Education and the Ministry of Labour approved a number of experiments with regard to guidance. In the 1985-1986 school year these measures will affect pupils in the last years of upper secondary education only. In the following years the experiments will affect all classes in upper and lower secondary schools. Pupils will be informed through these measures, and through radio and television broadcasts, about trends in manufacturing, employment opportunities and possibilities of university and vocational training.

On 3 May, the Ministry of Education issued four circulars (one for each educational level) laying down guidelines on the right of choice with regard to religious education.

The circulars set out the alternative courses offered to pupils who do not opt for religious education.

Subsequent legislation has established that pupils in upper secondary schools may personally exercise the right of choice as to whether or not they take religious education.

In August, the new rules on the school year were made public : in nursery, primary and secondary schools the school year will start on 1 September and end on 31 August. Lessons will be given on at least 200 days. The Ministry of Education has established the period for teaching activities, the intervals for periodic assessments and the calendar of holidays and examinations. On the other hand, in the light of specific

local variations, and having consulted the provincial and regional education authorities the regional superintendant's office will establish the dates on which lessons will begin, and the school calendar.

63. To facilitate young people's first entry into the working world, the plan for youth employment includes a special appropriation for firms offering employment/training contracts. The firms and public bodies concerned should present plans to the Ministry of Labour for the recruitment of young people aged 18 to 29 under the above contracts. These plans should outline the training programmes for the development of which agreements may be signed with universities.

Changes have been made in the degree courses in medicine and surgery to take account of EEC requirements regarding the health professions. The course of studies will cover a six year period (as at present) and be delivered into two three-year stages, each year divided into two semesters. Theoretical and practical training activities will include no less than 5,500 hours during the entire course of study. A foreign language course will be compulsory.

With regard to the introduction of the numerus clausus, it has been established that from 1987 the Course Council and Faculty Council will notify the academic authorities of the respective universities of the maximum number of students that may be enrolled in a degree course.

On 15 January, the draft law concerning rules on technical and administrative staff in the university was finally approved. It contains new regulations governing non-teaching university staff.

Article 11 of the emergency measures governing local finance concerns school premises and lays down the procedures and methods for financing work relating to school premises to be carried out in 1986-1987 and 1988.

In October the Minister of Public Education presented a new reform proposal for the upper secondary school that re-opened the debate on the general upper secondary school reform, blocked for months due to contrast among the various political forces. The proposal set forth by the Minister substantially includes the restructuring of the courses of upper secondary study currently existing and raises the age of compulsory education from 14 to 16. A common compulsory biennium is proposed for all upper secondary institutes and schools with new teaching programmes which tend towards unifying the preparation offered by the various kinds of schools. The unified biennium study course contains a common teaching area, to which 3/4 of school time is dedicated, and an area dedicated to subjects of specialization.

The pluriennial project for the up-dating and further education of teachers concerning the new primary school programmes, which will come into force in 1987, has been started by the Ministry of Public Education, in collaboration with the Regional Institutes for Educational Research, Innovation and Teacher Training, which have elaborated the further education programmes relating to the five pluridisciplinary modules (Italian; history-geography-social studies; mathematics-computer science; music education and listening appreciation, art and image education and motor activities; sciences) as well as planning teacher trainer preparation and further education. The courses for all primary school teachers are planned to take place from June to September 1987.

Luxembourg

64. At pre-school and primary level, the efforts of the Ministry for Education have been focussed on the preparatory work for the revision of the Education Law, and the curriculum and the timetable.

A new timetable, according more importance to the sciences and physical education and making provision for two lessons in the mother tongue and culture of immigrant children, was therefore introduced in a number of local authorities at the beginning of the school year in September 1986.

In addition, work on drafting new textbooks was pursued. Provisional versions of the German and the French textbooks for second year primary studies and the teaching units for environmental studies in first year were tested during the past school year.

In 1985/1986 great attention was also paid to the in-service training of primary school staff (refresher courses).

The only change to have actually taken place in secondary education was the introduction in September of new compulsory course of study for fifth year. The course is entitled "Introduction to the new technologies". Pupils will follow the course for three hours per week.

It should also be noted that work has continued on the proposed reform of the final stage of secondary education throughout the past school year. This reform, which will not yet apply for the 1986/1987 school year, provides for a number of changes, in particular a more flexible approach to the present system of specialized departments which will in future their appearance from fourth year together with wider range of options.

65. In Luxembourg, admission to apprenticeships is subject to successful completion of the ninth year of schooling. These conditions are not, however, the same for all occupations. Conditions have been relaxed for certain types of industrial and craft apprenticeships in order to meet the needs of various sectors, in which there are insufficient numbers of candidates who have completed school successfully.

With the exception of some pilot schemes, no new school options concerning new information technologies have been introduced. The following action has, however, been taken in the 1985/1986 school year :

- the equipping of upper secondary and technical secondary schools;
- teacher training (primary, secondary and technical secondary);
- the introduction of education in the new technologies in the agriculture technical school and in training for the hotel trade (applicable since the beginning of the 1986/1987 school year);
- preparation for introductory courses in the new technologies (compulsory courses) in the fifth year of secondary education and in the ninth year of technical secondary education from the beginning of the 1986/1987 school year.

In the field of school guidance and counselling, there is a draft law, the purpose of which is to widen the scope of the centre for Educational Psychology and Counselling, set up within the framework of the Ministry of Education under the law of 16 August 1965. The role of this Centre is to provide psychological and educational guidance and counselling for pupils and students in all types of education, to facilitate the transition from school to working life, to ensure coherent and continuing educational and pre-vocational guidance of pupils and to provide them with the necessary information concerning higher education in Luxembourg and abroad.

The Netherlands

66. Policy is being geared increasingly to improving the quality of education. Consideration is being given to more quantifiable aspects of the quality of education, such as its returns. School administrators and teachers have an important role to play in improving quality.

A comprehensive research and assessment programme has been set up with a view to the reform of primary and (secondary) special education. Those aspects of innovation and assessment policy which improve the quality of primary education will be prominent in years to come.

A Ministerial Regulation of December 1985 identifies 66 priority areas. Financial assistance is provided for dealing with educational shortcomings on an area by area basis.

With effect from 1 August, English lessons are compulsory in primary schools.

At the beginning of 1986 the Advisory Council for Government Policy Planning (WRR) brought out its advisory report on basic education. The government is broadly in agreement with the Council's proposals which amount to the introduction of a core curriculum of 14 subjects for all pupils in the first three years of secondary education. In line with the WRR proposal, the curriculum is being introduced over a fixed time scale at two levels : a general target level of attainment and a higher level. The introduction of basic education is to be completed by law within a period of ten years. Basic education will be introduced through the existing school structure.

The participation of industry in the national consultations on vocational education has been given more specific form with the creation of a new consultative body on secondary education, on which the two sides of industry are represented as well as educational bodies. The publication of the memorandum on job profiles and curriculum development in vocational education is also a sign of the progress in consultations between vocational schools and industry. Moreover, the doubling of the number of

trainees on basic apprenticeship schemes appears to have been achieved. The Labour Foundation has been asked to indicate how the short upper secondary vocational courses can be given a permanent place in vocational education. Finally more attention will have to be paid in the next few years to the question of incorporating technological progress in vocational education.

The 1986-1987 school year sees the introduction of the "Law on tuition fees for secondary school pupils over the age of 17". This means that tuition fees of 1.000 HFL are payable in respect of secondary school pupils who are 18 or over on 1 July of this year.

67. The Law on higher vocational education came into force on 1 August. This has brought about considerable changes in this area of higher education. Meanwhile, the 350 or so higher vocational education establishments are being merged into a few dozen large colleges of higher vocational education with a range of courses on offer. These colleges, whose administrative structures have been reinforced, enjoy a large measure of autonomy and can pursue their own policy on educational, financial and staffing matters. These changes will take shape in the next few years.

University-level too is subject to new regulations which came into effect on 1 September : a new law on university level education (covering administration, advice and consultation procedures, and control of quality of tuition), a law introducing a number of technical changes, and an implementing order concerning consultation between the Minister, the teaching establishments and student organizations, tuition fees and the central registration of students. Technical changes to the Academisch Statuut (statutory instrument regulating degrees, examination requirements etc.) concerning the creation of new faculties and greater freedom in organizing courses and a regulation establishing right and obligations within university-level education are to follow in 1987.

The new law on the financing of studies entered into force on 1 October. Under the new system, all trainees and students between the ages of 18 and 30 receive a basic grant, which is not subject to a means test of parent's income. There is also the possibility of further financial assistance in the form of a supplementary grant (which is subject to a means test) and an interest bearing loan.

Portugal

68. The Basic Law of the Education System has been approved by the Parliament at the end of the last legislature (July). The law builds the legal framework of the education system. It extends the duration of the compulsory (and free) education to nine years; school attendance will be compulsory for children from the age of 6 (accomplished on 15th September) to the age of 15. The law also intends to foster the articulation of the actions in the fields of vocational training and of education.

A resolution of the Council of Ministers created a Commission for the reform of the Education System in view of preparing the education system to be able to respond adequately to the new challenges, either those derived from the adhesion into the EEC or those associated with the emergence of a society of intelligence, of creativity, of continued training and of social justice. The responsibility of the Commission is to plan, programme, launch and monitor the reform in view of its effectiveness and the best way to avoid disadjustments and sudden shocks.

The organic restructuration and regionalisation of the Ministry of Education has been approved by the Council of Ministers with two main characteristics :

- rationalisation and simplification of the central services;
- decentralisation of the system, bringing the decisions (in an articulated way) closer to the day-to-day life of the school.

This restructuration correspond to two levels of intervention :

- the functions of design, planning, normalisation and coordination under the responsibility of the central bodies and services;
- the functions of management and monitoring, integrating all the aspects of the basis and secondary education subsystem.

69. The linkage of the school to the enterprise and the region has been increased by :

- the creation of consultive councils in the secondary schools and in the schools for polytechnic higher education; (these councils consist of local bodies representing the social, economic and cultural activities);

- the stimulation of the links university/industry;
- the study of the workforce needed at medium term in the light of different models of economic development of the country;
- the study of different modalities of financing of education/training.

The quality of teaching has been improved by means of various measures :

- launching of a new scheme for in-service training of teachers of non-higher education;
- growth of the number of modalities^{of} social support in schools;
- increase of the support to special education;
- reformulation of the pre-inscription rules in public higher education and moralization of private and cooperative higher education;
- increase of the number of schools : 60 % in pre-school education, 11,5 % in pre-paratory education and 23 % in secondary education;
- launching of the MINERVA programme (informatic means in education : rationalisation/valuation/updating).

Creativity and innovation have been fostered by means of the increase of financial support to the research bodies, the increase of scientific and technical cooperation in the countries of the tropical regions and the increase of planning, global coordination and harmonisation of the sectorial policies of scientific and technologic research.

United Kingdom

70. Government policy and proposals during 1986 have continued to concentrate on wide ranging policies for improving the standard of education.

The Education (2) Act 1986 became law in November 1986. Its main provisions concern new arrangements for school government and for improving teaching qualities. These are integral parts of the Government's policies for improving school education as outlined in the White Paper "Better Schools" of March 1985.

The Act's school government provisions aimed to revitalize school governing bodies by reconstitution to make them more representative of the parents and the community served by the school, and by giving them clearer powers to plan an effective part in all aspects of an individual school's life. As for teaching quality, the Act aims to promote the greater professionalism of teachers. It sets up new financial machinery for a more extensive and purposeful pattern of in-service training. At the same time, provision is made for the regular and systematic appraisal of teaching staff. The Act also provides a new national framework for the distribution of responsibilities for the school curriculum, with local authorities, school governors and head teachers each having a defined role. New regulations made under the Act will ensure that all parents have access to information about their child's educational programme.

As part of its proposals for promoting national agreement about the objectives and content of the curriculum, the Government circulated for comment a draft statement of policy on foreign languages in the school curriculum, the second in a series of policy statements to be issued on specific areas of the curriculum. The foreign languages statement sets out a programme of action to increase the numbers of pupils studying foreign languages, and to raise standards of communication in them.

The courses for the new examination at 16 +, the General Certificate of Secondary Education (GCSE), began in September 1986 and will lead to first examinations in Summer of 1988. The GCSE replaces GCE O level and CSE. All GCSE syllabuses and examination must conform to nationally agreed guidelines known as the national criteria which build on best practice in each subject. The new examination places an increased emphasis on practical work, practical applications, oral work, and relevant everyday situations. A requirement for differentiation with the choice of papers and questions in most subjects aimed at pupils of different abilities, will enable all candidates to demonstrate what they know, understand and can do, and to be assessed accordingly. The Secondary Examinations Council, an independent advisory body, is responsible for ensuring that all syllabuses comply with the national criteria and for monitoring the standards of the new examination.

On 1 July the Government announced that from September onwards it would reimburse the course fees payable by students from EEC countries attending a wide range of under-graduate and other advanced further education courses in the UK (including students from the UK who meet the necessary conditions and do not otherwise qualify for support) if they satisfy certain conditions for eligibility. The two main conditions are that a student must be a national or the child of a national and be ordinarily resident in the area of the Community for a specified three year period before the start of the course. The purpose of the change in arrangement is to apply to students from other countries the same conditions for payment of fees as are already applied to UK students.

A major review of the present arrangements for the financial support of students studying at first degree level or equivalent, and the future basis of such support, is being carried out.

The White Paper "Working Together - Education and Training" of July 1986 details the Government's policies to expand and better coordinate vocational education and training. In particular, the Government announced its decisions to :

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- establish a National Council for Vocational Qualifications to develop a more comprehensive and coherent qualification system and to oversee the work of the awarding bodies. This follows a review of vocational qualifications which reported in April 1986;
- extend from a period to a national scheme the Technical and Vocational Education Initiative. Under this initiative local education authorities have been exploring ways of organizing and managing the provision of a more relevant and practical curriculum for 14 - 18 year olds. From autumn 1987 the Government is making available an average of 90 millions UKL a year over the next ten years. The programme will be open to all maintained secondary schools and colleges in Great Britain.

71. In Scotland steps are currently being taken to achieve an increase in the number of graduates in engineering, new technology and related disciplines. The "Switch to Technology" initiative in the Central Institutions is a three year programme announced by the Secretary of State for Scotland in 1984 to increase the output of engineers and technologists from 500 in 1983/1984 to 800 a year by the end of the decade.

Substantially revised post-graduate training courses for primary teachers have been introduced in colleges of education from September 1986. The new courses are longer, include more school experience and are intended to be more directly relevant to the needs of schools. For the first time, they will be subject to external validation.

A major focus of development has been the implementation of plans to reform curriculum and assessment in the last years of compulsory education (14 - 16 years). But this plan has been severely affected by the long-running teacher's dispute.

However, the new courses leading to the Standard Grade of the Scottish Certificate of Education in 11 subjects are now available in schools although the traditional Ordinary Grade courses and examinations have been retained meantime. Courses in phase 3 of Standard Grade will be introduced in 1988 by which time the complex criterion-referenced assessment arrangements associated with the new courses will have been simplified.

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There is also an important place for shorter modular courses in enriching the curriculum at this stage and the Government has recently issued a draft Circular setting out proposals to make such short courses more widely available and to allow pupils to receive certification for their achievements on them.

The Committee of Inquiry into the pay and conditions of service of school teachers in Scotland reported in October.

Chapter III

VOCATIONAL TRAINING

Trends within the Community

72. If national vocational training policies are regarded as a whole, they suggest that understanding and maturity of approach have grown in the face of the very complex issues arising from the restructuring of the production apparatus.

The social dialogue which has developed a pace with the changes born at the need to align the economies of the Member States on a common denominator of increased efficiency is based on the concepts of joint responsibility and solidarity. Everywhere there are initiatives aimed at greater involvement of the main parties, the public authorities and the two sides of industry, in decisions on the future of undertakings and the economic areas in which they operate. In all Member States the introduction of the new information technologies, in particular, has provoked the same type of problems, associated with the changes in the workforce and its redistribution across the different sectors of business activity. At the same time, efforts are going on to make the lines between these sectors less rigid than in the past.

In these circumstances, vocational training is a vital tool in the transitional phase which is only just beginning. It is all the more urgent to seek out and apply more widely those models and pilot projects which have proved the most useful in reshaping the workforce having regard to all age groups and acquired skills. At Community level, action by the Commission is aimed increasingly at facilitating access to this type of information and promoting a wide-ranging network of exchanges.

73. Such an approach, dictated by current economic developments, involves the adoption of a more open policy towards all workers, including the most elderly.

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The policies at present taking shape tend to go beyond narrow concentration of current problems in favour of a search for their more deep-seated origins with a view to gradually reducing their significance in years to come. Indeed, it should be borne in mind here that the vocational training of workers is a crucial requirement for the assimilation of the new technologies and the introduction of new production methods and, as such, is an important factor in ensuring the competitiveness of European firms on the world market.

Moves along the same lines in the field of education and vocational training in recent years provide a clear illustration of this basic tendency, which also proved appropriate to the special situation of Spain and Portugal on their accession to the Community.

74. A Commission working programme was established in 1986 on "Vocational training and the new information technologies" (Euro-Tecnet programme). The Euro-Tecnet network of seventy demonstration projects was set up, including preparations for incorporating projects in Spain and Portugal and admitting participants from the two new Member States to the programme of study visits arranged for vocational training specialists.

One very important aspect of Community activity is the joint research currently being carried out with the Centre for the Promotion of Vocational Training in Berlin and the Member States on the development of vocational training qualifications. A number of conferences and seminars on this point and on new production methods in general are planned for 1987.

Finally, the Commission began work in 1986 on the implementation of the Decision of 16 July 1985 on the comparability of vocational training qualifications between the Member States of the European Community ¹. After a phase of consulting the Member States, the technical work to establish such comparability for skilled workers began in respect of the hotel and catering sectors as well as motor vehicle mechanics and the building industry.

¹ OJ L 199, 31.7.1985.

Development of the situation in the member countriesBelgium

75. The most important events in 1986 were :

- first, extension of the right to paid educational leave to include workers preparing for State examinations;
- second, extension of the scope of the law governing industrial apprenticeships and effective implementation of the law by the joint committees.

As provided for under Chapter IV, Section 6, of the Law of 22 January 1985, containing social provisions,¹ the right to paid educational leave was extended to include workers preparing for State examinations.

76. The Law of 19 July 1983 on apprenticeships in wage-earning occupations was extended to cover the merchant navy.

Hitherto, twenty-three sectors have set up joint apprenticeship committees. In four of them, an industrial apprenticeship is already possible for a number of occupations. The process of organizing apprenticeship schemes and drawing up training programmes is underway in the other sectors, five of which are already almost at the stage of putting them into practice.

As part of its measures on the employment of young people, the Government is planning to raise the age of admission to industrial apprenticeship schemes to twenty-one. Moreover, in their draft agreement for 1987-1988, the two sides of industry undertake to promote various forms of training on the basis of both part-time schooling and post-school training, particularly by encouraging industrial apprenticeship schemes.

¹ Social Report 1985, point 73.

Various measures to promote post-school training for unemployed (particularly long-term) young people are being studied by both the public authorities and the two sides of industry which are planning to conclude collective labour agreements.

Denmark

77. The Minister of Education has appointed a committee to review basic vocational training. The terms of reference for the committee suggest that a uniform system be developed to replace the present parallel systems of apprenticeships and of basic vocational training courses provided in a school environment. The terms of reference further suggest that basic training in technical fields plus other lines of basic vocational training may also need to be reviewed.

It is the job of the Committee to consider the introduction of fairly general courses of training, which will offer students the option of leaving after a certain period of time in possession of a degree of skill, while also allowing for the training to continue or to be resumed at various more advanced levels, possibly with a view to further specialisation.

Basic vocational training courses and other lines of training, i.e. in technical subjects or within the system of continuous and further training, must therefore make up a coherent whole. Special emphasis should be placed on designing a system of training which in terms of content and structure can be adjusted on an ongoing basis to variations in training needs.

78. The Ministry of Education is preparing a Bill on courses of further training in technical fields etc. It is expected to see a growing need for persons with technical skills in the next few years. An effort is therefore being made to double the number of places available on courses of further technical training between now, 1986, and 1990 in an endeavour to provide for this need. New channels of

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access to further technical training are being explored via a network of preparatory courses.

It will also be possible for adjustments to be made to training courses at local level in collaboration with the local labour market authorities.

Federal Republic of Germany

79. The trend in the supply of and demand for training places without the dual system expected for 1986 materialized : by 30 September 46 900 applicants still had no training place; 31 000 training places were unfilled on that date. It can be assumed from this that over the whole year around 710 000 to 720 000 training places were offered against a demand of around 730 000 places. A further fall in the number of applicants is expected for 1987 and subsequent years; from 1990 annual demand will probably fall below 600 000. The end of the exceptional demand for training places within the dual system is now in sight.

The number of women applying for training places in industrial and technical occupations continued to increase. The Federal Government will step up its efforts to publicize the positive results of pilot projects on training girls in industrial and technical occupations and find firms willing to take on young women as apprentices in occupations from which they have hitherto been excluded.

80. Legislation facilitating participation in vocational training measures entered into force on 1 January (7th Law amending the Employment Promotion Law). The main improvements are as follows :

- Participation in vocational training measures is made easier :
 - . part-time workers up to the age of 25 may receive a partial maintenance allowance while taking part in vocational training measures, so that their prospects of finding a full-time job improve;
 - . the maintenance allowance paid during participation in vocational training measures to align skills on technological developments has been increased for persons who have just started work after completing their vocational training and those with certain family commitments;
 - . persons taking part in advanced vocational training measures to prepare them for career advancement are now entitled to claim assistance in the form of loans;
 - . workers who have completed a course at a vocational school which is equivalent to in-company training or who for other reasons have not hitherto satisfied the conditions for assistance may now also receive a maintenance allowance while undergoing advanced training and retraining;
 - . persons taking part in vocational preparation measures have their travel costs and the costs of teaching materials and working clothes reimbursed regardless of their income.
- Unemployed persons seeking permanent employment may be granted an interim allowance during the first three months of establishing a living which is equivalent to the unemployment benefit or unemployment assistance.
- Settling-in allowances for unemployed persons who are difficult to place may be paid for up to two years (previously one year).

Through development projects and pilot schemes and with the close cooperation of industry, additional training measures providing the opportunity to adapt to recent occupational developments and improving the integration prospects of certain categories (unemployed skilled workers and graduates, workers affected by structural changes and technological developments) are worked out, tested and prepared for general use.

The different job requirements arising above all from technological developments, the changing occupational and economic structures and the different attitudes of young people and adults to training (higher educational qualifications of those taking up vocational training, rejection of higher education in favour of training under the dual system, increasing importance of advanced vocational training) have prompted the Federal Government to pay more attention to the question of the medium and long-term changes in qualifications. The work is still at an early stage and has begun with the award of research contracts.

Greece

81. In the face of the explosive technological developments apparent throughout the world today, Greece has summoned up all its energies and introduced a number of practical measures - at both institutional and legislative level - in the area of technical training. From now on technical training will no longer be the poor relation of general education but, as a result of Laws 1566/85 and 1404/83, will, on the contrary, give a decisive social impetus to the balanced development of the Greek economy.

The most important step forward in the field of education is the introduction at secondary level of integrated secondary schools. It is expected that these schools will help resolve social and educational problems which have prevailed for many years, such as the arrival on the labour market of thousands of young people without vocational training, a problem which resurfaced quite recently. Another innovation is the gradual introduction of computers within the education system. There are already computer sections in six technical secondary schools quite apart from the excellent school set up at Kalamaki by the OAED which trains young people in the use and operation of electronic systems. Finally, the teaching of computer studies has been

introduced in the form of a pilot scheme in several lower secondary schools and school computer workshops have also been established. These centres are already operating and represent a very important measure in so far as they allow pupils to acquire technical skills and guarantee improved use of teachers' abilities throughout the country. All the schools in a given region, of whatever type, have a chance of using these "school workshops" including the OAED schools.

82. A revision has been undertaken of the details of technical school syllabuses with the aim of laying greater stress on the technical training of pupils. Various "specialization sections" have been introduced together with programmes of on-the-job work training for pupils leaving technical upper secondary schools. These innovations have been introduced with the assistance of the Ministry of Education. These programmes are being systematically introduced at secondary school level with a view to dealing with the problems of technical and vocational training uniformly throughout Greece. In addition, throughout the country, in all secondary education establishments a system of vocational guidance has been set up which has proved most successful.

Spain

83. The year 1986 is of fundamental importance for consolidating and moving ahead with the reforms introduced last year in vocational training provision in both the regulated (initial) and continuing sector. The Ordinance issued by the Ministry of Labour and Social Security on 31 July 1985 served as the basis for securing the Agreement of the Council of Ministers which approves the basis of the National Plan for Vocational Training and Integration (PLANFIP), a plan regulating the continuing vocational training courses to be run by the centres cooperating with the National Employment Institute (INEM).

The Ordinance immediately produced a package of programmes for the expansion and modernization of all the vocational training sectors, reinforcing the measures intended for young people and the long-term unemployed without sufficient qualifications or work experience to be successful in finding a job. In other words, it was a matter of moving ahead in terms of both time and achievements before the adoption of Law 1/1986 of 7 January providing for the establishment of the General Vocational Training Council. This Council was set up and attached to the Ministry of Labour and Social Security to serve as a consultative body with institutional representation and to advise the Government on initial and continuing vocational training matters. The Council, a tripartite body, brings together representatives of the employers' organizations, the trade unions and the administration for the essential purposes - though these do not account for the entire range of its competence - of formulating the National Vocational Training Programme for submission for government approval and of supervising its subsequent implementation.

84. Spain's accession to the European Communities on 1 January 1986 implied a need for adjustment to the guidelines of the European Social Fund with a view to qualifying for the aid which this Fund grants for vocational training measures and for employing the previously unemployed. This adjustment had been envisaged in Royal Decree 2404/1985 of 27 December 1985 and its finalized specification to ensure the desired design was effected by virtue of the Ordinance of the Ministry of

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Labour and Social Security of 20 February 1986 modifying certain articles of the Ordinance of 31 July 1985 which approved the bases of the National Vocational Training and Integration Plan (PLANFIP), currently in force.

This modification, beyond facilitating the practical realization of the PLANFIP and paving the way for its overall adjustment to the guidelines of the European Social Fund, covered, for the first time within a general framework, not just the programmes directly qualifying for funding by the European Social Fund but the entire range of training measures developed in Spain. PLANFIP thus integrates the various training schemes, both the existing, isolated measures and the newly introduced ones, in the following groups :

- Vocational training schemes for young people and the long-term unemployed, intended to provide training support for young people (16-20 years old) recruited under the training scheme, and also young unemployed people under 25 and the long-term unemployed over 25 years of age.
- Remedial school education programmes, alternance training programmes and training schemes for young people who have completed military service. Administered on the basis of agreements concluded between the Ministry of Labour and Social Security and the Ministry of Education and Science, or, where appropriate, the autonomous communities, these programmes envisage providing compensatory training for young people under 16 years of age; vocational training programmes at second cycle level based on periods of alternance training in firms, and remedial training for adults aligned with the vocational training obtained during military service.
- More widespread continuing training provision on the basis of vocational retraining schemes in the rural sector and in sectors and firms undergoing industrial restructuring.

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The three programmes envisage subsidies for the firms and grants and other assistance for the trainees.

The minimum duration of training envisaged for the schemes included in these groups is 200 hours (1986 and 1987 : 100 hours).

- Independent of the previous programmes, but likewise within the framework of PLANFIP, vocational training programmes which are organized on the basis of agreements between INEM and the responsible bodies and are intended for job-seekers already in employment, persons in receipt of unemployment benefits, and unemployed persons who are over 25 years of age and have been registered with the employment office for less than one year. In addition, continuing vocational training is also envisaged for independent workers and employees (preferably of firms with a workforce of fewer than 500), members of cooperatives and labour collectives, the disabled, migrant workers, socially marginalized persons and members of ethnic minorities.

85. The implementation of the National Vocational Training and Integration Plan (PLANFIP) presupposes a major effort in both qualitative and quantitative terms. It suffices to recall that there are plans to proceed from the 4,989 courses run in 1985 for a total of 77,240 trainees to meet the target figures of approximately 18,000 courses for some 270,000 trainees, to whom can be added almost 100,000 young people with in-company, non-standardized training contracts. This signifies more than tripling the 1985 figures, which is feasible if it is borne in mind that at the end of August 1986 some 119,000 trainees had completed their training, some 30,000 are currently undergoing training (which represents a 54% goal achievement rate), and 83,000 young people have been recruited for non-standardized training.

France

86. Vocational training policy in France is currently based on a three-fold approach:

1. Support for an active employment policy: young people and the long-term unemployed.

The training/work experience system deriving from an agreement between the two sides of industry in 1983 and embodied in the law of 1984 has become the main feature of the machinery set up to combat unemployment among young people, which is three times higher than for the population as a whole. The "defiscalization" measures¹ already in effect have been backed up, under an order adopted in July 1986, by a system of exemptions from social contributions for any firms taking on a young person aged 16 to 25. The exemption rate (25.5 or 100 %) is varied in such a way as to give preference to contracts under which young people receive training while they are working. However, for young people who would have too many difficulties if they were placed directly in the work situation, even if special arrangements were made, an occupational integration programme offering 60 000 places, which will enable trainees subsequently to take up employment or obtain a place on a training/work experience scheme, is still available.

Secondly, the training programme for the long-term unemployed (those registered for more than one year with the National Employment Agency) was extended in 1986; this programme concerns 100 000 persons (25 % of whom are aged 18 to 25) who are in urgent need of remotivation.

2. Mobilizing all available resources of the central government and the regions.

The financial resources available continue to grow: more than 1 % of France's GDP is now spent on vocational training. However, whatever the scale of the resources are available, the means of action must be harmonized, particularly as regards public bodies :

¹ It should be recalled that "defiscalization" enables undertakings to allocate directly to youth training amounts which hitherto they had to pay to the State to this end.

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- since the change of government in March, the Minister for Social Affairs and Employment is responsible for interministerial coordination, as provided for in the relevant instruments. Vocational training has thus been brought into line with all the social fields covered by this Ministry;
- since that date, a State Secretary responsible for vocational training, attached to the Ministry of Education has been appointed; this role is to mobilize all the resources available to this Ministry in the field of technical education and continuing training;
- since the 1983 move towards decentralization, power with regard to continuing training and apprenticeship have been exercised by the elected regional authorities. This explains the importance of the role of the Coordination Committee in harmonizing measures at national and regional level, at a time when State-Regional planning agreement and apprenticeship policy need to be developed.

3. Improving the system

Contractual policy enables the State to provide financial support for undertakings which decide to increase significantly, over a number of years, their expenditure on training measures under an appropriate plan. Several dozen development agreements have been signed with firms or industries, which proved for the following :

- aids towards training consultancy for small and medium sized undertakings;
- links between investment policy and training policy;
- direct aid for the development of training policies, particularly with regard to the introduction of new technologies.

Information policy has also been very active :

- establishment of national (Centre Info) and regional data banks;
- examination of the question of providing information directly to the public at large.

The validation of skills is gradually becoming a more flexible process, which was extended with the creation of several "skill assessment centres" in which skills not attested by diplomas can be identified and used to find jobs or additional training. These centres are open to everyone, young or old, employed or jobless.

Ireland

87. AnCO (the Irish Industrial Training Authority) is the major provider of vocational training for the Irish workforce. Working on a non-capital budget of 112 million IRL, AnCO trained over 33,400 people for industry and commerce in 1986. Training for the Irish Hotel and Catering Industry is the responsibility of CERT, and ACOT (the Council for Development in Agriculture) is the vocational training body for the Irish Agricultural sector.

The latest developments in vocational training include the Youth Traineeship Initiative, the full implementation of the Social Guarantee and a recently published White Paper on Manpower Policy .

A Youth Traineeship Initiative (YTI) which aims to increase the skills and productivity of young workers from the time they commence work, was launched in early 1986. This scheme, initiated by AnCO, to fill a gap in current youth training policy brings a number of young workers into training who would not normally be included under AnCO training schemes. The scheme which incorporates systematic medium to long-term training both "on" and "off" the job is based on voluntary training agreements between employers and their employees. AnCO, while providing the framework and system of certification as well as advising employers on their training will remain in an advisory and supportive role. The Youth Traineeship Initiative scheme came into operation on a pilot basis, in the first two weeks of October 1986.

In accordance with the EEC resolution on vocational training policy of 3 June 1983¹, the Social Guarantee Programme was fully implemented in Ireland in 1986. This "Social Guarantee" attempts to re-dress the imbalance in vocational preparation opportunities within the workforce, by giving priority to the training of young unqualified school-leavers. This priority is realised through a

¹ Social Report 1983, point 12.

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network involving schools, the National Manpower Service and Local Liaison units. Each month the local schools notify the National Manpower Service with a list of pupils who have left the educational system. The National Manpower Service contact those young people with a offer of a placement on a training or work experience programme. The Local Liaison Units review and monitor this process, following the progress of each school-leaver.

88. A number of preparation for work schemes were initiated in response to the "Social Guarantee". Schemes in progress through 1986 are :

Vocational Preparation and Training Programme, Skills Foundation Programme, Youth Skills Programme, Work Experience Programme, The Certificate in Farming Programme.

"Job Search" is one of three Department of Social Welfare initiatives to help the long-term unemployed. The purpose of the programme is to encourage self-help in the search for a job. Participants on "the Job Search Programme" are referred to AnCO by the National Manpower Service. AnCO, administers the programme, running a four week "Job Search Module" in their training centres. The first "Job Search Module" which began on 15th September in two AnCO Training Centres, has had a job placement rate of four out of twenty-three in its first week of operation. Both the Irish Productivity Centre (IPC) and AnCO are evaluating the programme's progress.

On 17th September, the Irish Government published The White Paper on Manpower Policy. This document which is the second White Paper on Manpower Policy in twenty years and the first White Paper issued by the Department of Labour outlines Governmental policy for the 80's in the areas of manpower and training. Emphasising labour

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market equality and quality through training, the Working Paper is regarded as a consolidation of the National Governmental Strategy on Employment. This strategy places training and manpower in a complementary and assistant role in the attainment of national economic objectives.

The White Paper also aims to streamline existing manpower services by merging and co-ordinating existing facilities. To this end, the White Paper proposes the amalgamation of the major manpower bodies (AnCO, CERT, YEA and NMS) into one single Authority - The National Manpower Authority (NMA)-and the strengthening of links between this National Manpower Authority and the Labour Exchanges.

The Working Paper also proposes that manpower policy be reviewed on a regular five year basis; that consultative mechanisms between manpower, education and industrial authorities be developed to assess the relevance of training to industrial strategy objectives; that the Government increase its role in the development of special programmes for specific manpower and training problems; and that greater priority be given to the training needs of redundant workers over 25.

Italy

89. The regional training system, organized at three broad levels (basic, vocational and advanced training) is now developing under pressure from a working world in a constant state of change, generating new training requirements for young people. Finding equilibrium once more involves, firstly, upgrading upper secondary education, among other things by extending the period of compulsory schooling to 16 years. This will to a considerable extent ease the pressure on the first level of vocational training, which to date has accounted for the lion's share of the regional programmes, and make it possible to concentrate on completing the more solid training acquired at school in a number of areas which are vital for the vocational preparation essential to young people about to enter working life.

This is, for example, the objective pursued by the plan for teaching computer literacy and the English language being tested by the Ministry for Employment; from the 1986/87 school year, this plan will be steadily expanded in the context of regular activities.

At the same time, alleviating the burden on the first level will enable the regions to develop and improve the other two levels by proceeding with the necessary modernization and conversion of structures and retraining of personnel. These activities are intended to build a more flexible system open to the working world, offering young people real job prospects by constantly updating curricula. In this way, the system will also serve for the further training of workers, including middle and top management personnel in the tertiary sector, and will make it possible to follow technological progress in industry.

90. The government is currently drafting an instrument reforming law No 845, which will also take account of vocational guidance and harmonization with measures taken at upper secondary level aimed at facilitating the reorganization of the training system by reinforcing and simplifying the present financing system, stimulating a demand for higher level training from industry and better defining the relationship between the programming of training activities and regional employment policies.

The reinforcement of educational and vocational guidance activities should make it possible to deal with existing imbalances between the supply of and demand for jobs of young people.

In this connection, three days careers guidance seminars were organized in 1986 in all upper secondary school second-year classes during which brief guides on the choice of an occupation for school leaving certificate holders were distributed.

In the 1986/87 school year, these activities will be repeated, drawing on experience acquired, not only in upper secondary, but also in

third year lower secondary school classes. The duration of these activities should be extended and they should be better integrated into the curriculum involving both teaching staff and local firms more closely.

Lastly, in 1987 a large-scale experiment will be conducted in the guidance of jobseekers, outside the training system. To this end, a number of employment offices will be equipped to provide active assistance to the unemployed. To achieve better harmonization of action by the Ministry of Employment, the Ministry of Education and the regional authorities respectively, a more precise institutional definition of guidance activities must be established.

For this reason the reform of the framework law No 845/78 now envisaged will introduce a specific chapter on educational and vocational guidance. The aim will be to develop guidance activities both quantitatively, thanks to the possibility of concluding agreements on the basis of private initiatives by the two sides of industry, and also in respect of the quality of the services proposed.

Without changing the tripartite division of responsibilities, depending on the targets (pupils, unemployed persons and users of the vocational training system), local potential falling between the Regional authorities and the local offices of central Government bodies should be mobilized and a national coordination centre set up.

Luxembourg

91. In 1986, once again a supply and demand in balance occurred concerning apprenticeship places. The rush among young people in recent years for training in administrative and related occupations has led them into the bottle-neck foreseeable at the time they began their training. One fifth of the applicants

for clerical apprenticeship failed to find an employer willing to provide training while apprenticeship places for industrial occupations and certain draft trades went unfilled because of a shortage of candidates.

Thanks to a joint publicity campaign on the manual trades mounted by the employers' organizations and vocational and educational counselling services, and to a relaxation of the conditions for admission to apprenticeships in these trades, pupils' choice of training at the end of the last school year show signs of being more in line with the needs of the employment market.

The following training schemes were introduced in cooperation with industry and the craft trades : cleaner of buildings and industrial premises; industrial electronics engineer; consumer appliances electronics engineer.

92. Training programmes for the agricultural and catering trades were brought in line with the provisions of the Law of 21 May 1979 governing the organization of vocational training, secondary technical training and in-service vocational training.

The range of training courses available at technician level was widened to cover the agricultural and catering sectors.

Refresher courses for young Baccalaureate holders for sections other than economics have been extended to 10 months. These courses, which include accounting, economics, data processing, correspondence, applied mathematics, law and typing are designed to help secondary pupils who had chosen courses other than those preparing them for office jobs to find employment.

The Netherlands

93. Efforts designed to intensify vocational training have been increased throughout the year. In accordance with proposals already made on the improvement of domestic science education and practical training, model guidelines were published in March aimed at making lower secondary vocational education more attractive to all those students wishing to follow vocational training by bringing it more into line with the requirements of the working world. The proposal set out to harmonize lower secondary vocational education, strengthen upper secondary vocational education and to introduce a sector-based structure. To remove any negative connotations the very name of "lower secondary vocational education" is to be changed to "pre-vocational education".

In addition, under an opinion on Government policy published recently by the Academic Advisory Council more emphasis is to be placed on lower secondary vocational education. In its opinion the Council calls for the raising of the general level of teaching by introducing in all types of school from the beginning of post-primary education a common two-tier curriculum and by the fixing of a maximum period of studies by the central authorities. As far as lower secondary vocational education is concerned the implementation of this opinion will mean that as regards general qualifications it will close the gap in relation to general post-primary education. These provisions will make it possible to introduce for all pupils a form of education which will better prepare them for working life. Successful talks were recently concluded between representatives of education and of industry on this opinion and the Government was called upon to observe its broad outline.

Since the conclusion of what it was decided to call the Open Consultation in 1984¹, the whole of education policy is aimed basically at pressing for joint responsibility on part of educational circles and the working world as regards vocational training. The measures referred to above are

1 Social Report 1984, point 77.

directly in line with this aim. Under the terms of the agreements reached as part of the open consultation a new higher education consultative body was set up in September 1985 comprising representatives of education and working life. Similarly, the first steps in consultation at sectoral level were taken with the production of joint teaching programmes.

In line with the principle of representativity, the consultation in preparation for working life brings together experts from education and from industry. A working party within the consultative body is to submit a report on its tasks and working methods at the beginning of 1987.

If greater account is to be taken of developments and changes in vocational practice greater flexibility as regards syllabus, via the introduction of a modular structure, is an essential precondition. With this aim in view projects have been launched recently in intermediate technical education and in upper secondary commercial/administrative education/upper secondary retail/catering education.

Towards the middle of 1984 an agreement was concluded, as part of the Open Consultation procedure, designed to double the number of trainees; total numbers have now increased by 50 % and a further increase can be expected.

94. Following the implementation of the plan to promote the use of computers ¹, almost all upper secondary vocational schools have now been equipped. In the various areas of this branch of education projects have been launched to update training programmes, in particular by the establishment of model working parties. Regional centres will be specifically responsible for providing schools with materials on a large scale. Some of these centres are already operating. Joint financing of the scheme by industry is one of the cornerstones of the system. In addition, HFL 16 million annually will be granted to lower secondary technical schools and upper secondary vocational schools to enable them to acquire additional material.

¹ Social Report 1985, point 90.

The Government agreement further provides for an overall figure of HFL 300 million to cover the cost of equipment, materials, in-service training of teachers, etc. in vocational upper secondary education and vocational lower secondary education.

It was also agreed to set up what are known as sectoral schools, schools covering the technical and agricultural, economic and administrative aid services and health sectors. These sectors will all come under short-course upper secondary vocational education. Once these schools have been set up the result should be increased efficiency and greater alignment on the realities of working life.

In addition, progress is being made as regards improved guidance and organization of the choice of career. The interservice pilot group on schools and vocational guidance has been instructed to draw up a list of requirements as regards information for pupils leaving courses preparing them for admission to vocational higher education and, in the longer term, for pupils leaving all types of school.

Portugal

95. The year under review brought intensive developments as regards vocational training in Portugal, as a result of a combination of several factors :

First, Portugal's entry into the European Community opens the way to assistance from Community Funds, particularly the European Social Fund. More than 150 000 persons will benefit from vocational training measures under the Social Fund. Around two-thirds of the aid granted is allocated to training measures for young people under 25.

Second, 1986 saw the implementation of the apprenticeship scheme for young people under Decree-Law n° 102/84 of 29 March 1984; the regulations governing the scheme were drawn up in 1985. Around 1 400 young people have already begun training.

Third, in the year under review, there was a significant increase in the number of training measures carried out under Decree-Law n° 165/85 of 16 May 1985, which governs the technical, teaching and financial aids to be granted by the Office for Employment and Vocational Training (IEFP), the main public body for vocational training measures by the end of 1986.

Fourth, at institutional level, this entire process was stimulated when the administrative board of the IEFP, which is made up of representatives of Government, trade unions and employers, took up its duties. This represents an historic step in the involvement of all interested parties in the vocational training process.

United Kingdom

96. 1986 saw further development and consolidation of the United Kingdom's training policy based on the three key objectives of the New Training Initiative published in 1981¹. Youth training provision was once again a key feature in this development with the launch of a two-year Youth Training Scheme in April. The new scheme, based on its predecessor - the shorter one-year YTS - offers all 16 and 17 years old school and college leavers an opportunity to join the scheme and some 360.000 young people are expected to do so during 1986/87.

The basic philosophy and structure of the new scheme follows the pattern laid down in the earlier programme but several changes were also introduced including :

- the setting up of a Training Standards Advisory Service to inspect and report on the quality and practice of schemes;
- the introduction of Approved Training Organisations status who, in the long-run, will be the only organisations approved by the Manpower Services Commission to the ITS Schemes;
- the extension of the period of off-the-job training to a minimum of 20 weeks over the two year period.

Other advances in youth training also occurred during the year including the announcement in July that the government's experimental Technical and Vocational Education Initiative (TVEI) was to be expanded to a nation-wide scheme from 1987.

97. The UK's complex system of vocational qualifications also came under scrutiny from a government backed enquiry set up in late 1985 to investigate how the system could be simplified. The review's recommendations were endorsed in a White Paper "Working Together - Education and Training" which was published in July and involves

¹ Social Report 1983, point 68.

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the setting of a National Council of Vocational Qualifications (NCVQ). The task of the Council will be to establish a five-tier framework of qualifications by giving a seal of approval to awards that meet its criteria.

98. Efforts to improve and extend adult training provisions also continued through various means. The amount of funding of the MSC's own adult training programmes, based on its Adult Training Strategy introduced in 1984¹, rose steeply. Similarly the MSC announced an experimental project designed to improve access to training information. The project known as Training Access Points (TAPs) will involve the setting up of a network of computer terminals in various locations such as libraries, job centres and high-street shops to enable the general public to identify what training opportunities are available both locally and nationally. Local labour market information was also the focus of an announcement in July to set up 'local-employer networks' based on the UK's Chamber of Commerce following a report on how Chambers could become more closely actively involved in training provisions.

¹ Social Report 1984, point 79.

Chapter IV

SOCIAL DIALOGUE AND INDUSTRIAL RELATIONS

Social Dialogue at Community level

99. By far the most outstanding event was the new impetus given by the Commission to talks between workers' and employers' organizations represented at Community level.

In accordance with the agreements reached with top level representatives of labour and employers' organizations from the Member States at Val Duchesse on 12 November 1985¹, the Commission proceeded to form two working parties, in consultation with the European Trade Union Confederation, the Union of Industries of the European Community and CEEP. The respective roles of these working parties was to study the macro-economic problems involved in implementing the "Cooperative growth strategy for more employment" proposed by the Commission in its annual Economic Report 1985-86, and the industrial relation problems, created by the introduction of new technologies. In the course of 1986 the working parties met on several occasions.

100. The macro-economics working party met on 24 March, 26 June and 6 November under the Chairmanship of Mr Alois Pfeiffer, Commissioner responsible for Economic Affairs. In-depth discussions took place on the implementation of the cooperative growth strategy for more employment, in the light of both the current situation and projected economic trends in the Community, the macro-economic aspects and the social implications of investment and international competitiveness.

¹ Social Report 1985, point 94.

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At the meeting on 6 November the working party adopted the following joint opinion :

**JOINT OPINION ON THE
COOPERATIVE GROWTH STRATEGY FOR MORE EMPLOYMENT**

An in-depth exchange of views on the economic situation and employment in the Community was held at the meetings of the Macroeconomics Working Group (set up after the meeting between UNICE, CEEP and ETUC with the Commission on 12 November 1985), and the Commission's Annual Economic Report 1986-87 was discussed.

UNICE, CEEP and ETUC confirm their agreement on the basic principles of the Community's "Cooperative growth Strategy for more employment" and their support for the general thrust of the economic policy proposed by the Commission in its Annual Economic Report 1986-87.

They call on the Governments of the Member States to make a greater effort to ensure that the cooperative strategy is effectively implemented and declare their willingness to cooperate.

Full or broad agreement was reached on the following points :

1. In spite of the progress made on the employment front, unemployment is still too high. Unless additional efforts are made, it will not fall sufficiently, in the medium term. The aim in implementing the cooperative growth strategy is to bring about a significant and lasting reduction in unemployment over a period of several years. In order to do this, more jobs must be created through increased investment based on improved business profitability and reinforcing the competitiveness of the European economy. Public investment also has an important role to play in this respect, without jeopardizing the medium-term consolidation of public finance.
2. The creation of durable jobs will be threatened if inflation rates are not kept low. A stable financial environment encourages the propensity to invest. Monetary and budgetary policies should be managed in such a way as to ensure that inflation rates remain low or continue to fall. The social partners also share some responsibility for containing inflation.
3. Real interest rates should fall further, with account being taken of the world economic situation and savings behaviour. The liberalization of capital movements should help direct savings towards productive investment.
4. The internal market must be completed rapidly. This will make it possible to release considerable growth potential which will reinforce the positive effects which the implementation of the cooperative strategy will have on investment and growth. Completion of the internal market should be accompanied by taking account of social policy and by the development of structural policies to strengthen the Community's economic and social cohesion as it is defined in the Single European Act.

5. Research and development must be promoted so that the Community maintains or regains its technological competitiveness, particularly in high-tech sectors. The Community should also encourage the implementation of the major "mobilising programmes" which are such as to promote growth and employment.
6. Improving the level of skills in the labour force and vocational retraining are important elements in developing employment and the competitiveness of the European economy. Training costs represent an investment. Employees at every level should be encouraged to take training courses.
7. The freedom of world trade should be maintained and developed within the framework of GATT. The Community has a special responsibility in this respect. Generally, an effort must be made to continue to combat protectionist trends, unfair practices and escalating subsidies, the effect of which is to distort the conditions of competition. In certain cases, temporary bilateral or multilateral agreements could help to overcome specific problems.
8. In the framework of the cooperative strategy, moderate growth of real per capita wage costs below productivity gains should be maintained for some time to come in the countries in which it is already practised, and it should be applied in the other countries. But the other elements of the strategy must be implemented simultaneously. This will make an important contribution to improving business profitability and competitiveness as well as speeding up the implementation of job-creating investment. It is important here to highlight the link that exists between the moderation of wage costs - factor for increased profitability - and higher employment.
9. Appropriate tax measures, the development of new forms of financing, and easier access to risk capital can also strengthen investment and employment, notably in small and medium-sized firms.
10. Public investment and infrastructure investment have suffered under the process of budgetary consolidation, and there is at present some leeway to be made up here. Stronger expansion of such investment will make an important contribution, on both the supply and the demand sides, to achieving higher and sustained growth. Such investment should be regarded not as a way of compensating for the lack of private investment, but as complementary investment undertaken in the general interest. Its financing could be achieved in the framework of a healthy budgetary policy through the restructuring of budgets and through the use of budgetary headroom that already exists or will be created by the growth process; furthermore, in a number of major instances, reliance on private financing seems possible and desirable. In this connection, the following distinctions were made :

- a.) public investment or infrastructure investment which is profitable in itself but which, without public initiatives, would not be carried out at the appropriate time because of its scale or because of its long pay-off period (for example, the Channel tunnel and the high-speed-train link between Paris, Brussels and Cologne); in the case of this type of investment, private financing can most easily be envisaged;
- b.) public investment of infrastructure investment which is economically profitable in overall terms because it represents a precondition for private investment or for the development of certain countries or regions; in the case of this type of investment, on the basis of rigorous economic calculation, certain forms of cofinancing by the private sector can be examined;
- c.) public investment intended to meet justified public or social needs; its profitability must not be seen solely in economic terms; deciding on the priority projects in this area is also a matter of political judgement; cofinancing by the private sector is more difficult to envisage, but not to be ruled out in all cases.

UNICE, CEEP and ETUC are convinced that dialogue is an important element in the effective implementation of the Community's cooperative growth strategy for more employment. They are prepared to continue the dialogue, especially on questions not yet resolved (e.g. reduction in Government spending and in taxes and social security contributions, the adaptability of financial, commercial and labour markets, revision of certain regulations, more flexible wage formation, reorganisation and duration of working time, etc.)

101. The working party on new technologies and the social dialogue met on 25 March, 3 June, 17 October and 2nd December under the Chairmanship of Mr Manuel Marin, Vice President of the Commission with responsibility for Employment, Social Affairs and Education. The meetings took the form of a broad exchange of views on 5 major topics linked to the progressive introduction of new technologies : i.e. the training and motivation of workers, conditions of employment and the organization of work, workers' rights to information and consultation at firm level, problems linked to labour market flexibility, and the social aspects of the completion of the internal market. The meetings brought both sides closer together on a number of issues, and explored reasonable and mutually acceptable solutions to each of these problems. At the end of the meeting on 2 December, the working party agreed to continue the discussions on an active basis right at the beginning of 1987.

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102. The governing bodies of the European Trade Union Confederation (ETUC) defined their position on a number of aspects of Community policy. The ETUC's Executive Committee affirmed the following principles with regard to copyright: the intellectual, moral and financial rights of authors and performers in respect of work created or performed by them should be recognised; associations of authors and performers should work in close cooperation with trade union organizations; the latter should endeavour to increase their influence over the utilization and performance of works to defend the interests of authors and performers; they should seek to obtain the right of information, consultation and representation within authors' and performers' associations; international copyright conventions should be adapted to new conditions arising from the use of new distribution and reproduction technologies. Generally speaking, collective bargaining should be the principal means of defending authors' and performers' interests.

With regard to the environment, the ETUC's Executive Committee emphasized the importance attached by European trade unions to environmental policies which create jobs. More specifically, the ETUC is thinking in terms of the following actions: informing member organizations on European environmental policies; creating teaching and information material for trade union representatives at firm level; trans-frontier schemes for informing local populations on regional and environmental problems, with the participation of inter-regional trade union councils; sectoral-level environmental projects under the responsibility of trade union committees; pilot projects to improve the environment set up through negotiations between employers and trade unions.

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The ETUC called on all European institutions to ensure that the Community's commitment to a better environment is reflected in an increase in the financial resources devoted to this end.

The ETUC declared itself to be in favour of the completion of the European internal market, provided social policies implemented at the same time gave workers rights which could not be undermined by national legislation or agreements. In the area of hygiene, safety and health at the place of work, the ETUC was in favour of abandoning the unanimity rule but demanded that European standards should not be lower than the most favourable standards applied in any Member State, and that they should develop in line with technical and scientific know-how in the interests of the best possible protection of workers. Another problem was that of standardization, which was indispensable for the proper functioning of the internal market but could not be achieved if workers were unable to exercise their real influence: hence the request that a tripartite standards body should be set up.

103. The Union of the Industries of the European Community has given its unreserved support to the Commission's "White Paper" on creation of the European internal market. UNICE is concerned that ETUC puts forward its demand for creation of the European social space as a pre-condition for creation of the internal market. It argues that social progress depends entirely on Europe's ability to compete in world markets. Vitality must therefore first be restored to the wealth-creating sectors; only then can be determined the level of social conditions which Europe can sustain. The accent must be on dialogue and flexibility, on evolution through gradual integration of Member States' economies and social systems, and not on regulation via EEC Directives; only safety and hygiene at the place of work is an appropriate area for such harmonisation. According to UNICE, any social problems should be solved as they arise through improved dialogue between the social partners at EEC or any other appropriate level.

Development of the situation in the Member States

104. In Belgium, social developments in 1986 were marked by three events.

The first was the approval of the Government's savings programme, which was given final shape in the form of the so-called Easter Plan of the Government. The main objective of the Law of 27 March which gave special power to the Government is the implementation of an ambitious policy to restore the viability of public finances. The Government's aim is to reduce the public deficit to 8 % of GDP in 1987, and to 7 % by the end of the present Parliament at the latest (spring 1989 in theory). This implies a reduction in public expenditure of the order of BFR 195 billion in 1987. The two sides of industry were not consulted in any systematic way on the Government's plan : criticisms expressed by the trade union led the Government to take their views into account, most of the measures opposed by the unions were nevertheless maintained, and the adoption of the Easter Plan provoked widespread strikes in May and June, mainly in the public services.

The second event was the conclusion of a multi-sector agreement for 1987/88, which dealt mainly with wage formation and employment

The main provisions of this agreement of 7 November are the following :

- it covers a two-year period (1987-1988);
- it takes the form of an outline agreement which lays down guidelines for negotiations between the two sides of industry;
- the agreement is based on the principle of free collective bargaining. Each sector will be free to determine its own overall margin and to decide the way in which it is to be used, bearing in mind :

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- . the need for competitiveness and
 - . the specific characteristics and diversity of the firms in each sector.
- The main concern on both sides is the promotion of employment in general and for young people in particular. The parties involved recommended that each sector should set aside 0.5 % of the overall volume of wages and salaries for this purpose. Practical details would be worked out at sectoral level.
 - The agreement contains no specific wage norms, with the exception of an increase in the guaranteed monthly wage which, the parties agreed, should be raised by BFR350 per month as of 1987.
 - Negotiations for the generalized introduction of a 38-hour working week will be left to the individual sectors.
 - The agreement furthermore contained a series of measures concerning employment, particularly for young people (combined part-time education and part-time work, post-school training, etc.).
 - Both parties agreed that the implementation of the provisions of the agreement should be evaluated in September 1987, and that a supplementary collective agreement applying to sectors not covered by the earlier agreement should be concluded within the National Labour Council.

In addition agreement was reached on 23 April on the introduction of new work arrangements at firm level.

This agreement, which is to be incorporated in a collective agreement, is essentially aimed at introducing greater flexibility as regards legal provisions applying to working time, night work and Sunday working.

The terms of the agreement can be summarized as follows:

- it is aimed at introducing new patterns of work organization at firm level. This refers to arrangements which make it possible to "adapt or extend the time during which goods and services are used"(i.e. more flexible rules regarding working time, night work and weekend working);

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- these arrangements may only be introduced after negotiations have taken place at joint committee and/or firm level;
- the introduction of new working arrangements is expected to have a positive effect on employment. The collective agreement does not impose specific measures but gives the following examples : an increase in the number of jobs, a reduction in the number of days of short-time working, and a reduction in the number of dismissals;
- in firms where trade union representation exists, an agreement must be concluded with the union representatives. For other firms, the National Labour Council proposes a system of supervision by the joint committees;
- the agreement does not apply to the distributive trades.

The agreement made within the National Labour Council has certain legislative implications, since it provides for exemptions to a number of legal provisions.

For this purpose the National Labour Council had made a number of practical proposals concerning the required changes to the law.

The Minister for Employment has accepted the National Labour Council's proposals in full and has submitted a draft law to Parliament.

Once the law has been passed - probably in the Spring of 1987 - the National Labour Council Agreement will become a collective agreement applicable to employers and workers in all sectors with the exception of the distributive trades.

Finally, it should be noted that a Royal Decree of 26 November recognizes the National Confederation of Executives as a representative organization which may put forward candidates for the April 1987 works council elections. This confederation does not form part of the traditional trade union organizations.

105. In Denmark, it became evident in the course of the year that negotiations on the renewal of the collective agreements expiring in the spring of 1987 could be difficult. During the summer the two sides of industry attempted to reach agreement on an outline plan for the negotiations, but without success. The employers wanted the talks to be held, as in 1981 and 1983, on a decentralized basis. The Trade Union Confederation LO was prepared to open the talks on a decentralized basis, but wanted to leave open the possibility of having general questions dealt with by the central bodies. This would than be the first time in 30 years that negotiations on collective agreements for private industry are carried out without an outline plan.

The Government acknowledged that this time the collective agreement talks were definitely a matter for the two sides of industry. There is therefore little likelihood that it will intervene in the renewal of collective agreements.

The unions' main demands entail a reduction of the working week to 35 hours over a two-year period and protection for the low-paid, with compensation for reductions in working time taking the form of a fixed sum. The LO recommended its affiliated unions to demand a more pronounced upward adjustment of minimum wage rates and a doubling of the employer's contribution to the training funds and the supplementary old-age pension system. The employers, for their part, stressed that the reductions in working time as from 1 December 1986 and the elimination of the waiting period as from 1 January 1987 were already having their effect on the level of labour costs for the coming year and that they therefore had little leeway to accommodate the demands.

The employers' federation is urging that, in the negotiations, increases in wages and labour costs should take account of an improvement in the position of international competitors, that there should be greater flexibility regarding working hours and conditions of employment and that three-year agreements should be reached.

The Trade Union Confederation LO and the employers concluded a new framework agreement. This does not appear to make major changes to the previous agreement as regards either industrial peace or employers' rights. The employers have achieved stricter recognition of their responsibility for organizational matters. The provisions on protection against unfair dismissal now apply to workers with 9 month's service; hitherto the criterion was one year's service. In addition, a number of changes have been made to the rights of shop stewards. The new agreement may be terminated after two years.

In 1985, many more working days (2.3 million) were lost through strikes than in previous years. This figure includes both those days lost directly through industrial action and the working days of workers indirectly affected by such action. This large number of lost days may be attributed mainly to extensive strikes around Easter in connection with the renewal of collective agreements. In the year covered by this report the extent of industrial action again declined noticeably.

106. The fact that the economic growth which was already evident in the Federal Republic of Germany last year continued at a faster pace¹ is due in no small measure to the efforts of both sides of industry to take account of the economic situation as a whole in concluding collective agreements; this applies, above all, to the agreed upward adjustments of wages and salaries covered by collective agreements. On the other hand, however, a number of occurrences led to conflicts and friction between the two sides of industry.

This is especially true of relations between the Federal Government and the trade unions, in particular because of the amendment of Article 116 of the Employment Promotion Law which the Government planned and in fact carried out on 23 May despite protests from the unions; this article deals with the suspension of claims to unemployment benefit or short-time allowances by workers involved in industrial action or supporting their colleagues. For a time, the regular talks between the Federal Chancellor and German Trade Union Federation (DGB) leaders were discontinued. It was not until 1 October that

¹ Point 25.

they were resumed, when discussions focussed on questions concerned with labour market, energy and environmental policy, including the provisions for co-determination in the coal and steel industry which are due to lapse. They also touched on events connected with the DGB-owned building society "Neue Heimat"; these events produced further friction between the Government and the unions later in the year.

The 1986 collective bargaining round began this time in the public service and it was at first feared that too high a settlement would have an unfavourable effect on subsequent negotiations in private industry. After relatively brief negotiations linear wage and salary increases of 3.5 % for blue-collar and white-collar workers were agreed on, together with a number of improvements such as an increase in the general supplement and leave pay for specific groups of workers and above-average improvements for the lower wage and salary groups, including increases in local and social supplements. Essentially similar terms were later agreed for the civil servants. Overall, the agreements reached thus remained within economically acceptable bounds.

In the course of the first half of the year, new collective agreements were concluded for the majority of workers in private industry, which were largely in line with those concluded the previous year and those concluded in 1986 for the public service. Wage and salary increases ranged for the most part from 3 1/2 to 4,6 % (metalworking industry and banking); only the building industry lagged behind somewhat with an increase of only 3.0 %. Conclusion of the collective agreement for the building industry, where business is particularly bad, could not be achieved until an arbitrator had intervened : the arbitrator's award provides for a 3 % increase on 1 April 1986 and further 3.1 % increase on 1 April 1987.

Qualitative improvements, such as reductions in the working-week, longer annual leave and the like played a relatively smaller part in the collective agreements concluded in the year under review than in previous years. In the course of the last two years a substantial number of workers in the processing industries and the private services had their working week reduced from 40 to 38 1/2 - in some cases 38 - hours, while in the second half of 1986 union demands for a 35-hour week with no reduction in pay became more insistent. This question was, for example, the central issue at the national congress of the metalworkers' union in October. It will undoubtedly be to the fore in next year's collective bargaining round, though the greater flexibility of working time offered by the employers will also play a part.

In the year under review collective agreements were concluded without major industrial action, though there were occasional token strikes and limited stoppages. At the same time, the politically motivated industrial action in connection with the amendment of Article 116 of the Employment Promotion Law once again focussed attention on the legality of this kind of work stoppage. During the second half of the year the unions also concerned themselves with the question of whether they should make use of the sit-in as a means of obtaining their demands, particularly the 35-hour week.

107. In Greece, industrial relations were marked by trade union reaction to Government measures taken in October 1985 to stabilize the economy. For workers, these represent a genuine austerity policy, with a significant drop in their real incomes. Moreover, the situation of the trade union movement in Greece was made worse by the division in the leadership of the CGTG following the stabilization measures. The left called on the Government to change its policy on controlling the trade union movement, particularly the CGTG. In this connection, it should be pointed out that the trade unions are financed in part by the Government : between 1982 and 1986, workers' organizations received DR 800 million from a special Government fund; in 1986 alone, DR 255 million was paid out to the unions.

108. In Spain, 1986 was the second and last year in which the economic and social agreement was in effect. Signed on 10 October 1984 by the Government, the General Workers' Union (UGT), the Employers' Federation (CEOE) and the Federation of Small and Medium-Sized Firms it regulated collective bargaining and specific aspects of economic and social policy for 1985-86. The agreement is an example of social concertation, characteristic of labour relations in Spain since the institution of Parliamentary monarchy, it is supported by the principal organizations representing the two sides of industry and the Government.

As regards bilateral agreements, the agreement established the 1986 limits for wage increases (between 90 and 107 % of the estimated inflation rate for the year). It provided for wage adjustment in the event that the estimated inflation rate were to be exceeded, and the creation of voluntary procedures for the solution of collective disputes.

Trade union elections were held in 1986 for the appointment of workers' representatives - staff representatives and works council delegates - in firms and at work places. By law these elections are held every four years. The result is of considerable practical importance for industrial relations : the central trade union functions are exercised by the "most representative" unions, which will be collected for the next four years by the union elections held between October and December 1986.

Preparation for this round of union elections was marked by intensified inter-union competition on various fronts. With respect to the latter, attention should first be drawn to the struggle between the General Workers' Union (UGT) and the Trade Union Federation of Workers Councils (CCOO), the two main unions, to obtain in the election the greater number of representatives; at present the UGT is in the lead. There was also a struggle between the smaller unions like the Workers Trade Union (USO) and the National Labour Federation (CNT) to achieve the threshold of 10 % of all representatives at national level, the minimum required for a union to be considered as one of the "most representative".

Other important events taking place were the federal congresses of various unions. The General Workers' Union celebrated its 34th Federal Congress and claimed 594 210 members, or 8.2 % of the working population. Among the most important conclusions reached was the decision to maintain the policy of social concertation. The Workers' Trade Union celebrated its fourth federal congress reaffirming its independence from all political parties. Finally, the Basque Confederacion nacionalista ELA-STV celebrated its sixth federal congress this year.

In the context of collective bargaining, the salient fact was the large number of limited agreements concluded. Under Spanish Law collective agreements may be of general or limited effect; the latter type do not meet the legal requirements for general application, but may nevertheless have legal effect for workers and firms directly represented by the negotiations. To be of general effect, a sectoral agreement must be signed by the trade unions representing the majority of workers in the negotiating units. In most cases a majority can only be achieved by the sum of the representatives of the two largest federations. The increase in the number of limited agreements is symptomatic of the breakdown in the unity of action of these two groups of representatives.

Regarding the content of the agreements, the most important features are : observance of the wage restraint guidelines set out in the AES; intensification of measures to increase productivity and combat absenteeism; reductions in working time (shorter working day, early retirement, elimination of overtime), increased flexibility of working time (consolidation of the tendency to establish total annual working time; extension of the obligation to work overtime when considered "structural" in the context of the firm's activities; increased availability of the worker in certain situations); more frequent inclusion of employment clauses - in other words, binding commitments to maintain or create stable work posts while the agreement is in effect.

With respect to industrial disputes, 1986 saw a marked increase in strike action which affected the entire public sector (port, railway and airline workers). Note should also be taken of an increase in the use of force accompanying strike action, and less inclination on the part of workers to perform the minimum services laid down by the authorities for so-called "essential community services" during stoppages. One frequent cause of strikes, apart of course from the negotiation of collective agreements, was the discussion of the viability plans of firms undergoing restructuring or in a difficult economic situation.

One fact worthy of mention was the failure to respect the commitment laid down in the 1984 AES by the Spanish Federation of Employers' Organizations and the UGT to work out an intersectoral agreement on voluntary procedures for the solution of industrial disputes.

In connection with financial support by the public authorities for the organizations representing the two sides of industry, apart from the allocation in the 1986 general Government budget of aid to trade unions for expenditure on training, mention should be made of the return of the "accumulated union assets" and "historic union assets". With respect to the former, to date 306 buildings forming part of State assets were returned to the UGT, 132 to the CC00, 21 to the CEOE, 5 to the USO and a lesser number to the other unions. With respect to the second the UGT received the sum of PTA 4 144 million (the estimated value of assets which for various reasons could not be returned) and 120 buildings in the State's possession with respect to which the union had presented proof of ownership. Another PTA 248 million are being held until the dispute concerning the split in the National Federation of Labour pending before the courts is settled.

Nearly all the trade unions, excluding the UGT, have protested against the choice of this moment to return their historic assets, which coincides with the trade union elections and in their view tends to favour the UGT's position. The CC00 and the CNT have announced their intention of referring the Cabinet decision on the return of these assets to the Supreme Court.

109. In France after four months of almost unbroken peace at the beginning of the year, industrial relations deteriorated substantially : serious disappointment was felt about the fact that there had been no negotiations prior to the adoption of the law abolishing prior administrative authorization for dismissals; the second problem was the tight wage policy followed in the public and nationalized sectors by the Government, which decided that no general increase would be granted in 1986.

Faced with these signs of a deadlock in collective bargaining, the trade unions decided to hit back by organizing a series of strikes as a warning to the Government and the employers, but also as a test of their own capacity to mobilize labour.

However, it was the SNCF wage proposals which triggered off the most heated strike : these sought to introduce a new wage system where promotions on the basis of seniority would give way to merit promotions; this measure abolished guaranteed regular seniority advancements. The underlying discontent was immediately accompanied by a general demand regarding wages and, above all, working conditions, which are especially bad for railwaymen, but are similar in many public services, particularly postal service. This dispute was still unresolved at the end of the year, since the Government would not give way at all on wages, although it was prepared to discuss working conditions.

The most significant collective agreements concluded during this period concerned the metalworking industry (agreement of 17 July 1986 on the reorganization of working time), shipyards (agreement of 23 July extending retraining leave arrangements provided for under the agreement of 9 July 1984), the vehicle distribution and repair trade (agreement of 29 May establishing a single system of job classifications), the banking sector (outline agreement of 16 May on technological innovation), public works (agreement of 9 July concerning procedures to be followed and notice to be given in cases of dismissal on economic grounds, the social support plan, and the training and employment of young people).

At inter-sectoral level, the agreement of 20 October draws the appropriate conclusions from the abolition of prior administrative authorization for dismissals decided by the law of 3 July¹; most of these contractual provisions are incorporated in a law of 30 December¹.

Negotiations at firm level are on the increase: according to a survey of collective bargaining in 1985, covering approximately 60 000 industrial and commercial establishments, collective agreements at plant level played an important part: nearly 18 % of the establishments included in the sample - i.e. firms with more than 10 workers - stated that they operated agreements at firm (or establishment) level, as against 10 % at the time of the previous survey (1981). The percentage of workers involved (one third) is even greater. Most of the agreements concluded in 1986 cover various aspects of the reorganization of working time. There were, however, a number of experimental schemes implemented under collective agreements, dealing with vocational training, compensation for short-time working, job mobility and management of human resources, early retirement for workers doing arduous jobs and the practical application of equal treatment for men and women.

110. In Ireland, pay negotiations under the 25th Pay Round which had been pursued in the second half of 1985 in the private sector were largely concluded in the early months of 1986. Apart from issuing statements on the need for low wage increases following the sharp fall in inflation, there has been no direct intervention by the Government in collective bargaining other than, of course, in the negotiations which took place in the public sector.

There have been no developments in regard to tripartite activity in the area of collective bargaining nor have there been any direct discussions between both sides of industry at national level with each other or with the Government. Pay bargaining has been wholly at the level of the firm or enterprise or, in a few cases, at industry level. No attempt has been made at reinstating discussions for a pay agreement at national level.

¹ Point 143.

For the most part, the negotiations under the 25th Pay Round were concluded without recourse to industrial action; however, negotiations in the public sector were concluded with considerable difficulty. During 1986 101 strikes were recorded amounting to 315 000 days lost compared with 115 strikes and 437 000 days lost in 1985. Two-thirds of the days were lost by three disputes in the public sector, amongst them : the teachers dispute following the decision of the Government not to implement a special award of 10 % made by the arbitrator under the Public Service Conciliation and Arbitration Scheme, as well as a strike by the manual workers of Dublin Corporation who had rejected a Labour Court Recommendation for the application of the public service pay award.

As regards the 26th Pay Round, the guidelines issued by the Irish Congress of Trade Unions propose that demands should include a reduction in working hours, special provisions for low paid and part-time workers and a pay increase "adequate both to ensure the maintenance of purchasing power and the restoration of living standards". The Federated Union of Employers advised that changes in pay should take account of the circumstances of particular industries and firms and be negotiated in the context that inflation is expected to average 3 % for 1986 as a whole.

In a statement issued in September the Government indicated that it was its view that on the expiry of current agreements in both the public and the private sectors, any subsequent increases in wages should be below the annual rate of inflation and, where appropriate, agreements should include a pay pause.

By the end of the year, only a limited number of 26th Pay Round settlements have been negotiated in individual firms in the private sector.

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111. In Italy, industrial relations were marked by a number of events which were highly significant, not only as regards their short-term effects - such as the introduction of a new indexation system -, but also because they revived the debate on the structure and scope of the entire system of industrial relations.

The salient events were : the drafting of an agreement on the civil service, the breakdown of the negotiations on labour costs, and the agreement of 8 May between the Employers' Association (Confindustria) and the unions.

The negotiations which begun on 17 September 1985 on labour costs and the indexation system continued throughout October and November until, on 17 December 1985, both sides agreed that they had reached a deadlock. The civil service agreement was concluded on the same day: the cornerstone of this agreement was the new indexation mechanism, which was extended to both public and private industry through a series of unilateral declarations on the part of the employers .

In February 1986, the Government obtained the adoption of a law extending the new wage indexation mechanism to the private sector until December 1989.

However, the breakdown in direct negotiations between the parties concerned, which has left unresolved the entire problem of the reorganization of working time, was a negative element symptomatic of the impossibility of reaching mutually acceptable solutions to employment problems.

Moreover, the draft law extending the civil servants' indexation mechanism to the private sector did nothing to solve the problem of the inclusion in pay packets of the cost of living points corresponding to the original amounts not granted by Confindustria.

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Talks between unions and private industry to resolve the indexation points issue were resumed in February, at the request of the Ministry of Labour, and only two months later, in April, Confindustria and the trade unions found a basis of agreement regarding the payment of cost of living points and arrears. The agreement was formally signed on 8 May in the presence of the Minister for Labour.

Apart from resolving the ten-year old quarrel about the indexation system, the agreement also introduced new rules governing training-work experience contracts and updating the procedures under law 863 of 1984 under which a special plan had already been launched relating to 40 000 contracts of this type.

Leaving aside the provisions of the law, the most significant aspects of the new provisions contained in the May agreement (which apply to firms associated with Confindustria member organizations) are the following :

- a starting wage for the young people taken on, corresponding to the statutory minimum wage plus the cost of living allowance;
- rules concerning the employment relationship and its termination, on the basis of which the probation period can be fixed at one or two months, depending on whether the contract was for 12 or 24 months;
- the specification of a model work/training project, the purpose of which is to standardize throughout Italy the criteria which such training projects should meet.

The agreement concluded in May 1986 was seen as a turning point in industrial relations, not only because the two sides of industry had repaired their ten-year old rift over labour costs, but also because the agreement was reached without prompting from the Government.

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As regards collective bargaining, the most important agreements were concluded in the first months of 1986; by 31 August, 116 agreements had been renewed, affecting a total of approximately 13 million workers. The delay in starting negotiations in each sector are an indication of the problems encountered by the trade unions in putting together a clear consensus regarding their negotiating position, which in most cases does not appear to be based on consultations at grass roots level.

Even though they do not seem to have changed the current structure of industrial relations, the collective agreements concluded in 1986 served as a basis for a new departure in collective bargaining.

A study of bargaining positions in the most representative sectors shows that trade unions generally want to be more closely involved in the planning and implementation of restructuring processes through the setting up of joint committees and 'observers' to monitor innovation. The chief merit of these forms of worker participation, although they will have little effect on management decisions concerning restructuring, is that they would give labour relations the very flexibility which industry needs to cope with technological change and the constraints of labour market forces. There was a need, therefore, for permanent monitoring bodies in the various sectors, organized on a national basis, administered by both sides through the joint committees at firm or group level.

In general, trade unions demanded the right to participate in all phases and at all levels of change, rather than to be told what decisions have been taken once the final plan has been drawn up. The committees should provide a stable basis for negotiations on firms strategy in terms of industrial policy, innovation, the improvement of

conditions of employment and the application of provisions favouring equality between man and women.

112. In Luxembourg, the Economic and Social Council, in its annual opinion on the economic, financial and social situation published on 19 March 1986, called on the Government to take more account of the Council's annual and specific opinions, since they reflected a consensus between both sides of industry or contained an analysis of fundamental issues drawn up at the request of the Government itself or on the Council's own initiative.

With regard to labour law, the Government was invited to define the practical terms of the intentions expressed in its policy statement of 24 July 1984 concerning the reform of the law on dismissals.

The Council reiterated its call for a codified labour law, to make legislation in this field more transparent and easier to apply.

With regard to asset formation it came out in favour of tax incentives to mobilize savings for productive investments.

The Council also noted the fact that the unemployment level had stabilized; however, since there is a danger that some degree of unemployment will persist in spite of growth, it sees an urgent need to carry out quantitative and qualitative analyses of the respective trends in supply and demand, with a view to identifying the causes (lack of training, age, lack of physical or other suitability, etc.) and drawing the relevant conclusions.

The Council furthermore pointed to the opposing views concerning the reimbursement of the advance indexation payment, which was in fact reintroduced later¹.

The effect on relations between the two sides of industry and the Government was such that the employers opposed a seemingly purely technical reform, i.e. the inclusion of rents in the retail price index.

However, industrial relations remained calm in 1986 and there were no strikes. Collective agreements concluded during the year provide for substantial wage increases.

In the steel sector, the dispute concerning the reimbursement of pay increases foregone between 1983 and 1985 was resolved to the mutual satisfaction of the parties concerned.

In the civil service the negotiations which seemed particularly unpromising a year ago, resulted in the adoption of an impressive range of measures; this can no doubt be explained by the high volume of tax revenue and the favorable situation of the Treasury. The measures, to which a general cut in direct taxes will be added in 1987 are the following :

- an across-the-board 2.5 % wage rise on 1 January 1986, and a 1.5 % rise on 1 January 1987;
- the so called "Special cases" Law of 27 August 1986 will, in 1987, lead to an increase in the civil service wage bill of approximately LFR 800 million, subsequently rising to LFR 1 200 million;
- the Law of 18 March 1986 on the harmonisation of promotion opportunities.

¹ Point 161.

113. As in the preceding year, collective bargaining in the Netherlands took place largely on a decentralized basis in 1986. Following a series of strikes and stoppages in various large firms and in the metalworking industry, wage settlements providing for increases of somewhat over 1 % on average were reached in the course of the spring. None of the major agreements concluded during the report period provided for any further shortening of the collectively agreed working week. Only the agreements for certain smaller industries and some company-level agreements - covering approximately 10 to 12 % of the private sector workforce - provided for the average working week to be reduced to 36 hours. A number of agreements included arrangements for more flexible and individualized organization of working time; in some instances, provision was made for the granting of remuneration for a number of shifts not actually worked.

The trend towards the inclusion of early retirement provisions in collective agreements continued, with the result that the average retirement age under occupational schemes came down to 60 1/2 by the end of the year under review. A large number of agreements incorporated measures to further the financing of training and retraining funds. In the case of the metalworking industry, a fund was also set up - for a period of two years - to finance measures aimed at redistributing the available volume of work; the resources thus made available will be used for the financing, subject to certain conditions, of schemes in this field negotiated at company level.

As in the preceding bargaining round, easily half of the agreements negotiated include provisions aimed at improving employment prospects for young people. Some agreements, notably those for Philips, the banking sector and the metalworking industry, also endeavour to tackle the problem of long-term unemployment. An innovation worthy of note is the arrangement negotiated for the AKZO chemicals group whereby, as from 1988, 2.5 % of annual working time will be set aside for training.

There is no disguising the fact that, despite the generally rapid conclusion of new agreements and the problem-free implementation of many existing agreements, bargaining ran into substantial difficulties in some cases. In the banking sector, the employers failed to reach a settlement with the two major union federations - the FNV and the CNV. An agreement was, however, concluded with two unions primarily representing senior staff. Following a court case regarding the legality of this procedure, which the two major union federations lost, the Minister for Social Affairs and Employment declared the agreement generally binding. At Philips too a settlement was initially reached with the unions representing senior employees; only later and after some changes had been made was the resulting agreement accepted by the FNV and the CNV.

As far as public service employees are concerned, the largest union federation - the AABVA/KABO - concentrated on obtaining salary increases rather than reductions in working time, taking the view that the latter would entail pay sacrifices which were no longer acceptable. For its part, however, the coalition which remained in power following the general election is against any increase in either the wages and salaries of civil servants and other public service employees or social security benefits.

In a Parliamentary debate on the new Government's legislative programme, it became clear that the Cabinet was not prepared to make such concessions to the unions in this area and the employment field as might facilitate the attainment of its declared objective of a national social contract between the two sides of industry and Government. The other interested parties would, however, also appear to have lost some of their interest in the conclusion of such a social contract, since both the employers and the largest trade union confederation have argued in favour of a collective bargaining policy more closely oriented to the needs of individual industries and firms.

114. In Portugal, collective bargaining in 1986 followed the same course as in the previous year. The number of industrial disputes was slightly down, and there was a considerable rise in real wages.

Collective bargaining in the public sector proved to be harder than in the private sector. Disputes, moreover, tended to be concentrated in the public transport services.

Relations between the two sides of industry were marked by a number of new developments.

First of all, an industrial relations agreement was signed concerning Lisnave, the biggest Portuguese shipyard. Confronted with severe economic and financial difficulties and a deteriorating market position, the workforce decided to sign a no-strike agreement. The initiative for this move was taken by UGT, a union with minority membership in the firm; the agreement was then signed by unions affiliated to the trade union federation 'Intersyndical'.

A second important event was the change in attitude on the part of the Intersyndical leadership, which recognized a damage inflicted in recent years by the recession and successive economic and social changes. At its fifth congress, Intersyndical emphasized the need to change trade union strategy in order to cope with the new challenges now facing the movement. In this context Intersyndical stressed the importance of collective bargaining as the best means of action, and proposed a reduction in the working week to 40 hours.

With regard to relations between the Government and the two sides of industry, the former, pursuing its anti-inflationary policies, tried to curb the pay increases decided on the basis of collective bargaining.

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In the same context, the UGT submitted a document entitled "Outline for a social contract for modernization". The purpose of this plan is to create the conditions required for the modernization of the Portuguese economy on the basis of five objectives: job-creation, priority measures to develop education and vocational training, more emphasis on research and development, a reduction in expenditure on imported energy, foodstuffs and capital goods, and the transformation of economic structures to obtain a more advantageous position in the international division of labour. In return for its support for a general policy aimed at achieving these objectives, the UGT demands controls on the social repercussions of economic change, worker participation in the process of transformation and a fairer distribution of incomes.

115. In the United Kingdom recorded strikes in the first three-quarters of 1986 fell to their lowest point since the 1930s. In the private sector, the few disputes have chiefly been in the engineering and shipbuilding industries and concerned management demands for more flexible working, disciplinary issues, subcontracting, etc.

In the public sector about 30 % of stoppages were in coal mining, involving the reinstatement of miners dismissed in the 1984/85 strike and pay awards to miners who did not support the strike. The other major public sector confrontation was in teaching, where a higher pay offer in return for concessions on teachers' duties has met with opposition from the National Union of Teachers. An agreement for England and Wales reached in November between the local authority employers and unions representing the majority of teachers have proved unacceptable to the Secretary of State for Education, who has presented a Bill to the Parliament to abolish the present system for negotiating pay and taking powers himself to determine teacher's pay and conditions of employment.

Although industrial relations have in general been peaceful, there have been signs of underlying bitterness. Most disputes have been unofficial. In several cases, balloting of union members has prevented disputes at national level.

Secret balloting has increased. Unions have sought a more conciliatory stance, epitomised in the printing dispute. The TUC has accepted the concept of legal intervention in collective bargaining and a statutory minimum wage accompanied by wage restraints.

National collective bargaining has continued with very little change at industry level. The most significant trend emerged in engineering where negotiations are still continuing on major changes in the national agreement, including shorter hours linked with productivity and flexibility.

Government policy has continued to focus on controlling inflation, improving competitiveness and creating an "enterprise culture". The unions and, more surprisingly, the employers have been wary of its aims of developing new, low-paid jobs, chiefly in the service sector. Major debates have concerned the degree to which Government should strengthen British industry.

Government efforts to dismantle Wages Councils and encourage new forms of variable pay have been largely frustrated. The Shops Bill, removing restrictions on opening hours, was defeated in the House of Lords.

While the Government has continued to maintain its abstentionist approach to collective bargaining, concern has been expressed about individual pay settlements in the public sector. The ban on trade union membership for GCHQ civil servants has continued, although the small number of union adherents has been allowed to continue in employment.

A small but increasing number of companies, mainly from Japan or the United States, are reaching Single Union Agreements. They provide the union concerned with sole bargaining rights, usually in the context of a newly established or reconstituted enterprise operating from a greenfield site. The main feature of these agreements is that they generally establish a framework with extensive provision for consultation, negotiation and arbitration, the aim being to create an atmosphere of consensus making industrial action unnecessary. Industrial action is normally precluded while an issue is being discussed under agreed procedures.

A key feature of the majority of agreements is provision for binding pendulum arbitration as the final stage in the disputes procedure. Under the terms of pendulum or "final offer" arbitration, the arbitrator is asked to choose between the claim or offer of the parties in dispute and is not free to make a compromise award. Pendulum arbitration is intended to encourage more realistic pay bargaining; prior knowledge that an arbitrator would be forced to choose between one side or the other should propel the parties toward the middle ground. In most agreements joint reference to pendulum arbitration is stipulated.

In the first half of 1986, there were 451 official stoppages, involving 353 000 workers, with 1 154 000 "days lost".

Worker representation

116. In Denmark, the national employers' and workers' associations concluded, on 9 June, a new cooperation agreement, which replaces the cooperation agreement of 1970 and the technology agreement of 1981. The new agreement, which came into force with effect from 1 July 1986, contains a number of important changes regarding worker participation: for example, the workforce threshold for compulsory joint consultation has been lowered from 50 employees to 35 and over; the obligation to inform the joint consultation committee and specific staff members has been extended; access by other groups of staff members, particularly those in higher positions, to these committees has been eased; provision has been made for the setting up of group joint consultation committees; a degree of obligation to inform workers has been introduced and penalties laid down for infringements of the agreements. The lowering of the threshold from 50 to 35 employees made it possible to increase the existing number of over 1.200 cooperation agreements by about half.

117. In the Federal Republic of Germany, changes in the Law on Labour Relations at the Workplace, which governs the representation of workers in undertakings, are not at present a topical issue. Attempts by the Liberal FDP, CDU/CSU representatives of the middle-class and the confederation of senior executives to have legal provision made for separate representation of specific groups of employees (as senior executives) seems to have as little chance of early success as the unions' demands for greater participation by workers in decision-making regarding the introduction of new technologies. Similarly, Parliament rejected an attempt by the opposition SPD in the Bundestag to prolong the provision for co-determination in the coal and steel industry in order to ensure that two major steel groups remained within the scope of this provisions in spite of a substantial decline in their production of steel as a proportion of their overall output.

A judgment handed down by the Federal Labour Court on 4 March once again extended the rights of works' councils to participate in decision-making, acknowledging that they have a right of initiative as regards the introduction of short-time working; the Court conceded that short-time working provided a means of maintaining jobs and - at least temporarily - avoiding redundancies.

118. In Spain, in accordance with the undertaking given in the economic and social agreement, in January the UGT and the National Office for Industry concluded an agreement on trade-union participation in public sector undertakings. Participation may be achieved in one of two ways : firstly, through the presence of trade union representatives on the administrative bodies of public sector undertakings operating with the legal status of a company; secondly, through the creation of joint information and monitoring committees whose function it is to study the undertaking's industrial or economic plans with repercussions affecting labour, industrial relations or employment policy, reports and proposals with regard to these plans, information on the execution and formulation of proposals regarding work organization, labour relations, employment, safety, health and vocational training. The signatories to this agreement are required to include its provisions in collective agreements covering public sector undertakings in which they participate.

119. In France, Law No 86-1 of 3 January 1986 contains a number of changes regarding workers' right to express their views. The obligation to negotiate agreements on the way in which this right is exercised, which used to be limited to firms employing at least 200 workers, has now been extended to all businesses where the trade unions have established one or more sections and appointed a shop steward. The obligation to negotiate does not apply to firms without trade union representations and with less than 50 workers, even if a staff representative has been appointed as trade union delegate.

In firms with a number of different establishments, negotiations may take place either at firm or establishment level, or at group level provided the latter covers all the establishments concerned.

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Where a firm is not subject to the obligation to negotiate, or where no agreement has been reached, the works council - or failing that, the staff representatives - must be consulted on the way in which the employees' right to consultation is to be exercised.

The new law also adds a number of specific conditions governing the right to consultation for managerial staff. The exercise of this right must, however, be without prejudice to the involvement of the persons concerned in consultation structures to which they belong by virtue of their responsibilities.

These negotiation or consultation procedures must be initiated before 1 July 1986.

120. In Ireland, the Minister for Labour has repeatedly indicated his intention to introduce new legislation on the extension of worker directors to additional State enterprises.

The Committee on Worker Participation established last year¹ in order to advise on employee participation at sub-board level within different types of work organisations, to promote interest in practical application of sub-board structures in the workplace and to identify relevant research needs submitted its report in June to the Minister of Labour. The report has then been examined by him.

¹ Social report 1985, point 112.

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121. In Italy the drafting of the IRI protocol agreed in July 1986 completed the agreement of December 1984 concerning trade-union participation in decision-making at firm level.

Likewise, at the end of September the EFIM and the trade unions signed an agreement reorganizing industrial relations along the same lines as the agreement concluded earlier with the IRI. It provides for the setting up of special consultative joint committees at group, undertaking and factory level. These new bodies will have the power to discuss "strategic economic policy options" regarding the EFIM. They will furthermore provide "non-binding advice, indicating possible alternative programmes" or courses of action, and study problems relating to the labour market and industrial relations.

These committees would be set up within two months of the conclusion of the agreement in the aluminium and railway construction sectors; within six months in the aeronautics sector, and eventually in all other sectors. The unions have undertaken to guarantee a period of industrial peace in view of the particular conditions currently existing in industry, with a view to reaching a negotiated solution on aspects on which they currently disagree with the employers.

122. In the Netherlands, a district court in Schiedam ruled that a firm was not entitled to dismiss a member of its works council on the grounds that he had instigated a strike. The district judge took the view that a single individual could not be held responsible for an action in which a number of people had taken part.

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123. In the United Kingdom, analyses of companies' reports on employee involvement in accordance with the Companies Act 1985 (previously the Employment Act 1982) showed a continuing diversity of individual practice which well illustrated the commendable efforts that have been made in recent years to comply with the legislation.

The second Workplace Industrial Relations Survey published in 1986, suggested that employee representatives continued to make extensive use of the disclosure of information provisions of the Employment Protection Act 1975. The fact that very few disputed cases had to be settled by the Central Arbitration Committee suggests that the legislation is working smoothly. The same research shows a substantial increase in two-way communication at establishments since 1980. There was overall stability in the high percentage of large establishments having consultative committees.

The second Workplace Industrial Relation Survey estimated that since 1980 the number of full-time employee representatives had remained at 4.100 while the total number of representatives had increased from 317,000 to 335,000. In addition Government grants are paid to unions to finance Trade Union Education and Training. Both managers and worker representatives covered in the second Workplace Industrial Relations Survey gave favourable evaluations of this training.

Directors of companies are required to have regard to the interests of employees, and in the case of large companies, to include in their annual reports a statement on action taken to promote employee involvement (Companies Act 1985). Trade union representatives have a right to receive information from management for collective bargaining purposes (Employment Protection Act 1975) and a right to paid time off to undertake industrial relations duties: trade union members as well as representatives are entitled to take time off to undertake trade union activities (Employment Protection (consolidation) Act 1978).

Chapter V

WORKING CONDITIONS AND LABOUR LAW

Trends within the Community

Working conditions

124. In almost all Member States the continuing development of working conditions was considered from the standpoint of the increasing use of new technologies in firms. These have in fact forced a reappraisal of existing arrangements regarding working conditions resulting in a trend towards greater flexibility in all respects.

This is true first of all for the various forms of work organization. Forms of working which were hitherto regarded as unusual, such as part-time working, temporary work (labour hiring, fixed-term contracts), on-call work even home working are gaining ground. To make these working arrangements more attractive, efforts are being made in the Member States to improve protection under labour and social insurance legislation, i.e. to give those persons wishing to make use of them rights regarding working conditions and social benefits which considering the hours they work are proportionate to those of full-time workers.

These efforts to achieve greater flexibility also concern working time. Extensive opportunities to work more or less than the daily or weekly working time, to divide up the stipulated weekly working time unevenly over the working days etc., are not only accepted in practice but are even provided for in collective agreements.

Overtime was also a much discussed topic, with demands that, in view of the continuing unfavourable employment situation, it should be restricted as far as possible and compensatory leave granted in those cases where it is unavoidable.

As regards total working life, there is a discernible increase in the number of early retirement schemes agreed collectively and at company level; in some Member States, moreover, there is now provision for older workers to have a shorter working week or longer breaks than other workers in the same industry or undertaking.

Once again, a number of collective agreements included certain reductions in weekly working time, the general trend being towards 38 hours as a first step; the trade unions in some Member States are, however, already calling for the introduction of a 35 hour week.

Finally, the year under review, like the two previous years, did not see many new agreements on additional annual leave.

Labour Law

125. The changes in labour laws proposed and adopted in the Member States also reflect efforts to make them more appropriate and flexible in the face of the new situations in firms resulting from technological change. In particular, they concern part-time working, temporary employment and other unconventional forms of working. In some countries, moreover, attempts are being made to make labour legislation more flexible in general, so that firms may be freed of unnecessary legal restrictions.

The various EEC Directives, particularly those on equal treatment for men and women at work, collective redundancies and the protection of workers' rights in the event of transfers of undertakings have led to certain changes in national laws in a number of Member States. In many cases these had become necessary as a consequence of judgments by the European Court of Justice against the Governments of these countries.

Finally, fresh discussions were held and new initiatives adopted on the question of employee/employer relations, the right to strike and the worker's right of codetermination within the firm.

Development of the Situation in the Member CountriesWorking conditions

126. In Belgium, in August, the Government tabled a draft law on the introduction of new work arrangements in firms. The draft provides that the scope of the law should be determined by intersectoral collective agreement and should make it possible to implement the agreement of 23 April¹ on flexible working arrangements, concluded by the National Labour Court.

The intersectoral agreement signed in November provides for a recommendation to the sectors involved with a view to the generalisation of the 38-hour working week in 1987/88.

The Government's austerity plan, known as the Val Duchesse agreement, led to a number of changes with regard to early retirement. In particular, the minimum age was raised to 57 for all early retirement pensions under collective agreements (except for firms in difficulty). The normal retirement age for women is to be fixed at 65 years (instead of 60 as previously), the same age as for men, but this measure has not yet been implemented.

127. The average working week for industrial workers in Denmark declined to 32.5 hours in 1985 from 33.1 hours in 1984. These still provisional figures for 1985 apply both to full-time and part-time workers in firms employing six people or more. Differences between the various sectors of industry as regards the duration of working time were not very great.

As already noted in last year's Social Report², reductions in the working week for 1986-87 were adopted under the collective agreements prolonged in the spring of 1985. Labour and management in the metalworking industry reached agreement at the beginning of this year on the means by which a reduction of the working week by one hour was to be achieved; they agreed that this should be settled at company level, with the duration of daily working time being reduced by 12 minutes, for example, or the duration of weekly working time by one hour. For most of the private sector the reduction of the working week from 40 to 39 hours come into force with effect from 1 December 1986.

1 Point 104.

2 Social Report 1985, point 118.

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It was discovered that the number of women engaged in part-time work had declined between 1982 and 1984, the reduction applying mainly to women between the ages of 25 and 54.

The year under review saw the publication of the opinion of the expert committee instructed to look into the employment problems of disabled persons. This deals both with the question of preferential recruitment of the disabled for certain jobs and that of personal aid for disabled persons in employment. The opinion led to a revision of the circular on preferential recruitment to disabled persons in specific publicly regulated activities. In May, Parliament adopted a resolution on preferential recruitment to disabled persons in the public service.

128. The trend towards a working week of 38 1/2 hours in the Federal Republic of Germany, described in last year's report, continued in 1986. Collective agreements were concluded in mid-year introducing a 38 1/2 hour week for 42 % of all workers; 1.8 % obtained an even shorter working week, while 1.4 % were granted a 39-hour week. Arrangements aimed at making collectively agreed working time more flexible did not appear to play as large a role as had originally been assumed; however under the agreements reached specific groups of workers may work less or more than normal working time (groups, for example, engaged in standby or supervisory duties); furthermore, many collective agreements provide for special reductions in working time in the form of paid breaks for production line work or continuous shift work or in the form of paid days off for older workers or shift workers.

It is worth mentioning the emergence of collective agreements in some industrial sectors under which older workers with ten years' service or over may switch to part-time working with an average working week of 20 hours. Under agreements on early retirement, concluded particularly in the last two years, opportunities existed in the year under review for more than 7 million of the workers covered by collective agreements to take such retirement, i.e. 41 % of the total.

However, a study carried out by the Federal Labour Office's Institute for Employment Research showed that only a small proportion of those entitled to take early retirement are in fact doing so. At the end of 1985, only 45 000 out of an estimated 3/4 million entitled workers made use of this option. It would appear that the inducement to take early retirement is not all that great, since the early retirement pension amounts to only 65 % of final gross earnings. For this reason a number of Länder intend to make early retirement more attractive.

Prolongations of paid leave or improvements in supplementary leave pay played a very small part in the year under review. As a result of agreements concluded in previous years, some 98 % of workers were entitled in 1986 to minimum annual leave of four weeks, while 93 % were entitled to a minimum of five and 65 % to a minimum of six. The average collectively agreed duration of leave continued to be 29 days. As in the previous year, some 94 % of workers were entitled to supplementary leave pay.

In the middle of the year the Federal Government issued its report on the trend in overtime. It says that the amount of overtime worked by employees is significantly lower than in the 70s. The report not only sets out the reasons for the overtime still worked, but also ways of reducing overtime still further in order to promote employment opportunities. A poll revealed that most workers are prepared to accept a reduction in the extent of overtime. The unions and the employers likewise issued a joint statement advocating that overtime be avoided or reduced.

Generally speaking, labour representatives regard the introduction of new technologies in a firm as the right way to keep that firm viable and competitive. This was revealed by a poll carried out by the Federal Association of Young Entrepreneurs among the works councils and managers of its member firms. It was noted that, in a large proportion of cases, the initiative originated with the employees themselves. Many entrepreneurs believe that, overall, the new technologies create new jobs or at least safeguard existing ones. Only in some of the undertakings polled did the introduction of new technologies lead to a reduction in jobs. In response to this trend, the unions pressed for the protection of workers against the effects of technological change.

129. In Greece, the National Development and Planning Council took several important decisions in June and July concerning flexibility of employment and efforts to combat unemployment. Some of the measures affect working conditions :

- the retirement age was fixed at 60 years (55 in certain cases), and an early retirement scheme was introduced for a trial period of 6 months;
- arrangements permitting a fourth shift, i.e. weekend work (12 hours on Saturday and 12 hours on Sunday), were introduced;
- part-time work was authorized in the private sector, but prohibited in the public sector;
- links were introduced between productivity and pay increases;
- overtime was banned in the public and restricted in the private sector;
- parental leave was extended to the public sector under Law 1483/84;
- a total ban was imposed on the holding of two jobs;
- flexible working time was introduced; annual working time was reorganized.

Shops' opening hours continue to be the subject of heated discussion among those concerned : the Ministry of Labour is lined up against the supermarkets and retailers selling food, clothes, household equipment and leisure goods. All-day opening and discretionary trading hours, which do not exist in Greece (at present shops are open every morning, except Sunday and three afternoons a week - Tuesday, Thursday and Friday from 17 to 20 hours) are acceptable to some tradesmen but rejected by others. The Government has set up a committee to study the problem.

130. In Spain, one of the most significant social developments with regard to work organization is the increased use of temporary contracts and other special types of employment contract (part-time work, work experience and training schemes, community service work, etc.). According to the survey of the working population (second quarter 1986), special types of employment contract now account too nearly 50 % of all placements.

Another significant fact is the increase in part-time work : over 80.000 new contracts were concluded between January and July compared with about 54.000 in the same period in 1985. However, the proportion of part-time workers in the working population as a whole continues to be low.

With regard to the duration of working time, there have been no statutory changes as regards the working day, weekly rest periods, public holidays or leave. Under current legislation paid leave and public holidays are as follows (Articles 37 and 38 of the workers' statute): annual days of paid leave : 30 calendar days (statutory period which may be extended under contract or collective agreement); annual public holidays: 14 days.

Considerable changes have been introduced in the rules applying to overtime; the annual maximum has been reduced and now stands at 80 hours which will limit each worker's maximum working time, thus preventing the monopolization of work (in view of the scarcity of ideas). Another quantitative aspect of the rules on overtime working has also been changed, however; limits on the maximum number of daily and monthly hours worked have been eliminated, thus rendering the organization of work more flexible.

Working time under collective agreements has been reduced considerably. In agreements signed up to July annual average working time is fixed at 1804.5 hours, as against 1815.1 hours in 1985. The reduction is wholly the result of sectoral agreements where the number of working hours has fallen from 1820.6 to 1807.9. Working time under company agreements has remained practically unchanged at 1738.8 hours.

131. In France, the question of the adjustment of working time was one of the main concerns of the two sides of industry and successive Governments. The Law of 28 February 1986 amending the labour code, which concerns collective bargaining on the organization of working time, will certainly affect economic and social conditions in firms. It provides for :

- . The annual adjustment of weekly working time :
 - weekly working time, calculated as an average over the year may vary from 38 to 41 hours, or 37 1/2 to 44 hours;
 - such adjustment is possible only through collective agreement or extended branch level agreement.
- . Overtime :
 - hours worked in excess of 39 hours in one week, within the limits of the accepted adjustment, may not be set off against the annual quota of overtime hours; they do not give rise to overtime pay or to compensatory time off;
 - payment for overtime worked may be replaced by compensatory time off of equivalent duration, which may be added to existing compensatory time off;
 - the annual quota of overtime not subject to authorization by the labour inspectorate must be reduced from 130 hours per year to a maximum of 80 hours per year.
- . Content of the collective or branch-level adjustment agreements :
 - The rules for implementing adjustment agreements negotiated at intersectoral level must be approached by each firm in the context of the compulsory annual negotiations. Annual negotiations relate to the duration and organization of working time.
- . Smoothing of pay rates :
 - To ensure that wage-earners receive a stable income, independent of fluctuations in weekly working hours, the adjustment agreement may include arrangements for evening out wage rates; a similar charge may also be incorporated in collective or branch-level agreements.

A draft law on flexible working time, introduced by the Government, has been presented to the legislative bodies but has not yet been discussed. The Government draft provides for changes in working hours without an obligation to reduce working time, through branch, firm or even establishment agreement, and includes the possibility of allowing women to work at night under certain conditions.

132. In Ireland, there have been no very significant developments in relation to working hours and other working conditions. While trade unions claims made in the course of negotiations for new collective agreements under the 25th Pay Round included claims for a reduction in weekly working time, very few changes have occurred. In the case of manual workers, only a handful of company agreements have provided for a working week of less than 40 hours. That's why the Irish Congress of Trade Unions in the guidelines for the 26th Pay Round negotiations has urged unions to seek a cut in hours.

As regards annual leave, four weeks (20 days) is fairly widespread. Some agreements concluded in 1986 provide for a few additional days leave.

133. In Italy, the list of claims made in connection with the renewal of the collective employment agreements identifies the reduction of working time as an essential instrument for raising and safeguarding employment levels. The objective is a 38-hour week (or a 36-hour week for those employed in the civil service and education). The trade unions have called for a major reduction for all employees so as to safeguard existing jobs.

Other claims relate to the classification of jobs. The trade unions have acknowledged that the real range of classifications in firms following the introduction of technological and organizational changes has long been constricted by the rigid classification system defined at national level. The new classification structure also serves to protect the interests of workers for whom collective negotiations at a decentralized level are unfeasible.

Furthermore, the collective agreements to be renewed will have to define the criteria governing the classification of posts as "management posts" under Law 190/1985¹, which stipulates that employees are to be classified as "senior management staff", "management staff", "clerical staff" or "manual workers". The claims made with regard to management staff include the possibility for this category to enjoy flexible working hours based on specific arrangements.

134. In Luxembourg, a number of collective agreements were concluded in the steel industry in which the principle of flexibility of employment was redefined. The tripartite consultations on the regulation of so-called atypical forms of employment continued in 1986. They were extended to the broader field of the reorganization of working time and dealt, in particular, with three subjects:

- distribution of statutory working time over a reference period of more than one week in order to cope with seasonal fluctuations in activity;
- discussion of several forms of early retirement;
- reform of the Sunday work legislation which dates from 1913.

Following these consultations, the Government prepared the instruments which are presently in the draft stage.

135. During the period covered by this report, interest was focussed in the Netherlands on questions relating to greater flexibility on the labour market, the utilization of new technology and its effects on working conditions. In mid-1986 the Government submitted to Parliament an interim report on flexible forms of working, so as to continue discussion of these matters and draft recommendations after hearing the opinions of all interested parties. This report places particular emphasis on the role of the two sides of industry in this field. It would, for example, be possible to lay down in collective agreements the maximum number of such employment contracts (on-call work, temporary work, homeworking, etc.) which should be permitted per sector or undertaking and what conditions should be met if staff are to be employed on a flexible basis. Thought might also be given to having the Labour Foundation draw up recommendations as to how flexible forms of employment might be brought within the scope of collective agreements and the legal position of persons working on a flexible basis improved.

¹ Social Report 1985, point 133.

The largest trade union body, the FNV, has also expressed its opinion on this matter. It does not reject flexible contracts of employment out of hand, but points out that the legal position of persons employed under such contracts must be rendered more secure. However, it rejects contracts which fail to make any mention at all of the duration of working time. The unions are aware that they must play an active role, if they are to exert any influence on determining forms of work and the way they are organized and to organize these workers, most of whom are not union members.

The association of services sector unions has already stated that the working conditions of employees on such contracts must be improved in the 1987 collective agreement negotiations, particularly as regards their social and legal protection (sickness benefit, overtime pay, leave pay, minimum wage, redundancy arrangements, etc.).

The Labour Foundation has set out its position on homeworking in a discussion paper. Taking the view that it is neither desirable nor appropriate to abolish homeworking, the paper argues that the legal position of homeworkers should be improved, that existing regulations are totally out-of-date and that attempts should be made to get them more extensively covered by collective agreements. Payment of the legal minimum wage to homeworkers is not seen as an appropriate way of improving their lot, since monitoring is practically impossible and the minimum wage law can easily be circumvented.

A survey by the wages department of the Ministry of Labour and Social Affairs shows that, between November 1982 and April 1985, measures to shorten working time were introduced in some 40 % of all undertakings (involving 70 % of all employees). Those which did not introduce such measures were mainly small businesses. In 67 % of cases, working time was not reduced per day, but over a specific period of time (two or four weeks, a month or a year). The employers concerned estimated that some 20 to 25 % of the reduction was reused for the employment of additional workers, this figure being lower in small firms. The survey also revealed that, in 11 % of cases, working time was not reduced, although this was provided for in collective agreements, but that working time was reduced for 26 % of employees, although there was no provision to this effect in collective agreements. A further finding of the survey was that plant utilization time could most readily be adapted to reduced working time in medium-sized firms, while small and large firms tended to maintain the same plant operating time.

The FNV has emphasized the active role which employers should play in introducing technical advances into their businesses. It took the view that rapid introduction of new technology would have a beneficial effect on the employment situation in the Netherlands, though insisting that the human dimension be given priority. It was important, the FNV declared, that the new technologies be socially acceptable and that a purely defensive attitude aimed at preventing redundancies must be converted into a strategy which influenced the course of events. This required, in particular, investment in human capital and greater readiness on the part of employers to carry out innovations jointly. The FNV likewise wishes to step up collaboration between unions and works councils so that there can be greater encouragement of the introduction of new technology and a closer watch kept on its effect on working conditions. Emphasis was placed on the major importance of the technology advice centres which are to be set up with State aid and on the extension of the right of employees to participate in decision-making.

This new and more offensive strategy on the part of the unions will make it possible to invoke the some 40 technology agreements which have been concluded in the last few years between management and workforce or union in a number of undertakings. These agreements, which are not part of collective agreements, deal, for example, with the scope of and the timetable for the introduction of computers and robots, particularly as regards their effect on the quality of work and the number of jobs. However, the FNV feels that these agreements do not go far enough and attempts are being made to place the concept of social innovation on the same footing as that of technical innovation.

The association of services sector unions recently carried out a survey on the impact of automation at the workplace on operating staff, covering some 500 users from a large number of firms. The survey dealt with the influence of staff on the use of new technology, its effect on the quality and variety of work, the working atmosphere, health and ergonomic problems and the like.

The survey concluded that staff directly affected by the introduction of new office technology often saw the consequences in a different light from management, which frequently took the view that sufficient participation in decision-making had been granted. Neo-Taylorist tendencies at such workplaces could be avoided by a more active stance on the part of operators and greater discernment on the part of management.

136. In Portugal, the conclusion of the collective agreement concerning the Lisnave undertaking ¹ was accompanied by the conclusion of other firm-level agreements which should help to provide greater flexibility in working conditions, enabling many Portuguese firms in serious economic and financial difficulties to recover. In particular the agreements concerned the question of working time and the flexibility of work organization; they were subsequently signed by the general confederation of labour (Intersindical).

In this connection, attention should be called to the duration of working time for Portuguese workers, which is usually longer than for workers in the other Member States : the law of 1919 fixed the usual working day at 8 hours and the working week at 48 hours (under a special law, the working day and week for office workers were fixed at 7 and 42 hours respectively). Collective agreements between the two sides of industry have subsequently reduced the normal working week from 40 to 45 hours. The trade unions are pressing for the generalization of a 40-hour week; thus, one of the demands at the most recent Intersindical congress was the proposal to establish a maximum working week of 40 hours.

A Decree-law of 28 December 1976 established annual leave at 21 days minimum and 30 days maximum; entitlement to paid leave is obtained after one year of service. In this area, Portugal does not differ substantially from the other Member States.

¹ Point 114.

137. In the United Kingdom, there have been few major changes in conditions of employment, apart from the general move towards a basic 25 days' annual holiday. Only 1 % of employees had a minimum holiday entitlement of less than 4 weeks; 79 % had at least 4 weeks but less than 5 weeks; 20 % had 5 weeks or more. Actual holiday entitlements will tend to be higher than the minimum entitlement laid down in national agreements because of additions for such matters as seniority or local arrangements.

By December 1985, the average normal working hours for manual employees covered by national collective agreements or Wages Council Order was 39.0 per week, this is almost the same as December 1984 and compares with an average of 39.2 hours in December 1983 and 40.0 hours in December 1978. Only about 15 % of employees still have basic weeks of 40 hours or more.

There is evidence that within industrial undertakings working time patterns are changing to cope with fluctuations in output, by such means as the increased use of temporary and part-time workers and the introduction of "annual hours". Such moves, besides helping both competitiveness and jobs, also have advantages for employees through providing employment opportunities for those who have substantial domestic or educational commitments. Contractual arrangements are also placing more emphasis on sub-contracting and the greater use of self-employed workers. Claims over continuous employment in connection with short-term contracts recently resulted in the application of a House of Lords ruling that term-by-term contracts may be held to be one continuous contract.

The introduction of five or six crew shift-working, usually linked with multiskilling, is leading to more time off for the workers involved. Firms are spending large sums on retraining; in a few cases up to 5 % or more of the pay bill over a three-year period is envisaged in capital intensive industry.

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In an attempt to encourage job splitting the Government introduced in 1983 a scheme designed to encourage employers to split existing full-time jobs into two part-time jobs and so open up more job opportunities for unemployed people. The Scheme was extended from 1 April 1985 to enable employers to provide more job opportunities not only by splitting an existing full-time job, but also by combining regular overtime hours into a part-time job; or by creating two new part-time jobs for people leaving particular Government Schemes. It seems, however, that the Government scheme has had very limited direct impact, but that the idea has been taken up in some sectors to help women to combine work with child care.

For part-time jobs created from 1 April 1985 and maintained for a period of at least 12 months a grant of UKL 840 is paid to an employer. For existing jobs 'split' under the scheme before this date, the grant payable is UKL 750.

Labour Law

138. In Belgium, the law of 14 March 1986 amends Royal Decree No 179 of 30 December 1982 concerning experiments in the reorganization of working time in firms with a view to the redistribution of available work (they are known as the HANSENNE experiments, especially in connection with week-end work). The law includes provisions for the continuation of these experiments.

Royal Decree No. 424 of 1 August amends the provisions concerning the interruption of occupational activity set out in the Recovery Law of 22 January 1985¹. The aim of the decree is to give a definitive character to these provisions, introducing greater flexibility and making certain textual amendments. The increase in flexibility mainly concerns part-time workers. The decree also established the amount of compensation to be paid by an employer who does not fulfil the obligation to replace workers who interrupt their careers.

Two legal instruments were adopted to bring Belgian legislation into line with the EEC Directive of 17 February 1975 on collective dismissals. They became necessary following the judgment by the European Court of Justice (28 March 1985) which had noted certain discrepancies between Belgian legislation and the Directive, especially as regards the scope of the Belgian provisions.

These two instruments are :

- Royal Decree of 20 December 1985 (published on 15 January 1986) giving legal effect to collective agreement No 24c, concluded on 8 October 1985 by the CNT, with regard to collective dismissals;
- Royal Decree of 11 June 1985 amending the Royal Decree of 24 May 1976 on collective dismissals.

¹ Social Report 1985, point 127.

A Royal Decree of 5 March 1985 lays down procedures for the payment of remuneration by cheque, transfer, etc. and the assignment or attachment of assets in bank or post office checking accounts to which workers' remuneration is transferred.

139. In Denmark, following the judgment handed down by the European Court of Justice on 30 January 1985, the Parliament adopted, on 11 February, an amendment to the law on equal pay for men and women, so as to bring Danish legislation into line with the Council Directive of 9 February 1976. The amendment lays down that - in line with the Court's judgment and in view of the previously existing legal situation - the same remuneration must be paid not only for the same work, but also for work of equal value. Furthermore, the law will in future not only be applied to activities at the same workplace. This means that its scope has been brought into line with that of the law on the equal treatment of men and women in working life. Before its adoption the draft amendment was submitted to the two sides of industry for their opinions. Both approved and the amended law came into force on 1 March 1986.

140. On 23 May, the law on the safeguarding of the neutrality of the Federal Labour Office in the event of industrial action was promulgated in the Federal Republic of Germany. The most important provision of this law is the amended version of Article 116 of the Employment Promotion Law : its paragraphs 1 to 3 lay down conditions relating to the suspension of entitlement to unemployment benefit or the short-time allowance in respect of persons participating in industrial action or indirectly affected by industrial action. This is intended to ensure that there is no interference in labour disputes as a result of the granting of benefits by the Federal Labour Office. The unions contest the claim that the new provision ensures the Federal Labour Office's neutrality, maintaining, rather, that it restricts their freedom of action in labour disputes. The SPD party in the Bundestag, the Government of North Rhine Westphalia and the IG Metall union have initiated constitutional proceedings against the amended version of Article 116 of the Employment Promotion Law.

Under the revised version of the law on severely disabled persons, which came into force on 1 August, the chances of obtaining employment or a training place on the labour market have been improved for this category.

Among other things, the law now lays down higher compensatory levies on those employers who fail to employ the proportion of severely disabled persons prescribed by law, increases aid for severely disabled persons who need training, improves the recruitment and employment of severely disabled persons by means of financial support derived from the compensatory levy, and strengthens their right to be informed and given a hearing by granting a greater say to their representatives in decisions on filling vacant jobs.

During the year, the Federal Labour Court handed down a number of important judgments, particularly in respect of the competence and rights of work councils. These relate, for example, to their participation in decisions on the introduction of arrangements to monitor production line work and piece work, the requirement that they be informed when new staff are recruited, their right to demand short-time working in order to avoid redundancies and their political neutrality.

The unions have filed a constitutional complaint against the law on fixed term contracts for academic staff at universities and research institutions on the grounds that it abrogates a valid collective agreement and thus infringes collective bargaining autonomy. After employers and employees failed to reach agreement, the Government brought in this law, which broadened the option on which fixed-term contracts may be accorded and prolonged their possible duration.

141. In Greece, the Court of Appeal has annulled a decision by a first level court legalizing the minority leadership at the head of the CGTG trade union federation after the crisis triggered in the leadership of this body by the economic stabilization measures in October 1985. The Court of Appeal decision was based on Article 23 of the Constitution and Article 69 of the Civil Code. The present leadership of the CGTG has decided to appeal to the Supreme Appeal Court.

¹ See also point 107.

142. In Spain, with respect to rules concerning the right to work, attention should be called to general Law 2/1986 of 13 March applying to the Spanish State Security Forces, which includes rules on rights, representation and collective action by officials of the National Police Force. These officials are entitled to set up trade union bodies composed exclusively of officials from the police force. The law sets up a joint body known as the Police Council consisting of representatives of the authorities and officials. Its functions include mediation and conciliation in labour disputes, participation in establishing the conditions of service for officials, issue of information on staff regulations, disciplinary proceedings and general measures affecting officials.

The Royal Decree of 13 June laid down rules for the election of worker representatives in work places and firms. The basic rules are set out in the Law establishing the Workers' Statute while the Decree makes provision for implementing rules, which were approved a few months before the beginning of the elections taking place this year.

By Royal Decree / Law 1/1986 a number of urgent administrative, financial, fiscal and employment measures were approved, some of which will be described since they continue the approach initiated and developed in previous years with a view to making employment more flexible. The employer is given greater freedom to hire workers directly, without recourse to the employment office. In addition to earlier measures (under which this facility was available if no employment office existed in the locality concerned, or - where an office did exist -, it failed to fill the vacancy within three days) the decree provides for the posting of a public notice inviting applicants to pass certain tests for admission to the firm. Overtime hours may now be compensated for by time off rather than extra pay (this practice was introduced by collective agreement). The maximum number of overtime hours that may be worked in any one year is also reduced.

Four Royal Decrees of 1 August 1985 came into effect on 1 January 1986. They cover the special employment relationships of senior management staff, home workers, performers in public entertainment and middle-men in business transactions for which they bear no risk. The legal arrangements for such special relationships differ in various ways from what may be considered an ordinary employment contract.

The Economic and Social Agreement of October 1984 contained a clause in which the Government announced its intention to modernize Spanish labour legislation and align it with the body of Community law, of which the Directive of 17 February 1985 and the customary rules of the Member States in this area form part. The employers understood this clause to be a Government undertaking to amend existing legislation on collective dismissals by eliminating the need for administrative authorization when agreement could not be reached between the employer and the workers' representatives. The trade unions' position was exactly the opposite: they considered that the Directive permitted the existence in national legislation of rules more favourable to workers, which in the Spanish case implies that prior administrative authorization is required. This difference in interpretation gave rise to a debate which went on throughout 1986. It is unlikely, however, that the Government will change the rules relating to collective dismissals in the sense favoured by the employers, a few months before the expiry of the economic and social agreement.

Among the many decisions of the Constitutional Court regarding labour and social matters, attention should be drawn to Judgment 39/1986 of 31 March, concerning various clauses in the economic and social agreement which provide for consultation or future negotiations between the Government and the signatories (CEOE, CEPYME, UGT). Throughout the year, in its judgements the Central Labour Court has consolidated the jurisprudence relating to the concept of "inherently null and void dismissal" initially formulated in a judgment by the Constitutional Court in 1981 and applied repeatedly by labour tribunals : dismissals are considered to be of this type where it can be proven that the employer's act violates one or more of the fundamental rights guaranteed by the Constitution. It may also be noted that an increasing number of cases regarding disputes in connection with the various forms of temporary contract recently introduced to increase the flexibility of current labour law have been brought before the Labour Tribunals.

With respect to collective bargaining, many judgments handed down have confirmed (and in certain respects amplified) previous decisions accepting the validity of limited collective agreements, namely those referring exclusively to the members of the signatory organizations. This principle is important since under Spanish law the standard agreement is generally binding, provided it is signed by organizations representing the majority on both sides.

143. In France, Law No.86797 of 3 July 1986 eliminated the need to obtain administrative authorization for dismissals. In firms with less than 11 employees, individual or collective dismissals for economic reasons of less than 10 workers will no longer require prior authorization from the labour inspectorate. However, before the dismissal of one or more workers employed for at least one year, a prior interview must take place at which the worker may be assisted by a person of his choice from the firm. This procedure will be provisionally applied until 31 December 1986 in the case of individual and collective dismissals of less than 10 workers.

In firms employing more than 11 workers, individual and collective dismissals of less than 10 workers in the same 30-day period no longer require prior administrative authorization. However, in the case of workers employed for at least one year, an interview must first take place; a prior interview was not required in the case of dismissals for economic reasons. This provision will be implemented provisionally until 31 December 1986.

In the case of collective dismissals of at least 10 workers over the same 30-day period, the procedure requiring prior authorization will remain in effect until 31 December 1986 but will only relate to observance of the rules on the consultation of staff representatives and the scope of the social arrangements proposed by the employer. The authorities will no longer scrutinize the economic grounds for the dismissals.

The procedure for administrative authorization prior to recruitment and dismissal in the 12 months following dismissals for economic reasons is abolished. This check on recruitment penalized firms which could, especially in high technology sectors, need to dismiss certain workers and recruit others at the same time.

However, it is planned to retain the possibility, on the basis of an agreement between the State and the firm, to check the recruitment of workers when it follows a reduction in the workforce which entailed recourse to special allowances from the national employment fund (in other words early retirement allowances largely financed by the State).

Consultation with the authorities on dismissals in connection with individual procedures, provided for by the Law of 25 January 1985, is abolished. The authorities must nevertheless be informed of dismissals planned by the employer or the liquidator. Furthermore, the entire procedure for the administrative authorization of dismissals for economic reasons will be abolished from 1 January 1987. This will leave intact the rules on the consultation of staff representatives in cases of dismissals for economic reasons stipulated by the Law of 3 January 1975, as well as the specific dismissal procedures for protected workers, which will still require prior authorization.

Law No. 86-1320 of 30 December on dismissal procedures constitutes the final stage in the process initiated with the above mentioned Law of 3 July 1986, by abolishing - definitively this time - the requirement for prior administrative authorization from 1 January 1987. On the legislative level, this law incorporates the mechanism for a new intersectoral national agreement on employment concluded by the two sides of industry on 20 October, procedures for dismissal on economic grounds, and retraining operations for redundant workers. Further, this legislation provided an opportunity to revise and simplify the individual dismissal procedure laid down in the Law of 13 July 1973.

The Order of 11 August 1986 implementing the Enabling Law of 2 July seeks to simplify and ease the legislation governing different forms of employment (fixed term contracts, temporary work, part-time work). Inter alia, a new type of employment contract concerning intermittent work has been introduced; this contract is of indefinite duration for jobs which, by their nature, call for periods of work alternating with periods not worked.

Law No 86-280 of 28 February concerns collective bargaining on the reorganization of working time. Under this law, weekly working time may be adjusted so that any hours worked beyond 39 hours will not give rise to increased pay nor compensatory time off, and introduces certain restrictions on the existing provisions.

144. In Ireland, no new Labour legislation was introduced in Parliament during 1986; but a series of legislative provisions were studied :

- Proposals have been under examination for the amendment of the Unfair Dismissals Act, 1977 which protects individual workers against unfair dismissal.
- A review of the operation of the Payment of Wages Act, 1979 has been carried out in order to assess the benefits, from a crime prevention aspect, of payment by methods other than cash; the main purpose of this Act is to provide a legal framework for mutual agreement between employers and certain categories of employees for the payment of wages otherwise than by cash.
- In January, the Department of Labour published an outline of the principal provisions of proposed new trade dispute and industrial relations regulations. These would involve the repeal of the Trades Dispute Act 1906 and the substitution of legislation providing for positive rights for workers including the right to strike. The main elements of these proposals are : replacement of the present immunities based system of trade dispute law by a system that would give workers a positive right to strike; trade unions would be required to have a provision in their rule books to provide for a secret ballot before engaging in a strike or industrial action; picketing would be limited to an employee's own place of work; reform of the existing industrial relations institutions, including the establishment of a Labour Relations Commission which would have conciliation, advisory and research functions and responsibility for formulating codes of practice; and there would be a change in the arrangements governing the granting of injunctions by the Courts in industrial dispute situations.

As regards these proposals, the initial reactions of the Federated Union of Employers were "disappointing", while the Irish Congress of Trade Unions made no comment.

What may be a significant legal decision regarding temporary work was made by the High Court in April, when it clarified the status of agency workers engaged on a temporary basis by determining that they are not employees of the company where they work.

Under the Protection of Employees (Employers' Insolvency) Act, 1984 which implemented Council Directive 80/987/EEC on the protection of employees in the event of the insolvency of their employer, over 8 500 applications for entitlement under this Act have been processed by the Department of Labour during the twelve months period October 1985 - September 1986. They concern 410 employers with payments totalling over IRL 4 million; nearly IRL 2,5 million of the outstanding entitlements refer to minimum notice awards, IRL 1 million to holiday pay and IRL 0,6 million to arrears of wage.

145. In Italy, Decree Law No 34 of 20 February 1986 extending from 1 January 1986 to 30 June 1986 the fiscalization of social security contributions and other charges in the Mezzogiorno, was published in Official Journal No.43 of 21 February 1986.

The Decree Law does not merely prolong the measure, but introduces important changes as regards the percentage of fiscalization relief, the amount of contributions subject to relief, and the conditions to which this concession is subject.

In addition, a Decree Law of 30 December 1985 on the promotion and development of entrepreneurship among young people in the Mezzogiorno, which became Law No.44 of 28 February 1986, constitutes an innovation in the history of State intervention in the Mezzogiorno : for the first time, legislation has been adopted to assist young entrepreneurs.

This provision is based on the conviction that an expansion of the productive and economic base - and thereby of employment - in the Mezzogiorno will only be possible if the energies of young people who are ready to undertake new activities are encouraged.

The Law is clear : the facilities are restricted to cooperatives and companies with their head offices in the Mezzogiorno, a majority of whose members (in the case of cooperatives and similar structures) or shareholders (in the case of companies with share capital) are aged between 18 and 29 years.

146. In Luxembourg, in 1986, the preparatory work for the reform of unemployment benefit legislation was completed and a draft was presented to the Cabinet. The reform will introduce a number of detailed improvements to the national legislation in this area; better provision will also be made for unemployed workers considered difficult to place. In this context, the insurance scheme for self-employed workers has been made more flexible.

For the period covered by this report, no changes were made in legislation or regulations concerning individual or collective labour law.

147. In the Netherlands, the report period saw a change in labour legislation designed to permit the employment of women on nightshift work in industry, though continuous nightwork is expressly excluded. Employers wishing to take advantage of this option must apply to the labour inspectorate for authorization.

The Government is planning to consolidate in a single new law the various rules on equal treatment for men and women currently scattered about in a series of laws. More particularly, two existing monitoring committees are to be merged and given extended powers. Arrangements are also to be introduced for the correction of job advertisements which do not comply with the principle of equal treatment.

Similarly, the 1945 Special Decree on employment relationships is to be amended so as to eliminate the expression "female household staff", since the latter might lead to discrimination between men and women. Instead, the text will refer to employment relationships for (male and female) employees working in the household of a natural person normally for less than three days a week. In addition, the Decree is to be amended so as to simplify the procedure for obtaining authorization for dismissals in those cases where the dismissals arise from insolvency and are hence unavoidable.

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On 1 July a Law on the employment of handicapped persons entered into force. The aim is to encourage employers and unions to preserve jobs for handicapped persons and to make substantial efforts to further their integration into employment over the coming three years. Should this aim not be fully met, the sector in question, or a part of this sector, or the relevant public bodies will be required to set aside a specified percentage of jobs - varying between 3 % and 7 % - for handicapped persons.

It is hoped to introduce statutory arrangements for parental leave by the middle of 1988. The intention is that each parent be entitled to reduce his/her working week to 20 hours for a six-month period. This unpaid leave could be taken for up to two years following the birth of the child (or four years following adoption). Consideration is also being given to extending the duration of maternity leave from the current 12 weeks to 14 weeks.

The transport union brought an appeal against a transport firm on behalf of two drivers disciplined in December 1985 for taking part in road blocks. The appeal court in Arnhem held that an individual worker could not be expected to judge in advance the legality of action organized by his union.

148. In Portugal, the entry into force of a new company legislation should be noted, since it opens up possibilities for the development of forms of worker participation in firms. Part of the law concerns the obligation regarding publicity, which has repercussions on the right to information about social and employment matters, and is of some significance.

Parliament has rejected the government proposal for a law seeking to relax existing legislation on individual dismissals.

Parliament has adopted a general law aimed at resolving the difficult situation of several hundred thousand workers whose pay is in arrears, making it possible for them to elect to suspend or cancel their employment contracts.

Lastly, the Standing Council on social concertation is examining a draft law presented by the Government designed to revise the law on collective bargaining.

149. The 1986 Sex Discrimination Act, amending the 1975 Act which was given the Royal Assent on 7 November, brings the United Kingdom into line with the EEC Equal Treatment Directive following the November 1983 judgment of the European Court of Justice. The Act makes void discriminatory provisions in collective agreements, abolishes the small firm exemption, narrows the "private household" exemption and abolishes "hours and worktime" provisions in factory legislation protecting women. The Bill also makes it unlawful discrimination for a woman to be dismissed on age grounds, when a man in comparable circumstances would not be dismissed. The unfair dismissal provisions will be amended to comply with the EEC Equal Treatment Directive. The Act will be changed so that unless there is a normal retirement age for the job that is the same for both sexes, both men and women can claim unfair dismissal up to the age of 65.

The 1986 Public Order Act has also been made law, affecting the policy of picketing and other actions arising in industrial disputes. The former common law and statutory offences are now replaced by a new range of statutory ones with both offence and remedy laid down more precisely. The Act also provides new rules for the organisation and conduct of public procession and assemblies, e.g. advance notice, police discretion to control or ban such events. Only one section of the Act came in force on 1 January 1987 : advance notice of public processions.

The 1986 Wages Act, removing statutory controls over the way wages are paid and over wage rates themselves, began operating in certain respects from 25 September, e.g. Part. II which drastically curtailed and simplified Wage Councils Order. All 26 existing Wage Councils, covering 2.7 million of workers, continue to control the 'low wage' industries they affect but their old style orders are being replaced by new restricted one. Part I, introducing cashless pay, came into effect on 1 January 1987, affecting some 7 million people.

The Government undertook a consultation exercise concerning proposed changes to the Transfer of Undertakings (Protection of Employment) Regulations 1981 implementing the European Communities Acquired Rights Directive (77/187/EEC), which is intended to safeguard employees' rights in the event of transfers of undertakings, businesses or parts of businesses. The changes which the Government is contemplating are intended to clarify the Regulations compatibly with existing Community obligations, in the light of developments in caselaw and relevant UK statute law, since the Regulations were made in 1981.

There have been three cases which may be viewed as having a significant effect on the development of labour law in the United Kingdom :

- *Falconer v. ASLEF and NUR*. It was held that a strike called by the defendant unions constituted unlawful interference with contract and that as the union had not held a ballot in accordance with the Trade Union Act 1984, immunity from liability in tort was lost and the railway passenger, the plaintiff, was entitled to damages. The importance of the case lies in the courts willingness to find that a person could successfully claim damages against a union where it could be shown that the union intended action to be taken against a class of persons of which the plaintiff was one even though the plaintiff was not specifically known to the union and was not identifiable by name at the time the union committed the tort. This decision considerably widens the scope of a union's liability for its tortious acts.
- *News Group Newspapers Ltd and Others v. SOGAT '82 and others* continues, with more pronounced emphasis on certain areas, to develop the trend which has already be seen towards the use of interlocutory injunctions by employers to prevent industrial action taking place. The case arose out of the so called "Wapping" dispute and resulted in the plaintiffs being granted an injunction limiting the numbers of pickets to six. The case emphasises the willingness of the courts to rely on the Secretary of State's guidelines contained in the Code of Practice on picketing. The High Court

found that the defendant unions could be taken to have authorised the commission of a nuisance or other tort where the union organised events which regularly resulted in the commission of various torts and took no action to discipline those of their members who were responsible.

- Express & Star Ltd. and Others v. NGA and another. This case continues to develop the recent trend of employers to resort to the courts for contempt proceedings where the union has failed to obey an injunction imposed by order of the court. The significance of this case lies in the decision given by the Court of Appeal on the way proceedings for contempt in industrial disputes should be dealt with. The court of Appeal overturning the decision of the High Court held that in proceedings for contempt, it was not necessary to apply the various tests which have to be applied before a union can be made liable in a proceeding in tort.

In May the Government published a White Paper "Building businesses" not barriers" announcing a second package of measure to help business by tackling unnecessary regulations. The Paper puts forward proposals in a variety of areas, including that of employment law. These proposals are aimed at reducing the burden imposed on employers by some of the existing employment law whilst still maintaining adequate safeguards for employees. Proposals include : suggestions for minimising the time and money spent on legal proceedings before industrial tribunals; relieving many small firms of certain legislative burdens; limiting the range of duties for which time off with pay must be allowed to lay trade union officials to the scope of union recognition by the employer (no change proposed in allowing time off without pay).

Chapter VIWAGESTrends within the Community

150. The sharp slowdown in the inflation rate in all European countries has had a very favourable effect on household real incomes. The fall in oil prices has enabled all economic agents to achieve further improvements, while the appreciable increase in real earnings will help to sustain overall demand and thus promote economic growth. Parallel to this favourable trend, the labour market is still subject to major upheavals whose effects are being felt right down to the wage formation process.

151. The most significant trend, which has been apparent for some years already, is the reappraisal of automatic wage indexation. The policy of wage restraint continued in all Community countries in the year under review: in practical terms, this has meant smaller increases in workers' incomes, while firms and the self-employed have undoubtedly benefited to a greater extent. The financial situation of the company, economic trends and increases in productivity are now taken into consideration in wage negotiations as well as inflation and purchasing power.

Collective agreements freely negotiated between trade unions and employers' organizations are playing an increasing role in fixing working conditions and wages; the public authorities are tending to play a smaller part in wage negotiations, leaving them to the two sides of industry alone. Government increasingly confine themselves to establishing broad guidelines in keeping with their economic policy.

The trend towards individual wage fixing is becoming more firmly established. While not always successful, many attempts have been made or experiments carried out to link part of a worker's wages more closely to the financial situation of the company. Alongside this, the minimum wage is often contested by the employers' organizations. Wherever it exists, official or unofficial derogations have been introduced to promote the employment of young people.

The reorganization of the labour market and the emergence of new activities encourage the development of unconventional little-regulated forms of employment relationship, giving the workers concerned few guarantees.

We are seeing, then, the emergence of a new category of wage-earners with insecure incomes giving rise to new problems not only in social terms, but also with regard to regulation at macro-economic level.

152. The accession of Spain and Portugal to the Community has further widened the disparities between the Member States. Income levels are lower in these countries and the structural problems are different from those encountered in the other Member States (with the exception of Greece). The cooperative growth strategy for more employment proposed by the Commission¹ is, then, still necessary in order to improve harmonization between Community countries.

¹ Social Report 1985, point 3.

Belgium

153. For several years a feature of wages policy in Belgium has been its broad continuity. The principles on which it is based are unchanged: wage restraint, non-payment of about 2 % annually due under the indexation systems and efforts to improve or at least maintain competitiveness. On this last point, there are major differences of opinion between employers and workers on the definition of a criterion for competitiveness (e.g. should it take account of wage costs alone or include other factors as well?).

In addition, Royal Decree No. 401 of 18 April 1986 consolidates the system under which payment of certain index-linked increases is withheld. This decree introduces a wage restraint contribution which will be added to the employer's social security contribution from 1 January 1987.

The ban on wage increases has often been circumvented by granting workers fringe benefits (i.e. luncheon vouchers, reimbursement of transport costs, benefits in kind).

A preliminary draft law drawn up by the Ministry of Economic Affairs seeks to introduce a measure of wage differentiation by promoting the idea of "profit-related earnings."

In spite of the successes achieved in combating inflation, real earnings were expected to rise by a relatively small amount (less than 1 %) in the year under review.

The guaranteed average monthly minimum income, which amounted to BFR 33 349 on 1 October 1985, is unchanged. The multi-sector agreement of 7 November¹ provides for a BFR 350 increase in this minimum income to BFR 33 699 on 1 January 1987, but this has to be confirmed in collective agreements at sectoral or undertaking level.

¹ Point 104.

Denmark

154. The decisions taken last year to contain the rise in wages and salaries ¹ were far exceeded by actual events in the year under review. Instead of the 2 % envisaged for workers in the private sector in the first year of the two-year agreement, these workers obtained an estimated 4 3/4 % pay increase, while white-collar workers saw their wages rise by some 5 1/2 %. In other words, there was a considerable wage drift. The trend in wages and salaries varied considerably from sector to sector and from one group of workers to another : the increase was particularly high in the building and public works sector, where, in individual cases, skilled workers obtained increases of more than 10 %. At the other extreme, unskilled women workers obtained increases of less than 4 %.

In comparison with other Member States, price inflation in Denmark was high in the year under review, amounting to a 3 1/2 - 4 % annual average. The rise in prices accelerated in the course of the year despite the decline in energy costs and the falling dollar, mainly due to the fact that the Government, as part of the so called "Christmast package" and "Easter package", increased a number of excise duties. All the same, Danish employees recorded a real increase in their average earnings (estimated at slightly more than 1 %) for the first time since 1979. For public employees real incomes continued to decline because there are no wage drift possibilities in the public sector.

Since the suspension of the cost-of-living allowances comes to an end along with the two-year collective agreement expiring in 1987, a number of unions pressed the Government to state what it proposed to do thereafter. Partly in response to this and partly in order to provide the two sides of industry as early as possible with a basis for negotiations on a renewal of the agreement in early 1987, in May Parliament adopted a law tabled by the Government under which existing agreements on the grant of an automatic cost-of-living supplement on expiry of the suspension are cancelled.

¹ Social Report 1985, point 141.

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The law permits only allowances covering certain types of expenditure (e.g. cleaning, clothing and travel allowances) to be raised in line with price or expenditure trends. The unions take the view that this law is a provocation in view of the collective agreement negotiations due next year. They have therefore complained to the International Labour Organization that the Government has interfered with collective agreements and thus infringed freedom of collective bargaining.

In its spring report the Economic Council makes an extensive analysis of trends in the distribution of income over the various groups. The findings of the 1981 family budget enquiries were used, so that the income situation could be examined in relation to work performed. One finding was that the relative gap between men's and women's incomes has narrowed considerably over the past two decades. The largest Danish trade union federation, the association of unskilled workers, issued a series of reports by a committee set up in 1984 under the title "Growth, Prosperity and Welfare", which clearly show that the income and social policies pursued by the Government in the last few years have hit unskilled workers and social benefit recipients the hardest.

Federal Republic of Germany

155. In the year under review, the unions again endeavoured to achieve an appreciable improvement in workers' income situation. The result was that the agreements concluded for the majority of employees in the first half of the year produced, on average, an improvement of 4.3 % in collectively agreed wages and salaries. Increases in the manufacturing industries were without exception higher than in the rest of the economy. Calculated on a monthly basis, the improvements in collectively agreed wages and salaries both in the manufacturing industries and in the economy as a whole were somewhat lower than those in hourly rates, since the latter are affected by the reductions in the working week agreed last year and in the year under review, which result in an increase in hourly wages but not in collectively agreed monthly rates.

In the first half of the year, earnings failed to keep pace with agreed wages. The average gross hourly earnings of industrial workers, for example, rose by 3.7 % (men 3.7 %, women 4.5 %) between July 1985 and July 1986, but because of shorter actual working time the weekly earnings of industrial workers rose by only 2.6 %. The increase in the gross monthly earnings of white-collar workers in industry and commerce was somewhat larger in the same periode : i.e. 3.9 % (4.2 % for women and 4.0 % for men).

Since the upward trend in prices continues to level off - and in fact gave way in the second quarter to a decline in the cost of living index, which is calculated on an annual basis - the nominal increase in earnings was reflected in a roughly equivalent real increase in the gross hourly earnings of workers and the monthly earnings of white-collar workers. Thanks to the income tax relief which came into force on 1 January, net incomes rose even faster than gross earnings, so that the purchasing power of the available earned income of private households rose by 4.5 % in the first and 6.5 % in the second half of the year.

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The second asset participation law adopted on 19 December expands the provisions of the first law on asset formation which came into force on 1 January 1984¹. The new Law took effect on 1 January 1987; it expands asset sharing opportunities for employees and substantially increases the amount granted : first, the tax-free ceiling under income taxes rules is raised from DM 300 to DM 560 (this benefit applies to all holdings granted to workers by the employer free of charge or at a reduced rate) and, second, the scope of the premiums granted to workers for asset-formation purposes is extended to cover capital investment outside the undertaking.

Spain

156. The 70s were characterized by a high degree of inflexibility with regard to real wages, leading to an increase in wage costs and a loss of competitiveness on the part of Spanish industries.

Although there is no official index-linking mechanism, wages are determined on the basis of official price forecasts. The price/wage spiral, fuelled by trade union claims, has been broken only in recent years.

Despite continuing upward pressure on real wages, the switchover to an indexation system based on forecast inflation rules after 1978 led to a steady slowing down of the rise in nominal wages and a gradual fall in the inflation rate, which admittedly has been helped by international economic developments since 1982.

¹ Social Report 1984, point 131.

The Economic and Social Agreement of 1984 fixes the parameters for establishing the permitted maxima for pay increases.

The multi-sector minimum wage is laid down by law on the basis of inflation, productivity and economic trends. Minimum wages were increased at the beginning of 1986 by 8 % and 11 % respectively:

Workers aged		
over 18 years	1 338 PTA/day	40 140 PTA/month
17-18 years	821 PTA/day	24 630 PTA/month
16-17 years	517 PTA/day	15 510 PTA/month

The negotiations between the two sides of industry in 1986 produced an average pay increase of 8.15 %. The average wage is, then, 602 PTA/hour or 102 600 PTA/month.

The agreements contain a "wage adjustment" clause should the officially announced inflation rate prove lower than the actual increase in prices, which was the case in 1986.

As the fight against inflation has made significant progress, it is probable that workers' purchasing power increased by around 2 % in 1986.

Greece

157. The measures designed to stabilize the economy, introduced in 1985 which involved on the monetary side devaluing the drachma and as regards economic and social policy cutting down imports and applying a very restrictive incomes policy, continued to be implemented in 1986. The aim of these measures is to improve the balance of external payments by increasing the competitive position of home-produced goods.

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Since inflation had not been brought under control (the annual average was about 23 %), workers purchasing power was cut severely.

The new system of indexation introduced in October 1985, providing for the advance indexation of wages three times a year, produced various pay increases : 4.5 % for the first four months of the year, 1.3 % for May to August, and 4.7 % for September to December, giving an increase of 10.8 % for the year as a whole.

The statutory minimum wage (or basic wage) of an unmarried worker was DR 1 716 per day at the beginning of September 1986, which has meant that those receiving it have been unable to maintain their purchasing power.

Despite the severity of the measures introduced, no rapid headway is being made towards bringing Greece's economic performance up to the level of its European partners. The fight against inflation has produced significant results, and there is every reason to believe that wage moderation will be necessary for several years yet. In confirmation of this view, the 'poverty index', a combination of unemployment and inflation rates, reached its highest level in Greece in 1986, while falling in every other Member State.

The combination of high inflation and a low rate of pay increases has led to a considerable shift in favour of non-wage income. A favourable sign is that an improvement is apparent in industry's financing capacity which should be reflected in increased investment. At the same time, the burden of taxation has been shifting over the last 10 years. Increasingly, taxation hits workers and retired persons harder, to the benefit of industrialists and the self-employed.

Over the first six months, disposable household income increased 16.8 % as against 22.5 % for the same period in 1985. The overall increase of gross wages and salaries in 1986 is estimated at 14.6 % and that of net wages and salaries at 13.2 %. Given an annual inflation rate of nearly 23 %, there was an almost 10 % fall in purchasing power.

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At the same time, labour costs increased less sharply: up 13 % in the first quarter of 1986 as against 26.3 % in the first quarter of 1985 and 22.7 % in the first quarter of 1984.

Lastly, it should be noted that the Bank of Greece, in its annual report, proposes the introduction of a greater measure of flexibility in the mechanisms for setting wages, which is tantamount to calling into question the present system of indexation which is hampering the fight against inflation whilst failing to provide effective protection for workers.

France

158. A policy of wage moderation was again necessary this year. Following three years of stagnation, or even regression, in purchasing power, the first half year was more favourable from the workers' point of view. Over the year as a whole, pay has probably increased more rapidly than prices. Several trends are emerging or are being confirmed.

Wages in the public sector serve as a reference for the economy as a whole. The government formed after the general election in March 1986 decided to freeze pay in the public sector following a devaluation of the franc, but the increases already granted will be implemented.

Both employers and workers noted the success of the fight against inflation. Since the wages/prices spiral had been broken, wage indexation based on actual price trends was no longer required.

The nature of taxes and compulsory social security charges is changing. Despite the declared desire to see these reduced, the latter will continue at a stable level in 1987. The uniform three point reduction in income tax, decided by the previous Government and applied as soon as the first advance payment of tax will be offset by two additional levies

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of 0.4 % on all 1986 income and a 0.7 point additional contribution to help finance retirement pensions under the social security scheme.

The talks on the move towards more individualized pay structures continued to cause a stir in trade union and employers' circles. Firms are in favour of splitting wages into a guaranteed and a variable element dependent on group or individual performance. There is no longer any question of abolishing the minimum wage and the employers' ideas of a special statutory minimum wage for young people have not yet been implemented in any way. The repeated training courses, contracts or Community Service Jobs offered to young first-time job-seekers are nevertheless one step in this direction.

The statutory minimum wage (SMIC) was increased on 1 June and 1 July: the increase of 1 June (+ 2.1 %) was the first since 1 July 1985, an exceptionally long interval; it merely reflects the increase in the price index. The increase of 1 July is a result of the 1970 law on the alignment of the purchasing power of the SMIC on that of the average wage. It has resulted in an increase of 1.24 %, raising the SMIC to FF 26.96 per hour (FF 4 549.48 per month gross and FF 3 846.59 net).

As a result of falling inflation, purchasing power increased in 1986 as follows:

Increase in percentage of workers' hourly wage rates, the SMIC and prices

Year	Workers' hourly Wage rate	SMIC	Price
1982 - 1983	10,4	13,7	10,4
1983 - 1984	6,6	6,8	7,0
1984 - 1985	6,0	9,2	4,9
1985 - 1986	3,7	3,4	2,2

This trend is likely to be less favourable by the end of the year with more marked reductions in staffing levels, slowing down of growth in public service salaries, an increase in social security contributions and a lower rate of increase in wages.

Ireland

159. The level of wages is freely determined in Ireland, during negotiations between employers and workers which are held each year, the agreements remaining valid for a period of between 12 to 18 months. The last agreements arising out of the 25th Pay Round were concluded at the beginning of 1986¹. In the private sector, signed agreements made provision for wages increases of the order of 6 % on an annual basis. As for the building industry, employers and workers accepted a recommendation by the Labour Court for a four-month wage freeze from 1 September 1985, followed by an increase of 5 % from 1 January and 2 % from 1 June 1986.

In the public sector, a wage freeze was agreed for the first four months of 1986, an increase of 3 % in May, 2 % in January and 2 % in May 1987. The cumulative increase was 7.2 %, corresponding to a complete turnaround in the Government position, as it had advocated maintaining the status quo in 1986.

The earnings of workers in industry increased by approximately 6 % on average between June 1985 and June 1986. In the same period, consumer prices increased by 4 1/2 %, with the result that wages grew in real terms by 1 1/2 %.

During the year the rate of inflation went on declining, averaging around 4 %. This favourable trend may have resulted in an increase of more than 2 % in workers' purchasing power.

¹ Point 110.

Italy

160. For several years, the central theme of collective bargaining in Italy has been the "sliding scale" wage indexation system. Employers and employees reached an agreement at the beginning of the year on the rounding off of the cost of living index to the nearest decimal point and the consequent pay alignment.

The agreement was first implemented at the end of May when, on the occasion of the half-yearly indexation payment, an increase of LIT 6 800 was granted; the arrears were paid in two equal instalments, in May and September.

Despite its inflexibility, there is no indication that the present system of wage indexation will be abandoned in the near future. It no doubt explains the poor results achieved by Italy in combating inflation as compared with the rest of its European partners. Considerable progress has nevertheless been made in this field (inflation was brought down from 10.8 % in 1984 to 5.8 % in 1986), entailing thus a small decrease in real wages. Disposable incomes should have maintained its purchasing power, as the Government has decided to reduce taxes due for the first half of 1986 on the gross wages of a considerable number of employees.

The principle of a recruitment wage has been adopted. It allows firms to save 30 % through reductions in social charges.

Luxembourg

161. The very favourable results recorded for several years in the fight against inflation enabled Luxembourg to relax its wage restraints. Following the return to the automatic adjustment of wages and salaries in line with price trends in January 1985, we are now seeing some catching up. In the steel industry, for instance, cuts in wages imposed in 1983/84 to help salvage the steel industry were restored in 1986.

¹ Point 111.

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Several factors which helped to accelerate the rise in incomes in 1986 will also have an effect in 1987 :

- the Government passed a law providing for an additional increase in wages of 1.5 % (the "special indexation instalment") to be accorded in two stages: 1 % in July 1986 and 0.5 % in January 1987. This amounts to reintroducing the arrangements for advance indexation increases (the effects of wage indexation will therefore be of the order of 2 % in 1986 although no ordinary indexation increase actually fell due);
- the statutory minimum wage was increased by 3 % a real terms on 1 April; the new amounts were then as follows (a new increase took place on 1 January 1987):

	<u>Monthly rate</u>	<u>Hourly rate</u>
Unskilled workers without dependants	28.815 LFR	166.56 LFR
Unskilled workers with dependants	29.689 LFR	171.61 LFR
Skilled workers		
- with dependants	35.627 LFR	
- without dependants	34.578 LFR	

- in the civil service, salaries were raised across the board by 2.5 % on 1 January 1986 as a result of the increase in the value of the standard unit of remuneration. The Laws of 28 March and 27 August also provide for a certain number of adjustments both with regard to the harmonization of promotions and with regard to the elimination of cases of hardship;
- substantial reductions in direct taxation (assessed at nearly 2 % of private consumption) are envisaged for 1987 and 1988.

In addition to the foregoing measures, a special education allowance (varying between LFR 1 706 and LFR 5 118 per child) was granted in August to families with at least two children of school age and in November, a guaranteed minimum income was adopted; in view of all this the increase in wages - of the order of 3 % in 1986 - can be expected to continue at a similar if not a higher rate in 1987.

The Netherlands

162. At the beginning of the year, Parliament adopted an amendment to the law on the determination of wage rates, restricting the power of the Minister for Social Affairs and Employment to intervene. From now on, the Minister will only be able to intervene in a crisis provoked by factors arising suddenly, whereas previously he could do so in the interests of the national economy. The Minister is now required to communicate the content of his decision to Parliament one week prior to its application and to consult the two sides of industry in advance.

A debate on the consequences for the employment of young people of the existence of a minimum wage has not resulted in substantial amendments. The Government is in favour of granting a single payment to those receiving the minimum wage instead of the half-yearly system of indexation. In 1986, the purchasing power of workers receiving the minimum wage was maintained.

The Government is seeking to give priority to consultation on wages and salaries. Consequently, the law on incomes not determined by collective agreement will not be prolonged in 1987. The purpose of this rule was to encourage overall increases in pay, whether or not covered by collective agreements. The Minister for Social Affairs and Employment considers that to prolong a rule of this kind scarcely complies with the restriction on the Government's powers in relation to wages and salaries laid down in the law on the determination of wage rates.

In nearly all the collective agreements (15 in number) signed this year, the cost of living adjustment mechanisms were replaced by general wage increases and single cost-of-living payments. The gross increase in wages and salaries agreed collectively should be of the order of 1.1 % on average, giving a real increase of 0.3 %, compared with a reduction of 1.4 % last year.

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A comparative study has shown that the pay of most civil servants is generally lower by up to 30 % than that in the private sector for comparable duties and qualifications. This applies in particular to those working in the public services (health care, social assistance, libraries and public transport).

Entrepreneurs in search of new capital may henceforth sell shares to their own employees. Employees who make over a part of their net earning to this effect will, thanks to tax relief schemes and with the aid of public funds, soon be able to build up considerable assets. A number of trade unions affiliated to the FNV have, together with the financial institutions, set up their own company to provide advance finance for the acquisition of shares by workers.

Portugal

163. As part of its financial stabilization plan introduced in 1983, the Government tried to control the rise in wages and salaries under collective agreements, in particular in the nationalized industries. However, it was noted that in the first half of the year the average increase in collectively agreed wages and salaries for workers in nationalized industries was 21.5 % as against 17.8 % for workers in private industry. The average increase in collectively agreed wages and salaries was 19.4 % in the first half-year. It should be noted that in the second quarter, wages and salaries increased on average at a lower rate, given that in the meantime inflation figures have shown earlier forecasts to be too pessimistic.

The Government pursued its anti-inflation policy with great success, with the result that the rate of increase in consumer prices fluctuated around 11 % to 12 % in mid-1986, after reaching almost 20 % the previous year. Consequently, in the first half-year, Portuguese workers benefited from a considerable increase (4-5 %) in real wages and salaries set by collective agreements, which is generally considered a good recovery as compared with the preceding years.

Although inflation has a considerable impact on wages and salaries, there is no indexation mechanism as such.

In the public sector, increases in wages and salaries are laid down by the Government following consultation with the trade unions. These public service contracts and contracts with the principal public sector undertakings which enter into force at the beginning of the year serve as a reference for all sectors of the economy. Wages and salaries in the public sector were, for example, increased by 16.5 % in January 1986.

A minimum wage is fixed every year by the authorities in such a way as to differentiate between agriculture, domestic service and the rest of the economy. Following an increase of 17 % on 1 January 1986, the minimum wage was set at ESC 15 200 for domestic services, ESC 19 500 for agriculture and ESC 22 500 for all other sectors.

With regard to the forecasts for 1987, mention should be made in particular of the tripartite agreement on incomes policy for 1987 agreed by the Standing Council for Social Concertation (involving the Government, the trade union confederation UGT and the three employers' bodies, since the Intersindical did not wish to take part). The document accepts as the aim of the incomes policy envisaged the need for consistency in pursuing the following strategic objectives: employment; the modernization of the

economy; increased productivity; a rise in real wages, which should grow in line with increased productivity, and the formation of savings, due to the fall in inflation.

In this document, methods have been finalized for calculating wages and salaries in collective agreements : the latter should take account of anticipated or projected inflation; the indicator adopted should evolve at a constant rate throughout the year; nominal pay increases must be based not only on inflation but on expected productivity gains and the competitiveness of industry; expected productivity must relate to the sectors or individual firms referred to in the negotiations; the financial and economic situation of the respective firms or sectors should also be taken into consideration.

The document also comprises a recommendation on the factors influencing price trends, in particular the direct impact of cost adjustments on prices. The role of interest rates and exchange rates is seen as vital in enabling a fruitful return to be obtained on savings, reducing the burden of financial charges in business costs structures and stimulating investment. These rates will tend to steady in response to current and anticipated inflation rates. Lastly, the document affirms that an effective incomes policy will make it possible to sustain the minimum income level, on the basis of the policy set out therein.

United Kingdom

164. Pay problems continue to be in the forefront since they weigh heavily on the competitiveness of industry. At the same time, pay rates determine the level of overall demand, and consequently economic growth.

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The Government has tried to introduce an element of wage differentiation by proposing tax deductions for those who agree to have their pay increases linked to their firm's profits (initially, 20 % of wages and salaries would fluctuate in this way). This proposal did not, however, attract the support of many companies and workers; new legislative proposals are still awaited.

In the past year the Government has modified the social security contribution system in favour of the lower income groups with a view to stimulating part-time employment and increasing the supply of low-paid jobs. The Government also tackled the question of minimum wages, taking steps to restrain the powers of the Wages Councils. This action was motivated by a belief that the existence of institutionalized or customary wage thresholds prevent unskilled or less advantaged workers from obtaining employment.

At the same time, the trade unions agreed on the adoption of a statutory minimum wage in the event of a Labour Government coming to power, and accepted that this would imply some form of policy on wages.

In the public sector, low wages are still a matter of concern. Wage agreements in the private sector have resulted in increases of between 5 % and 7 %. Only 20 % of these agreements link pay increases to productivity gains by reorganizing the production process and working time.

Inflation having fallen to around 3 %, in line with the tendency throughout Europe, workers' real incomes increased considerably in 1986. Real earnings are estimated to have risen in some cases by almost 5 % from April 1985 to April 1986; since the level of taxation remained unchanged over the same period, net real income for an unmarried worker increased as follows (1978/79 = 100) :

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Year	Worker with half the average income	Worker with an average income	Worker with an income five times the average	Worker with an income 10 times the average
1984-85	108.4	110.7	129.0	164.0
1985-86	110.9	113.1	131.0	166.8
1986-87	115.3	118.2	135.1	172.3

As a result of the tax reform and the development of atypical forms of employment, real income trends are divergent. Discrepancies between social categories in high or low income groups are tending to widen.

Chapter VII

LIVING CONDITIONS AND FAMILY AFFAIRS

Trends in the Community

165. In general, living conditions have not improved in 1986 due to two factors : persistent high unemployment and the austerity policy implemented in the Member States. To ease public expenditure at central level, the trend towards decentralization of certain aspects of social protection continued this year. This approach is the best way of achieving differentiation as regards social assistance. It must, however, be noted that in many Member States the services once decentralised do not receive the necessary resources and staff to carry out their new tasks.

On the other hand, most of the Member States are making an effort to assist certain target groups, mainly families, the elderly, the long-term unemployed and those who slip through the normal social security net.

166. In 1986, there was a tendency to concentrate on families with measures ranging from a few isolated adjustments to fully coherent policies. Family allowances were raised in several Member States. Considerable attention was devoted to the position of children during divorce proceedings and in single-parent families, which are now very numerous. Mention might also be made of parental leave and leave for family reasons of which the main beneficiaries are women. Several studies show that true equality between men and women in social and economic life is still far from being achieved.

The Member States are becoming increasingly aware of the problems of the ageing of society. Nearly everywhere, it has been decided to maintain the elderly in their homes as long as possible, which in any case they prefer. However, it would seem that requirements as regards social assistance at local level associated with this approach have been underestimated.

The Member States have tended to take measures to improve the living conditions of the elderly rather than increase their standard of living.

167. Another group benefitting from more active government attention are those people who have escaped or have never been covered by the social security net. In several Member States specific measures have been introduced to assist such people making their right to a minimum income effective. Moreover, solutions are sought to improve their living conditions, through the establishment of homes and aid in kind rather than in cash. To facilitate mutual aid between the various sectors of the population, several Member States have adopted provisions to authorize and encourage the unemployed to carry out unpaid activities.

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Development of the situation in the Member StatesBelgium

168. The Law of 27 March granting special powers to the Government with a view to the economic and social recovery of the country brought about major changes not only in legislation on retirement and early retirement¹, but also in the system of benefits for the disabled; in addition to this, the minimum subsistence allowance was maintained.

The early retirement scheme for older workers, known as the contractually-agreed bridging pension scheme, will apply from 1 September 1986 only to workers aged 57 or over. As a principle, they must be replaced compulsorily by young workers; any worker taking early retirement who is not replaced receives less favorable treatment. An employer who fails to comply with his obligation to replace a worker has to pay damages.

Reform of benefits for the disabled at present being carried out involves a basic revision of the existing system. One major innovation involves the replacement of the various allowances for disabled people by two, i.e. the maintenance allowance and the integration allowance. This latter allowance would be granted to disabled persons, whose lack of independence involves additional costs or requires special equipment if they are to be integrated.

In spite of the budgetary restrictions under the austerity programme the amount of the minimum subsistence figure (MINIMEX) was increased by 2 % in 1985 and 2 % in 1986. It will be increased by a further 2 % in 1987. In addition, this figure has always been fully indexed in line with prices whereas social benefits under the social security scheme have only been partially indexed. The result is that the MINIMEX figure for a single person in 1986 is 44 % up on 1982 with the increase for households standing at 41 %. In addition, the number of persons receiving the MINIMEX is regularly increasing. These two factors explain why the national budget for 1986 provides for an expenditure of BFRS 4 159 million for MINIMEX, while the figure was only BFRS 791 million in 1981.

¹ See also point 183.

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A Royal Decree of 22 December introduced a Senior Citizens' Savings Scheme, or Pensions Savings Scheme, which allows tax-payers aged between 18 and 64 to deduct each year from their taxable income a sum set aside as savings, to become available on retirement. For 1986, the amount which can be set off against tax is BFR 20.000 per person and BFR 40.000 per household.

Denmark

169. In view of the shortage of public resources, the Danish Government is endeavouring to make the social protection system more flexible, so that it can cope with the increased demands upon it. To this end it is attempting, in cooperation with local authorities, to establish limits for expenditure, leaving to these authorities the choice of the steps they find most suited to maintain such limits.

Similar endeavours are apparent in the 1986-89 social and health planning programme. For example, there has been a change in policy regarding accomodation for the elderly in that greater stress is being laid on alternative accomodation which gives elderly people the feeling of living in their own homes rather than in a home for the aged. It is expected that the number of places in homes will remain the same over the next three years, while there will be a sharp increase in alternative accomodation. An increase (of some 16 %) is likewise expected for day centres.

Domestic services are likewise to be extended, both medical care at home and general household assistance.

Day centres for children are also to be increased in number by 10 700, to reach a total of 348 500 by 1989.

New regulations will be adopted in 1987 on the granting of cash benefits to persons who are not or who have ceased to be entitled under social security provisions. Under these regulations, benefits will be calculated according to fixed rules, whereas the present system is based on estimates. This will introduce a greater measure of clarity. There will be a basic benefit and also supplements to cover accomodation and family allowances. The new scheme is designed to reduce considerably the administrative burden involved, but should cost no more than the previous scheme.

The family allowance system, which was drawn up under the tax reform measures, will come into force in 1987. The present child allowance, which is granted for children under the age of 16, will be replaced by an allowance for all children under the age of 18. It will amount to DKR 5 000 per annum and will thus be roughly twice as much as the present allowance. The new allowance, which is not income-related, will be paid with effect from the third quarter of 1987.

On 4 June, a new adoption law was passed, which replaces a law dating from 1914 and contains a whole series of new provisions regarding the placing of children for adoption, adoption and the acquisition of Danish citizenship by children adopted from abroad.

Finally, local authorities are making greater efforts to recover advances made under the social assistance law in respect of alimony and the like.

Federal Republic of Germany

170. With the law on the granting of a child-rearing allowance and parental leave, which came into force in the Federal Republic of Germany on 1 January, the Federal Government's specific family policy projects for the current legislative period were concluded. However, the Federal Government regards this law only as an initial step towards the goal of reducing the problems of a switch from occupational activity to caring for a family and thereby improving opportunities for making family and employment compatible without grave disadvantages. It is the Government's intention to extend claims to a child-rearing allowance and child-rearing leave for a longer period.

The number of social assistance recipients continues to rise, with the proportion of foreigners among them increasing at a greater rate. In 1985, the total number of persons dependent on social assistance was 2.8 million, a rise of 9 % over 1984.

1 Social Report 1985, point 155.

The main reasons are the persistence of unemployment, which means that a growing number of long-term unemployed are no longer receiving benefits from the employment offices, and, in many cases, inadequate entitlement. The 8 % rise in standard social assistance rates in mid-1985 may also have contributed to this increase. Total social assistance expenditure in 1985 rose by 10.8 % to DM 20.8 thousand million. On 1 July 1986 the standard social assistance rates were again increased, by 2.1 %.

The discussion which has been going on in the Federal Republic of Germany about improved provision for persons needing special care appears to have entered a decisive phase. After a number of Länder had already taken appropriate initiatives, the Federal Government put forward a draft law, which was, however, rejected by the Bundesrat. The latter instead endorsed a draft put forward by Bavaria, on which, however, a final decision could not be taken. The Federal Government's draft was limited to persons who are confined permanently to their beds and need constant intensive nursing and care. It stipulates that the health insurance funds must provide them with nursing care at home. The Bavarian proposal, on the other hand, provides that a "care allowance" of DM 20 per diem be included among the benefits provided by the statutory health insurance scheme. The cost of the Government's proposal was estimated at some DM 2 000 million and that of the Bavarian proposal at 4 700 million, of which 1 200 million would be provided by the health insurance funds.

The Federal and Länder fourth special programme for the severely disabled was prolonged until 30 June and its allocation increased to DM 515 million. Under this programme, firms which recruit severely disabled unemployed persons can receive subsidies amounting to up to 70 % of the remuneration paid; reimbursement of up to 100 % is possible for the training of severely disabled persons.

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Greece

171. In Greece, the economic situation and the Government's policy of austerity resulted in a deterioration in living conditions. However, the new legislation on families is being put into effect with many positive effects.

Observers have noted a disturbing increase in drug abuse, alcoholism and even football hooliganism, which, in their view, calls for more intensive social measures, particularly with regard to young people and above all unemployed young people.

Social workers complain that they are not being treated fairly since half of them only enjoy a very uncertain status and level of income.

The housing problem is critical, since rents have risen sharply. In most cases, rent accounts for more than half and in some cases as much as two thirds of a normal wage. Consequently, many families are threatened with eviction.

The law on matters relating to the family and the situation of children has undergone profound changes since 1982, and measures to ensure the protection of children have come into force in many fields. The main features of the new situation are equality between men and women, better protection for children whose parents are divorced and favourable treatment for single-parent families.

Spain

172. In Spain, social protection for the family is provided by income tax relief and social security benefits.

With respect to social services in the widest sense, in addition to action by the central government, the autonomous regions and other local bodies, it should be noted that an appropriation of PTA 39 464 million has been set aside for these activities to be administered by the National Social Services Office, of which representatives of the CEOE, the trade unions and the public authorities form the governing body.

When the appropriations for the National Social Services Office were approved, the CEOE emphasized the need to coordinate all social protection activities provided by the various public authorities to make the administration more efficient.

The CEOE advocated that the generalization of the services should be accompanied by a change in the retailed public financing system in order to reduce the very heavy social security appropriations.

According to data collected by the "Comentario sociológico" (first quarter of 1986) published by the Spanish Banks Federation, 41.9 % of married people aged 65 or over live alone, while 36 % of this group live with their children. According to the same source, there are 1300 homes for the elderly providing accommodation for 105 000 persons; 78 of these centres, responsible for 15 000 people, are operated by the social security system.

The ageing of the population (12 % are over 65 and this figure will rise to 15 % by the end of the century) has highlighted the shortage of facilities for senior citizens; according to the same source, some 60 000 new places will be needed in homes for the elderly to provide for this need.

France

173. In France there was a lively debate on living conditions in 1986, concentrating particularly on the following points : the decentralization of the social services, the demographic trend, family policy and the situation of the elderly.

A new law of 6 January, known as "the special law" reallocated responsibility as regards health and social measures between the State and the local organizations in such a way that the latter acquired a greater degree of responsibility. This decentralization will have an effect on various population groups : families and children, young people, old people, the disabled, the unemployed, those with no fixed abode, etc....., who find themselves in difficulties.

The guiding concept of this new legislation is directed towards improved prevention and coordination and towards a definition of the general tasks of the social services department, specifically "to help people in difficulty develop or regain their independence". After the 1986 elections, the organization and structures provided for under the law of 6 January were maintained. Decisions taken subsequently give priority to local social policies with the aim of guaranteeing sufficient income to enable the most disadvantaged groups meet their requirements as regards foodstuffs and help those in difficulty regain a measure of dignity by helping them reintegrate into social and working life on an individualized basis.

The economic situation and the austerity policy are still having repercussions within households. A majority of French people (62 %) claim that they are having regularly to restrict various items of their budget according to a survey carried out by CREDOC on "the living conditions and aspirations of the French people", carried out in May 1986. The items referred to most frequently are holidays (78 %), clothing (77 %) and household equipment (63 %); the items least affected continued to be medical care (8 %) and food (21 %). Taking the situation overall, CREDOC notes a slight improvement "which continues the trend noted in 1985".

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The new Government, which is very concerned about the demographic trend in France, plans to conduct an active family policy on behalf of large families, while at the same time enabling women "to work and bring up their children during the time when the latter still need their assistance". Family policy which is concentrated on the third child was already launched in 1985 with the parental allowance for bringing children and is now backed up by extending from two to three years following the birth of the third child the period of eligibility for this allowance and by a relaxation in the work requirement (two years worked during the ten preceding years). The child-at-home allowance which is granted towards the cost of employing in the home a person to take care of one or more children aged under three years and is intended to cover social security contributions, is the last element in the special "maternal assistance" allowance scheme.

The most immediate of demographic trends at the moment is ageing of the population. France, too, has opted for alternatives to the hospitalization of elderly people. According to requirements the alternatives envisaged may be social or quasi-medical in nature and should make it possible to avoid or restrict a period spent in hospital. In this connection, there is a need to introduce a coordinated system which takes account of both the health and social life of old people as well as social and quasi medical considerations. Apart from traditional structures the following alternatives are being considered : home hospitalization, convalescent centres, home nursing, sheltered appartments, community life workshops, home supervision and placement with families.

Ireland

174. In Ireland, the main developments as regards living conditions were favourable changes in the treatment of children and old people while the population rejected proposals for legislation permitting divorce.

The referendum of 26 June revealed that the majority of the Irish population did not want any change in those provisions of the constitution which prohibited divorce. However, legislation was approved recognizing the separate domicile of a foreign married woman and the divorce of a foreign couple provided it was recognized in their own country.

The 1986 budget provides for a new method of treating families. A new system of family allowances was introduced while tax allowances in respect of children were abolished. At the same time, personal allowances were increased for widows/widowers, single-parent families and handicapped children.

The new budget also provides for improvements for old people. In addition, a working party set up by the Minister for Health is considering what measures can be taken to improve the medical care and living conditions of old people.

The Government also introduced measures to help the long-term unemployed. These take the form of pilot projects relating to training, help in the search for employment and the introduction of rules relating to part-time work backed up by welfare measures. Lastly, the "Combat Poverty Agency" was set up with the task of advising the Government on the launching of new measures to combat poverty.

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Italy

175. In Italy, Article 23 of law no 41 of 28 February 1986, also referred to as the "1986 Finance Law", introduced a number of changes as regards the criteria to be applied in the granting of family allowances and increases in respect of minor children.

The first innovation consists in taking the number of members of the family proper as a basis for determining the family income while introducing more favourable conditions for those parents who, although receiving allowances for their own children, are not married and for recipients of family allowances granted in respect of persons totally unfit for work.

The second innovation reduced the number of members of the family proper taken into account for purposes of determining the family income. In contrast to the existing rules, the new system excludes incomes from any adult children who are unmarried and living with their parents.

The third change introduces a broader definition of the kind of income to be taken into account: instead of using the total family income liable for tax on personal income, all income will henceforth be taken into account regardless of its nature "including income which is exempt from tax and that on which income tax may be withheld at source or which is in excess of LIT 2 million and subject to an analogous tax".

The law expressly provides that the amount of family allowances is excluded from the figure taken as a basis for calculation.

Furthermore, the report on poverty in Italy sets limits and precise aims. First and foremost it sets eminently practical goals with the specific intention of assembling data and providing indications needed in order to facilitate the political choices which have to be made in order to combat poverty.

This first report is confined to the policies - and only some of them at that - which can be put into effect at national level. The next report will therefore cover not only problems connected with

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the analysis of poverty from the point of view of its specific local aspects and possible measures at peripheral level but also examine the effectiveness of both national and local education, health and housing policies with regard to the most deprived social groups.

If the international poverty threshold is applied to Italy (poor is taken to mean - approximately - any person whose income is less than half of the average income per head of population), 6 238 000 Italiens can be classified as "poor".

Two fields for action can be discerned from an examination of the poverty situation.

The first is that of old people living alone or forming part of a couple, who account for 17 % of the poor. In this area, action must be based on the provision of services and a guaranteed vital minimum income (pensions plus any supplementary benefits).

The second, which encompasses 75 % of the poor, consists of people (children, adults, old people) who live in families of three or more members and where generally at least one person is able to work. In these cases, action should be directed chiefly at the provision of services and, where employment proves impossible or insufficient, the granting of cash benefits.

The possibility of taking appropriate action in the directions mentioned depends on the prospects for expansion which are limited from the point of view of both employment and social expenditure. Hence the need to plan anti-poverty measures from the angle of a more effective and fairer distribution of available resources and incorporate them within the more general framework of the redefinition of the welfare state.

In this respect, the report considers that the universal availability of state-funded services cannot be sacrificed, that it could be maintained but nonetheless that the provision of these services cost free to everyone can no longer be defended. It therefore proposes that selection

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criteria be applied as regards both cash benefits and the share of the cost of services to be borne by the users.

The selection criteria must be broadened and, above all, rationalized. A series of welfare and assistance measures - dictated in many cases by the need to reach a consensus or eliminate social conflicts - first served to extend social protection by enlarging indiscriminately the categories of recipients and increasing allowances and was followed by the introduction of inconsistent and contradictory criteria relating solely to the limitation of expenditure.

The reorganization of social expenditure to the advantage of the poorest recipients in a manner which does not exclude those who, while they may not be genuinely classed as poor, are nonetheless having to contend with more or less serious difficulties requires assistance measures scaled according to family income brackets which may differ and according to the nature of the measures themselves. By contrast, the system of personal declarations will have to be standardized and made subject to thorough verification by a special department endowed with appropriate powers.

Luxembourg

176. In Luxembourg, 1986 saw the adoption of family assistance and social housing measures. The Government also launched its "anti-poverty campaign".

Family allowances were substantially increased for the second child and less substantially for the third. Furthermore, a special allowance was introduced for the start of the school year, which was greatly appreciated by large families.

The Government is continuing to apply its policy on the establishment of day centres. These centres, which are the result of a private initiative, may conclude an agreement with the Ministry for Family Affairs after a period of successful operation. Their aims are as follows :

- integration of minorities,
- help for single-parent families and
- help for mothers wishing to continue working.

Furthermore, the trend towards the opening of small centres where the homeless can obtain food and shelter is continuing.

The Social Housing Fund is endeavouring to continue its policy of building and improving social housing for either sale or rent. The interest rate on loans for the building or acquisition of a social dwelling has been reduced to 7 %.

The law introducing the "anti-poverty campaign" was passed and came into force on 1 November 1986. It introduced the concept of the entitlement of all inhabitants to a guaranteed minimum income. However, it is subject to various conditions (relating to age residence, household income assets) and provides for additional connected benefits concerning health care and complementary social measures, more particularly as regards temporary work, retraining and job placement.

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The Netherlands

177. The policy of austerity in response to economic problems and in particular to the fall in the energy prices has had a considerable affect on the living conditions of those most at risk.

The Social and Economic Council (SER) already delivered in 1985 an opinion on the reduction of the legal minimum wage by 15 % with a view to realizing long-term economies of between HFL 160 and 400 million. In 1986, a new opinion proposes that account should be taken of the number of children in a family; the system proposed involves a reduction in benefits for most childless families. This new situation would not apply to elderly people, widows/widowers or to orphans. On the other hand, the Minister for Social Affairs and Employment asked the Social and Economic Council for an opinion on the freezing of the minimum wage and social benefits in 1987. Neither of them were revised at the beginning of July 1986.

The Minister and the Secretary of State for Social Affairs proposed a law to encourage unpaid work by unemployed persons drawing social benefits. This draft law provides for the introduction of regional committees which will deal with applications. The committees will have to make sure that there is no distortion of competition or substitution for normal work.

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Portugal

178. The Portuguese Government made considerable improvements to pensions which were well above the increases granted for previous years. With effect from 1 September 1986, this special measure raised minimum monthly pensions to :

Type of benefits	General scheme	Special scheme for farming sector	Non-contributory scheme
Invalidity and old-age pension	ESC 10.000	ESC 7.500	ESC 6.500
Survivor's pension	increased by applying statutory percentage increase under the general scheme to the amounts of invalidity and old age pensions		

In addition, in one way or another the Government set out to help improve the quality of life for Portuguese families, in particular by benefits in cash and in kind, subsidised loans, exemptions of or reductions in tax, lower interest rates and special accommodation grants. Some examples of improvements made during the year in question are set out below.

The Decree-Law of 13 February introduced the possibility of reducing by half the telephone rental charges for retired persons, pensioners, invalids and workers receiving the national minimum wage or less. The Decree of 22 May granted retired persons and pensioners reductions on public transport.

New provisions have been introduced improving and facilitating the acquisition or use of housing. The Decree-Law of 13 February lays down certain conditions as regards building loans; the Decrees of 27 March, 31 July and 20 September concern rent subsidies and the Decree-Law of 30 September improves the systems of loans for housbuilding, taking account of the value of the housing, the local situation and size of family.

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For 1986, family allowances have been raised to ESC 1 000 per month per child and ESC 1 400 from the third child onwards. In addition, the possibility has been examined of updating family allowances and benefits in such a way that they keep pace with costs, in particular the cost of care and maintenance. Moreover, two Decree-Laws of 21 May raised the ceilings for exemptions and the associated tax rates.

A working party has been set up with the task of putting forward general guidelines with a view to introducing a coherent family policy as regards both legislation and public administration. During the year concerned this group drafted a basic family policy law.

For some time now the government has been attempting to make the population at large aware of the need to improve the vocational and social integration of handicapped persons. In 1986, an attempt was made to contribute to this aim via various measures and programmes; for example by introducing new provisions allowing disabled persons reductions on public transport, rent subsidies, facilities for acquiring a home, improved access for the disabled to public buildings, fixing of quotas for disabled persons in secondary and higher education, etc.

Since continuing unemployment exacerbates the problems of poverty in Portugal, a series of projects was mounted designed to improve the integration of persons affected by poverty in certain poor rural areas and in certain less-privileged districts in the major towns and cities. Finally, at the present moment projects on behalf of other disadvantaged groups are in preparation.

United Kingdom

179. Expenditure by government and local authorities on social and welfare services has probably risen during the year, just about in line with the growth of GNP. This suggests that there has been no change from last year's pattern. That hides a small growth in certain sectors and a very low level of housing expenditure. But there are wide variations between localities and regions. Public services in some parts of the country and services provided by voluntary bodies supported from Government funds have sometimes improved, but have in many places deteriorated.

Government grants or other available resources have been inadequate in two main respects. There are areas which are deprived because there has been inner-city deterioration on a big scale which demands very special measures. There is also the problem of providing adequate services where there has been a sudden large increase in unemployment, usually because of the decline in manufacturing industry, but by no means always so. In both these cases there are deep-seated difficulties, particularly in the adequate redirection of resources to deal with the basic problems.

The financial arrangements for providing aid from central government to local authorities underwent further changes during the year. The rate support grant, which is the major form of direct revenue assistance, was to be dealt with in new ways. The Government contended that the changes were necessary to curb the extravagance and inefficiency of many high spending local authorities. In some instances financial stringency as a consequence of government action has forced local authorities to behave differently. In some cases services have been reduced and staff made redundant. Throughout the last two years the policy of encouraging the sale of local authority housing to householders has been continuously pursued.

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There were no major new legislative or administrative changes emanating from Government at the centre affecting laws concerning the family or social services, facilities for elderly people, the underprivileged, children or the handicapped. This does not mean that changes have not been taking place in many parts of the country to meet recognised needs. What initiatives there have been are associated particularly with deprived areas where the central aim has been to try and get fundamental changes and not just deal with symptoms. So far attempts to get operations going which brought together business, the community services of local authorities and private finance have been rather patchy and unsure.

A survey of employers' perceptions of the effectiveness of the Disablement Advisory Service (DAS) reported that in its first two years the DAS had achieved a substantial and satisfactory start. Information from the survey will help to develop future strategy of the DAS. A new "Jobsearch" computer facility is being piloted in six Employment Rehabilitation Centres (ERC) and three ASSET centres. This gives easier access to vacancy information held at jobcentres and can be used by clients to select the areas of work they require (location, type of work etc.). Improvements have been made in assessment techniques. In the twelve months to 31 March 1986 the number of severely disabled people supported in jobs under the Sheltered Employment Programme increased by over 800 to almost 16,500. Most of the increase was under the Sheltered Placements Scheme.

In July, Royal Assent was given to the Disabled Persons (Services, Consultation and Representation) Act 1986 which aims to improve the effectiveness and co-ordination of services for disabled people, to give such people the right to appoint a representative to act on their behalf and to introduce new procedures for the assessment of their needs. The Act does at present not extend to Northern Ireland.

It is intended to submit a proposal for a Draft Adoption (Northern Ireland) Order in Council, which will largely bring Northern Ireland into line with the law in the rest of the United Kingdom, but some local differences will remain.

CHAPTER VIIISOCIAL SECURITYTrends within the Community

180. During the year under review social security systems once again faced conflicting demands. On the one hand, there were demands for the extension of cover to help the ever-growing list of social groups which for one reason or another have no other source of income. At the same time, continuing financial imbalances gave rise to calls for cuts in social expenditure. It should be remembered in this context that the same economic difficulties which lead to an almost automatic increase in expenditure (more people unemployed and for longer periods, increased early retirement) have the reverse effect on revenue. The resulting need to raise compulsory contribution levels in its turn clashes with the desire to lighten the burden of social charges on firms with a view to promoting employment. By way of example, several instances of Member States introducing exemptions for certain social groups, notably young people under 25, will be found in this chapter. In these circumstances, the achievement of savings becomes a matter of absolute necessity.

During the report period, this imperative was reflected in practice by intensified monitoring and increased efforts to combat fraud, stricter conditions for entitlement to benefits and increases in the insured person's share of health care costs. In addition, as in preceding years, index-linking mechanisms were extensively used to limit expenditure growth.

181. It is, however, beginning to be recognized that these piecemeal measures can only have a limited impact and, being purely negative, cannot possibly provide an answer to the manifold economic, demographic, sociological and other challenges which are already facing social security systems and will inevitably become more acute in the years to come. Perhaps the most characteristic feature of the year under review was indeed that it saw several Member States move beyond minor adjustments into a phase of more ambitious legislative reforms. Noteworthy in this context are the reform of the system in the United Kingdom, the reorganization of sickness insurance in the Netherlands, the changes in the pension and unemployment schemes introduced in Belgium, and various initiatives announced in other countries. This said, however, the approaches followed differ so widely from country to country that it is very difficult to identify any common trends. There is no overall view from which to tackle problems which are to some extent shared and to which the Commission has recently drawn attention once again ¹. The most that can be said is that these national reforms frequently reflect a desire to limit the State's social protection commitments or, in some cases, even to transfer these commitments in part into the private sector. This desire is accompanied by a conviction that transfer payments can be made more efficient either by rationalizing their distribution (and possibly abolishing those benefits which are of little use) or by giving preferential treatment to certain "priority" groups of beneficiaries whilst reducing the protection afforded to other groups.

1 Commission communication to the Council of 24 July 1986 on problems of social security - areas of common interest - COM(86)410 final.

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182. Other recent initiatives taken with a view to meeting new social needs should be seen in a quite different light. Perhaps the best example is the introduction of partial retirement pensions in Denmark. The aim here is to enable older workers to move gradually from full-time employment to complete retirement. The arrangements introduced mean that such workers will in future be able to work shorter hours during the final years of their working life and draw a partial pension to offset the resulting loss of earnings. This innovation represents the first across-the-board implementation in a Member State of the concept of "phased retirement" advocated in the Council recommendation on the principles of a Community policy with regard to retirement age¹ and constitutes a significant social advance. Amongst the other advances worthy of note which have been achieved in this period of austerity, mention should in particular be made of the raising of family benefits in several countries and the increased attention accorded to the protection of certain social groups. One example of this latter trend - cited simply because it has also formed the subject of a Council recommendation² - is the situation of volunteer development workers. Finally, it would be pleasant to be able to say that progress had also been achieved in the field of equal treatment for men and women, but the truth is that the situation remains far from entirely satisfactory in this area. On the positive side, however, mention should be made of the adoption by the Council of a new Directive on equal treatment for men and women in occupational social security schemes³.

1 Recommendation of 10 December 1982, published in OJ L 357, 18.12.1982.

2 Recommendation of 13 June 1985, published in OJ L 163, 22.6.1985.

3 Directive of 24 July 1986, published in OJ L 225, 12.8.1986.

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Development of the situation in the Member countriesBelgium

183. The majority of the changes introduced during the year under review fell within the framework of the Law of 27 March 1986 granting the Government special powers to promote economic and social recovery.

Thus the first Decree promulgated under this law lays down the rules whereby the proceeds of wage restraint (non-payment of the first 2 % index-linked wage increase) are to be devoted to balancing the finances of the social security system (particularly as regards unemployment benefit expenditure).

A series of Decrees were adopted on 16 July in relation to old age pension schemes. The measures introduced include the abolition of arrangements permitting early retirement before age 60 (especially for women) and the establishment of a less favorable coefficient (1.036 instead of 1.04) for the adjustment of pensions in line with changes in the general standard of living. In addition, a minimum period of residence in Belgium (10 years or at least 5 years immediately preceding the claim) is now required for entitlement to the guaranteed minimum income benefit for elderly people. Other measures still under discussion include a normal retirement age of 65 for both men and women with the possibility of opting for retirement as from 60. Under the proposed arrangements, the pension paid would be calculated on a uniform basis at a rate of 1/45th per year of insurance.

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Changes have also been made in the unemployment insurance scheme. The controversial concept of "head of household" has been abandoned. Benefit levels are, nevertheless, conditioned by family situation. In addition to the basic benefit - 35 % of previous earnings subject to ceiling - a supplement of 20 % is paid where there are dependants and 5 % where the beneficiary is the sole earner in the household. This mechanism only operates fully, however, during the second year of benefit, since the rate remains 60 % of previous earnings (55 % for persons forming part of a household where they are not the sole earner) for the first year. Following the second stage of entitlement (6 months plus 3 months per year worked), benefit is paid at a flat rate.

Also worthy of note - amongst the measures aimed at promoting employment - is a two-year reduction in employer social security contributions for small and medium-sized firms taking on young workers under 25.

Plans have been announced for further economies in the field of sickness insurance: a slight reduction in the level of maternity benefit, the abolition of death grants, lower levels of reimbursement for technical aids and the like, across-the board introduction of an insured person's contribution towards the cost of radiological examinations and clinical biology analyses, etc.

Denmark

184. The law of 23 May on partial retirement pensions represents a major step forward in this field. The new system is intended to enable all older workers to adjust their working hours in line with their personal wishes and needs, so as to ease the transition from working life to retirement. In order to obtain a partial pension proportional to the reduction in working time, employees must cut their hours by at least 4 %, whilst the corresponding figure for the self-employed is 19 %.

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This system, financed by the General Pensions Fund, also provides for beneficiaries to receive daily sickness benefit in the event of illness interrupting their part-time employment.

A law was adopted on 29 May amending the legislation on family allowances. As a result, these will rise substantially as from 1 July 1987.

A further law adopted on 30 May provides for free dental care for children up to 18 years of age (as against 16 previously). Dental care will also be provided on concessionary terms for handicapped persons and the elderly, though the detailed rules are to be laid down by the local authorities, which may opt for entirely free care or a small contribution by the individual (arrangements entering into force on 1 January 1987).

There was an uprating of benefit levels in April - most significant in the case of daily sickness, maternity and unemployment benefits, which had been frozen since October 1982.

Federal Republic of Germany

185. Aside from the uprating of invalidity and old age pensions by 2.15 % with effect from 1 July (allowing for the simultaneous 0.7 % increase in the sickness insurance contribution rate for pensioners), mention should also be made of certain changes introduced during the year under review.

Social protection for volunteers working in developing countries, hitherto restricted to nationals of the Federal Republic, was extended in scope to cover nationals of other Community Member States and the minimum age was brought down from 21 to 18 (law of 24 April).

New rules were introduced as regards entitlement to social security benefits (notably unemployment benefit) for workers indirectly affected by industrial disputes. Previously, such workers had no entitlement where

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they fell within the geographical and industrial scope of the collective agreement in question. As the rules now stand, entitlement may also be suspended where this is not the case, if the strike was aimed secondarily at changing the working conditions of the individuals concerned. The circumstances will be assessed by an independent committee, with a right of appeal to the Federal Labour Court (law of 15 May).

Certain changes have also been made to the rules in force with a view in particular to enabling salaried employees who switch from full-time to part-time work to free themselves of obligations contracted under private sickness insurance schemes and to obtain from their employers an amount corresponding to the employer sickness insurance contribution.

A law of 21 July, taking effect as from 1 June 1986, granted partial relief from social insurance contributions to farmers with small- and medium-sized holdings.

Finally, mention should be made of plans for a new sickness insurance benefit: care at home for permanently bedridden patients in need of constant attention.

Greece

186. Arrangements introduced with effect from 1 June 1986 provide for the automatic increases adjusting wages and pensions in line with the consumer price index to take place at the beginning of each four-month period on the basis of economic forecasts for that period minus the percentage of imported inflation. Corrections may be made at the end of 1986 and 1987. Pensions and other benefits were therefore adjusted at four-monthly intervals in line with the new calculation system.

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Reductions representing up to 50 % of the contributions normally due had in the past been granted to firms exporting industrial or metal-working products. These reductions were abolished at the beginning of 1986 owing to the financial difficulties facing the social security system. In addition, a special department was set up to monitor the collection of contributions. Other measures are currently being considered. The financial difficulties facing the system are exacerbated by the fact that the growth of unemployment has necessitated recourse to early retirement measures. Thus workers may now choose to work shorter hours from five years before retirement whilst building up pension entitlements as if they had been employed full-time.

There have also been changes in certain special schemes, notably those for shopkeepers and merchant seamen.

Spain

187. The far-reaching reform of pensions legislation, introduced by the law of 31 July 1985, has been developed and implemented throughout 1986. The principal changes are as follows:

- The contribution period giving entitlement to an old-age pension will be gradually extended from 10 to 15 years, while the corresponding period for invalidity pensions (derived from non-occupational diseases), which was previously five years, will be increased, with no transition period, on the basis of a variable scale depending on the age of the insured person at the time he became disabled.
- The amount of old-age and invalidity pensions has hitherto been calculated on the basis of the insured person's average contribution base over a two-year period. The new law extended this period to five years from 1 August 1985; it will then be increased annually, to reach 8 years from 1 August 1988.

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- Pensions granted under the new law will be adjusted automatically at the beginning of each year in accordance with the estimated rise in the consumer price index for the year in question. The first adjustment of this type took place in January 1986. Pensions granted under a law other than that referred to will continue to be adjusted on a non-automatic basis (as a rule, the rate of increase is in inverse proportion to the amount of the pension).

Further, the amounts of minimum pensions have been adjusted on the basis of price increases, together with non-contributory pensions for the elderly and non-contributory benefits for disabled persons.

A new family allowance for dependant children was introduced by law with effect from 1 January 1986 for certain low-income groups (recipients of minimum pensions, unemployed persons in receipt of an assistance allowance or no benefit at all).

A law of 31 July 1985 provided for the abolition of 6 special schemes; this will leave the general scheme and 5 special schemes, in addition to the schemes for civil servants.

A general health law was promulgated in 1986, providing for the creation of a national health service, the coordination of public health measures and the extension to the entire population of entitlement to health care by the State; the scheme will be extended gradually in accordance with the provisions of the law.

A Decree-law increased the number of persons covered by unemployment insurance. Henceforth certain categories of unemployed workers with dependants and attending vocational training courses will be entitled to unemployment benefits.

Lastly, a new general rule on the collection of contributions was issued in 1986.

France

188. One of the new Government's first acts was to establish a working party to investigate the financial problems of the social security system and more especially of old-age pension insurance schemes, since the ageing population structure and the growth of unemployment mean that the ratio of employed persons to pensioners is falling.

Amongst the first measures to be taken was the decision not to pay the pension adjustment due on 1 July. State unemployment benefits were also not adjusted. In contrast, family allowances were raised on 1 July by 1.25 %.

Two measures were introduced with a view to increasing revenue:

- an exceptional levy of 0.40 % of taxable income;
- an increase in old-age pension contributions which raised the employee contribution rate from 5.70 % to 6.40 % as from 1 August, leaving the employer contribution at 8.20 % (Decree of 29 July).

Mention should, however, be made of a statutory instrument of 16 July aimed at promoting the employment of young people between 16 and 25 by means of a one-year exemption from employer social security contributions.

The collectively agreed unemployment insurance scheme was amended with effect from 1 April following an agreement concluded between the two sides of industry on 19 November 1985. This involves an increase in the period of entitlement made possible by a slight reduction in benefits.

A committee was asked to make proposals on the question of retirement, and more especially to consider ways and means of permitting flexible and phased retirement at the individual's choice.

Ireland

189. Social security benefits were increased by 4 % in July (0.65 % in the case of long-term unemployment assistance benefits).

Family allowances, renamed "child benefit", were increased by IRL 3 as from April. Child benefit is thus now IRL 15.05 per month for each of the first five children and IRL 21.75 per month for each further child. Whilst benefits under the new system are in principle subject to tax, administrative and technical difficulties prevented this principle from being fully translated into practice in 1986. The child tax allowance of IRL 100 is to be abolished.

Also worthy of note is a decision by the Ombudsman requiring the authorities to compensate a widow for the loss she had incurred in terms of purchasing power as a result of an unjustifiable delay (due to administrative error) in the payment of her pension.

Italy

190. A number of changes were introduced by Law No 41 of 28 February, notably :

- a switch from quarterly to six-monthly index-linked increases for pensions;
- the abolition of family allowances in respect of the first child or the insured person's parents, where the family income exceeds certain limits in relation to family size;

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- an increase in the insured person's contribution towards costs, notably in the case of pharmaceutical products (contribution increased from 15 % to 25 %) and laboratory analyses and radiography (increased from 20 % to 25 % subject to ceiling); various categories of beneficiary are, however, exempt from payment of this contribution : those with low incomes, pensioners over 65, invalids, pregnant women, etc.

The National Health Service contribution rate for employees was raised from 1 % to 1.35 % as from 1 January 1986, whilst the corresponding rate for the self-employed is now 7.5 % of taxable income.

In addition, where annual earnings are between LIT 40 million and LIT 100 million, a solidarity contribution of 4 % (0.20 % to be paid by the employee) is levied on top of the normal sickness insurance contribution. It should be noted that employer contributions continue to be paid in part out of public funds, but to a lesser extent than previously.

Finally, mention should be made of a major Constitutional Court ruling (Judgment no 137 of 11 June) to the effect that the granting of an old-age pension (and hence dismissal on grounds of retirement) at a different age for women than for men is unlawful. Having previously - in 1969 - held different retirement ages to be lawful, the Court argued in its new Judgment that circumstances had changed - in terms of improvements in protection, the implementation of equal treatment, longer life expectancy and technological progress - and that there were thus no longer any grounds for a difference in pensionable age.

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Luxembourg

191. The year under review saw the introduction of improvements in family allowances, which rose from LFR 4 328 to LFR 5 279 for a family with two children and from LFR 10 389 to LFR 11 614 for a family with three children as from 1 March.

With effect from 1 April, all contributory pensions were uprated in line with the 1984 average wage level. This uprating, carried out in addition to automatic cost-of-living increases, represents an average real increase in pensions of around 3 % and was also applied to industrial sector occupational injury pensions. In addition, minimum pensions were raised on the same date.

An exceptional increase in all benefit levels of 1 % was granted as from 1 July. A further 0.5 % increase will come into effect on 1 January 1987. The aim of this increase is to offset the non-payment of a 1.5 % index-linked increase in 1981 in the context of measures taken at that time with a view to restoring the competitive capacity of the economy.

The Netherlands

192. The most significant development during the report period was the reorganization of sickness insurance as from 1 April.

Previously, in addition to the compulsory scheme for employees (up to a specified earnings ceiling) and the special public service schemes, there had been an optional scheme for self-employed persons (incomes below the membership ceiling) and a scheme for the elderly.

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Optimal sickness insurance and the special scheme for the elderly have now been abolished. Cover for the elderly is provided under the general compulsory scheme, whilst self-employed small businessmen - and certain categories of civil servants - must now take out private insurance.

Some safeguards have, however, been incorporated in the new provisions. Firstly, certain steps have been taken to offset the higher premiums for those covered by private insurance schemes. Secondly, insurance companies will be compelled to offer all new insurees cover against the full range of risks on the basis of a standard policy contract. Finally, the insurance companies will be required to contribute towards the additional expenditure incurred by the compulsory scheme as a result of the provision of cover for the elderly.

Normally, social security benefits should have been adjusted in line with wage trends on 1 July. This did not happen. Family allowances were adjusted in line with prices, which resulted in a slight reduction in the benefit rates.

Finally, the new Government announced a series of major plans with regard to social security (reform of the system, introduction of a widower's pension, review of indexation machinery, etc.).

Portugal

193. In addition to the uprating of benefits - a substantial one in the case of family allowances (50 %) and minimum pensions (up to 45 %)¹ - a number of significant measures were taken during 1986.

Under a Decree-Law approved in February, employers taking on first-job-seekers under 25 are entitled to a two-year exemption from social security contributions. This exemption lapses, however, if the employer terminates the contract of employment for reasons not attributable to the worker.

1 Point 178.

The age limit for this scheme was raised to 30 by a Decree-Law of 27 August.

A Decree adopted on 15 July provides for the payment of unemployment benefit entitlements as a lump sum where an unemployed person wishes to set up a new venture deemed viable by the responsible authorities.

A law of 14 June improved the protection afforded to workers whose wages are in arrears by ensuring that there is no loss of social security entitlements and allowing the worker to cease work temporarily and draw unemployment benefit.

Exemptions from the payment of a contribution towards health care costs were introduced by a Decree of 5 July for a whole series of categories of beneficiary : pregnant women, small children, handicapped young people, pensioners, the unemployed, etc. Mention should also be made of the establishment in each administrative district of an office intended to receive complaints from health service beneficiaries, to give them information on their rights and to collect any suggestions they might have to make.

The previously separate social security contributions and unemployment insurance contributions were combined to form a single overall contribution (Decree-law of 14 July). Finally, the year under review saw improvements in the cover for fishermen and the introduction of partial contribution exemptions for employers taking on handicapped people.

United Kingdom

194. In line with plans announced last year, major reforms in the social security system were introduced by an Act of 25 July (the Social Security Act 1986). The changes will not be fully implemented until 1988 and there is space here for no more than an outline of the salient points.

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- The State earnings-related pension scheme (which provides benefits to top up the flat-rate basic pension) remains in operation, but entitlements are now based on 20 % (rather than 25 %) of the beneficiary's lifetime earnings (rather than the best twenty years' earnings). In addition, widows will in future only inherit half of a State earnings-related pension.
- Employees will have the right to choose, rather than staying in the State earnings-related scheme or their employers' pension scheme, to take out a personal pension. In addition, arrangements for recourse to occupational pension schemes have been simplified and extended.
- Certain benefits have been abolished : maternity grants, death grants and widow's allowances. Widows will, however, receive a lump sum of UKL 1 000 and persons with low incomes will be able to obtain payments to cover maternity and funeral costs from a "social fund" (as from April 1987).
- With effect from 22 December 1986, eligibility for the invalide care allowance is extended to married women.
- Changes have been made as regards supplementary benefit (income support) and family income supplement, which has been renamed "family credit" and will in future be paid through employers.
- A new maternity pay system has been introduced involving the payment of an earnings-related allowance for six weeks, followed by a flat-rate payment for a further twelve weeks. Payment is by the employer, with subsequent reimbursement by the national insurance scheme (April 1987).
- Disablement benefit under the industrial injuries scheme will no longer be paid where the level of disablement is below 14 %, subject to certain exceptions (Autumn 1986).
- A variety of steps have been taken to simplify the administrative operation of the system.

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195. Amongst the other measures taken during the year under review, mention should be made of the fact that, subject to payment of the necessary contributions, volunteers working in developing countries will henceforth be eligible for national insurance benefits, notably unemployment benefit, on their return to the United Kingdom.

It was also decided that the annual uprating of benefits should, as from 1987, take place in April (to coincide with the taxyear). As a transitional measure, in 1986, an index-linked increase of 1.1% was granted in July.

Chapter IX

SAFETY AND HEALTH AT WORK

Trends within the Community

196. Apart from the ongoing drafting and improvement of legal provisions, the work undertaken in the past few years to bring national legislation into line with the provisions of Community law has continued in the Member States.

Developments within the Member States

Belgium

197. The Royal Decree of 13 January 1986 on the transport by road of dangerous goods excluding explosive and radioactive materials, introduced on the initiative of the Ministry of Communications and the Ministry of Labour and Employment, coordinates the provisions of the earlier royal decrees on the same subject while taking account of the recent amendments made to the international ADR agreement (European Agreement concerning the International Carriage of Dangerous Goods by Road).

Under the Ministerial Decree of 24 January 1986 on the safety requirements to be met by acetylene generators, shut-off valves and regulators, the copper content of acetylene regulators is limited to a maximum of 70%.

The Royal Decree of 27 February 1986 amends and supplements the general rules for the protection of workers against dangerous substances and preparations.

The Ministerial Decree of 28 April 1986 permits the use of lifts which do not comply with the provisions in the general rules governing the construction of wells for doorless lifts but which do meet the requirements of the relevant Belgian standard. Finally, mention should also be made of the Royal Decree of 28 August 1986 on the prevention of asbestos-related hazards.

Various provisions on safety at work are being drafted. These include regulations on steam boilers and appliances, non-slip shoes, and containers for compressed, liquefied or dissolved gases, which are in the process of being adopted. In addition, two draft decrees are being prepared; the first lays down the additional training to be undertaken by heads of safety departments and their assistants while the second concerns the implementation of the general regulations governing the health protection of workers employed at the Ministry of Defence.

In the field of occupational health, draft provisions are being considered on the following: the medical surveillance of temporary workers; an annual statement of accounts and a standardized accounting system suitable for occupational health services; work entrusted to third parties; stressful industrial occupations; the protection of workers exposed to ethylene oxide; the protection of workers exposed to chemical, physical and biological agents; the adaptation of the general regulations governing worker protection; amendments to the Regent's Decree of 25 September 1947 concerning the general regulations on health and hygiene measures for workers in mines and underground quarries; the protection of workers exposed to lead; the protection of workers exposed to toluene; amendments to the regulations governing the use of PCB's and PCT's; the protection of workers against hepatitis B.

Denmark

198. The Ministry of Labour issued an order which contains an action plan to eliminate asbestos. It replaces a series of earlier orders on asbestos and lays down stricter time limits than was previously the case. The Danish Trade Union Congress (LO) and the Danish Employers' Federation (DA), in their capacity as members of the Committee on Working Conditions, gave a broad welcome to this order.

It also contains provisions laying down stricter safety measures for workers who continue to work in the presence of asbestos, in particular those engaged in demolition work. In such cases, the workers concerned must be given training and special precautions must be taken to prevent the asbestos dust from spreading to the surrounding area.

Two reports containing an assessment of the Occupational Health Service (BST) were published in September 1986. They show that at present the BST serves approximately 18 000 undertakings employing 375 000 people (13% of the working population). They also indicate that a number of undertakings seriously hinder the work of the BST and that the working conditions at the BST centres have become more difficult in the past few years.

Significant regulations introduced by the Ministry of Labour include the Order of 17 March 1986, which implements Directive 84/532/EEC on the approximation of the laws of the Member States relating to the common provisions for construction plant and equipment, and the Order, also of 17 March 1986, on the permissible sound power level of tower cranes, which implements Directive 84/534/EEC.

Various orders are now being prepared, principally in order to revise earlier regulations. The subjects covered include cancer, asbestos, organic solvents, genetic engineering and lifts.

Finally, various campaigns were held during the reference period, notably in the field of organic solvents and noise.

Federal Republic of Germany

199. The new Order on dangerous substances, which was adopted by the Federal German government on 25 June 1986 and entered into force on 1 October, considerably improves the protection enjoyed by workers and by the general public.

It also simplifies the relevant legal provisions, doing away with a lot of "red tape".

This new order cancels and replaces 36 earlier orders including that on dangerous substances as well as others issued both by the Federal authorities and the Länder, 23 of which related to toxic substances, 4 to fertilizers containing ammonium nitrate, and 8 to work at home. It also transfers into German law 14 Community directives, 9 of which relate to the classification, packaging and labelling of dangerous substances and 5 to the protection of workers and the prohibition of lead and asbestos.

Greece

200. On 21 February 1986, a Ministry of Labour decree setting up an occupational health and safety committee was issued.

The Presidential Decree of 22 August on the health and safety of workers at workplaces controlled by the Ministry of Defence extends the new and advantageous provisions of Law No 1508/85 to groups of workers who had previously been excluded. These include civilians working on Ministry of Defence premises such as munitions factories, military workshops, etc.

The Presidential Decree of 29 August 1986 on the health protection of workers exposed to certain chemical agents at the workplace lays down exposure limits for 45 chemical agents.

A Presidential Decree will shortly be adopted on the protection of workers exposed to metallic lead and its ionic compounds at work, which transfers into national law the provisions of Directive 82/605/EEC.

Draft presidential decrees laying down the minimum working hours of safety technicians and occupational physicians and the qualifications required by safety technicians are being considered or have already reached the consultation stage. Draft provisions are also being considered on the following: a group of chemical agents suspected of being carcinogenic; the adaptation of national legislation to Directive 83/477/EEC on the protection of workers from the risks related to exposure to asbestos at work; criteria for the layout of working premises and workplaces.

The Law on the health and safety of workers has now been issued as have a number of presidential decrees governing the type, sequence and minimum frequency of clinical and paraclinical examinations designed to monitor the health of all workers or of specific groups of the population (young persons, women who are pregnant or breast-feeding, etc.).

A decree on wood impregnation products came into force. It lays down requirements for the operation of workshops for the closed-circuit impregnation of wood and improves the protection of workers and consumers against the hazards associated with substances.

As regards the Ministry of Labour, a number of noteworthy initiatives have been taken. These include the holding of three training seminars for safety technicians (two in Athens and one in Thessaloniki), the production of posters on health and safety at work designed by workers themselves and, finally, the issue of a publication containing all the papers delivered at the first training seminar for the technicians.

With regard to other areas, the relevant committees of the Greek Standards Office (ELOT) laid down standards regarding the safety of electric household appliances and toys, while a committee was set up by the Ministry of Health, Social Welfare and Social Security.

Finally, various surveys were conducted or started during the reference period. They concerned working conditions in undertakings in various sectors and involved quality control workshops for cotton, a postal sorting office, and various works in the tobacco, mining and quarrying industries.

Spain

201. Various regulations relating to health and safety at work were approved during the year.

The Royal Decree of 21 February 1986 requires health and safety studies to be carried out for all private or public projects concerning the construction of new installations together with the extension, improvement, repair and demolition of existing ones.

Such a study must be carried out before official authorizations and permits are issued to enable the work to go ahead. It must contain a description of the accident hazards and occupational diseases which may occur, the procedures and technical equipment to be used, and the specifications to be met by machinery and tools, together with an estimate of the costs of the study. On the basis of this study, the contractor must prepare a health and safety plan, which will analyse, extend and supplement all the precautionary measures which he intends to take.

This plan must be submitted to the competent authority and be made permanently available to the project supervisor, the Labour Inspectorate, and specialists employed by the provincial offices for health and safety at work.

The Royal Decree of 26 May 1986 approved the regulations concerning the safety of machinery. It imposes duties on manufacturers, importers, designers, repairers, fitters, persons responsible for maintenance work, and users. It also lays down rules governing both the installation and commissioning of machinery and regular inspections/overhauls. Finally, it contains special safety rules regarding the various hazards associated with machinery (ejections, falls, explosions, mobile parts, electrical hazards, etc.) and specifies the bodies with powers to make inspections and impose administrative sanctions in cases of non-compliance.

The Royal Decree of 9 May approved the rules for safety signs at all places of work where there are employees. It lays down the various colours, geometric shapes and symbols designed to identify potential hazards so as to protect the health of workers and of third parties.

The Ministry of Labour issued two decrees approving the regulations regarding the prevention of risks associated with metallic lead and vinyl chloride monomer.

Finally, it is worth pointing out that figures for accidents at work have shown a clear downward trend in the past few years, probably as a result of the difficult employment situation and the transformation of the system of production which, in turn, have made the industrial sector less important. However, in 1986 these figures levelled out, owing perhaps to the increase in the working population and the rise in employment which occurred.

France

202. A decree on the protection of workers exposed to benzene was issued on 27 February 1986. Its purpose is to simplify and update the relevant regulations, most of which dated back to 1939.

On 18 March 1986 a decree was issued which amended certain provisions in the Labour Code concerning substances and preparations hazardous to workers, thus transferring into national law the provisions of the Council Directive 79/831/EEC amending for the sixth time Directive 67/548/EEC on the classification, packaging and labelling of dangerous substances.

The procedures for forwarding documents concerning inspections and verifications for health and safety purposes were laid down in a decree dated 13 March; a further decree, issued on 14 March 1986, lays down the health and safety requirements to be met by mobile agricultural and forestry machinery, while a further decree issued on the same date relates to the protection of workers exposed to methyl bromide.

The way in which the occupational health services are organized was modified by two decrees issued on 14 March 1986. The first establishes regional occupational health committees while the second makes important changes to the regulations. However, some provisions have disappeared from the draft submitted in the autumn of 1985, which had made front-page news because of the hostile reception that it had received from the national occupational health council; these include the abolition of the compulsory annual medical examination and the right of employees and employers to appeal against decisions stating that employees are unfit to work.

The Decree of 1 March 1986 lays down conditions for the approval of organizations conducting atmospheric monitoring and makes a French standard on such work compulsory, while the Decree of 14 March 1986 on the information and test results to be provided under the Labour Code introduces into France the Community testing methods for analyzing dangerous substances as well as the OECD "codes of practice" governing the procedures to be followed when conducting these tests.

Under the Decree of 30 July 1986, workers exposed to asbestos dust must be provided with showers, in accordance with the principle laid down in the EEC Directive of 19 September 1983 (an individual directive within the meaning of Article 8 of Directive 80/1107/EEC).

The Decree of 7 January 1986 covers the flooring of fixed scaffolding while the Decree of 14 March 1986 lays down the health and safety requirements to be met by mobile agricultural and forestry machinery.

The administrative measures taken included a number of circulars, as listed below.

The Circular of 29 January 1986 on the labelling and packaging of chemical products for industrial use defines the scope of the 1983 decrees on the labelling of chemical products and contains a "guide to EEC packaging".

Following a number of accidents involving pyralene transformers, the Circular of 14 March 1986 on the hazards associated with pyralene and its decomposition products sets out, for the inspection officers involved, the risks associated with such products, the sectors most at risk, the elementary precautions to be taken, and the regulations to be applied.

The Circular of 5 May 1986 amplifies and amends the annex to the Circular of 19 July 1982 on permissible values for the concentration of certain dangerous substances in the atmosphere at the workplace and lists limit values as well as mean exposure values for about 10 substances.

The Circular of 12 May 1986 on the prevention of cancers of occupational origin lays down a number of exposure limit values.

Finally, the Circular of 22 September 1986 sets out the information to be included in the reports on tests of electrical installations carried out by qualified technicians or by approved persons/organizations.

Various draft provisions are under discussion or in preparation. These include: a draft decree on special health measures to be taken in establishments where the staff is exposed to asbestos dust, which transfers into national law the provisions of the relevant EEC directive; a draft decree on forms containing safety information, which was notified under Directive 83/189/EEC; a draft decree on the protection of workers exposed to fumigation gases, which will shortly be notified to the Commission in accordance with Directive 83/189/EEC; a draft decree on the protection of workers exposed to metallic lead and its ionic compounds, which transfers into French law the provisions of Directive 82/605/EEC. There are also two draft decrees on the protection of workers against noise, which incorporate into French law the provisions of Directive 86/188/EEC. Finally, a draft project designed to improve the safety of tractor operators is now ready and has been submitted to the Commission of the European Communities for examination.

Finally, the public authorities in 1986 continued and extended a programme drawn up in 1985 covering the building and public works sectors, which will last for at least three years. Under this programme various steps were taken, including the launching of a plan to monitor the implementation of the regulations regarding scaffolding and tower cranes.

Ireland

203. In regard to the incorporation into Irish law of Directive 82/605/EEC on the protection of workers from the risks related to exposure to lead and its compounds at work, it should be pointed out that the relevant Irish legislation in this area is part of the main body of domestic occupational health and safety legislation. It comprises, in particular, the Safety in Industry Acts and the regulations made under the Factories Act of 1955, as amended by Section 5 of the 1980 Safety in Industry Act.

Thus, the various lead regulations set out requirements with regard to regular medical examination of persons employed in lead processes as well as general provisions in regard to health and safety. The Industrial Inspectorate and the Occupational Medical Service of the Department of Labour, who are responsible for the enforcement of statutory provisions relating to health and safety at work, rely on these provisions to ensure compliance with the requirements of the Directive. Both the Occupational Medical Service and the Industrial Inspectorate advise employers and workers about the requirements of the Directive and of the need to ensure compliance with them.

The main legal and administrative provisions adopted include the regulations, applicable from 10 March 1986 onwards, which give effect to Council Directive 83/478/EEC and prohibit with certain qualifications and exemptions the marketing and use of asbestos fibres, such as crocidolite and products containing such fibres, which may be harmful to human health. They also provide that, when permissible, the marketing and use of products containing these fibres shall be subject to their bearing a label in accordance with the provisions of Directive 76/769/EEC.

The provisions of Commission Directive 84/449/EEC relating to the classification, packaging and labelling of dangerous substances were given effect by regulations which came into operation on 1 July.

The European Communities (Electrical Equipment for Use in Potentially Explosive Atmospheres) (Amendment) Regulations, which came into operation on 7 July 1986, give effect to Commission Directive 84/47/EEC. These regulations also implement a provision of the Directive permitting, in certain circumstances, the continuation of an existing alternative method of compliance until 1 January, 2005.

Two regulations on the transport of dangerous substances have come into force. They bring Irish legislation into line with the provisions of the ADR Agreement (European Agreement concerning the international carriage of dangerous goods by road).

The provisions of Council Directive 82/501/EEC on the major accident hazards of certain industrial activities were implemented under the regulations which came into operation on 1 September 1986, which introduce requirements aimed at preventing and limiting the effects of accidents arising from industrial activities involving dangerous substances.

Projects currently being examined or in preparation include the Safety, Health and Welfare (Offshore Installations) Bill, the purpose of which is to provide for the safety, health and welfare of persons employed on installations concerned with the exploration for or the exploitation of petroleum and other minerals in the waters in or surrounding Ireland.

Consideration of legislation implementing Council Directive 85/467/EEC relating to restrictions on the marketing and use of certain dangerous substances and preparations is at an advanced stage.

In the course of a review of the 1981 Maternity Protection of Employees Act, it emerged that certain difficulties had arisen through the numerous notification requirements in the Act; a clarification of the situation, by way of an appropriate affirmative order, is at present under consideration.

Draft regulations are nearing completion for worker safety in regard to dangerously flammable liquids and transport. Draft regulations in regard to the safety training of workers in mines and other draft regulations in regard to approved methods and apparatus for the testing of petroleum are also nearing completion.

The Minister for Labour will shortly complete proposals for comprehensive legislation to give effect to the main recommendations of the Report of the Commission of Enquiry on Safety, Health and Welfare at Work. Finally, work is proceeding on regulations designed to implement various Community directives regarding dangerous substances, accident hazards associated with certain industrial activities, lead, and asbestos.

Italy

204. Although new laws or regulations came into force in 1986, a number of administrative circulars were published. The Circular of 7 April lays down specifications for equipment used in the construction industry, while the Circular of 7 July lays down the steps which must be taken to prevent accidents when using, assembling and dismantling concreting equipment.

As regards the implementation of the Community directives, an office to coordinate Community policies was set up and accredited to the Presidency of the (Italian) Council. This office, staffed by specialists employed in the relevant government departments, examined ways of implementing Directive 80/107/EEC on the protection of workers against hazards associated with exposure to physical, chemical and biological agents, Directive 82/605/EEC on lead, and Directive 83/477/EEC on asbestos.

Luxembourg

205. The main laws and regulations adopted included the Grand Ducal Regulation of 26 June 1986 amending both the annex to the Law of 11 March 1981 governing the marketing and use of certain dangerous substances and preparations, and the Grand Ducal Regulation of 26 June 1980. The latter relates to the elimination of polychlorobiphenyls and polychloroterphenyls and brings Luxembourg law into line with a number of Community directives by adapting other regulations of various kinds.

A draft Grand Ducal regulation on the major accident hazards of certain industrial activities was submitted to the relevant consultative bodies. Its purpose is to bring Luxembourg law into line with Directive 82/501/EEC (amended), the so-called "Seveso" Directive.

Two other draft laws were submitted to the Chamber of Deputies, one relating to the classification, packaging and labelling of dangerous preparations (solvents), which amended the Law of 18 May 1984 on the classification, packaging and labelling of dangerous substances, while the other related to the classification, packaging and labelling of paints, varnishes, printing ink, glues and related products. The purpose of the drafts is to bring Luxembourg Law into line with the relevant Community directives.

The Netherlands

206. On 20 December 1985, a draft decree amending a 1938 decree on safety in factories and at the workplace was issued together with a decree on safety in agriculture designed to reduce noise at work.

Other provisions issued include a draft decree which amends the decree on asbestos by prohibiting the storage of asbestos cement piping and fittings containing crocidolite, together with an amendment to a decree on driving and rest periods which implements Directive 3820/85/EEC.

Amended provisions were also issued on the use of tachygraphs, in connection with Directive 3821/85/EEC.

Among the instruments being prepared is a statutory regulation which lays down specific safety arrangements for the approximately 1.4 million persons working in offices, shops, warehouses, hospitals, old people's homes, etc.

1987 will probably see the introduction of a regulation making it compulsory for operators of mobile cranes and hoists to have an operator's certificate.

An administrative regulation on various measures concerning health and hygiene at work, a draft law revising the 1936 law on driving and rest periods, and a draft law on driving periods and the number of crew required on internal waterways are also being prepared.

Finally, the Council for Working Conditions, which is a tripartite advisory body, submitted an opinion to the State Secretary for Social Affairs and Employment recommending the setting up of a new tripartite consultative body to enable the tasks entrusted to various institutions concerned with working conditions to be defined and carried out in a more coordinated way.

Portugal

207. The Decree-Law of 20 August 1986 implements the general regulations governing occupational health and safety in commercial establishments, offices and service undertakings. It adopts the principles underlying ILO Convention N° 120 and also refers to various other regulations.

The Decree-Law of 23 September 1986 extends the regulations on safety signs at work to cover all workplaces, in accordance with the relevant EEC Directive.

The Decree-Law of 13 November 1986 lays down the substances, agents and industrial processes which represent an actual or potential carcinogenic hazard for workers who are occupationally exposed. It also identifies the body responsible both for monitoring the national situation regarding occupational exposure in collaboration with the services concerned, and for assisting the authorities in preparing appropriate measures.

Mention should also be made of various initiatives taken as part of the work carried out by the CNHST (National Committee for Health and Safety at Work). These include :

- the creation of a prize for the best work on the prevention of occupational hazards produced in the Press, on the radio or on television;

- survey of the extent to which occupational health and Safety is incorporated into various educational programmes, especially in higher education;
- the identification of priority sectors for the training of instructors in matters concerning occupational health and safety and the working environment.

Finally, on a proposal from the CNHST, the Government decided to prepare general regulations on occupational health and safety in agriculture.

United Kingdom

208. The Health and Safety Commission continued its policy of establishing comprehensive regulations, codes of practice and guidance on all matters relating to health and safety at work, both within the framework provided by the Health and Safety at Work etc. Act 1974 and, as from August 1986, under the Gas Act of 1986.

Regulations which came into force during the year include the Asbestos (Prohibitions) Regulations which implement in part Directives 76/769/EEC (as amended by Directive 83/478/EEC) and 83/477/EEC; the Notification of New Substances (Amendment) Regulations implementing Directive 79/831/EEC; and the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1985.

New control limits were adopted for arsenic, rubber fumes, vinylidene chloride wood dust, and a complete list of occupational exposure limits was published in June 1986. Guidance was issued on the transport of dangerous substances, storage of anhydrous ammonia, bulk chlorine installations, and cardroom processes.

The HSC also published several proposals for regulations including those concerning safety in mines, the control of asbestos at work, the notification marking of buildings containing dangerous substances and the conveyance of explosives by road. In addition, the HSC made significant progress in developing its proposals for regulations on pressurized system, electricity at work, the control of hazardous substances, the conveyance of dangerous substances by road in packages and the storage and conveyance of dangerous substances in ports. The employers, through the CBI, continued to support this work programme while asking that all proposals put before the HSC should be based on scientific fact and on available accident data and should be realistic, practicable and cost-effective.

Finally, the HSC issued proposals for revised test methods for new notifiable substances, for a revised Approved Code of Practice (ACOP) on the classification and labelling of substances dangerous for supply and/or conveyance by road and, finally, for new ACOP's on standards of training in safe gas installations and on basic training for lift truck operators.

Chapter XHEALTH PROTECTIONRadiation protection legislation

209. In 1986 the Member States continued the procedures for application of Council Directive 84/467/Euratom of 3 September 1984¹ amending Directive 80/836/Euratom of 15 July 1980² on the basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation.

They also continued the procedure for the application of Council Directive 84/466/Euratom of 3 September 1984³ laying down basic measures for the radiation protection of persons undergoing medical examination or treatment.

The following regulations, concerned mainly with measures to implement or supplement the basic provisions on radiation protection, have come into force or have been published in the Member States since the last Report on Social Developments (1985) :

Denmark

- Order on the use of unsealed sources or radioactive elements in hospitals, laboratories etc., 18 November 1985, published in : Lovtidende A 1985-Hæfte 77, No 485, 1625 ;
- Order on the use of X-ray, etc. installations, 17 September 1986, published in : Lovtidende A 1986-Hæfte 70, No 657, 2531.

1 OJ L 265 , 5.10.1984.
2 OJ L 246 , 17.09.1980,
3 OJ L 265 , 5.10.1984.

Greece

- Decisions and ministerial approval No A2 st/1539 :

"Basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation, in application of Directives 80/836/Euratom of 15 July 1980 and 84/467/Euratom of 3 September 1984"(OJ of 13.05.1985, Part 2, No 280).

France

- Decree of 2.10.1986 on the protection of workers against the dangers of ionizing radiation (OJ of 12.10.1986).

United Kingdom

- The Ionising Radiations Regulations 1985, S.I 1985 No 1333 ;
- Ionising Radiations Regulations (Northern Ireland) 1985, Statutory Rules of Northern Ireland 1985, No 273 ;
- Health and Safety Commission, Approved Code of Practice, The protection of persons against ionising radiation arising from any work activity, 1985 ;
- Health and Safety Agency for Northern Ireland, Approved Code of Practice, The protection of persons against ionising radiation arising from any work activity, 1985.

210. The Commission gave its opinion, pursuant to Article 33, paragraph 4, of the Euratom Treaty, on the following draft regulations :

Denmark

- Draft order on dose limits for ionizing radiation ;
- Draft order on the use of X-ray, etc. installations.

Federal Republic of Germany

- Draft first regulation amending the X-ray regulation of 1.3.1973 ;
- Draft second regulation amending the radiation protection regulation of 13 October 1976.

France

- Draft decree (rescinding and replacing Decree No 67-228 of 15 March 1967) on the protection of workers against the dangers of ionizing radiation.

Radiation protection measuring techniques

211. The Member States have continued their research in various areas of radiation protection, including instrumentation, education and risk analysis.

Particular attention has been given this year to the measurement of radioactivity in the environment and consumer products by Member States concerned to protect and, in particular, to reassure the general public ; this required very advanced knowledge of radiation measurement techniques of all kinds.

In Denmark the measurement of background radiation in houses has been completed and the measurement of radon at various workplaces has been continued

After the nuclear accident in the USSR, the government of the Federal Republic of Germany drew up a law on the precautions to be taken to protect the general public against ionizing radiation (Law on the prevention of the risks arising from ionizing radiation). This law regulates and standardizes the measurement of radioactivity in the environment, lays down methods and provides a basis for the establishment of reference values for doses, contamination and protective measures.

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The use of active dosimeters for nuclear medicine, the use and storage of radioactive substances, neutron measurement appliances, the production of X-rays and radiography quality control have been standardized.

In Greece investigations have been carried out in regions with high background radiation levels.

In the United Kingdom new techniques have been developed for the measurement of caesium 137 and radon and its daughters. A new instrument to measure the dose to the extremities has been brought into service. The measurements of radon in houses have been completed and the results published. The practical implications of the new quantities (as defined by the ICRU) continue to be assessed.

Monitoring of radioactivity in the environment

212. The monitoring of environmental contamination has assumed critical importance since the accident on 26 April 1986 in the Chernobyl nuclear power station in the USSR.

Following the detection of an increase in the radioactivity in the air, first in Sweden and then in the Community countries, the national authorities have used their existing facilities to carry out extensive environmental monitoring. In view of the potential danger and under the terms of Articles 35 and 36 of the Euratom Treaty, the Commission, on 29 April 1986, asked the Member States to submit regular readings of radioactivity in the air, water, ground and food. This information was submitted almost each day but was generally incomplete, not uniform and often late. A provisional report of the data received has been drawn up by the Commission departments concerned. However, given the shortcomings of existing provisions, the Commission has undertaken to propose to the Council the adoption of a system for the rapid exchange of consistent information in the event of a nuclear accident.

The radioactive emissions from Chernobyl and the fallout over large areas of the Community when the radioactive cloud passed over (27 April - 12 May) resulted in a significant (but unevenly distributed) deposit on the ground of nucleides of radiological significance - particularly iodine and

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caesium. The levels of iodine deposits on the ground were between 40Bq/m^2 (in Portugal) and $300\,000\text{Bq/m}^2$ (in Bavaria, Federal Republic of Germany) ; the caesium levels were between 10Bq/m^2 (in Portugal) and $100\,000\text{Bq/m}^2$ (in Bavaria).

The main source of human exposure was the contamination of agricultural produce by these deposits

Provisional estimates rate the total dose to the average adult by external and internal irradiation at between 0.0003mSv and 0.58mSv . It is useful to compare these values with those resulting from exposure to background radiation which amounts to an average of 140mSv for a lifetime.

Radioactive effluents

Plans for the disposal of radioactive waste

213. Under Article 37 of the Euratom Treaty, the Commission is required to deliver an opinion on the risk of contamination of neighbouring Member States inherent in any plan for the disposal of radioactive waste.

In 1986 the Commission delivered opinions on the following plans :

- the nuclear power stations in :

KALKAR (F.R. of Germany)

St ALBAN (France)

FLAMMANVILLE (France)

CREYS-MALVILLE (France)

BROKDORF (F.R. of Germany)

HEYSHAM 2 (Great Britain)

CATTENOM (France)

- the nuclear fuel storage facility in CREYS-MALVILLE (France) ;

Radioactivity in the water of the Meuse

214. The Commission has published a report, EUR 10670, "The radiological exposure of the population in the Meuse basin". It gives the results of the work done of a group of experts formed by the Commission.

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The report deals with the radioactive waste deposited in the Meuse, the measurements made, the use of the water of the Meuse and the exposure of the population as a result of the waste.

Emergency plans

215. Although the specific risks may differ, all the Community countries are exposed to certain types of disaster whether natural or man-made ; plans have therefore been made in all countries to deal with the problem. The reaction of Member States to disasters has, on the whole, been satisfactory but the problem has come to the forefront again (informal contacts between the ministers responsible for the protection of the population after Chernobyl) and attention is being given to the possibility of improving international cooperation in this field ; the list of procedures and equipment for transborder assistance, particularly in the field of health, is being updated.

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Transmittable diseases : AIDS

216. The increase in the number of cases of AIDS in the Member States since 1981 has continued in 1986.

This can be seen from the following data, collected by the WHO Collaborating Center on AIDS :

- 3041 cases had been reported by the 27 European countries participating in the monitoring programme (as against 22 000 in the USA) by 30 June 1986. The 12 Community countries account for most (90%) of the cases.

- The table below shows the rate of AIDS cases per million population.

Country	Rate/million
Belgium	17.3
Denmark	18.2
France	15.6
Federal Republic of Germany	8.8
Greece	2.2
Ireland	2.8
Italy	5.2
Luxembourg	7.5
Netherlands	10.1
Portugal	2.7
Spain	4.6
United Kingdom	6.9
USA	97.0

The high rate in Belgium does not reflect the actual situation as 50% of the cases are non-residents (mainly from Africa).

According to the WHO Collaborating Center on AIDS, the total number of cases could reach 29 000 in the European Community by the end of 1988 -

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assuming that "doubling time"* remains constant at 9.4 months (Community average). Doubling time does however seem to be decreasing, particularly in the countries of southern Europe. The situation is particularly alarming in Italy where it has already gone down to 4.8 months.

The distribution over risk groups (homosexuals or bisexuals, drug addicts, haemophiliacs and persons who have received blood transfusions) is more or less the same as in 1985 except that the percentage for drug addicts has gone up from 5 to 12%.

It should be pointed out that this percentage does not provide any information about the number of drug addicts infected with the AIDS virus but not ill. The number of carriers is certainly much higher, as some research has shown, and the implications for public health far more serious. AIDS should therefore be given high priority in drug control programmes.

The table below shows the number of persons with AIDS since 1981 and forecasts for the coming years (figures for the European Community excluding Belgium ; forecast based on a doubling time of 9.4 months).

Period	New cases	Total cases
Up to 1981	67	67
1981	15	82
1982	68	150
1983	214	373
1984	502	874
1985	1349	2082
1986 forecast		4999
1987 "		12037
1988 "		29025

Source : WHO Collaborating Center on AIDS.

* "Doubling time" : the time required for the number of cases of AIDS to double.

Cocaine

217. New information suggests that cocaine addiction will continue to cause concern ; the situation worsened in 1985/1986.

Evidence of this is seen firstly in the considerable increase in the quantities of cocaine seized in the Member Countries in 1985.

Furthermore, pure cocaine ready for use has appeared on the market under the name "crack". "Crack", which is sold at prices which all social classes can afford, induces very serious psychological dependence and is being widely distributed and used in the United States ; it has already been found in Spain, Italy and the Netherlands.

Cocaine seized in 1985 (in kg)

Belgique	46,378
Denmark	0,305
Federal Republic of Germany	155,678
Greece	0,001
Spain	222,572
France	69,643
Ireland	0,335
Italy	91,218
Luxembourg	27,330
Netherlands	124,897
Portugal	69,082
United Kingdom	84,972
Total	892,411

Source : Interpol, Paris

C. STATISTICAL APPENDIX

- I. Population
- II Education
- III Employment
- IV Unemployment
- V Working conditions
- VI Wages - labour costs
- VII Standard of living
- VIII Social protection

I. Population

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12	
1. Total population														
a) 1.000 - annual average or 30 June														
1970	9.638	4.929	60.651	8.793	33.779	50.772	2.950	53.822	340	13.039	9.044	55.632	303.388	
1980	9.847	5.123	61.566	9.643	37.386	53.880	3.401	56.434	365	14.150	9.909	56.314	318.018	
1981	9.852	5.122	61.682	9.729	37.751	54.182	3.443	56.508	366	14.247	9.855	56.379	319.116	
1982	9.856	5.118	61.638	9.789	37.961	54.480	3.483	56.638	366	14.313	9.930	56.335	319.909	
1983	9.856	5.114	61.423	9.850	38.173	54.729	3.508	56.836	366	14.367	10.009	56.377	320.608	
1984	9.855	5.112	61.175	9.896	38.387	54.947	3.529	57.005	366	14.424	10.089	56.488	321.273	
1985	9.858	5.114	61.024	9.935	38.602	55.170	3.540	57.141	367	14.492	10.157	56.618	322.018	
b) Average annual increase as %														
1970/80	0,2	0,4	0,1	0,9	1,0	0,6	1,4	0,6	0,7	0,8	0,9	0,0	0,4	
1980/81	0,1	- 0,0	0,2	0,9	1,0	0,6	1,2	0,2	0,1	0,7	- 0,5	0,1	0,3	
1981/82	0,0	- 0,1	- 0,1	0,6	0,6	0,5	1,2	0,2	0,0	0,5	0,8	0,1	0,3	
1982/83	0,0	- 0,1	- 0,3	0,6	0,6	0,5	0,7	0,3	0,0	0,4	0,8	0,1	0,2	
1983/84	0,0	- 0,0	- 0,4	0,5	0,6	0,4	0,6	0,3	0,0	0,4	0,8	0,2	0,2	
1984/85	0,0	0,0	- 0,2	0,4	0,6	0,4	0,3	0,2	0,0	0,5	0,7	0,2	0,2	
c) By age groups as % - end of the year														
0-14 years	1970	23,6	23,1	23,1	24,6	27,9	24,7	31,2	24,4	22,0	27,2	28,8	24,0	24,8
	1980	20,0	20,6	17,8	22,5	25,7	22,3	30,4	21,7	18,6 ¹	22,1	25,5	20,8	21,5
	1984	19,0	18,6	15,3	21,1	23,6	21,3	29,6	19,6	17,6 ¹	19,7	23,8	19,4	19,8
15-64 years	1970	63,0	64,5	63,6	64,3	62,4	62,4	57,7	65,0	65,4	62,6	62,0	63,2	63,2
	1980	65,6	64,9	66,7	64,3	63,4	63,9	58,9	64,7	67,8 ¹	66,4	63,1	64,2	64,8
	1984	67,4	66,4	70,1	65,6	64,5	65,9	59,8	67,7	69,2 ¹	68,3	64,3	65,6	66,8
65 years	1970	13,4	12,4	13,3	11,1	9,8	12,9	11,1	10,6	12,6	10,2	9,2	12,8	12,0
	1980	14,4	14,5	15,5	13,2	10,9	13,8	10,7	13,5	13,6 ¹	11,6	11,4	15,0	13,7
	1984	13,7	15,0	14,7	13,3	11,9	12,8	10,7	12,7	13,2 ¹	12,0	11,9	15,0	13,4

¹ 1983.

Source : "Demographic statistics 1986", EUROSTAT.

I. Population (continued)

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
2. Components of population changes													
a) Birth rate (live births per 1.000 inhabitants)													
1970	14,8	14,4	13,4	16,5	19,6 ₁	16,8	21,8	16,8	13,0	18,3	20,0	16,2	16,4
1980	12,6	11,2	10,1	15,4	15,2 ₁	14,9	21,8	11,3 ₁	11,4	12,8	16,2	13,4	13,0
1981	12,6	10,4	10,1	14,5	14,1 ₁	14,9	21,0	11,0 ₁	12,1	12,5	15,4	13,0	12,7
1982	12,2 ₁	10,3	10,1	14,0	13,4 ₁	14,6	20,3 ₁	10,9 ₁	11,8	12,0	15,2	12,8	12,4
1983	11,9 ₁	9,9	9,7	13,5	12,5 ₁	13,7	19,1 ₁	10,6 ₁	11,4	11,8	14,4	12,8	11,9
1984	11,7 ₁	10,1	9,5	12,7	...	13,8	18,2 ₁	10,3 ₁	11,5	12,1	14,2	12,9	11,8
1985	11,6 ₁	10,5	9,6	11,8	...	13,9	17,6 ₁	10,1 ₁	11,2	12,3	12,8	13,3	...
b) Death rate (deaths per 1.000 inhabitants)													
1970	12,3	9,8	12,1	8,4	8,3 ₁	10,7	11,4	9,7	12,2	8,4	10,3	11,8	10,6
1980	11,5	10,9	11,6	9,1	7,7 ₁	10,2	9,8	9,8 ₁	11,3	8,1	9,9	11,7	10,3
1981	11,4 ₁	11,0	11,7	8,9	7,6 ₁	10,2	9,6	9,6 ₁	11,2	8,1	9,7	11,7	10,2
1982	11,1 ₁	10,8	11,6	8,8	7,5 ₁	10,0	9,3 ₁	9,4 ₁	11,3	8,2	9,3	11,8	10,1
1983	11,3 ₁	11,2	11,7	9,2	7,7 ₁	10,2	9,4 ₁	9,9 ₁	11,3	8,2	9,6	11,7	10,3
1984	11,1 ₁	11,2	11,3	8,9	7,3 ₁	9,9	9,1 ₁	9,3 ₁	11,1	8,3	9,6	11,4	10,0
1985	11,2 ₁	11,4	11,5	9,3	...	10,0	9,4 ₁	9,5 ₁	11,0	8,5	9,6	11,8	...
c) Net migration (per 1.000 inhabitants)													
1970	+ 0,4	+ 2,4	+ 9,2	- 5,3	- 0,8	+ 3,5	- 1,2	- 2,2	+ 3,1	+ 2,6	- 16,4	- 0,5	+ 1,4
1980	- 0,3	+ 0,1	+ 5,1	+ 5,2	0,0	+ 0,8	- 0,2	- 0,1	+ 3,7	+ 3,7	+ 4,3	- 0,9	+ 1,2
1981	- 0,8	- 0,4	+ 2,5	+ 0,7	+ 2,4 ₁	+ 1,1	+ 0,3	- 0,5	+ 1,1	+ 1,2	+ 1,7	- 0,3	+ 0,9
1982	- 0,5	- 0,0	- 1,2	+ 0,8	- 0,4 ₁	+ 0,7	- 3,2	+ 1,9	- 0,9	+ 0,2	+ 1,8	- 0,9	+ 0,1
1983	- 0,8	+ 0,3	- 1,9	+ 0,9	+ 0,8 ₁	+ 0,3	- 2,7	+ 2,4	+ 0,1	+ 0,4	+ 3,3	+ 0,1	+ 0,3
1984	0,0	+ 0,8	- 2,5	+ 1,0	...	+ 0,3	- 5,0	+ 1,6	+ 1,3	+ 0,6	+ 3,3	+ 0,3	...
1985	0,0	+ 1,9	+ 1,4	...	...	0,0	- 8,0	+ 1,4	+ 2,5	+ 1,7	+ 2,3	+ 2,0	...

1 Provisional figures.

Source : "Demographic statistics 1986", EUROSTAT.

II. Education

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
	1. Compulsory education (age)												
1970	6-14, ¹	7-14	6-14	7-13	6-14	6-15 1/2	6-14	6-14	6-15	6-14	6-12	5-15	5-15 1/2
1985	6-18 ¹	7-16	6-15	5 1/2-14 1/2	6-14	6-15 1/2	6-15	6-14	6-15	5-16	6-14	5-16	5-18
	2. Numbers of pupils and students												
	a) 1.000												
1970/71	2.361	951	11.060	1.648	6.109	12.396	766	11.036	61,5	3.204	1.570	10.819	61.982
1980/81	2.289	1.103	12.455	1.911	8.267	13.442	911	12.699	61,2	3.517	1.695	11.270	69.620
1983/84	...	...	11.680	...	...	13.353	950	12.133	...	3.401	...	10.520	...
	b) as % of the population aged 5 to 24 years												
1970/71	78,5	61,3	63,8	61,0 ^s	.	73,2	70,4	67,0	62,6	68,4	.	63,8	.
1980/81	77,6	72,5	68,9	65,7	.	80,4	70,4	72,1	59,0	74,5	.	65,9	.
1983/84	...	...	68,2	...	.	81,5	71,0	69,9	...	76,8	.	63,4	.
	c) by level of education as %												
First level													
1970/71	44,2	47,8	36,9	55,8	52,6	41,5	52,2	44,7	52,3	47,7	62,6	54,1	51,5
1980/81	37,5	39,4	23,1	47,2	43,7	36,5	47,2	34,9	44,2	39,9	71,1	44,0	37,4
1983/84	...	...	20,9	...	...	33,1	45,1	33,5	...	35,5	...	41,1	...
Second level													
1970/71	31,1	40,1	46,2	33,7	41,4	34,0	27,2	34,7	34,0	31,4	33,8	38,9	42,4
1980/81	37,1	45,2	54,8	38,8	48,1	38,1	33,0	42,0	41,5	40,3	23,5	48,2	44,4
1983/84	...	...	53,0	...	...	40,1	34,2	43,9	...	43,9	...	50,0	...
Third level													
1970/71	5,3	9,9	6,1	5,2	6,0	6,2	3,4	6,2	0,8	5,5	3,6	4,2	6,3
1980/81	8,6	9,6	9,7	6,3	8,2	7,6	4,6	8,3	1,3	8,1	5,4	4,7	7,7
1983/84	...	...	12,5	...	...	8,4	5,2	8,7	...	8,8	...	5,5	...

s Estimations EUROSTAT

1 16 years and older : at least participation in part-time education.

Source : "Education and training 1985", EUROSTAT.

III. Employment

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
1. Working population													
a) 1.000 - annual average													
1970	3.824	2.380	26.817	3.430 ^S	13.049	21.426	1.118	20.886	135,8	4.795	.	25.308	127.189 ^S
1975	3.999	2.486	26.884	3.434 ^S	13.757	22.365	1.157	21.233	150,3	4.991	4.030	25.877	130.363 ^S
1980	4.156	2.662	27.217	3.636	13.344	23.373	1.247	22.553	152,5	5.386	4.338	26.819	134.884
1985	4.202	2.834	27.835	4.078 ^S	13.764	23.891	1.299 ^S	23.587	155,0	5.834	4.522	27.569	139.570 ^S
b) as % of total population (activity rates)													
1970	39,7	48,3	44,2	39,0 ^S	38,6	42,2	37,9	39,1	40,0	36,8	.	45,5	41,9 ^S
1975	40,8	49,1	43,5	38,0 ^S	38,7	42,4	36,4	38,3	41,7	36,5	42,8	46,0	41,8 ^S
1980	42,2	52,0	44,2	37,7	35,7	43,4	36,7	39,8	41,8	38,1	43,8	47,6	42,4 ^S
1985	42,6	55,4	45,6	41,0 ^S	35,7	43,3	36,6	41,1	42,4	40,3	44,5	48,7	43,3 ^S
2. Total employment													
a) annual average													
1970	3.698	2.363	26.651	3.294 ^S	12.856	20.905	1.053	19.775	140,2	4.708 ^S	.	24.753	124.192 ^S
1975	3.783	2.365	25.810	3.359 ^S	13.133	21.453	1.073	20.007	157,5	4.747	3.852	25.039	124.778 ^S
1980	3.797	2.489	26.328	3.541	11.706	21.903	1.156	20.869	158,2	5.077	4.007	25.306	126.337
1985	3.662	2.598	25.531	3.774 ^S	10.798	21.476	1.073	21.113	161,0	5.208	4.137	24.391	123.922 ^S
b) Female employment as % of total employment													
1970	31,9	38,6	36,0	26,4 ^S	24,1	34,9	26,7	27,5	26,9	25,7 ^S	.	35,8	32,5 ^S
1980	35,1	44,0	37,3	28,1	27,8	38,5	28,8	31,3	30,8	30,0	38,1	39,8	35,6
1985	37,4	44,5	38,2	32,3 ^S	28,6	40,6	30,8	32,4	33,7	33,9	40,0	41,6	37,2 ^S
c) Total employment by sectors as %													
Agriculture, fishery													
1970	4,7	11,3	8,5	38,8 ^S	28,5	13,2	26,9	19,6	9,3	6,1 ^S	.	3,2	
1980	2,9	8,0	5,5	28,7	18,1	8,5	18,1	13,9	5,4	4,8	28,0	2,6	9,4
1985	2,9	7,0	5,4	27,5 ^S	16,4	7,4	15,8	10,9	4,2	4,8	23,4	2,5	8,4 ^S

^S Estimates.

Source : "Employment and unemployment - 1987", EUROSTAT.

III. Employment (continued)

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
Industry													
1970	41,6	37,1	48,4	23,8 ^s	36,0	38,1	29,6	38,4	44,1	38,1 ^s	.	44,1	.
1980	33,6	28,6	43,2	28,7	34,7	35,0	32,1	36,9	38,1	30,8	35,3	37,3	36,9
1985	29,2	26,4	40,2	26,0 ^s	31,0	31,2	28,4	32,7	33,3	27,6	33,3	32,0	33,0 ^s
Services													
1970	53,7	51,7	43,1	37,4 ^s	35,5	48,7	43,5	42,0	46,6	55,7 ^s	.	52,7	.
1980	63,4	63,4	51,3	42,6	47,2	56,5	49,8	49,2	56,6	64,4	36,7	60,2	53,7
1985	67,9	66,6	54,4	46,5 ^s	52,6	61,4	55,8	56,5	62,5	67,6	43,3	65,5	58,6 ^s
3. Employees in employment													
a) Total (1.000) - annual average													
1970	3.004	1.885	22.229	.	8.383	16.518	725	13.368	112,6	4.045 ^s	.	22.851	.
1975	3.152	1.932	22.014	.	9.305	17.648	771	14.251	132,8	4.140	2.586	23.042	.
1980	3.174	2.097	23.009	1.853	8.290	18.321	874	15.055	137,0	4.471	2.729	23.295	103.305
1985	3.017	2.284	22.237	1.955 ^s	7.665	18.128	816	15.023	142,1	4.617	2.815	21.786	100.485
b) as % of total employment													
1970	81,2	79,8	83,4	.	65,2	79,0	68,9	67,6	80,3	85,9 ^s	.	92,3	.
1975	83,3	81,7	85,3	.	70,9	82,3	71,9	71,2	84,3	87,2	67,2	92,0	.
1980	83,6	84,3	87,4	52,3	70,8	83,6	75,6	72,1	86,6	88,1	68,1	92,1	81,8
1985	82,4	87,9	87,1	51,8 ^s	71,0	84,4	76,0	71,2	88,3	88,7	68,0	89,3	81,1
4. Employees in the iron and steel industry (ECSC)													
a) 1.000 - annual average													
1970	60,2	.	237,5	.	.	145,6	.	74,1	23,0	21,3	.	.	.
1975	61,4	2,7	226,8	.	.	156,9	0,8	96,1	22,6	25,6	.	191,1	.
1980	47,4	2,5	201,0	.	.	113,6	0,7	100,6	16,0	21,0	.	133,4	.
1985	35,6	1,7	152,0	4,2	.	80,7	0,6	71,1	12,4	18,9	.	60,7	.
1986	32,6	1,8	147,9	.	.	71,9	0,5	68,9	12,5	18,9	5,7	56,9	.
b) Average annual increase (+) or decrease (-) as %													
1970/75	+ 0,5	.	- 0,9	.	.	+ 1,5	.	+ 5,3	- 0,3	+ 3,8	.	.	.
1975/80	- 5,1	- 1,6	- 2,4	.	.	- 6,2	- 3,2	+ 0,9	- 6,6	- 3,9	.	- 6,9	.
1980/85	- 5,5	- 7,4	- 5,4	.	.	- 6,6	- 2,5	- 6,7	- 5,0	- 2,1	.	- 14,6	.
1985/86	- 8,2	+ 6,3	- 2,7	.	.	- 10,9	- 11,2	- 3,0	+ 1,0	- 0,1	.	- 6,2	.

^s Estimates EUROSTAT.

Source : "Employment and unemployment - 1987", EUROSTAT.

IV. Unemployment

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
1. Registered unemployed (according to national definitions)													
a) 1.000 - annual average													
1970	80 ^s	25 ^s	148	49	146	262	59	888	0	59 ^s	13	558 ^s	2.287 ^s
1975	201 ^s	122 ^s	1.086	35	257	840	96	1.707	0,3	260	107	909 ^s	5.020 ^s
1980	369	176	899	37	1.277	1.451	102	1.580	1,1	325	285	1.591 ^s	8.093 ^s
1985	557	242	2.305	85	2.642	2.458	231	2.959	2,6	761	342	3.271	15.856
1986	517	212	2.223	108	2.759	2.517	236	3.180	2,3	711	368	3.289	16.122
1986	March	243	2.448	131	2.803	2.469	237	3.207	2,3	725	372	3.324	16.466
	June	184	2.078	86	2.652	2.346	233	3.170	2,0	687	372	3.229	15.517
	September	194	2.046	77	2.710	2.624	232	3.155	2,1	704	361	3.333	15.971
	December	222	2.218	139	2.902	2.689	250	3.277	2,6	705	368	3.229	16.535
b) as % of the civilian working population (unemployment rates)													
1970	2,1 ^s	1,1 ^s	0,6	.	1,2	1,3	5,3	4,4	0,0	1,3 ^s	.	2,2 ^s	1,9 ^s
1975	5,1 ^s	5,0 ^s	4,1	.	1,9	3,9	8,4	5,3	0,2	5,3	.	3,6 ^s	3,9 ^s
1980	9,1	6,7	3,4	.	9,9	6,4	8,2	7,2	0,7	6,2	.	6,0 ^s	6,1 ^s
1985	13,6	8,7	8,4	7,8	19,9 ^s	10,5	18,0	12,9	1,7	13,3	8,6	12,0	12,0 ^s
1986	12,6	7,6	8,1	7,5 ^s	22 ^s	10,8	18,4	13,8	1,5	12,4	.	12,1	12,1 ^s
1986	March	8,7	9,0	.	22,1	10,6	18,5	14,0	1,5	12,6	9,3	12,2	.
	June	6,6	7,6	.	21,1	10,1	18,1	13,8	1,3	12,0	8,7	11,9	.
	September	6,9	7,5	.	22,0	11,2	18,1	13,7	1,4	12,3	8,4 ^s	12,2	.
	December	8,0	8,1	.	23,2 ^s	11,5	19,5	14,3	1,7	12,3	8,6 ^s	11,9	.
2. Structure of unemployment													
a) Proportion of women among the unemployed as %													
1970	36,6 ^s	22,0 ^s	38,3	.	.	44,4	17,0	30,1	82,2	17,6 ^s	.	15,4 ^s	.
1980	61,6	50,0	51,8	40,5	31,4	54,6	23,9	46,8	51,9	35,8	59,2	30,4 ^s	43,4
1985	56,0	56,8	44,1	41,6	39,5	48,2	26,2	48,6	48,1	34,6	56,1	31,2	42,3
1986	57,9	59,2	46,2	45,5	43,0	49,3	27,2	48,3	46,7	36,2	53,6	31,5 ^s	43,6
b) Proportion of young people aged under 25 year among the unemployed as %													
1975	40,0 ^s	.	24,9	.	.	42,0	.	.	.	34,4	.	3,1 ^s	.
1980	38,0 ^s	30,2 ^s	25,0 ^s	9,9	47,5	42,1	23,7	47,2	48,3	39,4	.	41,7 ^s	41,0 ¹
1985	34,9	24,7	24,4 ^s	34,4	45,3	38,4	31,0	46,8	47,4	37,6	.	37,8	38,5 ¹
1986	34,0	23,6	23,1	26,8	43,3	35,5	31,3	47,2	44,6	35,0	.	35,6 ^s	37,2 ¹

s Estimates.

1 Portugal excluded.

Source : "Employment and unemployment - 1987", EUROSTAT.

v. Working conditions

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
1. Hours of work per week													
a) Normal hours of work for industrial workers fixed by collective agreements													
1970	42-44	42,5-41,75	40-41	48	-	40 ¹	41-42	42-44	41-45	42,5-41,75	.	40-41	40-48
1980	37 1/2-40	40	40	43-44	42-45	40 ¹	40	36-40	40	40	.	39-40	.
1985/86	36-40	39-40	38-40	38 3/4-40	39-40	37 1/2-39	40	35-40	40	36-40	40-45	35-40	35-45
b) Hours of work offered to industrial workers - October													
1970	42,7	.	44,1	44,6 ²	.	45,9		42,5	45,0	44,3	.	.	.
1980	35,7	.	41,6	39,0 ²	.	40,9	42,3	38,4	40,2	40,8	.	40,7	.
1984	35,7	.	41,2	39,1 ²	.	38,9	41,3	37,4	40,1	40,5	.	41,9	.
1985	35,7	.	40,7	39,3 ²	.	...	41,1	...	40,6	...	.	.	.
2. Basic annual paid holidays for industrial workers fixed by collective agreements in days ³													
1970	18	18	16*-24	6-12		24	12-18	12-15	18-24	15*-18*		12-18	6-24
1980	24	26*-30	21*-30*	10-12	20-25	24	17*-19	20*-24	25*	20*-24*		18-23	10-30*
1985/86	24-25	26*-30	21*-32*	20-24	25	30	24	25-30	25*	26*	20-25	20-27	20-32*
3. Strikes													
a) Working days lost (1.000)													
1970	1.432	102	93	.	1.092	1.742	1.008	18.277	-	263	.	10.980	.
1980	217	192	77	2.617	6.178	1.511	412	13.514	0	54	533	11.964	37.269
1984	.	131	2.921	.	.	1.317	386	7.279	0	29	270	27.135	.
1985	.	2.332	35	.	.	727	418	3.177	0	89	...	6.402	.
b) Working days lost per 1.000 employees													
1970	482	56	4	.	135 ^s	110	1.405	1.445	-	69	.	489	.
1980	70	90	3	1.570	777 ^s	82	480	932	0	13	204	521	362
1984	.	61	136	.	891 ^s	73	468	511	0	7	98 ^s	1.277	.
1985	.	1.021	2	.	.	40	513	211	0	20	...	298	.

s Estimates.

1 Normal hours fixed by legislation.

2 Hours paid for.

3 Working days; where the data have been annotated*, it is question of days of work.

Source : 1 a) + 2 : National collective agreements.

1 b) "Employment and unemployment 1987",
EUROSTAT; "Bulletin of Labour Statistics"
ILO.

3 a) + b) : EUROSTAT

VI. Wages - labour costs

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
1. Average gross hourly earnings of industrial workers ¹ - October ²													
a) Converted into current purchasing power standards													
1975	2,89	3,50	2,77	1,24	.	2,02	2,49	2,48	3,44	2,96	.	2,80	.
1980	5,61	6,20	5,14	2,76	.	3,90	4,57	4,65	6,04	5,13	.	4,43	.
1984	7,79	8,17	7,27	4,54	.	5,70	6,53	6,56	7,87	7,03	.	6,48 ₃	.
1985*	8,07	8,68	7,77	4,82	.	6,02	7,00	...	7,99	7,36	.	6,96 ₃	.
b) In national currencies - indices (1980 = 100)													
1975	66,1	60,9	73,1	35,7	.	52,4	47,2	39,5	68,3	71,0	39,4	52,9	.
1980	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	.
1984	127,1	133,0	116,6	255,0	173,9	155,8	168,2	180,7	127,0	115,1	201,6	141,0 ₃	.
1985	132,3	139,8	121,3	301,8	...	164,9	180,3	...	131,3	117,6	...	152,7 ₃	.
c) In national currencies - average annual rates of increase as %													
1975/80	8,6	10,0	6,4	22,9	.	13,8	16,2	20,4	7,9	7,1	20,5	13,6	.
1980/81	9,6	10,8	5,7	27,5	18,6	15,1	19,7	24,1	5,2	5,3	22,9	12,1	.
1981/82	5,6	9,8	4,3	36,0	14,7	13,1	14,4	17,0	8,1	6,8	21,2	9,0	.
1982/83	4,5	4,1	3,3	18,5	13,8	12,9	11,3	15,9	7,9	1,9	18,0	7,9	.
1983/84	4,3	5,1	2,5	24,1	12,4	6,1	10,3	7,4	3,5	3,5	14,7	7,0 ₃	.
1984/85	4,1	5,1	4,0	18,4	...	5,8	7,2	...	3,4	2,2	...	7,7 ₃	.
d) Development in real terms - indices (1980 = 100)													
1975	87,7	103,1	88,7	76,3	.	87,1	92,9	87,1	89,9	94,7	107,1	100,6	.
1980	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	.
1984	95,3	96,3	98,7	118,7	106,3	105,8	100,8	106,5	93,1	97,1	82,8	107,1 ₃	.
1985	95,4	97,5	100,8	116,0	...	106,8	102,4	...	92,6	97,2	...	110,1 ₃	.
e) Development in real terms - average annual rates of increase as %													
1975/80	2,7	- 0,6	2,4	5,6	.	2,8	1,5	2,8	2,2	1,1	- 1,4	- 0,1	.
1980/81	1,7	- 1,0	- 1,5	1,7	3,5	0,8	- 0,3	6,1	- 3,4	- 1,8	- 1,4	0,4	.
1981/82	- 3,9	- 0,7	- 0,7	13,4	0,2	3,4	- 2,3	- 0,1	- 2,0	1,9	- 1,5	2,0	.
1982/83	- 1,0	- 1,2	0,6	- 2,2	1,4	2,4	1,2	2,5	- 0,4	- 0,6	- 9,3	2,7	.
1983/84	- 1,5	- 0,9	0,3	5,2	1,0	- 0,9	2,2	- 1,9	- 1,3	- 2,1	- 8,8	1,8	.
1984/85	0,1	1,3	2,1	- 2,3	...	1,0	1,6	...	- 0,5	0,1	...	2,1 ₃	.

* Provisional data.

1 Greece : Manufacturing industries ; Denmark and Ireland : building industries excluded.

2 Ireland : September; Greece : 4th quarter; Spain: annual average.

3 Manufacturing industries only.

Source : EUROSTAT.

VI. Wages - Labour costs (continued)

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
2. Average gross monthly earnings of non-manuel workers in industry - October													
a) In national currencies - indices (1980 = 100)													
1975	67,3	66,8	71,3	.	.	56,9	.	44,0	66,1	70,4	.	50,8	.
1980	100,0	100,0	100,0	.	.	100,0	.	100,0	100,0	100,0	.	100,0	.
1984	122,8	137,8	119,2	.	.	145,7	.	177,9	131,0	115,5	.	.	.
1985	128,2	147,9	123,3	.	.	154,2	.	...	135,6	...	.	.	.
b) In national currencies - average annual rates of increase as %													
1975/80	8,2	8,4	7,0	.	.	11,9	.	17,8	8,6	7,3	.	14,5	.
1980/81	8,5	10,7	5,4	.	.	12,4	.	21,3	5,3	6,1	.	13,1	.
1981/82	5,0	11,3	4,4	.	.	9,7	.	13,8	9,6	7,2	.	8,1	.
1982/83	4,1	5,7	4,2	.	.	10,9	.	15,8	5,4	2,9	.	.	.
1983/84	3,5	5,8	4,2	.	.	6,6	.	11,3	7,7	- 2,3	.	.	.
1984/85	4,4	7,3	3,4	.	.	5,8	.	...	3,6	...	.	.	.
3. Labour costs in industry (manuel and non-manuel workers)													
a) Average hourly labour costs in Ecu													
1975	5,97	5,74	5,76	1,68 ¹	.	4,59	2,68 ²	4,20	5,62	6,45	.	2,95	.
1978	9,31	7,86	8,49	2,85 ¹	.	6,44	3,71 ²	5,01	8,51	9,03	.	3,81	.
1981	12,08	9,63	10,94	3,91 ¹	.	9,63	6,03 ²	7,40	9,71	10,73	.	7,43	.
1984	13,09	11,90	14,14	5,69 ¹	.	12,17	7,51 ²	10,23	10,96	13,59	.	8,84	.
1985 ^s	17,92	...	14,90	...	.	...	...	...	11,38	...	.	...	.
b) Country with the highest level = 100													
1975	93	89	89	26	.	71	42	65	87	100	.	46	.
1978	100	84	91	31	.	69	40	54	91	97	.	41	.
1981	100	80	91	32	.	80	50	61	80	89	.	62	.
1984	93	84	100	40	.	86	53	72	78	96	.	63	.
1985 ^s	93	...	100	...	.	...	...	...	76	...	.	...	.

s Estimates.

1 Manufacturing industries only.

2 Excluding construction.

Source : EUROSTAT.

VII. Standard of Living

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
1. Dwellings													
a) Existing dwellings per 1.000 inhabitants - end of year													
1970	372	353	341	280	314 ¹	376	244	319 ²	332	295	...	346	349
1980	386	422	412	354	350 ¹	436 ⁴	263	389 ²	383	343	348 ²	382	390
1984	404	475	438	...	398	444 ⁴	276	...	...	367	...	394	...
b) Completed dwellings per 1.000 inhabitants													
1970	4,8 ³	10,3	7,8	13,0 ³	9,1	9,3	4,6	7,0	5,2	9,1	2,9	6,6	7,8
1980	4,9 ³	5,9	6,3	20,2 ³	7,0	7,0	8,1	4,5	5,6	8,1	4,1 ⁴	4,5 ⁴	6,3
1984	2,6 ³	5,2	6,5	...	5,1	6,8 ⁴	9,9	...	...	8,0	4,0 ⁴	3,9 ⁴	...
2. Durable consumption goods - end of year													
a) Passenger cars per 1.000 inhabitants													
1970	213	218	230	26	71	254	133	190	278	195	47	210	191
1980	320	271	377	89	202	343	215	310	352	322	156	281	298
1983	331	272	400	109	228	372	206	359	385	332	152	295	324
1984	335	282	413	116	231	378	208	366	400	335	159	305	327
1985	339	293	424	127	240	380	...	392	416	339	...	313	...
b) Television sets per 1.000 inhabitants													
1970	217	274	275	113	163	216	149	181	208	237	42	294	223
1980	298	362	320	238	238	297	181	234	247	296	140	331	288
1983	303	369	335	257	258	375	205	243	255	310	151	328	294
1984	303	371	341	264	...	...	211	...	...	312	...	330	...
1985	302	...	346	272	...	...	213	...	...	315	...	331	...

1 1979.

2 1979.

3 1981.

3 Buildings started.

4 Provisional figures.

Source : "Review 1970-1979 and
1975-1984", EUROSTAT.

VII. Standard of Living (continued)

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
c) Installed telephones per 1.000 inhabitants													
1970	211	342	228	119	137	173	104	175	241	169	87	270	197
1980	365	644	464	291	315	460	187	337	361	347	132	496	405
1983	417	719	572	336	352	544	235	405	388	380	169	520	468
1984	...	749	598	357	...	...	253	...	402	390	...	...	...
1985	...	...	621	375	...	...	266	...	414	401	...	...	...
3. Consumer prices													
a) Indices (1980 = 100)													
1980	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
1985	140,5	146,4	121,0	256,3	178,0	158,0	178,4	190,3	142,3	122,3	284,1	141,5	153,7
1986	142,3	151,7	120,7	314,8	193,6	161,9	185,2	201,4	142,7	122,7	317,6	146,3	159,2
b) Annual average rate of increase													
1980/81	7,6	11,7	6,3	24,5	14,6	13,4	20,4	17,8	8,1	6,7	20,0	11,9	12,1
1981/82	8,7	10,1	5,3	21,0	14,4	11,8	17,2	16,5	9,4	5,7	22,7	8,6	10,7
1982/83	7,7	6,9	3,3	20,5	12,2	9,6	10,4	14,7	8,7	2,7	25,1	4,6	8,6
1983/84	6,4	6,3	2,4	18,3	11,3	7,3	8,6	10,8	5,6	3,2	28,9	5,0	7,4
1984/85	4,9	4,7	2,2	19,4	8,8	5,8	5,4	9,2	4,1	2,3	19,6	6,1	6,1
1985/86	1,3	3,6	- 0,2	22,8	8,8	2,5	3,8	5,8	0,3	0,3	11,8	3,4	3,6

VIII. - Social protection

Year	B	DK	DE	EL	E	F	IRL	IT	L	NL	P	UK	EUR-12
1. Total social protection expenditure as a % of the gross domestic product													
1970	18,7	20,0	21,5	13,6 ¹	.	19,2	13,8	17,4	15,6	19,7	.	14,4	.
1975	24,2	26,9	29,7	.	11,7	22,9	19,7	22,6	22,4	26,7	.	20,1	.
1980	28,1	29,7	28,6	14,3 ²	16,1	25,9	20,6	22,8	26,4	30,4	14,0	21,4	.
1983	30,9	30,6	29,1	.	.	29,0	23,9	27,1	26,5	33,9	...	23,8	.
1984	29,6	29,2	28,9	.	.	...	23,5	...	...	...	...	23,8	.
2. Social protection benefits													
a) Benefits per inhabitant at 1980 prices and purchasing power parities													
1975	1780	2220	2190	.	.	1680	850	1210	1790	1990	.	1310	.
1980	2280	2550	2500	.	.	2160	1050	1480	2380	2470	470	1570	.
1983	2380	2750	2520	.	.	2420	1190	1790	2330	2620	.	1790	.
1984	2290	2730	2490	.	.	...	1190	...	...	...	.	1810	.
b) Benefits per function as %													
1970								3					
- Sickness	22,1	28,5	27,7	.	.	26,9	30,8	26,3	17,7	29,8	.	28,1	.
- Invalidity, employment injuries	12,6	13,8	12,6	.	.	9,9	9,7	21,3	19,0	12,1	.	8,5	.
- Old age, survivors	40,6	35,5	45,6	.	.	41,1	34,6	34,8	50,9	40,4	.	48,7	.
- Maternity, family	20,0	13,8	10,2	.	.	16,8	17,0	12,9	11,8	14,0	.	11,2	.
- Unemployment, vocational training, placement	3,7	2,7	2,0	.	.	2,0	2,9	1,1	0,0	3,3	.	2,9	.
- Other	1,0	5,7	1,9	.	.	3,3	5,0	3,6	0,6	0,4	.	0,6	.
	100,0	100,0	100,0	.	.	100,0	100,0	100,0	100,0	100,0	.	100,0	.

1 1969.

2 1977/78.

3 Data from the 2nd European social budget.

Source : SESPROS, EUROSTAT, excluding Greece and Spain where national definitions apply.

VIII. - Social protection (continued)

Year	BE	DK	DE	EL	ESP	F	IRL	IT	LUX	NL	PORT	UK	EUR - 12
<u>1984</u>						<u>1983</u>		<u>1983</u>	<u>1983</u>	<u>1983</u>	<u>1982</u>		
- Sickness	21,4	21,6	27,3	.	.	24,9	28,6	22,5	23,7	25,6	25,9	20,5	.
- Invalidity, employment injuries	12,2	8,9	13,3	.	.	8,6	7,2	21,3	18,3	18,5	18,2	10,0	.
- Old age, survivors	40,2	35,4	42,6	.	.	40,8	32,1	45,1	45,0	31,5	38,7	43,1	.
- Maternity, family	11,0	10,1	6,9	.	.	11,3	12,4	7,6	9,5	8,4	8,2	11,8	.
- Unemployment, vocational training, placement	13,7	16,8	6,6	.	.	10,4	13,8	3,3	3,4	12,7	2,5	9,9	.
- Other	1,5	7,2	3,3	.	.	4,0	5,9	0,2	0,1	3,2	6,5	4,7	.
	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
3. Receipts according to nature (%)													
<u>1970</u>								<u>1</u>					
- Employers' contributions	51,0	10,9	47,1	.	.	59,2	21,2	54,9	36,0	43,3	.	36,6	.
- Contributions from protected persons	21,2	6,3	24,2	.	.	18,9	12,0	15,4	24,9	35,8	.	20,5	.
- Contributions from public funds	23,5	78,0	23,7	.	.	18,6	66,0	23,3	30,3	12,5	.	34,2	.
- Other	4,3	4,8	5,0	.	.	3,3	0,8	6,4	8,8	8,4	.	8,7	.
	100,0	100,0	100,0	.	.	100,0	100,0	100,0	100,0	100,0	.	100,0	.
<u>1984</u>						<u>1983</u>		<u>1983</u>	<u>1983</u>	<u>1983</u>	<u>1982</u>		
- Employers' contributions	41,4	10,0	40,5	.	.	52,8	21,7	53,3	33,1	32,0	54,0	30,8	.
- Contributions from protected persons	19,7	3,8	29,8	.	.	23,6	13,2	13,9	25,5	36,3	19,0	16,8	.
- Contributions from public funds	33,8	77,2	26,3	.	.	20,5	64,2	30,6	32,8	18,3	25,0	42,6	.
- Other	5,1	9,0	3,4	.	.	3,1	0,9	2,2	8,5	13,4	2,0	9,8	.
	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

1 Data from the 2nd European social budget.

Source : SESPROS, EUROSTAT.